



Culver CITY

PATIO MEETING ROOM
9770 CULVER BOULEVARD
CULVER CITY, CALIFORNIA 90232-0507
CITY HALL Tel. (310) 253-6000
FAX (310) 253-6010

GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice-Chair
MAURICIO BLANCO, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
STEVEN REITZFELD, Member
JOE SUSCA, Member
DAVID TROVATO, Member

FINANCE ADVISORY COMMITTEE Wednesday, April 8, 2015

PUBLIC COMMENT

The Finance Advisory Committee will listen to the public on any item on the agenda or item of interest that is not on the agenda. The Finance Advisory Committee cannot take action on any item not scheduled on the agenda. Such items may be referred for administrative action or scheduled on a future agenda.

If you wish to speak to the Committee, please complete a Speaker's Card and present it to the staff liaison before the agenda item is called. You will be called by name when it is your turn to speak to the Committee.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Persons wishing to speak on agenda items will be called at the time the agenda item is brought forward. Comments will generally be limited to five minutes per speaker; however, a three-minute limit may be declared by the Chair for agenda items for which many Speaker Cards have been submitted.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

A total of twenty minutes shall be devoted to audience participation at the beginning of the agenda. Speakers will be called on in the order cards were received by City staff. If additional time is needed, the committee chair will allow for same at the end of the agenda.

When your name is called, please stand and state your name and city of residence. Speakers must limit their comments to five minutes. A three-minute limit may be declared by the Chair if there are a large number of individuals desiring to address the Council.

AUTHORITY OF PRESIDING OFFICER

Section 611 of the City Charter provides that during any public meeting, all persons shall have the right to address the City Council, and any City commission, board or committee, subject to reasonable rules of decorum and time limits established by ordinance or the presiding officer. Therefore the presiding officer may, from time to time, establish different time limits than those listed in this Agenda in order to effectively conduct Committee business.

CELL PHONES AND OTHER DISTRACTIONS

Use of cell phones, pagers, and other communication devices is prohibited while the Committee meeting is in session. Please turn all devices off or place on silent alert and leave the meeting area to use. During the meeting, please refrain from applause or other actions that may be disruptive to the speakers or the conduct of City business.

MEETING INFORMATION

Finance Advisory Committee Meetings are regularly scheduled for the second Wednesday of every month. Committee Agenda information is available at least 72 hours before each meeting via posting at City Hall, and on the City website. Information may also be accessed by calling the Finance Department at (310) 253-5865.



Agendas are
Available on the web at
www.culvercity.org

Finance Advisory Committee REGULAR MEETING AGENDA

Wednesday, April 8, 2015
7:00 PM

Patio Meeting Room

CALL TO ORDER & ROLL CALL:

Goran Eriksson, Chair
Mauricio Blanco, Member
Sean Kearney, Member
Steven Reitzfeld, Member
David Trovato, Member

Crystal Alexander, Vice-Chair
Richard Hibbs, Member
Alejandro Lara, Member
Joe Susca, Member

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT – Items Not on the Agenda

CONSENT CALENDAR (*Consent Calendar items are considered to be routine in nature and may be approved by one motion. Public requests to discuss Consent Calendar items must be filed with the Secretary before the Consent Calendar is called.*)

C-1. Minutes of the March 11, 2015 Regular Meeting.

ACTION ITEMS (*Public requests to discuss Action Items must be filed with the Secretary before the item is called*)

- A-1.** Invitation to Commissions, Committees and Boards to Provide Comment during the City's Fiscal Year 2015/2016 Budget Process
- A-2.** Receive Report from the Special Event Sponsorship Policy Review Ad Hoc Subcommittee
- A-3.** Discussion of Benchmarking Study & Project Timeline

ITEMS FROM STAFF

- S-1.** Receive Report from the CFO on the Status of Housing Programs Provided by the City
- S-2.** Discussion of May Agenda

ITEMS FROM COMMITTEE MEMBERS

ADJOURN

THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED BY THE
CULVER CITY FINANCE ADVISORY COMMITTEE

REGULAR MEETING OF THE
CULVER CITY FINANCE
ADVISORY COMMITTEE
CULVER CITY, CALIFORNIA

March 11, 2015
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Eriksson called the meeting of the Finance Advisory Committee to order at 7:00 p.m. in the Patio Meeting Room.

Members Present:

GORAN ERIKSSON, Chair
CRYSTAL ALEXANDER, Vice Chair
MAURICIO BLANCO, Member
RICHARD HIBBS, Member
SEAN KEARNEY, Member
ALEJANDRO LARA, Member
STEVEN REITZFELD, Member
JOE SUSCA, Member
DAVID TROVATO, Member

Staff Present:

Jeff Muir, Chief Financial Officer
Erica McAdoo, Senior Budget Management Analyst

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Pledge of Allegiance

Steven Reitzfeld led the Pledge of Allegiance.

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Public Comment for Items NOT On the Agenda

Chair Eriksson invited public comment.

No cards were received and no speakers came forward.

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Consent Calendar

Item C-1

Meeting Minutes

**THE FAC PASSED A MOTION APPROVING THE MINUTES FOR THE
REGULAR MEETING OF FEBRUARY 11, 2015.**

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Action Items

Item A-1

Approval of Measure Y Report for Transmittal to City Council

Jeff Muir, Chief Financial Officer, provided a summary of the material of record.

**THE FAC PASSED A MOTION APPROVING THE MEASURE Y REPORT FOR
TRANSMITTAL TO THE CITY COUNCIL.**

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Item A-2

**Invitation to Commissions, Committees and Boards to Provide Comment
during the City's Fiscal Year 2015/2016 Budget Process**

Jeff Muir, Chief Financial Officer, provided a summary of the material of record.

Discussions ensued between staff and Committee Members regarding presentations to the City Council; coordination between Committee Members to ensure that a representative is present at each meeting; insight into priorities of each department; the deadline for input; involvement of the Committee in the review process; setting the framework for the processes; logistics; practicality; resources utilized by the Committee; fluctuations in work required for the Committee; and a suggestion to bring ideas back to the next meeting.

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Item A-3

Receive Report from the Special Event Sponsorship Policy Review Ad Hoc Subcommittee

Member Hibbs reported that the Special Event Sponsorship Policy Review ad hoc subcommittee had met twice and had discussed event sponsorships; the banner policy; a recent Supreme Court case on city banner policies; items to be included in the policy; the policy of Newport Beach; input from Jeremy Green; history of the City's policy; addressing past issues with the policy; the process; progress; and the time frame for completion.

Discussion ensued between staff and Committee Members regarding the lawsuit regarding signs in the public right of way in Arizona and involvement of the City Attorney.

The discussion was continued to the next meeting on April 8, 2015.

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Item A-4

Discussion of Benchmarking Study & Project Timeline

Erica McAdoo, Senior Budget Management Analyst, thanked everyone for their data submission and provided an overview of subcommittee benchmark recommendations.

Discussion ensued between staff and Committee Members regarding preferred cities; the 8 cities being considered; condensing data; the analytical process; included data; format of the tables; information from the State Controller's Report; those cities without a police department or senior center; expenditure data; side by side data; verification of data; consistency of information; recommended next steps; use of Dropbox; securing information; Brown Act issues; box.com vs. dropbox.com; timeline for the project; splitting up chapters; assignment of chapters to the subcommittees; the master data sheet; sources of information; elimination of cities with questionable data; definitions; setting the baseline with Culver City data; using the proper vernacular; validating data points; and compiling questions before the next meeting for inclusion in the agenda packet.

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Items from Staff

Item S-1

Discussion of April Agenda

Jeff Muir, Chief Financial Officer, discussed upcoming agenda items for the April meeting noting that item A-2 would be back on the agenda in April.

Discussion ensued between staff and Members regarding scheduling an additional update from the Events subcommittee; the Revenue subcommittee; the Benchmarking subcommittee; and adding consideration of sponsorships to the Work Plan.

Erica McAdoo, Senior Budget Management Analyst, discussed upgrades to the Open Data Portal noting that it would be live as of March 16, 2015.

