



City Hall
555 Santa Clara Street
Vallejo, CA 94590

AGENDA
VALLEJO CITY COUNCIL
VALLEJO HOUSING AUTHORITY
(SPECIAL MEETING)
NOVEMBER 27, 2007

MAYOR
Anthony Intintoli, Jr.

CITY COUNCIL
Gary Cloutier, Vice Mayor
Gerald Davis
Tom Barteo
Hermie Sunga
Stephanie Gomes
Tony Pearsall

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the City Council without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Those wishing to address the Council on any matter for which another opportunity to speak is not provided on the AGENDA but which is within the jurisdiction of the Council to resolve may come forward to the podium during the "COMMUNITY FORUM" portion of the AGENDA. Those wishing to speak on a "PUBLIC HEARING" matter will be called forward at the appropriate time during the public hearing consideration.

Copies of written documentation relating to each item of business on the AGENDA are on file in the Office of the City Clerk and are available for public inspection. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562, or at our web site: <http://www.ci.vallejo.ca.us/>



Vallejo City Council Chambers is ADA compliant. Devices for the hearing impaired are available from the City Clerk. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

NOTICE: Members of the public shall have the opportunity to address the City Council concerning any item listed on the notice before or during consideration of that item. No other items may be discussed at this special meeting.

VALLEJO HOUSING AUTHORITY
SPECIAL MEETING
6:45 P.M. – CITY COUNCIL CHAMBERS

1. ROLL CALL
2. CONSENT CALENDAR
 - A. APPROVAL OF MINUTES OF REGULAR HOUSING AUTHORITY MEETINGS FOR MAY 22, 2007; SPECIAL JOINT MEETING WITH THE VALLEJO CITY COUNCIL AND VALLEJO REDEVELOPMENT AGENCY FOR APRIL 17, 2007, AND THE SPECIAL MEETINGS OF JUNE 26, 2007 AND AUGUST 14, 2007

PROPOSED ACTION: Approve the minutes.

3. ADMINISTRATIVE ITEMS

A. APPROVAL OF THE REVISIONS TO CHAPTERS THREE, FIVE, FIFTEEN, EIGHTEEN, AND THE ELIMINATION OF CHAPTER NINETEEN OF THE ADMINISTRATIVE PLAN OF THE HOUSING AUTHORITY OF THE CITY OF VALLEJO

Housing Authorities are required to maintain Administrative Plans by the U.S. Department of Housing and Urban Development (HUD). The purpose of the administrative plan is to establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives. Local goals and objectives are contained in the Housing Authority of the City of Vallejo's (VHA) one year and five year Agency Plans. HUD requires that the Administrative Plan be made available for public review. The full Administrative Plan is available on the City website at www.ci.vallejo.ca.us.

PROPOSED ACTION: Adopt the resolution approving the revisions to Chapters Three, Five, Fifteen, Eighteen, and the elimination of Chapter Nineteen, of the Administrative Plan.

4. ADJOURNMENT

VALLEJO CITY COUNCIL
REGULAR MEETING
7:00 P.M. -- CITY COUNCIL CHAMBERS

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **PRESENTATIONS AND COMMENDATIONS**
 - A. Presentation of certificates of appreciation to Pioneer Business Tenants on Mare Island

5. **PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS**

Members of the public wishing to address the Council on Consent Calendar Items are requested to submit a completed speaker card to the City Clerk. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.02.310. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Council. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.

6. **CONSENT CALENDAR AND APPROVAL OF AGENDA**

All matters are approved under one motion unless requested to be removed for discussion by a Councilmember, City Manager, or member of the public subject to a majority vote of the Council.

- A. **APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ISSUE PURCHASE ORDERS FOR FOUR (4) FORD RANGER TRUCKS, AND ONE (1) FORD F-150 TRUCK**

PROPOSED ACTION: Adopt a resolution authorizing the City Manager or his designated representative to execute purchase orders for the acquisition of four (4) vehicles as described in RFQ #502-2902-29, 30 and 31 from Cornelius Ford of Vallejo, California for a total amount of \$72,669.00.

- B. **CONSIDERATION OF AN HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT) FOR 1015 AZUAR DRIVE**

PROPOSED ACTION: Adopt a resolution approving the Historic Property Preservation Agreement with the property owner of 1015 Azuar Drive as recommended by the Architectural Heritage and Landmarks Commission.

- C. **CONSIDERATION OF AN HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT) FOR 723 and 729 GEORGIA STREET**

PROPOSED ACTION: Adopt a resolution approving the Historic Property Preservation Agreement with the property owner of 723 and 729 Georgia Street as recommended by the Architectural Heritage and Landmarks Commission.

- D. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNATED REPRESENTATIVE TO ISSUE PURCHASE ORDERS TOTALING \$29,003.63 TO IRONMAN FOR THE INSTALLATION OF BEST AVAILABLE CONTROL TECHNOLOGY (BACT) ON DUMP TRUCK UNITS 453 AND 454

PROPOSED ACTION: Adopt a resolution authorizing the City Manager or his designated representative to issue purchase orders totaling \$29,003.63 for installation of Best Available Control Technology on dump truck Units 453 and 454 in order to meet the California Environmental Protection Agency deadline of December 31, 2007 for this upgrade.

- E. APPROVAL OF A RESOLUTION AWARDED THE RIGHT OF WAY CONSULTING SERVICES CONTRACT FOR THE VALLEJO STATION PROJECT TO OVERLAND PACIFIC AND CUTLER AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH OVERLAND PACIFIC AND CUTLER, OAKLAND, CA.

PROPOSED ACTION: Adopt a resolution awarding the Right of Way Consulting Services Contract for the Vallejo Station Project to Overland Pacific and Cutler and authorizing the City Manager to enter into a contract with Overland Pacific and Cutler.

