



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: September 12, 2017

TO: Mayor and Council Members

FROM: Finance Department

SUBJECT: Resolution Establishing a Housing Trust Fund for the City of Inglewood

RECOMMENDATION:

It is recommended that the Mayor and Council Members adopt the attached resolution establishing an Inglewood Housing Trust Fund to receive and disburse donations to the City to address its affordable housing needs.

BACKGROUND:

The City of Inglewood is experiencing an unprecedented level of development, as evidenced by the reopening of the Fabulous Forum (January 2014) and the ongoing Hollywood Park Tomorrow Mixed Use Development (January 2016). Property values have been rising in Inglewood since the end of 2012. The City of Inglewood has been a leader in promoting the development of senior and affordable housing. However, there is a shortage of affordable housing throughout the State of California.

Several cities throughout the State have established Housing Trust Funds to address affordable housing issues. Housing Trust Funds are dedicated sources of revenue that are held in trust to be used to provide housing related services. Housing Trust Funds may obtain funding from various sources such as commercial linkage fees, donations and non-restricted local revenues.

To impose commercial linkage fees, cities must first conduct a fee study to establish a nexus between commercial development, job creation and the demand for affordable housing. Only then can a city determine whether a commercial linkage fee is reasonably related to the impacts of development on affordable housing. For example, the Cities of Los Angeles, Santa Monica, San Diego and Sacramento hired consultants to conduct their fee studies. Such studies, however, take time and money.

Cities may also fund Housing Trust Funds with donations and/or non-restricted revenues from their budget. Recently, a developer offered to make a donation to help with the City's establishment of its Housing Trust Fund.

DISCUSSION:

Article III, section 4 of the City Charter provides the City with the power to acquire real and personal property by gift. This section further provides the City with the power to "provide for the care, housing and sustenance of indigent, aged and/or helpless persons within" the City.

5

**Mayor and Council Members
Resolution Establishing a Housing Trust Fund
September 12, 2017**

Staff recommends that the City Council adopt the attached resolution establishing a Housing Trust Fund within the Treasury of the City so it can accept donations made specifically to address the City's affordable housing needs. The Finance Department shall be responsible for administering the fund. The attached resolution requires the Finance Department to establish Guidelines, which must be adopted by the City Council, before any funds may be received into and disbursed from the Inglewood Housing Trust Fund.

The goal of the Inglewood Housing Trust Fund is to assist extremely-low to moderate-income residents of the City with affordable housing needs, including rental assistance, one-time relocation expenses, and down payment assistance for first time homebuyers. The specific criteria for who will be eligible and order of priority will be set forth in the Guidelines.

In addition to donations, the City may also contribute non-restricted revenues from its General Fund budget to the Inglewood Housing Trust Fund. By establishing the Inglewood Housing Trust Fund and funding it with donations and/or non-restricted revenues of the City, the City can immediately address the affordable housing issues of its residents. In the interim, the City can study the feasibility of imposing commercial linkage fees to support the development of affordable housing.

FINANCIAL/FUNDING ISSUES AND SOURCES:

Upon adoption of the proposed resolution, a Housing Trust Fund will be established. This will enable the City to begin receiving monies to be deposited into the fund.

LEGAL REVIEW VERIFICATION: _____

Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION: _____

Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed and approved by the Finance Department.

DESCRIPTION OF ANY ATTACHMENTS:

Attachment No. 1 - Resolution

APPROVAL VERIFICATION SHEET

PREPARED BY:

Melanie M. McDade, Executive Assistant to the City Manager and Mayor
David L. Esparza, Assistant City Manager/Chief Financial Officer
Sharon Koike, Assistant Finance Director

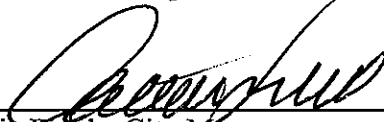
COUNCIL PRESENTER:

Sharon Koike, Assistant Finance Director

DEPARTMENT HEAD APPROVAL:

 SHARON KOIKE
for David L. Esparza, Assistant City Manager/CFO

CITY MANAGER APPROVAL:


Artie Fields, City Manager

1 **Section 1.** There is hereby created within the Treasury of the City of Inglewood a
2 special fund to be known as the Inglewood Housing Trust Fund for the purpose of
3 receiving and disbursing monetary gifts to address the affordable housing needs of the
4 City of Inglewood.

5 **Section 2.** From time to time the City may allocate discretionary revenues from
6 its budget to the Inglewood Housing Trust Fund.

7 **Section 3.** The Inglewood Housing Trust Fund shall be administered by the
8 City's Finance Department. The Finance Department shall establish Guidelines for the
9 acceptance and disbursement of monetary gifts to the Inglewood Housing Trust Fund.
10 The Guidelines shall be approved by the City Council prior to the disbursement of any
11 monies from the Inglewood Housing Trust Fund. At a minimum the Guidelines shall
12 provide the following:

13 1. Monetary gifts shall not be deposited into the Inglewood Housing Trust
14 unless accepted by the City Council.

15 2. Monies shall only be used to assist with the affordable housing needs of
16 extreme-low to moderate-income residents of the City of Inglewood, as those terms are
17 defined in the Guidelines.

18 3. Monies shall only be expended within the boundaries of the City.

19 4. All monies, including interest earned thereon, shall only be expended with
20 the approval of the City Council, unless otherwise authorized by the Guidelines.

21 5. Descriptions of the affordable housing needs eligible for assistance from
22 the Inglewood Housing Fund, including factors to consider in evaluating and prioritizing
23 the use of monies for eligible persons.

24 **BE IT FURTHER RESOLVED** that the City Clerk shall certify to the adoption
25 of this Resolution and the same shall be in full force and effect immediately.

26 ///

27 ///

28 ///

1 **PASSED, APPROVED, AND ADOPTED** this _____ day of _____
2 2017.

3 _____
4 James T. Butts, Jr., Mayor

5
6 **ATTEST:**

7 _____
8
9 Yvonne Horton, City Clerk

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27 N:\MPAN\Resolutions\(\Finance) Housing Trust Fund.doc
28