Discussion ensued between staff and Committee Members regarding links; location of the information; open expenditures; cash disbursement information; spending trends over time; redacted items; budget input boxes; the former redevelopment agency; debt service payments; availability of the City's balance sheet; Culver City's Opengov transparency site; conversion of assets; GFOA Distinguished Budget Presentation Awards received by the Finance Department; proceeds from movie theatre sale; City assets; and Measure Y reports.

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Items from Committee Members

Discussion ensued between Committee Members regarding billboards in the City; concern with the City receiving 10% of the proceeds from the billboards; status of the project; the visioning process; and an upcoming public workshop.

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Adjournment

There being no further business, at 8:13 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, April 8, 2015 at 7:00 p.m. in the Patio Meeting Room.

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SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED

Goran Eriksson
CHAIR of the Finance Advisory Committee, Culver City, California

I declare under penalty of perjury under the laws of the State of California that, on the date below written, these minutes were filed in the Office of the City Clerk, Culver City, California and constitute the Official Minutes of said meeting.

Martin R. Cole
CITY CLERK

Date

City of Culver City, California
Finance Advisory Committee Agenda Item Report

Meeting Date: 04/08/2015		Item Number: <u>A-1</u>
AGENDA ITEM: Invitation to Commissions, Committees, and Board to Provide Comment during the City’s Fiscal Year 2015/2016 Budget Process.		
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865	
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (04/01/15)		
Department Approval: Jeff Muir (04/01/15)		

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee (FAC) receive the invitation from the City Council to provide comments during the City's Fiscal Year 2015/2016 Budget Process.

BACKGROUND AND DISCUSSION:

As of the 2014/2015 Fiscal Year, the City Council has created an enhanced budget process. This process provides additional opportunities for the public to provide input into the budget document. Continuing this process into the upcoming budget cycle, the City Council has specifically invited members of the City's Commissions, Committees, and Boards to provide comments during the City's Fiscal Year 2015/2016 Budget Process.

Attached is the Budget Calendar for this fiscal year. Members of the City's Commissions, Committees and Board are welcome to attend any and all of the public meetings of the City Council at which the budget will be reviewed and ultimately considered for adoption by the City Council.

As the City Manager's Proposed Budget for Fiscal Year 2015/2016 is created, Members of the City's Commissions, Committees, and Board are welcome to provide comments on the proposals. As the process moves forward, you may transmit any comments on the budget to the staff supporting your body.

ATTACHMENTS:

Budget Calendar – Fiscal Year 2015/2016

MOTIONS:

That the Finance Advisory Committee:

Acknowledge the invitation from the City Council to provide comments during the City's Fiscal Year 2015/2016 Budget Process and receive and file this report.

MEETING DATE: 04/08/2015

AGENDA ITEM: A-1 – Invitation to Commissions, Committees and Boards to Provide
Comment during the City's Fiscal Year 2015/2016 Budget Process

ATTACHMENTS

	<u>Pages</u>
1. Fiscal Year 2015/2016 Budget Calendar	10 - 11

Culver CITY
Budget Calendar
Fiscal Year 2015 - 16

OB=Operating Budget

CIP=Capital Improvement Program

BUDGET	DUE DATE	PARTICIPANTS	TASK/ACTIVITY
OB/CIP	11/24/2014	Budget & Finance	Preliminary General Fund Year-End Report on FY13-14
OB/CIP/SA	Week of 1/19/2015	Budget & Finance	Mid-Year Budget Review Process Kick-Off
OB/CIP	2/9/2015	Budget & Finance	Print Public Notice (for 2/23/2015)
OB/CIP/SA	Week of 2/9/2015	City Manager/ Executive Management/ Budget & Finance	Mid-Year Review Departmental Meetings with City Manager (if needed)
OB/CIP/SA	2/23/2015	City Council/ City Manager / Budget & Finance / Executive Management	City Council Presentation - Presentation of Mid-Year Results - Projection for year-end and Updated 5-Year Forecast - Pre-Proposed Budget Public Comment Period
OB/CIP/SA	2/2 - 4/8/2015	Commissions / Boards / Committees	Commissions, Boards & Committee Discussion on Budget/Work Plan Recommendations
OB/CIP	3/9/2015, 3/10/2015, 3/23/2015	City Council/ City Manager / Budget & Finance / Executive Management	- Department Presentations & Discussions of FY14-15 Work Plan Status Updates & Proposed FY15-16 Work Plans - Department Presentations & Discussions of Grant Funding Utilization and Opportunities - City Council Input on Work Plans & Priorities and Grant Funds
OB/CIP/SA	3/9/2015	Budget & Finance	Public Notification of Budget Input Box
OB/CIP/SA	3/24/2015	Budget & Finance / Executive Management	Budget Kickoff - Distribute work packets/guidelines, and other materials - Distribute Capital Project Forms - Presentation on Budget Preparation
OB/CIP/SA	4/8/2015	Commissions / Boards / Committees	Commission, Boards & Committees Recommendations Due to Applicable Department Director and City Manager
OB/CIP	4/13/2015	Executive Management	Budget Materials Due from Departments - Departments Submit Proposed Budget - Departments Submit Proposed Capital Improvement Projects

Culver CITY
Budget Calendar
Fiscal Year 2015 - 16

OB=Operating Budget

CIP=Capital Improvement Program

BUDGET	DUE DATE	PARTICIPANTS	TASK/ACTIVITY
OB/CIP/SA	4/14 - 4/24/2015	City Manager/ Executive Management/ Budget & Finance	Departments meet with City Manager (as necessary)
OB/CIP	4/27/2015	Budget & Finance	Print Public Notice (for 5/11/2015)
OB/CIP/SA	4/27- 5/6/2015	Budget & Finance	Prepare and assemble 2015-16 Proposed Budget and Related Documents / Prepare Gann Limit / Prepare "Budget at a Glance"
OB/CIP/SA	Week of 5/4/2015	Information Technology Dept. - Graphic Services	Print Proposed Budget Documents
OB/CIP/SA	5/11/2015	City Council/City Manager/Budget & Finance	Presentation of Proposed Budget / Public Comment
OB/CIP/SA	5/26/2015 & 6/8/2015 (Tentative)	City Council/City Manager/Budget & Finance/Executive Management	Departmental Presentations to City Council
OB/CIP	5/26/2015	Budget & Finance	Print Public Notice (for 6/8/2015)
OB/CIP	6/8/2015	City Council	2nd Public Comment Period on Proposed Budget
OB/CIP	6/8/2015	Budget & Finance	Print Public Notice (for 6/22/2015)
OB/CIP/SA	6/22/2015	City Council/City Manager/Budget & Finance	Final budget Public Hearing / Budget Adoption - Adopt 15-16 Budget and Prop 4 Gann Limit - Adopt 15-16 Capital Budget
OB/CIP/SA	7/1/2015	Budget & Finance	Implement Adopted 2015-16 Budget
OB/CIP/SA	July / August 2015	Budget & Finance	Update budget book to reflect City Council decisions and update final 2014-15 accomplishments
OB/CIP/SA	July / August 2015	IT/Graphic Services	Print Adopted Budget Document
OB/CIP/SA	July / August 2015	Budget & Finance	Post Adopted Budget on City Website

City of Culver City, California
Finance Advisory Committee Agenda Item Report

Meeting Date: 04/08/2015		Item Number: <u>A-3</u>
AGENDA ITEM: Discussion of Budget Benchmarking Study.		
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865	
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (04/01/15)		
Department Approval: Jeff Muir (04/01/15)		

RECOMMENDATION:

Staff recommends that the FAC continue its discussion and recommendation on the Budget Benchmarking Study.

DISCUSSION:

Item 3 of the FAC Work Plan is to ‘Undertake a Budget Benchmarking Project to compare where and how Culver City spends and receives money to selected similar communities. Analyze possibilities for alternative service delivery methods.’

Discussion of this Work Plan Item is being continued from the March 11th FAC Meeting. The FAC has reviewed municipalities throughout the State of California and has narrowed the scope of cities for comparative analysis from 478 to 23 cities. During the March meeting, the FAC divided research between its three ad hoc Benchmark Review Subcommittees and staff.