- F. CONSIDERATION OF THREE RESOLUTIONS APPROVING THE MARE ISLAND CORAL SEA VILLAGE SOUTH UNIT 3, SUBDIVISION

PROPOSED ACTION: Adopt the following resolutions:

- Approving the Final Map
- Approving the Plans and Specifications for public improvements
- Authorizing the City Manager to sign the Subdivision Improvement Agreement

- G. ADOPTION OF A RESOLUTION APPROVING CONTRACT CHANGE ORDER NO. 1 WITH PIONEER CONTRACTORS INC. FOR ADDITIONAL CONSTRUCTION IMPROVEMENTS AND FINAL ACCEPTANCE OF CONTRACT COMPLETION FOR THE RETROFITTING OF THE TRANSIT FACILITY ROOF

PROPOSED ACTION: Adopt a resolution approving Contract Change No. 1 for additional construction improvements for retrofitting of the Transit Facility Roof, accepting the work of Pioneer Contractors, Inc., San Francisco, California as complete, and authorizing the City Clerk to file a Notice of Completion in the Office of the Solano County Recorder.

7. PUBLIC HEARINGS

- A. CONSIDERATION OF A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1A (MARE ISLAND) OF THE CITY OF VALLEJO

On October 23, 2007, Council adopted a resolution of intention to annex territory to Mare Island Community Facilities District No. 2005-1A ("CFD 2005-1A"), and set a public hearing for November 27, 2007. The proposed Council actions are to open the public hearing and to adopt a resolution to continue the public hearing to take public testimony and protests on the proposed annexation of Coral Sea Village South Unit 3 to CFD 2005-1A until December 18, 2007.

PROPOSED ACTION: Open the public hearing and adopt a resolution to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1A (MARE ISLAND) of the City of Vallejo until December 18, 2007.

B. CONSIDERATION OF A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1B (MARE ISLAND) OF THE CITY OF VALLEJO.

On October 23, 2007, Council adopted a resolution of intention to annex territory to Mare Island Community Facilities District No. 2005-1B ("CFD 2005-1B"), and set a public hearing for November 27, 2007. The proposed Council actions are to open the public hearing and to adopt a resolution to continue the public hearing to take public testimony and protests on the proposed annexation of Coral Sea Village South Unit 3 to CFD 2005-1B until December 18, 2007.

PROPOSED ACTION: Open the public hearing and adopt a resolution to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1B (MARE ISLAND) of the City of Vallejo until December 18, 2007.

8. POLICY ITEMS - NONE

9. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO CONTRACTS WITH JOE A. GONSALVES & SON, CALIFORNIA STRATEGIES & ADVOCACY, LLC AND BARNES MOSHER WHITEHURST LAUTER & PARTNERS TO SUPPORT THE CITY OF VALLEJO'S EFFORTS IN ADDRESSING SB 976 WHICH CREATED THE SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

SB 976 (Torlakson), approved by the Governor on October 14, 2007, will become law on January 1, 2008. This bill creates the San Francisco Bay Area Emergency Transportation Authority with powers and duties to take over all of the funding and assets to operate the City of Vallejo's Baylink Ferry Service. Staff is recommending that the City take a proactive role in making sure that the impacts of this bill on Vallejo are properly addressed with any cleanup legislation and during implementation of SB 976. Staff has assembled a team to assist the City in this effort and is recommending authorization to enter into contracts with three consultants.

PROPOSED ACTION: Adopt a resolution authorizing the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. and Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.

- B. AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF VALLEJO EXTENDING AND IMPOSING A TEMPORARY MORATORIUM ON THE CONVERSION OF MOBILEHOME PARKS TO RESIDENT OWNERSHIP FOR A PERIOD OF TEN (10) MONTHS AND 15 DAYS

Staff has prepared a workplan for soliciting public input and analyzing the mobilehome park conversion issue, and finds that it is necessary to request that the City Council extend the moratorium until October 23, 2008 in order to complete the tasks outlined in the workplan. There is currently one application for a park conversion that would be potentially affected by this moratorium.

PROPOSED ACTION: Adopt an urgency ordinance extending and imposing a temporary moratorium on mobilehome park conversions until October 23, 2008 in order to enable staff to study the issue and prepare specific recommendations for amending the Zoning Ordinance and/or Subdivision Ordinance.

- C. CONSIDERATION OF A RESOLUTION ACCEPTING THE QUARTERLY RIDGECREST REPORT

Pursuant to the settlement agreement in *Ridgecrest Homeowners Association v. City of Vallejo*, it was agreed that the City General Fund would reimburse the Landscape Maintenance District ("LMD") program for inspection services provided to non-LMD areas of the City and that the City Council would accept a report documenting the transfer as an administrative item on a quarterly basis.

PROPOSED ACTION: Adopt a resolution which accepts the report documenting the reimbursement to the Landscape Maintenance District Program for the period of July 1, 2007 through September 30, 2007, for non-LMD landscape inspection services provided by the LMD program in the amount of \$14,730.06 which has been transferred from the General Fund into the Landscape Maintenance Fund.

- D. GENERAL FUND BUDGET UPDATE AND CONSIDERATION OF A RESOLUTION TO AMEND THE FISCAL YEAR 2007-2008 BUDGET

On November 13, 2007, City Council heard a General Fund budget update and adopted a resolution of intention to amend the Budget for Fiscal Year 2007-2008. This report is the second step of the required two-step budget amendment process. This report proposes revisions to the revenue and expenditure budget and staffing levels after analysis of current conditions and projections.

PROPOSED ACTION: Adopt a resolution amending the City's budget for Fiscal Year 2007-2008.

10. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES - NONE

11. WRITTEN COMMUNICATIONS

Correspondence addressed to the City Council or a majority thereof, and not added to the agenda by the Mayor or a Council member in the manner prescribed in Government Code, Section 54954.2, will be filed unless referred to the City Manager for a response. Such correspondence is available for public inspection at the City Clerk's office during regular business hours.

