

AGENDA

WESTMINSTER HOUSING AUTHORITY SPECIAL MEETING

MONDAY, JANUARY 13, 2014

AT 7:00 P.M.

- 1. Roll Call**
- 2. Minutes of Previous Meeting** (November 11, 2013)
- 3. Public Hearings and New Business**
 - A. Resolution No. 55 re Adoption of 2014 Budget
- 4. Adjournment**

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE WESTMINSTER HOUSING AUTHORITY
MONDAY, NOVEMBER 11, 2013 AT 7:45 P.M.

ROLL CALL

Present at roll call were Chairperson McNally, Vice Chairperson Winter, and Board Members Atchison, Briggs, Kaiser, Major and Lindsey. Also present were J. Brent McFall, Executive Director, Martin McCullough, Attorney, and Linda Yeager, Administrative Secretary.

MINUTES OF PRECEDING MEETING

Board Member Major moved, seconded by Kaiser, to approve the minutes of the meeting of August 12, 2013 as written and distributed. The motion carried unanimously.

RESOLUTION NO. 54 AUTHORIZING SUPPLEMENTAL APPROPRIATION TO 2013 BUDGET

Board Member Atchison moved, seconded by Lindsey, to adopt Resolution No. 54 authorizing a supplemental appropriation of \$50,000 to the 2013 Westminster Housing Authority Budget. On roll call vote, the motion passed unanimously.

ADJOURNMENT

There being no further business to conduct, the meeting adjourned at 7:46 p.m.

Chairperson

ATTEST:

Administrative Secretary

WHA Agenda Item 3 A

Agenda Memorandum

Westminster Housing Authority Meeting
January 13, 2014



SUBJECT: Resolution No. 55 re 2014 Westminster Housing Authority Budget

Prepared By: Tony Chacon, Senior Projects Coordinator

Recommended Board Action

Adopt Resolution No. 55 approving the 2014 Westminster Housing Authority Budget.

Summary Statement

- The proposed 2014 Westminster Housing Authority (WHA) budget of \$18,500 provides funding to cover operational and maintenance costs relative to properties owned at 7287 Lowell Boulevard and 3630 W. 73rd Avenue, collectively known as the Vehicle Service Center which houses a community theater, and 3915 W. 73rd Avenue being the Rodeo Market Community Art Center and the immediately adjacent park area.
- The WHA generates no rental revenues from any of the properties, as the buildings are made available to the City-created South Westminster Arts Group (SWAG) at \$10 per year to promote and support arts and culture as a component of the South Westminster revitalization efforts.
- The WHA is not expected to generate any other revenues, other than a minimal amount of interest, in 2014.
- The WHA has a fund balance from previous years of about \$95,420 that is available to use towards operations and maintenance.
- The proposed operating budget expenses for the WHA include \$3,500 for direct costs associated with gas, electric and water utilities, and \$15,000 in contractual services to cover maintenance, insurance, repairs and other miscellaneous expenses.
- The WHA budget for 2014 is being submitted at this late date to provide for an accurate accounting of funds balances from the sale of the Westminster Commons Senior Apartments and actual expenditures made in 2013 so as to ensure sufficient funding is available for the proposed budget.

Expenditure Required: \$ 18,500

Source of Funds: Westminster Housing Authority

Policy Issue

Does the Board of the WHA wish to support the activities of the Westminster Housing Authority by adopting the proposed 2014 budget?

Alternative

- Reduce the 2014 Westminster Housing Authority Budget. This alternative is not recommended as Staff believes the proposed funding level is essential to fully cover the cost of utilities and other operations and maintenance, while continuing to support the endeavors of SWAG by making the space available for their use.
- Do not adopt the 2014 Westminster Housing Authority Budget. This is not recommended as some level of funding is needed to pay for utilities, insurance, general operations and maintenance to protect the integrity of the building's systems and grounds regardless of occupancy of the buildings. An approved budget is necessary to provide funding for these purposes.