The FAC will continue its review of data points and statistics from each city’s budgets, State Controller’s Office Reports and other Benchmarking surveys. Subcommittees will present findings and questions from research and aggregate with data compiled by staff. The FAC will further review and update the Benchmarking Study Project Plan to determine next steps for project.

ATTACHMENTS:

- Budget Benchmark Project Study Plan - DRAFT

MEETING DATE: 04/08/2015

AGENDA ITEM: A-3 – Discussion of Budget Benchmarking Study.

ATTACHMENTS

	<u>Pages</u>
1. Budget Benchmark Project Study Plan - DRAFT	14

Finance Advisory Committee **Draft Budget Benchmarking Study Project Plan**

	8/13/2014	9/10/2014	10/8/2014	11/12/2014	12/10/2014	1/14/2015	2/11/2015	3/11/2015	4/8/2015	5/13/2015	6/10/2015	7/8/2015	8/12/2015
I. PLANNING													
Initial Meeting													
Establish Benchmarking Subcommittees													
Research Benchmarking Templates/Best Practices													
II. DATA COLLECTION													
Develop List of Comparative Cities and Parameters for Study													
Identify Datapoints to be Collected for Study													
Research City Data, Compile and Review Data Collected													
Review Comparative Cities for Outliers & Edit List of Cities for Inclusion in Study													
III. ANALYSIS													
Prepare Illustrations, Tables & Figures from Data													
Analyze Variances between Cities													
Conduct Additional Research (if needed)													
IV. REPORT FINDINGS/RECOMMENDATIONS													
Draft Final Report													
Proof/Revise Final Report													
Present Benchmarking Study Report to City Council													

City of Culver City, California
Finance Advisory Committee Agenda Item Report

Meeting Date: 04/08/2015		Item Number: <u>S-1</u>
AGENDA ITEM: Receive Report from the Chief Financial Officer on the Status of Housing Programs Provided by the City.		
Contact Person/Dept.: Jeff S. Muir/Finance	Phone Number: 310/253-5865	
Public Notification: (E-Mail) Meetings and Agendas – Finance Advisory Committee (04/02/15)		
Department Approval: Jeff Muir (04/02/15)		

RECOMMENDATION:

Staff recommends that the Finance Advisory Committee (FAC) receive an update from the CFO on the City Council's discussion and decision on City Housing Programs.

DISCUSSION:

The Chief Financial Officer is presenting this item to provide an update to the FAC the status of its recommendation to the City Council on the Rental Assistance Program.

As part of the FAC Work Plan, the Council requested the Committee review the current Rental Assistance Program that was formerly funded by the Redevelopment Agency, possible funding options to continue the program, and at what cost to other programs or functions continuing the program might come. The FAC established an ad hoc subcommittee which analyzed the program and provided its recommendation to the Committee at large. At the November 13, 2013 meeting of the Finance Advisory Committee, the following actions were taken with regards to the City's Housing Programs:

- The FAC passed a motion that the Financial Advisory Committee determined that it does not make financial sense that the General Fund support the Rental Assistance Program.
- The FAC passed a motion that the Financial Advisory Committee support the continuation of the Homeless Voucher Program with an examination of alternative funding sources.

At the March 23, 2015 City Council Meeting, the Council discussed the projected funding shortfall for housing programs provided by the City/Housing Authority. The City Council approved continued funding for the homeless services contract, currently provided by the St. Joseph's Center. The homeless rental assistance program with the Upward Bound House was also approved for continued funding.

City of Culver City, California
Finance Advisory Committee Agenda Item Report

The Council approved a phase out, over an indefinite period, of the Rental Assistance Program while closing the list to any additional participants; and directed staff to consider alternative future funding sources to support homeless outreach and homeless rental programs, including, but not limited to:

- o Local Housing Impact Fees (Linkage Fees)
- o Mixed Use Development Affordable Housing Incentive Areas (AHIA)
- o Small Lot Zoning Areas
- o State and Federal Funding Sources
- o Cost Sharing with RAP Recipients

The authorization of the Council to continue the Housing programs is estimated at \$1.2 million for the 2015/16 fiscal year for administrative and programmatic costs. Per Council approval, the Rental Assistance Program is to be funded from City General Funds when Housing Authority funds run out, which is expected to happen early in FY 2015/16.

ATTACHMENTS:

- FAC Meeting Minutes for November 13, 2013
- March 23, 2015 – Joint City Council/Culver City Housing Authority, Agenda Item (J-1) Staff Report
- March 23, 2015 – City of Culver City, City Council Meeting in a Minute

MOTION:

That the Finance Advisory Committee:

Receive report from the Chief Financial Officer.

MEETING DATE: 04/08/2015

AGENDA ITEM: S-1 – Receive Report from the Chief Financial Officer on the Status of Housing Programs Provided by the City.

ATTACHMENTS

	<u>Pages</u>
1. FAC Meeting Minutes for November 13, 2013	18 ĩ 22
2. March 23, 2015 - Joint City Council/Culver City Housing Authority, Agenda Item (J-1) Staff Report	23 – 38
3. March 23, 2015 – City of Culver City, City Council Meeting in a Minute	39 ĩ 40

REGULAR MEETING OF THE
CULVER CITY FINANCE
ADVISORY COMMITTEE
CULVER CITY, CALIFORNIA

November 13, 2013
7:00 p.m.

CALL TO ORDER & ROLL CALL

Chair Eriksson called the meeting of the Finance Advisory Committee to order at 7:02 p.m. in the Dan Patacchia Meeting Room.

Members Present: **GORAN ERIKSSON**, Chair
 CRYSTAL ALEXANDER, Vice Chair
 ALLAN AZRAN, Member
 DESMOND BURNS, Member
 RICHARD HIBBS, Member
 SEAN KEARNEY, Member
 ALEJANDRO LARA, Member
 STEVEN REITZFELD, Member

Absent: **DAVID TROVATO**, Member

Staff Present: **Jeff Muir**, Chief Financial Officer
 Gracie Hasan, Secretary

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Pledge of Allegiance

The Pledge of Allegiance was led by Vice Chair Alexander.

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Public Comment for Items NOT On the Agenda

Chair Eriksson invited public comment.

No cards were received and no speakers came forward.

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Consent Calendar

Item C-1

Meeting Minutes

**THE FAC PASSED A MOTION APPROVING THE MINUTES FOR THE
REGULAR MEETING OF OCTOBER 9, 2013 (ABSENT MEMBER TROVATO).**

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Action Items

Item A-1

Updates from the Finance Advisory Committee Ad Hoc Subcommittees

Vice Chair Alexander distributed notes that she had made from the budget meeting and summarized them; discussed a webinar that she took on OpenGov; a cloud based system to map data from the City's financial system; marketing; creating a hyperlink to the adopted budget document; creating a budget in brief; financial policies; the City reserve policy; updates; crossover between subcommittees; and the survey on the City website.

Discussion ensued between Members and staff regarding posting information on the website; tracking which documents the public is most interested in; archiving older reports; navigation on the finance webpage; posting questions on the website; the process for developing the City budget; Commission input into the budget; practices of other cities; and the ongoing nature of the budget.

Jeff Muir, Chief Financial Officer, reported meeting with the City Manager regarding suggestions for a revised City budget process; he discussed the General Fund report and Year End Wrap Up; OpenGov; transparency; scheduling; the mid-year review; department and Commission involvement; the process; and input points.

Additional discussion ensued between staff and Members regarding actionable items; setting standards on timeframes; reserve policies; posting the audit for Fiscal Year 11-12 on the Internet; the Budget Monitoring Report for 2012-2013; keeping reports current; and archiving old reports.

Action Items (Continued)

Item A-1

Member Reitzfeld provided an update on the meeting of Rental Assistance Program (RAP) subcommittee; discussed program costs; the five-year limit; the amount paid for by the City; Federal programs; addressing the disabled and elderly population; and the Emergency Hotel Voucher Program.