12. CITY MANAGER'S REPORT

13. CITY ATTORNEY'S REPORT

14. COMMUNITY FORUM

Anyone wishing to address the Council on any matter for which another opportunity to speak is not provided on the agenda, and which is within the jurisdiction of the Council to resolve, is requested to submit a completed speaker card to the City Clerk. When called upon, each speaker should step to the podium, state his /her name, and address for the record. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.20.300.

15. REPORT OF THE PRESIDING OFFICER AND MEMBERS OF THE CITY COUNCIL

16. CLOSED SESSION: *May recess to consider matters of pending litigation (GC 54956.9), personnel (GC 54957), labor relations (GC 54957.6), and real property negotiations (GC 54956.8). Records are not available for public inspection.*

17. ADJOURNMENT

VALLEJO HOUSING AUTHORITY
MAY 22, 2007

MINUTES

A regular meeting of the Vallejo Housing Authority was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 6:48 p.m. by Chairman Anthony Intintoli, Jr.

1. CALL TO ORDER

A. ROLL CALL

Present: Chairman Intintoli, Vice Chair Cloutier, Chairmembers Bartee, Davis, Everheart, Gomes, Pearsall, Pitchford, and Sunga

Absent: None

Staff: Assistant Executive Director Craig Whittom
City Attorney Fred Soley
Acting Secretary Mary Ellsworth

2. CONSENT ITEMS

Hearing no corrections, additions or deletions, the agenda was approved and the following resolution and minutes were offered for approval by Vice Mayor Cloutier:

RESOLUTION NO. 07-07 APPROVING THE REVISIONS TO CHAPTERS TWO AND FIVE OF THE ADMINISTRATIVE PLAN.

APPROVAL OF MINUTES OF SPECIAL MEETINGS OF JANUARY 31, 2006; SPECIAL MEETING OF JANUARY 23, 2007; AND SPECIAL MEETING OF APRIL 3, 2007

The Resolution and Minutes were approved by the following vote:

AYES: Chairman Intintoli, Vice Chairman Cloutier, Members Bartee, Davis, Gomes, Everheart, Pearsall, Pitchford and Sunga

NOES: None

ABSENT: None

4. RECESS UNTIL JOINT MEETING WITH VALLEJO CITY COUNCIL AND REDEVELOPMENT AGENCY

The meeting recessed at 6:50 p.m.

The joint meeting of the Vallejo City Council, Vallejo Redevelopment Agency and the Vallejo Housing Authority convened at 9:07 p.m. All Authority members were present. Councilmember Davis recused himself from participating due to a conflict of interest.

5. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF RESOLUTIONS APPROVING EDEN HOUSING AS THE PREFERRED NON-PROFIT HOUSING DEVELOPER WITH WHICH TO NEGOTIATE A PROJECT LOAN AGREEMENT TO DEVELOP AFFORDABLE FAMILY RENTAL HOUSING AT THE SITE LOCATED AT CURTOLA PARKWAY AND LEMON STREET

Councilmember Davis recused himself from participating in this matter due to a conflict of interest and left the dais at 9:07 p.m.

Housing and Community and Development Manager Laura Simpson stated the item before Council is a recommendation to negotiate a loan agreement with Eden Housing for a new affordable housing development at Lemon Street and Curtola Parkway. In December 2006, the Council approved a resolution to issue a RFQ and conceptual proposals for a new affordable rental development. The RFP was issued in December to over 50 for profit and non-profit developers throughout California, who researched sites throughout the city and submitted proposals. One requirement was that development sites would be reviewed to ensure a de-concentration of assisted housing development. The programs target a range of income levels, the first being the Housing Choice Vouchers program or Section 8 which serves extremely low incomes and with federal funding received annually. The second program is the New Rehabilitative Affordable Rental Housing Program which serves very low income household, and is funded by redevelopment housing set-aside funds, federal HUD funds, CDBG funds, and Housing Authority reserves. The third program is Down Payment Assistance and Homeowner Rehab Loan Programs which are funded by the City to serve 80 percent of area median or below income, which is the low income category. Another program also provides new construction and rental units, developed through Vallejo Neighborhood Housing Services, a local community housing development organization.

Ms. Simpson explained how funds are allocated through ownership and rental programs, and also explained the funding sources for 2007/08 for rental housing development.

Ms. Simpson said the Housing Authority opened their waiting list in January 2007 and received over 6,000 applications from families in need of housing assistance. About 4,000 applications have indicated a Vallejo residency and she further discussed the benefits and legal requirements of affordable housing at various income levels.

Ms. Simpson noted five proposals were received on April 16, 2007 from experienced affordable housing developers on five different sites; an interview panel was convened on April 26, and Eden Housing scored the highest. The Housing and Redevelopment Commission reviewed and approved staff's recommendation to select Eden Housing as the preferred developer on May 9, 2007. She briefly identified the various proposals received, scores, and staff's recommendations, stating the Housing and Redevelopment Commission recommended approval and their concerns were met by Eden Housing regarding balancing neighborhoods versus community revitalization and she gave a brief description of the Eden Housing's proposal. She said next steps would include community outreach meetings, preliminary meetings with Planning Division, developer and staff review of budget, proposed subsidy and loan terms, and then they would

return to the Housing and Redevelopment Commission and City Council with a proposed loan agreement. A planning application would likely be submitted in the fall, returned to the Planning Commission, to the City Council, tax credit would be sent to the State, TCAC would be awarded, and construction would begin in early 2009.

Linda Mandolini, Executive Director, Eden Housing, introduced Katie Lamont, Senior Project Manager; Jan Peters, Director of Property Management; and Rick Williams from Van Meter, Williams and Pollack. She noted that should they be selected, they envision a community process, noting the site plans were not final. She discussed Eden Housing's 39 year background and provided a presentation of current developments.

Katie Lamont, Senior Project Developer, Eden Housing, said Eden was proposing a development of 56 affordable apartments and associated community space, said the site is a gateway to the City, they liked its location to transit, schools, shopping and park services amenities. She briefly described the unit mix of the project, rents, and common occupations.