Background Information

The Westminster Housing Authority (WHA) was initially created as a means of constructing and operating the Westminster Commons Senior Apartments at 76th Avenue at 3180 W. 76th Avenue. Through operations of this apartment complex, the WHA generated about \$60,000 in revenues annually to the general administrative and operations account. In 2012, the WHA sold the Westminster Commons senior apartments to Volunteers of America (VOA) so as to provide an infusion of about \$6.5 million in funds for a needed rehabilitation of the 30-year old complex. With the sale, the WHA no longer had this revenue stream to rely upon although it retains an estimated ending cash balance of \$95,420 as of the end of 2013 that was generated from this revenue source and other refinancing transactions over time.

The WHA did receive net proceeds of \$2,989,092 in 2012 as a result of the sale of the Westminster Commons senior apartment. These revenue proceeds were used by the WHA to pay off its remaining debt of approximately \$233,000 due to the Colorado Brownfield's Revolving Loan Fund for a loan used to assist the City of Westminster in cleaning up environmentally contaminated property along Little Dry Creek adjacent to the planned commuter rail station. Another \$2.2 million was transferred from the WHA to the City of Westminster to be used in making infrastructure improvements in the South Westminster Transit Oriented Development (TOD) area in support of affordable housing. This leaves the WHA with an approximate balance of \$505,000 remaining from the sale of the Westminster Commons, which has not as yet been appropriated. As such, this amount is reflected as an adjustment in the 2013 estimated column; therefore, it is not accounted for in the 2013 or 2014 ending cash balance.

In addition to operating the Westminster Commons, the WHA has also been utilized to assist the City of Westminster in its affordable housing and South Westminster revitalization efforts. From these efforts the WHA purchased properties at 7287 Lowell Boulevard and 3630 W. 73rd Avenue, collectively known as the Vehicle Service Center, which houses a community theater, and 3915 W. 73rd Avenue being the Rodeo Market Community Art Center and the immediately adjacent park area. As part of its South Westminster Strategic Revitalization Plan, the City initiated an effort to promote arts as a means of attracting new residents and businesses, which resulted in the creation of the South Westminster Arts Group (SWAG). In an effort to further this initiative, the WHA has previously agreed to lease the premises to SWAG at a nominal fee (\$10.00/year) and pay the cost for utilities, until such time as SWAG can generate sufficient operating revenues to cover such costs and higher rent. Given SWAG has yet to generate sufficient revenue, WHA in return is not expected to see any revenue generation from SWAG's use of these properties in 2014.

Staff is proposing a total 2014 budget of \$18,500. Of this amount, \$3,500 is requested to cover the cost of utilities, including gas, electric and water, for the Vehicle Service Center property and the park area adjacent to the Rodeo Market Community Arts Center. This is double the amount budgeted in 2013; however, this increase is reflective of the WHA again assuming responsibility for paying the gas and electric bill for the Vehicle Service Center buildings. Rather than leasing the Vehicle Service Center buildings directly to SWAG, the WHA will work with SWAG to rent the premises to a theater company(s) that will pay for the cost of electricity and gas directly to the WHA. SWAG was responsible for these utility costs in 2013. The budget also reflects an outlay of \$15,000 of expenditure for contractual services that includes the cost of property insurance, legal, weed mowing, general maintenance and repairs, and other miscellaneous costs, along with funding to reimburse SWAG for utility costs associated with their lease and operation of the Rodeo Market Community Arts Center. The 2013 WHA budget had an estimated ending cash balance of \$95,420 that is available to fund the 2014 budget. The 2014 budget would leave the WHA with a cash balance of \$76,920, not including the approximate \$505,000 in remaining proceeds from the Westminster Commons sale, to be carried forward into 2014.

Approval of the 2014 WHA budget meets the Westminster City Council's goal of maintaining a "Financially Sound City Government" by ensuring the adequate provision of funding with which to operate the Westminster Housing Authority effectively and efficiently. Adoption of the budget also supports the goal of maintaining "Revitalized Aging Neighborhoods and Commercial Areas", whereby continued WHA investment in its properties and the South Westminster community promote further private investment into the neighborhood.