Discussion ensued between Members and staff regarding Section 8 housing; the General Fund; vouchers; average subsidies; staffing costs; covenant monitoring; City monitoring vs. County monitoring; local control; the Saint Joseph Center contract; the homeless population in Culver City; outreach and usage; the voucher program; the Red Cross; repercussions of discontinuing the RAP; subsidies vs. funding; the five-year program; redevelopment money; financial commitments; length of time to phase out the program; remaining funds; clean up bills for the dissolution of redevelopment; whether the General Fund should pay for the program; direct costs and indirect costs; making sure that residents are aware of other types of assistance; evaluating services received by residents; criteria for determining levels of assistance; and City Council direction.

THE FAC PASSED A MOTION THAT THE FINANCIAL ADVISORY COMMITTEE HAS DETERMINED THAT IT DOES NOT MAKE FINANCIAL SENSE THAT THE GENERAL FUND SUPPORT THE RENTAL ASSISTANCE PROGRAM, WITH MEMBER HIBBS ABSTAINING (ABSENT MEMBER TROVATO).

Further discussion ensued between Members and staff regarding the voucher program; addressing emergency situations; the Saint Joseph program; Community Development Block Grant funds; funding sources; efforts to address the homeless issue; mental illness in the homeless population; resistance to assistance; and tracking by the Saint Joseph program.

THE FAC PASSED A MOTION THAT THE FINANCIAL ADVISORY COMMITTEE SUPPORT THE CONTINUATION OF THE VOUCHER PROGRAM WITH AN EXAMINATION OF ALTERNATIVE FUNDING SOURCES (ABSENT MEMBER TROVATO).

Discussion ensued between Members and staff regarding the Communication Strategy and Measure Y Reporting Methodology subcommittee; information for Measure Y on the City website; practices of other cities that had a tax increase; reporting methods and timeframe; the amount of Measure Y money coming from residents vs. non-residents; the website re-design; how to present results off-line; the re-design of the City website; frequency of payment and reporting; and businesses that have not reported.

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Items from Staff

Item S-1

2013 Second Quarter Measure Y Information

Jeff Muir, Chief Financial Officer, provided an update and distributed reports to Board Members that he summarized, noting the confidentiality of the information.

Discussion ensued between staff and Members regarding the budget for Fiscal Year 2013-2014; projections; Measure Y top collectors vs. top sales tax collectors; types of Measure Y businesses; confidentiality issues; the need for additional data; transaction tax vs. sales use tax; Geo Area reports; and other types of reports.

THE FAC PASSED A MOTION THAT THE FINANCIAL ADVISORY COMMITTEE RECEIVE AND FILE THE REPORT (ABSENT MEMBER TROVATO).

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Item S-2

Staff Presentation on Web Financial/Budget Transparency Tools

Jeff Muir, Chief Financial Officer, provided a presentation on OpenGov.

Discussion ensued between staff and Members regarding salaries for other cities; the Grand Jury Reports; options for downloading the data; the ability to isolate data; revenue vs. expenditures; updates; historical data; comparisons; marketing the data to the public; internal feedback; the ability to add comments; soliciting feedback from the public; Next10.org; the California Budget Challenge; making priority decisions; previous budgets; city challenges; comparable cities; participation; and OpenGov.

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Item S-3

Discussion of December Agenda

Discussion ensued between staff and Members regarding the storm water issue; the Culver City share of the overall watershed; the consulting firm; and subcommittee reports.

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Items from Committee Members

Vice Chair Alexander discussed an article in the newspaper regarding Cerritos and their redevelopment money.

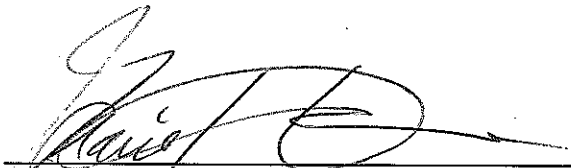
Discussion ensued between Members and staff regarding the State Controller audit; the Department of Finance; protective measures taken; shifted assets; the possibility of a bond to pay off the state; side settlement discussions; and the order to return \$22 million to the Successor Agency.

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Adjournment

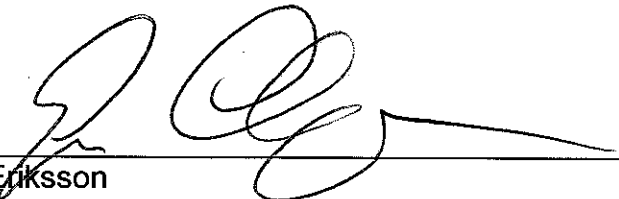
There being no further business, at 9:11 p.m., the Finance Advisory Committee adjourned its meeting to Wednesday, December 11, 2013 at 7:00 p.m. in the Dan Patacchia Meeting Room.

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Gracie Hasan
SECRETARY of the Culver City Finance Advisory Committee
Culver City, California

APPROVED



Goran Eriksson
CHAIR of the Finance Advisory Committee, Culver City, California

**City of Culver City, California
Agenda Item Report**

Meeting Date: <u>03/23/2015</u>		Item Number: <u>J-1</u>	
JOINT CITY COUNCIL/CULVER CITY HOUSING AUTHORITY AGENDA ITEM: (1) Discussion of the Projected Funding Shortfall for Housing Programs Provided by the City and (2) Provide Direction to the City Manager/Executive Director as Deemed Appropriate.			
Contact Person/Department Tevis Barnes, Sol Blumenfeld		Phone Number: 310-253-5700	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification:			
Department Approval: Sol Blumenfeld (03/19/15)		City/Authority Special Counsel Approval: Deborah Rhodes (03/19/15)	
Chief Financial Officer Approval: Jeff Muir(03/19/15)		City Manager/Executive Director Approval: John M. Nachbar (03/19/15)	

RECOMMENDATION:

Staff recommends the City Council and Culver City Housing Authority Board (Housing Authority Board) consider additional information regarding the projected shortfall for housing programs provided by the City and direct the City Manager/Executive Director as deemed appropriate.

BACKGROUND:

At the Regular Meetings of September 22, 2014, the City Council and Housing Authority Board discussed the projected funding shortfall for housing programs provided by the City and Housing Authority (in this report, unless the context provides for a different interpretation, the two will be referred to collectively as "City"). After considering a report from staff and receiving public comment, the City Council/Housing Authority Board provided general direction to the City Manager/Executive Director to review this issue in more detail and to return to the City Council/Housing Authority Board with other options and additional information. This staff report has been prepared in accordance with that direction of the City Council/Housing Authority Board.

DISCUSSION:

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Based upon the public comment received at the September 22, 2014 meetings, it is clear that certain housing related programs offered by the City provide basic support to a number of Culver City residents. In some cases, in lieu of support offered by the Federal or State governments, the City's housing programs provide a safety net to those of very low and low income. Without such support, those residents could face severe hardship, including the potential of becoming homeless. It is with this understanding that staff has further reviewed the City's housing programs.

Brief History of Culver City's Local Housing Programs

Culver City's Housing Programs have traditionally been funded from two major sources: The Federal Section 8 Housing Choice Voucher Program (commonly known as "Section 8") and the former Culver City Redevelopment Agency's (former CCRA) Low-Moderate Housing Fund (also known as the "Housing Set-Aside Fund"). The Federal Section 8 program was created pursuant to the Housing and Community Development Act of 1974. The former CCRA was formed in 1971.

Culver City has participated in the Federal Section 8 Program since 1975. In 1990, the former CCRA Board approved the first Agency-funded Supplemental Rental Assistance Program. The former CCRA program was a supplement to the Federal Section 8 Program. At the time of its creation, the former CCRA program was at a cost of \$220,000 from the Low-Moderate Housing Fund and was to assist up to 40 households.

Other Westside Cities' Practices

To provide a general comparison with the practices of other cities, staff also reviewed the practices of other Westside cities and of the City's labor market comparable cities. Culver City is the only city (of the 15 labor market cities) to provide a locally funded Rental Assistance Program (and Homeless Rental Assistance Program). The City pursued implementing housing programs in lieu of constructing affordable housing units. In 2008, the City and former RDA approved a Comprehensive Housing Strategy to allocate Low Moderate Income Housing Funds to construct affordable housing on smaller, scatter site mixed income projects and commence implementing it. (See discussion below).