Rick Williams, Van Meter, Williams and Pollack, said the idea is to develop a gateway into the neighborhood and into the City that brings people into the downtown. He presented the site location, discussed the site plan, elevations, open spaces and design elements.

Mayor Intintoli suggested speakers be limited to three minutes per person due to the time of evening. There were no objections from Councilmembers.

The following people spoke in opposition to the project citing a number of issues including affordable housing should be spread throughout the community, the project being too large, poor location, would exacerbate existing crime problems, impact on existing neighborhood by increasing traffic and parking, clustering people in large complexes does not work, unprecedented increase in population and density: Katy Miessner, Adrienne Waterman Joann Schivley, Peter Laurent, Doug Darling, Celeste Langstaff, Robert Bancroft, Linda Lawless, Jill Brown, Dave Arnold, Melinda Carmichael.

Judy Irvin, representing the Vallejo Architectural Heritage Foundation, voiced concerns over development, density and social problems in the west side (the historic area of the city). She referred to the Historic Preservation Act in 1966, which requires all federal monies be tied to compliance with the act, and noted that the request for public input on the historic section of the city has not been done.

Marti Brown stated she agreed more homeownership and more mixed income projects was needed, but the city needs to meet its housing numbers, rental units are needed, and hopes the Council approves the project.

Mr. Whitton responded to questions and comments of speakers stating that there is a need in the community for rental housing. What is being proposed tonight achieves the objectives; it is the smallest proposed development that the City would have considered funding over the past 10 years in terms of subsidized rental housing. It is not in the downtown but in the area west of I-80.

Mr. Whittom stated that staff is recommending the Council provide the authority to move forward with the developer and the community on negotiating a loan agreement, and engaging the community in a community design process and provide the opportunity to work with Eden and the community on a development.

Mayor Intintoli noted he inadvertently missed a speaker request card from Thom Howard and called upon him to speak.

Vice Mayor Cloutier stated that the area was partly unincorporated, and Mr. Whittom agreed it would require an annexation process. Vice Mayor Cloutier further reported that the City not only has a legal obligation to provide housing and rental housing to people of all income levels, but also a moral duty. However, the City wants to make sure it does it well and equitably. He is not comfortable with the site selection process and feels it is not only unfair to the neighborhood but it is also unfair to the Council as they were unaware of the location. The developer has contended the sound wall was blighted and he saw no evidence of this; and he did not follow the developer's logic in saying this is an optimal site. Given the process followed, he is not comfortable enough to support the proposal tonight.

Councilmember Gomes stated that 15 percent of housing is required to be affordable. Unfortunately, the new neighborhoods that are created do not include affordable units; the developers pay in-lieu fees so the older neighborhoods are forced to bear the burden of these new developments. The historic districts in the city are bearing the burden of affordable housing. Overall, she believes the planning was a very piece-meal process and a master plan is needed for the area, to include retail, other housing, and make it a revitalized, transit-oriented area. Lastly, Mr. Whittom indicated the Council could approve moving forward with the loan agreement while the community outreach effort is going on; she believes the community process should have been done first. Further, it has not yet been proven to her that an affordable rental housing project could be built that works; one that is healthy, safe and with neighborhood agreement.

Linda Mandolini, Eden Housing, described the screening requirements used by Eden Housing.

Jan Peters, Director of Property Management, said one month after the tenant has moved in, an inspection of the unit is conducted and from then on, they hold six month inspections. Annually, they re-certify the tenant to ensure those living in the unit are certified and on the lease.

Councilmember Bartee questioned if Eden Housing could possibly make a proposal to take over the management of the property at 201 Maine Street and Sereno Village. He confirmed with Ms. Simpson that Section 8 had no residency requirement, but a preference rating for Vallejo residents. Ms. Simpson explained the residency requirement and the rating for Vallejo residents.

Councilmember Bartee agreed that having the proposal come to the Council with such short notice given the scope and location of the project, and not having some

community input in advance was not right, and he felt it puts the Council and the community in a difficult position.

Councilmember Barteo asked staff to comment on the Historic Preservation Act and the implication that there was a deficiency on the City's part. Mr. Whittom felt this was not the case, but staff could provide further information on it.

Councilmember Barteo said he believes they should look at spreading this type of housing throughout the city in a more balanced way rather than focusing affordable housing in one location. And, until then, our history to date has not proven that these types of projects can be well managed and he could not support the project at this time. This was not to say he would not support one in the future, given safety and security measures in place and a better site selected.

Mayor Intintoli stated he would support the resolution because he feels strongly about the need for this type of housing in the city and his belief that it can be done properly, said staff went through a significant selection process and felt Eden Housing was the right developer to work with the neighborhood and obtain buy-in.

A resolution was offered by Chairman Intintoli, authorizing the Executive Director of the Housing Authority of the City of Vallejo to approve Eden Housing as the preferred nonprofit housing developer and directing staff to negotiate a project loan agreement of up to \$5.1 million to support the development of affordable workforce rental housing at the site bounded by Curtola Parkway, Lemon Street and Cypress Avenue.

The resolution failed by the following vote (4-4-0-1):

AYES: Chair Intintoli and Members Sunga, Everheart,
Pitchford
NOES: Vice Chair Cloutier, Members Pearsall and Barteo,
Gomes
ABSENT: None
ABSTAINING: Member Davis

A resolution was offered by Mayor Intintoli, authorizing the Executive Director of the Vallejo Redevelopment Agency of the City of Vallejo to approve Eden Housing as the preferred nonprofit housing developer and directing staff to negotiate a project loan agreement of up to \$5.1 million to support the development of affordable workforce rental housing at the site bounded by Curtola Parkway, Lemon Street and Cypress Avenue.