Respectfully submitted,

J. Brent McFall
Executive Director

Attachments:

- Resolution
- 2014 WHA Proposed Budget

WESTMINSTER HOUSING AUTHORITY

RESOLUTION NO. **55**

INTRODUCED BY BOARD MEMBERS

SERIES OF 2014

**A RESOLUTION ADOPTING THE 2014 BUDGET FOR THE
WESTMINSTER HOUSING AUTHORITY**

WHEREAS, the Westminster Housing Authority is a political subdivision of the State of Colorado, duly organized, existing, and acting pursuant to C.R.S. section 29-4-201 *et seq.* (the "Act"); and

WHEREAS, the Authority was created to carry out the purposes of a public housing authority pursuant to the Act; and

WHEREAS, the Westminster Housing Authority Board has not yet adopted a formal operating budget for fiscal year 2014 for the Authority; and

WHEREAS, the Westminster Housing Authority anticipates expenditures for various purposes relating to the goals of the Authority.

NOW, THEREFORE, be it resolved by the Board of Commissioners of the Westminster Housing Authority that the attached 2014 Westminster Housing Authority Budget is hereby approved and the amounts stated therein are hereby appropriated for the fiscal year 2014.

PASSED AND ADOPTED this 13th day of January, 2014.

ATTEST:

Chairperson

Authority Secretary

APPROVED AS TO LEGAL FORM:

Authority Attorney

WESTMINSTER HOUSING AUTHORITY
2014 Proposed Budget

| | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2013 Estimated</u> | <u>2014 Proposed</u> |
|--|------------------------|------------------------|---------------------------|--------------------------|
| Revenues | | | | |
| Transfers from Commons | \$ 3,383,341 | \$ - | \$ - | \$ - |
| Rental Income (Rodeo Market) | 839 | - | 10 | - |
| Interest | 25,319 | - | 500 | - |
| <i>Total Operating Revenues</i> | <u>3,409,499</u> | <u>-</u> | <u>510</u> | <u>-</u> |
| Expenditures | | | | |
| Administrative Fee | | - | - | - |
| Utilities | 8,339 | 1,500 | 1,500 | 3,000 |
| Contractual | 27,870 | 66,000 | 66,000 | 15,500 |
| <i>Total Operating Activities</i> | <u>36,209</u> | <u>67,500</u> | <u>67,500</u> | <u>18,500</u> |
| Net Operating Surplus (Deficit) | <u>3,373,290</u> | <u>(67,500)</u> | <u>(66,990)</u> | <u>(18,500)</u> |
| Other Financing Sources (Uses) | | | | |
| Debt Service: | | | | |
| Interest expense | (4,179) | - | | |
| Transfers In (out) | - | (2,200,000) | (2,200,000) | - |
| Capital Contributions | 40,098 | | | |
| <i>Total other financing sources (uses)</i> | <u>35,919</u> | <u>(2,200,000)</u> | <u>(2,200,000)</u> | <u>-</u> |
| Net change in cash balance | 3,409,209 | (2,267,500) | (2,266,990) | (18,500) |
| Cash balance beginning | 155,431 | 144,883 | 2,868,399 | 95,420 |
| Accrual and Balance Sheet Adjustments | <u>(696,241)</u> | <u>2,705,989</u> | <u>(505,989)</u> * | <u>-</u> |
| Cash balance ending | <u>\$ 2,868,399</u> | <u>\$ 583,372</u> | <u>\$ 95,420</u> | <u>\$ 76,920</u> |

* The remaining portion of funds received from the sale of the Westminster Commons Senior Housing project have not yet been appropriated. A portion of these funds was used to payoff the Brownfields loan and transferred to the Transit Oriented Development project. Staff is in the process of determining the best use of the remaining funds. An adjustment was included for the year ending 2013 estimated balance to accurately reflect the amount of cash available at year end for future years.