Culver City's Housing Programs

As referenced in the September 22, 2014 staff report, Culver City currently provides the following Housing Programs (in order of funding):

Direct Assistance Programs – The following programs provide direct payments or other direct assistance to homeless and/or low income residents.

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- **Section 8 Program:** This Federally funded program provides rental assistance payments to qualified low-income residents. For Fiscal Year 2014/2015, the budgeted funding is \$1.8 million and allows assistance for approximately 139 households.
- **Rental Assistance Program:** This locally funded program supplements the Federal Section 8 Program. For Fiscal Year 2014/2015, the budgeted funding is \$648,290 and allows assistance for an additional 57 households.
- **Homeless Rental Assistance Program:** This locally funded program was created in Fiscal Year 2013/2014 to support families transitioning from Upward Bound House's Emergency Family Shelter Program. For Fiscal Year 2014/2015, the budgeted funding is \$150,000 and allows assistance for formerly homeless families.
- **Homeless Outreach Program:** This locally funded program is administered via a contract with Saint Joseph's Center and assists homeless persons in Culver City through providing referrals to services provided by other governmental and non-governmental agencies, emergency hotel/motel vouchers, and bus tokens. For Fiscal Year 2014/2015, the budgeted funding is \$128,191.

Note: On December 8, 2014, the Housing Authority Board approved a contract with Upward Bound House to "perform case management and homeless outreach to Culver City homeless families in an amount not-to-exceed \$130,000 for Calendar Year (CY) 2015."

Indirect Assistance Programs – The following programs provide support or monitoring of low income housing units and support to the City's Landlord/Tenant Mediation Board and Committee on Homelessness.

- **Implementation of the Comprehensive Housing Strategy (Including Development of the Globe Site):** In 2008, the City Council and former CCRA Board approved a Comprehensive Housing Strategy (CHS) to expend Low-Moderate Income Housing Funds (both the existing balance and funds to be repaid in the future from the former CCRA's unrestricted tax increment funds). The CHS includes Tilden Terrace, Culver Villas and the development of 10 affordable ownership townhomes on Globe Avenue. With the dissolution of redevelopment agencies, those funds are no longer available, although the Housing Authority took title to the Globe Avenue property, which can be used for the project.
- **Covenant Monitoring:** Since 1990, 469 affordable housing units, 81 mobile home units, and 70 Mortgage Assistance Program units have been placed in the City's low/moderate income housing stock using funding from the former CCRA's Low-Moderate Income Housing Fund. The income and rent restrictive covenants are monitored throughout the fiscal year. The covenants run for up to 55 years and apply to all new affordable housing units sponsored directly by the Housing Authority or privately developed affordable housing supported by density bonus incentives.

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- **Real Property Management:** The Housing Authority owns and manages (via a contract with Harris Property Management) 9 units of affordable housing on Jackson Avenue. Additionally, staff monitors the lease agreement with Homeownership Made Easy for Authority-owned property.
- **Staff Support to the Landlord/Tenant Mediation Board and Committee on Homelessness:** Housing Division provides staff support to these two City Council appointed bodies.
- **Fair Housing Referrals:** Provides referrals to the Housing Rights Center.
- **Annual Single Audit:** Housing Division staff works cooperatively with Finance Department staff to address the annual single audit of the Federal Funds administered by the Housing Authority.

Current State of Available Funding

The Housing Division of the Community Development Department is comprised of two distinct sources of funding. The Housing Division manages the Section 8 rental assistance program (federally funded and accounted for in a separate fund), and the Culver City Housing Authority which basically includes the activities of the former Low/Moderate Income Housing Fund (LMIHF) such as the locally-funded Rental Assistance Program, homeless services/homeless rental assistance, and a contract for administration of the mortgage assistance program. The Section 8 program does have ongoing revenue associated with it, although administration dollars are very limited. All other administrative expenses for the Housing Division are paid with the remaining balance from the housing assets that transferred from the former CCRA to the Housing Authority.

Federal Funding: In Fiscal Year 2014/2015, the Housing Authority has budgeted \$1.8 million in revenues for the Section 8 Program. While the shift of the majority in the United States Senate would seem to decrease chances of any significant increase in funding received for this program, staff does not anticipate any significant reductions in funding for or an outright repeal of the Housing and Community Development Act of 1974.

Fund Balance of Remaining Former CCRA Housing Funds: The City Council Adopted Budget for Fiscal Year 2014/2015 includes the following forecasts for housing program related funds:

	Section 8 Housing Fund	Housing Authority (Former LMIHF)
Beginning Cash Balance	1,580,697	1,770,466
Revenues	1,827,220	56,900
Expenditures	1,987,423	1,483,659
Ending Cash Balance	1,420,494	343,707*
*This estimated Ending Cash Balance represents approximately 3 months of operating expenditures.		

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Historically, the management and operation of the Section 8 Program (Org 42650510) has been significantly subsidized by the LMIHF, to the extent there was overlap with former CCRA housing programs. The amount available for administration from the Section 8 Program would fund 1.5 FTE staff members to handle all Section 8 activities (please see the City Council Adopted Budget for Fiscal Year 2014/2015 - Page 309). Currently, one Housing Assistant and 0.5 of the Administrative Secretary positions are paid from the Section 8 Fund. All other staffing costs are paid through a reimbursement of the General Fund from the Housing Authority. The City does not allocate overhead costs to the Housing Programs, which means the General Fund also subsidizes the Housing Programs indirectly).

As referenced at the September 22, 2014 meetings, barring a major change in Federal policy, Federal funding for the Section 8 Program is forecast to remain stable in future fiscal years. With respect to State policy, with few exceptions (as discussed later in this report), despite the City Council's efforts to inform the City's elected representatives in the State Assembly and State Senate, currently there seems little interest in Sacramento to provide a replacement for the local funding lost when the State dissolved redevelopment agencies statewide in February, 2012.

Repayment of Loans from the LMIHF

Pursuant to various pieces of State Legislation, the former CCRA deferred deposits into the LMIHF in certain years and borrowed funds from the LMIHF to pay the State millions of dollars in Educational Revenue Augmentation Funds (ERAF) – in essence, a State grab of money from former redevelopment agencies used to balance the State of California's budget in prior years). Such State Legislation included the provision for repayment of such deferrals and loans over time from former Tax Increment funds and the potential for repayment survived the dissolution of redevelopment agencies, but with severe limits on annual payments. It should be noted that the Governor's Budget Proposals recently released in Sacramento include provisions that, if enacted, would further severely limit and/or eliminate the repayment requirements for housing deferrals (ERAF/SERAF).

Because of these loans, the Culver City Housing Authority is owed a significant sum from the Successor Agency. However, the formula imposed by the Redevelopment Agency Dissolution Act makes it unlikely the Housing Authority will see any of that money for many years, if ever. Additionally, as referenced above, the Governor has proposed further clean-up language to the Dissolution Act for the upcoming budget that would significantly limit/eliminate repayment of these loans and deferrals. Due to the unlikely prospect of receiving these repayments, staff does not recommend using the anticipation of receipt as a reliable basis for funding current Housing Programs.

New Sources of Funding

There are few sources of reliable, ongoing funding for administrative costs, including costs for staff support. The great majority of the few new funding sources are for the creation of

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affordable housing. While an important goal, it is difficult to create new affordable housing if there are insufficient staff resources to manage the funding programs made available through new legislation.

Assembly Bill 471

As mentioned in the September 22, 2014 staff report, Assembly Bill 471 (AB 471) was signed by the Governor on February 14, 2014. AB 471 made changes to existing provisions of the California Government Code and California Health and Safety Code. One of the changes made to the Health and Safety Code provides that, beginning on July 1, 2014, housing entities (including, in staff's opinion, the Culver City Housing Authority) be allocated an amount of up to 1 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund on behalf of the successor agency for each applicable fiscal year, but not less than one hundred fifty thousand dollars (\$150,000) per fiscal year as the "housing entity administrative cost allowance." While this would not provide direct new dollars for housing programs, it could offset General Fund dollars currently used for this purpose (making those dollars available for other purposes, including affordable housing).