The resolution failed by the following vote (2-4-0-1):

AYES: Chair Intintoli and Member Sunga
NOES: Vice Chair Cloutier, Members Pearsall and Barteo, Gomes
ABSENT: None
ABSTAINING: Member Davis

A resolution was offered by Mayor Intintoli, authorizing the City Manager of the City of Vallejo to approve Eden Housing as the preferred nonprofit housing developer and directing staff to negotiate a project loan agreement of up to \$5.1 million to support the development of affordable workforce rental housing at the site bounded by Curtola Parkway, Lemon Street and Cypress Avenue.

The resolution failed by the following vote (2-4-0-1):

AYES: Chair Intintoli and Councilmember Sunga
NOES: Vice Mayor Cloutier, Members Pearsall and Bartee,
Gomes
ABSENT: None
ABSTAINING: Councilmember Davis

6. ADJOURN TO VALLEJO CITY COUNCIL MEETING

The meeting adjourned to the Vallejo City Council meeting at 10:55 p.m.

ANTHONY J. INTINTOLI, JR., CHAIRMAN

ATTEST: _____
MARY ELLSWORTH, ACTING SECRETARY

**JOINT SPECIAL MEETING OF THE CITY COUNCIL, REDEVELOPMENT
AGENCY AND HOUSING AUTHORITY
MINUTES
APRIL 17, 2007**

1. CALL TO ORDER

A special joint meeting of the Vallejo Housing Authority/City Council/Redevelopment Agency was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 6:45 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Bartee, Davis, Pearsall, Pitchford, and Sunga

Absent: Gomes and Everheart (excused)

3. CONSENT CALENDAR ITEMS

- A. APPROVAL OF A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT AN APPLICATION FOR A HOMEOWNERSHIP PROGRAM TO THE CALIFORNIA HOUSING FINANCE AGENCY (CHFA).

RESOLUTION NO. 07-05 N.C. offered by Mayor Intintoli, Jr., authorizing the Executive Director to submit an application for funding to CHFA.

The above resolution was approved by the following vote:

AYES: Chairman Intintoli, Vice Chairman Cloutier, Members Bartee, Davis, Pearsall, Pitchford, Sunga
NOES: None
ABSENT: Members Gomes and Everheart

4. ADJOURN TO JOINT SPECIAL MEETING OF THE VALLEJO CITY COUNCIL, THE VALLEJO REDEVELOPMENT AGENCY AND THE VALLEJO HOUSING AUTHORITY

The City Council/Redevelopment Agency/Housing Authority adjourned to the Special Joint meeting of the Vallejo City Council and Vallejo Redevelopment Agency.

1. ROLL CALL – (REDEVELOPMENT AGENCY AND CITY COUNCIL)

Present: Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Bartee, Davis, Pearsall, Pitchford and Sunga

Absent: Members Gomes and Everheart (excused)

2. ADMINISTRATIVE ITEM

- A. APPROVAL OF RESOLUTION AUTHORIZING THE CITY MANAGER, THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, AND THE EXECUTIVE DIRECTOR OF THE HOUSING AUTHORITY OF THE CITY OF VALLEJO TO SIGN THE PETITION TO RENEW THE PROPERTY BASED IMPROVEMENT DISTRICT KNOWN AS THE DOWNTOWN VALLEJO MANAGEMENT DISTRICT, TO CAST AN ASSESSMENT BALLOT IN FAVOR OF RENEWING THE DISTRICT, AND SIGN SUCH OTHER DOCUMENTS NECESSARY TO ALLOW THE RENEWAL OF THE DISTRICT TO BE HEARD BEFORE THE CITY COUNCIL AT A FINAL HEARING.

Councilmember Bartee recused himself from participating on the item due to real property interests and left at 6:47 p.m.

Senior Community Development Analyst Annette Taylor gave the staff report, noting that the request was for the City Manager / Redevelopment Agency Executive Director / Housing Executive Director to sign the petition for the Property Based Improvement District (PBID) and to cast ballots in favor of renewing the District. She provided information on the formation of the District stating that the formation of the District was to provide additional security, maintenance and marketing for downtown properties and buildings, which included street sweeping, landscaping, tree trimming, graffiti removal, trash collection, fountain maintenance, lawn mowing, leaf cleaning and putting up and removal of the holiday decorations. Security includes police patrol with two bike officers, operation of a central community police station and some cadet patrol. The assessment was for \$140,000 annually, included 20 blocks of the central core of the downtown, and Council also established the City's baseline levels of services which declared the City's intention to maintain the levels of City services that existed prior to the establishment of the District. In July 2002 the Council approved the renewal of the District for another 5 years with the same assessment of \$140,000 and the same baseline services.

Ms. Taylor stated that staff is now requesting the District be renewed and said CCRC was currently operating in its fifth and final year of the District. If it was the intention to renew, Ms. Taylor said the process takes approximately 10 to 12 months of intensive gathering of information, updating data, creating maps, facilitating stakeholders, preparing a property owner petition drive, and preparing for a Prop 218 ballot drive. CCRC is currently preparing a property owner petition drive and is requesting that the City / Agency / Authority, as property owners, sign the petition to renew the PBID, with a proposed assessment of approximately \$204,208 annually. The annual budget was \$198,500, services would include security for \$81,000; administration, bookkeeping and insurance for \$46,200; Internet and Auto District signage for \$8,400; and community services for \$62,900. The term for the renewal is for five years.

Ms. Taylor presented the boundaries of the new 16 blocks of the revised district, said the redevelopment fiscal impact was approximately \$42,526 and staff is proposing that the Agency pay from the Marina Vista and Vallejo Central Redevelopment areas. The Housing Authority impact is approximately \$103,679 and would be paid from their budget, and there is no impact on the general fund by approving the authorization. Ms. Taylor explained the next steps in the process.

There were no public comments.

Councilmember Pearsall asked how much money would be used for security and what percentage of funds was for private security patrol and what percentage would be for bicycle officers. He noted overtime would be incurred for the bicycle officers, noting that offenders know private security patrol cannot enforce police powers, so he questioned its effectiveness and the use of funds.

