



HOUSING

AUTHORITY OF THE
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May 7, 2010

James L. Armstrong, City Administrator
City of Santa Barbara
City Hall, De La Guerra Plaza
Santa Barbara, CA 93101

RE: HOUSING AUTHORITY'S COOPERATION AGREEMENT WITH CITY

Dear Jim:

Pursuant to our recent email exchanges and telephone conversations, I am pleased to transmit herewith for City Council consideration a "Restated and Amended Cooperation Agreement" between the Housing Authority and the City. It was approved by the Housing Authority Commission on May 5, 2010.

As I explained previously, the Housing Authority, owing to changes in HUD's accounting procedures, is now eligible to receive HUD "operating subsidy" for our HUD Assisted Public Housing program. We currently have 494 units in that program that we own. These are older units where HUD paid almost 100% of their development cost. One of the line items under operating subsidy we can now apply for and receive some level of funding for is what is termed PILOT—Payment In Lieu of Taxes.

In revising the subject Cooperation Agreement, we have adjusted language so that it is clear that any PILOT monies we receive from HUD in the form of operating subsidy goes strictly to the City for its General Fund. We estimate this amount to be approximately \$57,000 for our FYE 3-31-11.

If you could have the City Council approve the Restated and Amended Cooperation Agreement by resolution (this is a HUD requirement) at your earliest convenience, I will then transmit the fully executed agreement to HUD for approval. While it is not a huge sum of money, we suspect any amount of General Fund revenue in these trying times would be welcomed.

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROBERT G. PEARSON
Executive Director/CEO

cc: Sarah Knecht, City Attorney's Office