

STAFF REPORT

Lancaster Housing Authority

HA CC 1
02/26/13
MVB

Date: February 26, 2013

To: Chair Szeto & Housing Authority Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Increase Estimated Revenues and Appropriate Corresponding Amount to the Lancaster Housing Authority Fiscal Year 2012-2013 Budget**

Recommendation:

Increase estimated revenue in Account No. 306-3606-100, Property Sales, by \$400,000 and appropriate a corresponding amount to the following expenditure accounts in the amounts listed:

- 306-4542-819 Infill Housing in the amount of \$60,000
- 306-4542-822 Non Bond Funded Properties in the amount of \$150,000
- 306-4542-824 Bond Funded Properties in the amount of \$70,000
- 306-4542-902 Operation of Acquired Property in the amount of \$20,000
- 306-4542-940 Demolition of Acquired Property in the amount of \$100,000

Financial Impact:

Estimated increase in revenues of \$400,000 for previously approved Fiscal Year 2012-2013 budget of \$1,600,000 will sufficiently cover balances in appropriated expenditures.

Background:

On January 24, 2012 the Lancaster City Council, adopted Resolution No. 12-08 assigning the housing functions of the former Lancaster Redevelopment Agency to the Lancaster Housing Authority and making certain findings in connection therewith.

On March 27, 2012, the Lancaster Housing Authority adopted Resolution No. HA 03-12 approving a disposition strategy for the sale of single-family residences acquired by the Lancaster Redevelopment Agency and transferred to the Housing Authority.

The properties have associated ongoing costs that the Lancaster Housing Authority is obligated to maintain. Acquired properties, such as foreclosed homes, require periodic maintenance in addition to repairs and improvements to make the properties sale ready. As real estate market conditions improve, the Lancaster Housing Authority is committed to maintaining existing properties and ensuring that the homes are in the best marketable condition as possible. As such, buyer interest is increasing, and the Lancaster Housing Authority is seeing an increase in sales; therefore, staff has revised estimated revenues in sales and will utilize that increase to offset ongoing maintenance costs and repairs.