Janet Silvain, CCRC, stated their intention is to take some action with a plan with one of five private security companies which have been interviewed who will have a month long contract, they will provide two officers at \$22 per hour on bicycles, on foot, and in vehicles, there will be networking with 201 Main who have already established a security presence on their property, and they feel the process will work.

In addition, Ms. Silvain said they discussed pooling funds with 201 Maine Street, CCRC and the City, and it was determined there were enough funds to keep two police officers, which would be a public/private partnership. They were looking for ways to solve problems in the downtown and make the area more appealing to visitors.

Councilmember Pearsall agreed with the need for safety, but said his experience has been that it does not work, stating that it has not been working at 201 Maine Street who has the highest calls for police service in Vallejo, and he felt having private security there was a façade.

Councilmember Sunga referred to the next steps and asked what would happen if this did not pass and if it would affect the submittal requirement to the County Assessor. Ms. Taylor said the City currently had approximately 21 or 22 percent of the votes and they would simply need more property owners to vote in the affirmative to reach the 50+ percent. The PBID would be terminated if this goal was not met from the downtown property owners.

RESOLUTION NO. 07-78 N.C. offered by Mayor Intintoli, Jr., authorizing the City Manager of the City of Vallejo to sign the petition to renew the Property Based Improvement District known as the Downtown Vallejo Management District, to cast an assessment ballot in favor of renewing the District, and sign such other documents necessary to allow the renewal of the District to be heard before the City Council at a final hearing.

The above resolution was approved by the following vote:

AYES:	Mayor Intintoli, Vice Mayor Cloutier, Councilmembers, Davis, Pitchford and Sunga
NOES:	Councilmember Pearsall
ABSENT:	Gomes and Everheart (excused)
ABSTAIN:	Bartee

RESOLUTION NO. 07-09 offered by Vice Chair Cloutier, authorizing the Executive Director of the Redevelopment Agency to sign the petition to renew the Property Based Improvement District known as the Downtown Vallejo Management District, to cast an assessment ballot in favor of renewing the District, and sign such other documents necessary to allow the renewal of the District to be heard before the City Council at a final hearing.

The above resolution was approved by the following vote:

AYES: Chairman Intintoli, Vice Chairman Cloutier,
Members, Davis, Sunga
NOES: Member Pearsall
ABSENT: Member Gomes (excused)
ABSTAIN: Bartee

RESOLUTION NO. 07-06 offered by Boardmember Pitchford, authorizing the Executive Director of the Housing Authority to sign the petition to renew the Property Based Improvement District known as the Downtown Vallejo Management District, to cast an assessment ballot in favor of renewing the District, and sign such other documents necessary to allow the renewal of the District to be heard before the City Council at a final hearing.

The above resolution was approved by the following vote:

AYES: Chairman Intintoli, Vice Chairman Cloutier,
Members, Davis, Pitchford and Sunga
NOES: Member Pearsall
ABSENT: Members Gomes and Everheart (excused)
ABSTAIN: Bartee

3. ADJOURNMENT

At 7:05 p.m., the City Council/Redevelopment Agency/Housing Authority adjourned to the regular City Council meeting.

ANTHONY J. INTINTOLI, JR., MAYOR

Attest: _____
MARY ELLSWORTH, ACTING CITY CLERK

VALLEJO HOUSING AUTHORITY

JUNE 26, 2007

MINUTES

A special meeting of the Vallejo Housing Authority was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 6:45 p.m. by Chairman Anthony Intintoli, Jr.

1. CALL TO ORDER

A. ROLL CALL

Present: Chairman Intintoli, Vice Chair Cloutier, Chairmembers Bartee, Davis, Everheart, Gomes, Pearsall, Pitchford, and Sunga

Absent: None

Staff: Executive Director Joseph Tanner
City Attorney Fred Soley
Acting Secretary Mary Ellsworth

2. ADMINISTRATIVE ITEMS

A. APPROVAL OF FISCAL YEAR 2007-2008 BUDGET

The Vallejo Housing Authority FY 2007-2008 budget includes the Housing Choice Voucher program (HCV), and several associated subprograms (including the Homeownership, Family Self Sufficiency, and Project Based Voucher programs) as well as the Disaster Voucher Program (DVP). The proposed budget for FY 2007-2008 is \$22,989,433. The HCV program is funded entirely by the Department of Housing and Urban Development (HUD) and includes no City of Vallejo General Fund expenditures.

Melinda Nestlerode, Senior Community Development Analyst, reported the primary program administered by the Housing Program is the Housing Choice Voucher Program (Section 8) and under this program, there are a number of subprograms. The funding for these programs comes solely from the Department of Housing and Urban Development. The Housing Assistance Payment Expenditures for FY 2007/2008 is projected to be \$20,882,540; Housing Assistance Payments Funding is only allowed to be used for Housing Assistance Payments in the rental program, mortgage subsidies in the home ownership program, asbestos escrow payments in the family self-sufficiency program, and utility reimbursement to clients. Administrative expenses will be approximately 2.4 million dollars in FY 2007-2008 and the expenditures for the Family Self-sufficiency program which is funded under an annual grant are projected to be \$127,260.

Mayor Intintoli stated that these funds are intended as housing funds, they come from the federal government for that purpose and none of the funds are available for General Fund purposes.

Member Sunga asked if the Disaster Assistance Program, which is due to expire in September, would be extended. Ms. Nestlerode replied that it might be extended but they have received nothing in writing concerning this.

RESOLUTION NO. 07-09 offered by Chairman Intintoli approving the Housing Authority budget for FY 2007-2008.

The resolution was adopted by the following vote:

AYES:	Chairman Intintoli, Vice Chairman Cloutier, Members Bartee, Davis, Everheart, Gomes, Pearsall, Pitchford and Sunga
NOES:	None
ABSENT:	None
ABSTAINING:	None

3. **ADJOURNMENT**

The meeting adjourned at 6:53 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

ATTEST: _____
MARY ELLSWORTH, ACTING CITY CLERK

VALLEJO HOUSING AUTHORITY

AUGUST 14, 2007

MINUTES

A special meeting of the Vallejo Housing Authority was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 6:45 p.m. by Chairman Anthony Intintoli, Jr.