The State Department of Finance has been disallowing payment of the housing entity administrative cost allowance, arguing such funds were intended for distribution to county housing authorities only. The Culver City Housing Authority has joined other Housing Authorities in preparing a challenge to the State DOF in state court. To date, none of this funding has been received by the Housing Authority.

Greenhouse Gas Emissions Cap and Trade Program Funding

The California Global Warming Solutions Act of 2006 (AB 32) established certain goals to reduce greenhouse gas emissions. As part of the efforts to reduce such emissions, the State has implemented a Cap and Trade Program which provides for an auction based mechanism for the buying/selling of greenhouse gas credits. The State Budget for Fiscal Year 2014/2015 provides \$130 million statewide for implementation strategies for sustainable communities required by SB 375 of 2008 and provides an ongoing commitment of 20 percent of future auction proceeds for this program and requires that at least half of the expenditures be allocated for affordable housing projects.

Unfortunately, 20% of \$130 million (or \$26 million) statewide is a very limited amount of funding. Additionally, to meet statutory deadlines for distribution of the funds, early awards are being allocated on a competitive basis for the creation of new affordable housing as part of a "shovel-ready" project.

Other Potential Affordable Housing Programs and Funding Sources

Local Housing Impact Fee (Linkage Fee)

As directed by the City Council at the September 22, 2014 meeting, the City Manager has received additional information from qualified consultants related to the Housing Impact Fee/Linkage Fee referenced in the September 22, 2014 staff report.

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While the advice provided included significant details, in summary, any proposed Housing Impact Fee would likely operate in a manner similar to the City's Art in Public Places Fee (APPF). The fee could be applied as a per square foot cost on commercial development. As a fee imposed to mitigate the impacts of commercial development on the demand for affordable housing in the City, the funds would need to be applied toward the creation of new affordable housing units. It is also possible that the funds could be used to pay the administrative costs of other programs in the City which create new affordable housing. However, as a development-related fee, this revenue source would be subject to unpredictable fluctuations, and therefore, it would be imprudent to rely on this source of revenue for any ongoing operating expenditures. For these reasons, in case the City Council were to direct the further consideration of a Housing Impact Fee, staff does not recommend applying the revenue generated by this Fee directly to the funding or administration of current programs (other than those which create new affordable housing).

Mixed Used Development Affordable Housing Incentive Areas (AHIA).

During the City Council's initial discussion of this subject on September 22, 2014, one Council Member raised the subject of offering some type of density bonus. Following are two concepts related to increased density for the City Council's consideration:

1. Implement incentive zoning that combines the Community Benefit provisions of the Mixed Use Ordinance with the Density Bonus Law (DBL) under SB 1818. Allow base density at 50 units per acre with a Community Benefit to be combined with DBL (up to 35% density bonus) for maximum density threshold of 68 units per acre within designate areas. The density bonus will allow up to 4 additional affordable units on ½ acre sites and up to 8 additional affordable units on 1 acre sites. The added density provides an incentive for affordable housing development that is funded by the housing market.

2. Establish a funding source for administration of the AHIA covenants and analysis of proposed affordable housing projects with a surcharge applied to Real Building Reports (RBR) on sales transactions. The funding nexus is that residential sales at today's higher prices raise the values of surrounding properties and produce higher sales prices overall, which makes housing less affordable, and commercial property sales generate intensified commercial development with a related need for additional property services that are provided by lower income workers who need affordable housing. Additional investigation is needed to determine whether this type of fee would be subject to voter approval. Potential surcharge scenarios for residential property transactions:

Assume:	2,000	Average home size sq. ft.
Assume:	x \$0.80	Surcharge /sq. ft.
Subtotal	\$ 1,600	Per sales transaction
	x 319	2014-2015 Sales transactions
Total	\$510,400	Administrative costs from residential RBR

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For commercial property transactions:

Assume:	18,000	Average floor area commercial property
Assume:	<u>x \$0.80</u>	Surcharge /sq. ft.
Subtotal	\$ 14,400	Per sales transaction
	<u>x 7</u>	2014-2015 Sales transactions
Total	\$100,800	Administrative costs from commercial RBR's

Total Surcharge funding:

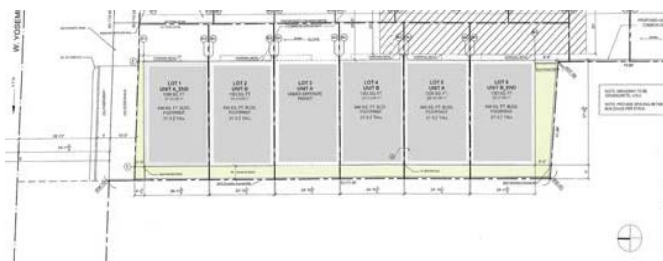
\$510,400+ \$100,800 = \$611,200 Affordable housing administration funding.

Small Lot Zoning Areas

Establish new small lot zoning for workforce housing in designated areas and require an affordable component for up to 25% of the new units. Encourage medium density incentives on small lots with innovate site planning standards. Under current zoning of one unit per 1,500 square feet of land area, a quarter-acre site produces up to seven units. Amending the Zoning Code to allow smaller infill site development produces up to six, three level units per 1,800 square feet of land area. (See attached diagram). This equates to 24 units per acre which is almost four times the density of single family lot development. The increased density provides a market incentive to create affordable units and the required affordable component can include a fee for administrative costs to cover annual affordable covenant monitoring. If the City Council wishes to pursue this type of program, it would need to be implemented in a way that is consistent with State Density Bonus Law.



Small Lot Development



Site Plan

It should be noted that while increased density provides an incentive for the creation of affordable housing, the City Council has heard increasing concerns from the Community on the subject of "mansionization" and the neighborhood character impacts increased density can have.

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State and Federal Funding Sources

Staff has also reviewed other potential sources of funding. From time to time, the Federal (and sometimes the State) government provides funding targeted for assistance to veterans. Also, grants may become available from time to time related to homeless and affordable housing services. Often, such sources of funding require the recipient meet certain qualifications, such as being a disadvantaged community or meeting low-moderate income thresholds. With very few exceptions, Culver City does not meet these needs based criteria. Even if it did, such funding is almost always provided on a one-time basis. And, such one-time sources (if available and awarded) would not provide an ongoing, reliable source for administration of housing programs.

Cost Sharing with RAP Recipients

Should the City Council determine to fund the RAP with General Funds, the City can determine to change the current subsidy percentage (under the Community Redevelopment Law which governs former CCRA LMIHF dollars, the maximum percentage participants could be asked to provide for their share of rent was 30% of their income). Therefore, the City could determine to reduce costs of the RAP by increasing the share of rental costs paid by program participants.

Potential RAP Phase-Out Scenarios

As of today's date, there are 48 participants in the RAP. In the case the City Council wishes to consider a phase-out of the RAP, staff provides the following scenarios:

- **One Year Phase-Out:** Under a one year phase-out, all participants in the RAP would be provided 12 months' notice (to June 30, 2016) of the discontinuation of the RAP. During this 12 month period, by the end of December 2015, the number of participants in the RAP will decline by 12 non-elderly/non-disabled persons (to a total of 36 participants) as they will have reached their 5 year program participation limit. At that point, the annualized direct costs for the RAP would be \$372,000. Also, Upward Bound House (UBH) continues to assist families to transition off of the RAP. If UBH is successful in transitioning all families currently in the UBH Program by the end of December 2015, the number of RAP participants will drop to 32 and the annualized direct costs for the RAP would be \$336,000.
- **Three Year Phase-Out:** Under a three year phase-out, all participants on the RAP would be provided 36 months' notice (to June 30, 2018) of the discontinuation of the RAP. During this 36 month period, it is assumed 2 remaining persons per year will reach their 5 year program participation limit or otherwise become ineligible for the RAP. At the end of the three year period, if all remaining RAP participants continued on the program until its expiration, 28 RAP participants would need to find alternative housing. Estimated Direct General Fund Support Required: \$336,000 declining by \$20,000 per year until June 30, 2018.

