



## **Staff Report**

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RESOLUTION APPROVING THE EXPENDITURE OF \$10,600 IN CONTINGENCY FUNDS FOR RENEWAL OF THE CITY OF BELMONT'S MEMBERSHIP IN THE SAN MATEO COUNTY HOUSING ENDOWMENT AND REGIONAL TRUST (HEART)

Honorable Mayor and Council Members:

### **Summary**

At the August 12, 2008 City Council meeting, the Council authorized the City Manager to execute a Joint Exercise of Powers Agreement (JPA) with the San Mateo County Housing Endowment and Regional Trust (HEART). The Council directed staff to return with a resolution approving funding for renewal of the City of Belmont's HEART membership.

Approval of the attached resolution will approve the expense and authorize the use of Council Contingency funds for HEART.

### **Background**

At the August 12, 2008 meeting, the Council considered staff's recommendation to renew the City of Belmont's HEART membership using General Fund monies as opposed to low/moderate income (LMI) housing funds. Although the Council had initially preferred to use LMI funds, staff concurred with Legal Counsel that this would run counter to the requirements of the State of California Health & Safety Code sections 33333.25 and 33334.30. Staff also discussed how other cities make their HEART contribution, and described how the City of Foster City uses LMI monies for this purpose. In light of this information, the Council directed staff to further review the funding options and return with a resolution approving the proper funding method.

### **Discussion**

The City of Foster City considers their contribution of LMI monies to HEART to be eligible under the Health and Safety Code. Our Legal Counsel has reviewed Foster City's determination and continues to recommend against the use of LMI funds for HEART, citing the provision of law that requires that an agency spend its housing fund money within the city. There is no assurance that any of the HEART money will be spent to increase or improve the supply of low and moderate income housing in Belmont. Staff concurs with Legal Counsel and recommends using Council Contingency funds to make the HEART contribution while meeting the legal requirements.

**General Plan/Vision Statement**

HEART’s mission is to raise funds from public and private sources to address critical housing issues. One of HEART’s latest programs provides payment assistance for homebuyers. Approving this resolution will potentially help to meet housing needs, and could provide financial support for those who work in Belmont and for those who would like to live in Belmont.

**Fiscal Impact**

Adoption of the attached resolution commits the City to \$10,600. Funding for this endeavor is recommended to come from the \$50,000 Contingency budget. To date, \$0 in contingency funds has been used, leaving a balance of \$50,000. Approval of this resolution will authorize a transfer of \$10,600 from the Contingency Account Number 101-4105-8599 to Account Number 101-4100-8591, Council memberships and dues.

**Public Contact**

Posting of the Belmont City Council Agenda.

**Recommendation**

1. Staff recommends adoption of the attached resolution approving expenditure of \$10,600 for renewing the Housing Endowment and Regional Trust (HEART) membership.
2. Direct staff to transfer \$10,600 from the Council Contingency budget as the source of funds to fund this HEART contribution.

**Alternatives**

1. Deny approval of funds for payment.
2. Take no action.

**Attachments**

A. Resolution

Respectfully submitted,

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Laurie Shiels  
Housing Specialist

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Carlos de Melo  
Community Development Director

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Jack R. Crist  
City Manager

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**Staff Contact:**

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**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT APPROVING THE EXPENDITURE OF \$10,600 IN CONTINGENCY FUNDS FOR RENEWAL OF THE CITY OF BELMONT'S MEMBERSHIP IN THE SAN MATEO COUNTY HOUSING ENDOWMENT AND REGIONAL TRUST (HEART)**

**WHEREAS**, the City of Belmont previously maintained a partnership with the Housing Endowment and Regional Trust (HEART) through 2005; and,

**WHEREAS**, the previous partnership was discontinued due to budget constraints, and,

**WHEREAS**, The City of Belmont desires to renew its membership in HEART; and,

**WHEREAS**, the cost for HEART to provide services to the citizens and future residents of Belmont is an annual amount of \$10,600; and,

**WHEREAS**, the City of Belmont has established a \$50,000 contingency appropriation in the FY 2009 Budget for purposes of funding emergencies for uncertain circumstances; and,

**WHEREAS**, the City of Belmont finds it necessary to transfer and use contingency funds; and,

**WHEREAS**, the following accounts will be adjusted to reflect the transfer: debit Account No. 101-4100-8591, \$10,600; and credit Account No. 101-4105-8599, \$10,600; and,

**WHEREAS**, the budget adjustments are required to be made to record the transfer of \$10,600 contingency funds to be used to augment the Council memberships and dues program.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Belmont hereby authorizes the transfer and use of \$10,600 in contingency funds for renewal of the City of Belmont's membership in the San Mateo County Housing Endowment and Regional Trust (HEART) and amends the FY 2009 Budget as indicated above.

\* \* \* \* \*

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on September 9, 2008 by the following vote:

AYES, COUNCILMEMBERS: \_\_\_\_\_

NOES, COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN, COUNCILMEMBERS: \_\_\_\_\_

ABSENT, COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
CLERK of the City of Belmont

APPROVED:

\_\_\_\_\_  
MAYOR of the City of Belmont