1. CALL TO ORDER

2. ROLL CALL

Present: Chairman Intintoli, Vice Chair Cloutier, Chairmembers Barteo, Davis, Gomes, Pearsall, Pitchford, and Sunga

Absent: Everheart

Staff: Executive Director Joseph Tanner
City Attorney Fred Soley
Assistant City Manager/Community Development Craig Whittom
Laura Simpson, Housing Manager

3. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A LOAN AGREEMENT BY AND BETWEEN THE CITY OF VALLEJO HOUSING AUTHORITY AND VALLEJO NEIGHBORHOOD HOUSING SERVICES, INC. FOR THE GRAHAM GARDENS PROJECT

Vallejo Neighborhood Housing Services, Inc. (VNHS) is planning to develop a housing project known as "Graham Gardens." Graham Gardens will consist of the construction of 22 (for-ownership) duet homes at 300 Mini Drive. When completed, eleven of these homes will be sold to households earning at or below 80 percent of the area median income (AMI). The City of Vallejo has committed its Federal HOME Program funds to the project. In July, VNHS requested \$700,000 in subordinate construction loan funds from the City or the Vallejo Housing Authority for twelve months. This loan would be repaid in one year with interest from funds generated through the sale of the affordable units.

Laura Simpson, Housing Manager, said the action proposes approval of a Resolution which would allow a short-term loan to the Vallejo Housing Services to finance a gap to proceed and complete construction of Graham Gardens, 22 for-ownership homes; 11 of which would be affordable, and 8 to very low-income families.

Ms. Simpson described the project's history, the site plan, unit types, front and rear elevations, and said the Council previously allocated approximately \$939,000 toward the development from Federal HOME funds, which is \$160,000 for very low and \$96,000 for each low income unit. The loan of \$700,000 is anticipated to close in August; Graham Gardens will complete compliance with Buchongo requirements and staff's recommendation is to provide a one-year

loan of \$700,000 at three percent annual interest repaid from sales proceeds. The source would be Housing Authority Operating Reserve Funds and the loans would be secured against 610 Lemon Street.

Councilmember Davis questioned whether the units would be built and sold within the year, given the current housing market. Ms. Simpson said there are buyers who are in the process of pre-qualifying and they anticipate meeting the one year timeframe. Councilmember Davis confirmed the value of 610 Lemon was over \$1 million, and that there was a \$100,000 lien from Bank of the West who would subordinate and that no gift of public funds was used, as HOME funds were granted by the federal government as deferred loans, which is repaid at the end of the deed restriction. Administrative grant funds in the amount of \$105,000 and the \$700,000 would also be repaid.

Councilmember Davis questioned the deed restriction, and Ms. Simpson noted units would need to be sold to an eligible household within the 80 percent income category.

Councilmember Gomes confirmed with Craig Whittom that if the homes are not sold within the one year, the borrower would repay the City; however, if they do not, the City can pursue a default notice which is an attempt to collect on the loan. Mr. Whittom said they were confident the homes would be sold due to VNHS having buyers who qualify and are in process.

Councilmember Gomes confirmed one of the market rate duets would be priced at approximately \$515,000 which was lowered from the year prior, that the homes were large, that new construction made them more valuable, and the low income units were priced at the cost to build.

Councilmember Bartee voiced concerns with the price being set so high, felt the concept behind the project was good and asked if there was a contingency plan in the event they do not sell. Ms. Renee Walton, VNHS, said there is \$1 million in net sales proceeds that would return to VNHS. That money would be provided to the lower income buyers as down payment assistance. However, if further assistance was needed, they would find additional financing for down payment assistance for the lower income buyers.

Councilmember Bartee agreed the site was definitely blighted, and supports the project.

Councilmember Sunga confirmed VNHS is currently working with very low and low income buyers and they would be pre-qualified at prices set, and that the \$700,000 loan was a short-term loan from the Housing Authority reserve and must be used for affordable housing.

RESOLUTION NO. 07-08 N.C., offered by Chairman Intintoli authorizing the Executive Director to execute a loan agreement by and between the City of Vallejo Housing Authority and Vallejo Neighborhood Housing Services, Inc. for the Graham Gardens Project.

The resolution was adopted by the following vote:

AYES: Chairman Intintoli, Vice Chairman Cloutier, Members
Bartee, Davis, Gomes, Pearsall, Pitchford and Sunga
NOES: None
ABSENT: Everheart
ABSTAINING: None

4. ADJOURN TO THE JOINT MEETING OF THE VALLEJO CITY COUNCIL, THE VALLEJO HOUSING AUTHORITY AND SPECIAL MEETING OF THE VALLEJO REDEVELOPMENT AGENCY.

The meeting adjourned at 7:05 p.m. in memory of Sharon Sipes.

ANTHONY J. INTINTOLI, JR., CHAIRMAN

ATTEST: _____
JULIA ERICKSON, ACTING CITY CLERK



CITY OF VALLEJO

VHA
ADMIN. A
Agenda Item No.

VALLEJO HOUSING AUTHORITY

Date: November 27, 2007

TO: Chair and Members

FROM: Craig Whittom, Assistant City Manager/Community Development
Laura J. Simpson, Housing and Community Development Manager *Laura J. Simpson*

SUBJECT: APPROVAL OF THE REVISIONS TO CHAPTERS THREE, FIVE, FIFTEEN, EIGHTEEN, AND THE ELIMINATION OF CHAPTER NINETEEN OF THE ADMINISTRATIVE PLAN OF THE HOUSING AUTHORITY OF THE CITY OF VALLEJO

BACKGROUND AND DISCUSSION

Housing Authorities are required to maintain Administrative Plans by the U.S. Department of Housing and Urban Development (HUD). The purpose of the administrative plan is to establish policies for carrying out programs in a manner consistent with HUD requirements and local goals and objectives. Local goals and objectives are contained in the Housing Authority of the City of Vallejo's (VHA) one year and five year Agency Plans. HUD requires that the Administrative Plan be made available for public review. The full Administrative Plan is available on the City website at www.ci.vallejo.ca.us.