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- Indefinite Phase-Out (until all remaining participants are no longer eligible for RAP):
This scenario would continue for an indefinite period of time. Continuing the assumption that 2 RAP participants per year would become ineligible for RAP, this scenario would last 16 years. Estimated Direct General Fund Support Required: \$336,000 per year declining by \$20,000 per year until June 30, 2032. Based upon life expectancy, an indefinite phase-out period could last longer (and require more General Fund resources) than assumed.

Should the City Council determine to implement a phase-out, staff would recommend contracting for the services of a relocation specialist to assist those remaining RAP participants to find alternate housing. Costs associated with such assistance are \$60,000 (and would vary depending on the length of the phase-out period).

The City Council could also impact program costs by changing the percentage of rent paid by a RAP participant. For example, if there were 32 RAP participants and program participants paid 50% of their income towards rent, annual costs would be \$257,064.

Recommendation from the Finance Advisory Committee

As included in the September 22, 2014 report, the Finance Advisory Committee (FAC) recommended the City continue its contract with St. Joseph Center for services to homeless persons. The FAC also recommended that the RAP should not be paid for by the General Fund. If the RAP were phased out, the staffing needs of the Housing Division would be significantly reduced.

Recommendations from the City Manager

In summary, based upon the State's dissolution of redevelopment agencies statewide, former CCRA tax increment funds available for the following existing City/Housing Authority Housing programs will soon be completely exhausted:

PROGRAM	ANNUAL BUDGETED EXPENDITURES
Supplemental Rental Assistance Program	\$684,290
Homeless Rental Assistance Program	\$150,000
Homeless Outreach Program	\$128,191
City Staff	3.0 FTE

Staff requests policy guidance from the City Council as to whether any of the expenditures outlined above should now become an obligation of the City's General Fund and/or the degree to which there is City Council interest in establishing any new source(s) of revenue to offset these costs (see additional discussion below).

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Absent the establishment of new source(s) of revenue, should the City Council determine to continue the operation of some/all of the current Housing Programs locally, then some type of subsidy from the General Fund would be necessary. Any such subsidy has not been factored-in to the financial forecasts presented to the City Council earlier this year.

Alternatives to local administration of the Housing Programs include: outsourcing administration of some programs on a contract basis or not operating the program locally and having the County administer the City's Section 8 Program.

Given the City Council's recent discussions, it seems the City Council is desirous of holding a separate discussion on the creation of new affordable units. While preparations for a separate discussion on this subject are being made, staff has presented some concepts this evening which, if ultimately enacted, would provide incentives for creation of new affordable units and provide a new revenue stream for related administrative costs. Such options are somewhat of an original concept, and staff is not aware of their existence in any other communities in California (and perhaps the country). If the City Council wishes to pursue any of these options, or other options raised this evening, it may wish to direct staff to examine such options in greater detail to confirm that they can be implemented consistent with state and federal law, and to obtain a more accurate estimate of how much each option would contribute to addressing the City's affordable housing funding needs.

Should the City's Housing programs be reduced as a result of any City Council direction, it would be the intent of the City Manager to adjust staff to match the resultant workload.

FISCAL ANALYSIS:

In March of 2011, the former CCRA transferred its assets to the City. This included the Low/Mod Income Housing Fund. Subsequent to that, for tax increment received until RDA dissolution in Feb 2012, 20% continued to be deposited into the Low/Mod fund. Upon dissolution, \$1,240,000 of 20% money was deposited into the Housing Authority. Later in the fiscal year, the transfer of remaining Low/Mod assets was approved from the City over to the Housing Authority. An additional \$3.403 million was transferred to the Housing Authority. This cash has been paying for all operations since the activation of the Housing Authority in 2012. As of June 30, 2014, there was approximately \$1.770 million in remaining cash. This is just slightly more than the budgeted expenditures. Therefore, it is estimated that current resources (other than the Federal Section 8 Program) will be depleted in the summer of 2015.

The Housing Services Division (Org 10150500, Pages 338-339 of Adopted Budget) includes funding for 3 full-time equivalent staff (Page 309 of Adopted Budget). The Housing Program Administrator, 1 Housing Specialist, 0.5 of the Admin Secretary and 0.5 of the Structural Rehab Specialist.

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Specific Expenditure Amounts (Based on FY15 Budget):

Section 8 Program

Staff:	\$ 140,561
Rent Subsidy Payments:	\$1,645,620
Housing Services*:	\$ 108,163
Other:	\$ 93,079

Housing Services:

Org 10150500/47616100 – Housing Services Staff:	\$ 490,390
Org 47650710 – Housing Admin Supply/Services:	\$ 95,769
Org 47650720 – Rental Assistance Payments:	\$ 650,000
Org 47650725 – Homeless Rental Assistance Program:	\$ 130,000
Org 47650730 – Mortgage Assistance Program:	\$ 2,500
Org 47650910 – Homeless Services:	\$ 115,000

Total for Housing Authority:	\$1,483,659
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ATTACHMENTS:

1. Affordable Housing Incentive Area (AFIA) Map 1
2. Tabulation of Affordable Housing Units in AFIA 2 - 3

MOTION:

That the City Council and Housing Authority Board:

Discuss the projected funding shortfall for Housing Programs provided by the City/Housing Authority and provide direction to the City Manager/Executive Director as deemed appropriate.

MEETING DATE: **3.23.15**

AGENDA ITEM: (1) Discussion of the Projected Funding Shortfall for Housing Programs Provided by the City and (2) Provide Direction to the City Manager/Executive Director as Deemed Appropriate.

ATTACHMENTS

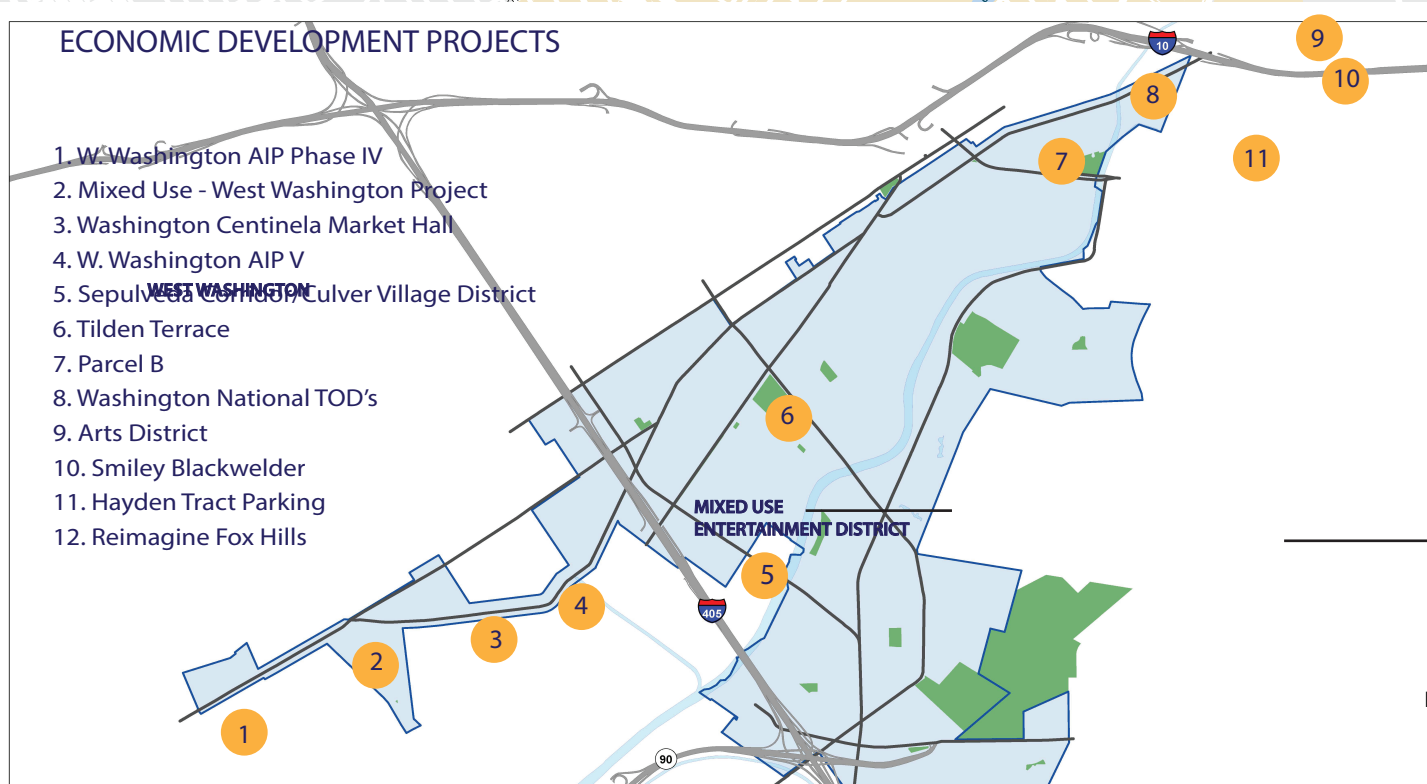
	<u>Pages</u>
1. Affordable Housing Incentive Area (AFIA) Map	1
2. Tabulation of Affordable Housing Units in AFIA	2 - 3

AFFORDABLE HOUSING MIXED-USE DEVELOPMENT INCENTIVE AREAS DOBI & COMMUNITY BENEFIT DISTRICTS

OPPORTUNITY AREAS

OTHER (> 1 ACRE)

Within the Hayden Tract and Smiley Blackwelder industrial districts, the City has created new parking opportunities to attract creative businesses and is currently underway with improvements and entitlements for the City's Washington National Transit Oriented Development and Transit Oriented Development District adjacent to the Culver City Expo Light Rail Station. These projects represent more than \$400 million in city reinvestment that will multiply the development opportunities in the City.



**Affordable Housing Mixed Use Development Incentive Areas
DOBI & Community Benefits
Build-Out Estimates**

West Washington						
Address	Use	Lot Size	Base Density Units @ 50 du/ac	DOBI @ 35% Units	Total Units	Affordable Units
11510 Washington Blvd	Samosa House	23,000 sf	26	9	35	4
12860 Washington Blvd	Pollo Loco	10,000 sf	11	4	15	2
12727 Washington Blvd	99 Cents Store	28,100 sf	32	11	43	5
12788 Washington Blvd	Auto Zone	18,500 sf	21	8	29	3
13432 Washington Blvd	Encore Motel	13,342 sf	14	6	20	2
Totals			104	38	180	16
Mid Washington						
Address	Use	Lot Size	Base Density Units @ 50 du/ac	DOBI Units @ 35%	Total Units	Affordable Units
11039 Washington Blvd	MGM Auto Body	16,544 sf	19	7	26	3
Totals			19	7	26	3
Sepulveda						
Address	Use	Lot Size	Base Density Units @ 50 du/ac	DOBI Units @ 35%	Total Units	Affordable Units
3800-16 Sepulveda Blvd	Carl's Jr.	69,904 sf	80	28	108	13
3848 Sepulveda Blvd	Nursery Site	43,560 sf	50	18	68	8
4520 Sepulveda Blvd	Pep Boys	68,824 sf	79	28	107	13
4512 Sepulveda Blvd	AAA	34,412 sf	39	14	53	6
Totals			248	88	336	40

Downtown						
Address	Use	Lot Size	Base Density Units @ 50 du/ac	DOBI Units @ 35%	Total Units	Affordable Units
9727 Washington Blvd	Bank of The West	28,516 sf	32	12	44	5
9809 Washington Blvd	Chase Bank & Parking Lot	42,160 sf	48	17	65	8
Totals			80	29	109	13
TOD						
Address	Use	Lot Size	Base Density Units @ 65 du/ac	DOBI @ 35%	Total Units	Affordable Units
8855 Washington Blvd	Howard Industries	118,047 sf	176	62	238	22
3700 Robertson Blvd	FedEx	96,267 sf	143	50	193	18
Totals			319	112	431	40
Smiley Blackwelder						
Address	Use	Lot Size	Base Density Units @ 50 du/ac	DOBI @ 35%	Total Units	Affordable Units
5880 Adams Blvd	Warehouse	58,000 sf	66	23	89	11
5850 Washington Blvd	Nuts Warehouse	42,650 sf	49	18	67	8
Totals			115	41	156	19
Fox Hills/Entertainment District						
Address	Use	Lot Size	Base Density Units @ 50 du/ac	DOBI @ 35%	Total Units	Affordable Units
6229 Bristol Parkway	Fox Hills Shopping Ctr	249,598 sf	286	100	386	46
6135 Bristol Parkway	Office Bldg & Surface Parking	105,415 sf	121	42	163	19
6167 Bristol Parkway	Office Bldg & Surface Parking	173,692 sf	199	70	269	33
5902 Green Valley Circle	Office Bldg & Surface Parking	237,402 sf	272	95	367	44
6109 Centinela Avenue	Double Tree/Entrada Site	217,800 sf	250	88	338	40
Totals			1128	395	1523	182



City of Culver City City Council Meeting in a Minute March 23, 2015



Here are some highlights from the City Council meeting of March 23, 2015. At this meeting, the City Council:

- **Presented** a proclamation declaring April 9, 2015 "2015 Stand Up 4 Transportation Day."
- **Approved** an amended work plan for the Finance Advisory Committee.
- **Approved** an amendment to the existing software maintenance agreement with Accela, Inc. in an amount not-to-exceed \$55,857.00 and authorized the City Manager to extend the agreement at the end of the initial term for three additional one-year terms for a cost not-to-exceed the prior year by 10%.
- **Approved** a budget amendment in the amount of \$116,462 for an agreement with Michael Baker International to prepare a Multi-Jurisdictional Hazard Mitigation Plan for the City and the Culver City Unified School District in an amount not-to-exceed \$100,430, as well as an amendment amount not-to-exceed \$16,032.
- **Discussed** the projected funding shortfall for Housing Programs provided by the City/Housing Authority and: (1) On a Motion by Mayor Sahli-Wells, seconded by Council Member Weissman: To phase out, over an indefinite period, the Rental Assistance Program (RAP) (approved 3-2: Council Members Clarke and Weissman voting NO); and (2) On a Motion by Mayor Sahli-Wells, seconded by Vice Mayor O'Leary: To direct staff to further consider the proposals in the staff report (and any that are brought up at the future community meeting on the creation of affordable housing) regarding homeless outreach and homeless rental assistance programs, funding sources, including fees; to support the programs and the related staff; and include congratulations in the letter to existing RAP participants informing them of the City Council's decision and request, but not require, RAP participants share their stories about the RAP program with the City (approved 5-0).
- **Designated** the 2015 LA Modernism Show and the 2015 Culver City Car Show as City-Sponsored events, approved license agreements with the event organizers, approved financial assistance for all soft costs for the Car Show (estimated at \$8,720) and the LA Modernism Show (estimated at \$1,900), and postponed consideration of financial assistance for IndieCade to April 13th at the event producer's request.
- **Provided** input on the Washington National Transit Oriented Development District Streetscape Plan.
- **Adopted** a resolution establishing parking meter fees (including a new parking meter rate of \$0.75 for 15 minutes), the time period covered by such fees, the time

of operation for the parking meter locations, the sharing at fifty percent (50%) of the costs of installation to be paid for by the DBA, and rescinded Resolution No. 2013-R063.

- **Directed** the City Manager to prepare a letter for signature by all five City Council Members to the Metro Board of Directors requesting “Culver City” be included on all Expo Line train head signs, station signs, way-finding signs, and marketing materials.

You may view a complete webcast of the entire meeting by visiting <http://www.culvercity.org/agenda.aspx>. **The next regular City Council meeting will occur on April 13, 2015 at 7:00 PM in the City Council Chambers at City Hall.** You may access the agenda for this meeting by visiting <http://www.culvercity.org/agenda.aspx>.

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