The administrative plan is set forth to define the VHA's local policies for operation of the housing programs in conjunction with Section 8 of the United States Housing Act of 1937. At this time the VHA administers the Section 8 Housing Choice Voucher (HCV) program, as well as the Family Self Sufficiency, Homeownership and Project Based Voucher programs. All issues not addressed in the Administrative Plan are governed by federal regulations, HUD handbooks and guidebooks, notices and other applicable law.

The VHA is responsible for complying with all changes in HUD regulations affecting the programs they administer. The Administrative Plan must be revised as needed to comply with changes in HUD regulations, and to reflect local policy decisions. The original plan and any changes must be approved by the Housing Authority Board, and a copy provided to HUD.

The VHA has recently made changes to five Administrative Plan chapters. Chapter Three pertains to Eligibility; Chapter Five refers to Briefings, Voucher Issuance and Subsidy Standards; and Chapter 15 covers Termination of Assistance and Tenancy. Chapters 18 and 19 have been merged into one chapter which discusses relevant administrative practices, eliminating Chapter 19 from the Administrative Plan.

The proposed changes to the Administrative Plan were presented to the Housing and Redevelopment Commission (HRC) on November 14, 2007. HRC Commissioners requested certain changes to the proposed policies, which have been incorporated into the revised Administrative Plan chapters.

Chapter Three – Eligibility

Chapter Three outlines HUD's requirements for participation in the HCV program, and identifies eligibility areas left to local discretion. The goal of the VHA is to strive for objectivity and consistency when applying both mandatory and discretionary criteria to evaluate the eligibility of families who apply for assistance. The VHA provides families applying for assistance the opportunity to explain their circumstances, furnish additional information if required, and receive an explanation of the basis for any decision regarding their eligibility.

Minor changes were made to Chapter Three, which are identified by the "track changes" feature of Microsoft Word. The purpose of the revision was to tighten procedures surrounding the addition of new people to the family. VHA staff experience a tremendous amount of work due to assisted families making changes to their family composition. In the last four months, families have requested 282 changes to their family composition or income. With limited staffing resources due to budget constraints, making constant changes is not possible. HUD allows local Housing Authorities to set policy regarding additions to the family. VHA staff canvassed seven local Housing Authorities to determine the industry standard applied under this circumstance.

The first change to Chapter Three restricts the subsidy for adding foster children to one additional room. A second revision clarifies the position of students who leave the home to attend school, and HUD's mandatory method of accounting for student income.

Chapter Five – Briefings and Voucher Issuance

Chapter Five explains the briefing process, the assisted family's obligations, subsidy standards, and housing choice voucher issuance. Until a family finds a unit that meets both the family's needs, and the program requirements, it cannot benefit from the opportunities offered by the HCV program. At the same time, the VHA cannot earn administrative fees needed to operate the program until a unit is leased and under contract. If the family receives adequate information about program rules and VHA expectations during their housing search and leasing process, both the family and the VHA benefit. The family is likely to lease a unit more quickly and better understand program requirements, while the VHA increases its ability to meet HUD leasing requirements, improve its lease up rate and control costs.

The revision to Chapter Five, also identified by the "track changes" feature, further codifies the new restrictions on moving people in and out of a household. Often, a family will move a related or non-related family member into the household, find out that the VHA is required to use the new family members' income in their rent calculation, and immediately remove the new member. Several weeks later, when the former new member is unemployed, the family will add him/her back into the household. In addition to the additional staff work, these additional members of the household often cause neighborhood problems and additional wear and tear on the property.

Chapter Five now specifies that additional members to the household will be added only through marriage, the addition of a "co-head" of household, birth, adoption or court awarded custody. Adult children aged 23 and younger who wish to reenter the family after they have been removed from the household will also be allowed.

The Chapter further stipulates that that the family must not allow persons who are not members of the household to use the assisted address as a mailing address. The VHA is often notified by the police department of people who have been arrested for illegal drugs and violent criminal activity, and who are members of an assisted family. Frequently, the offender claims that he/she is only using the assisted address as a mailing address and actually lives elsewhere or is homeless. The new provision will clarify that all non-household members are prohibited from using the assisted address. All participants will be notified of the changes to Chapters Three and Five by newsletter in January 2008, and at their annual recertification appointment.

Chapter Fifteen – Termination of Assistance and Tenancy

Chapter 15 discusses VHA, owner, and assisted family responsibilities in the termination of assistance and terminations of tenancy. This chapter covers both voluntary and involuntary terminations of an assisted family. Voluntary termination of assistance occurs when a family becomes “over income”, (their income has reached the point that no housing assistance is required for 180 consecutive days), or they choose to leave the program. Involuntary termination of assistance occurs when a family violates any of their family obligations, which are described in Chapters Five and 18. “Family obligations” are HUD requirements involving income, information and family composition reporting, and compliance with State and local laws, codes and rules.

Chapter Fifteen also incorporates important information concerning the Violence Against Women Reauthorization Act of 2005 (VAWA). The Act provides that “criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control shall not be a cause for termination of assistance, tenancy or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that domestic violence, dating violence or stalking.” HUD requires that Administrative Plans are updated to include the provisions of VAWA.

Chapter 15 has been completely reformatted and updated, ensuring consistency with other, recently revised Administrative Plan chapters. HUD has developed an approach to policy development that requires Housing Authorities to make a distinction between mandatory policies, optional, non-binding guidance, and local discretionary policies. In general, the majority of the Administrative Plan consists of mandatory HUD regulations. Local policy is indicated by an indented subheading entitled “VHA Policy”.

One new policy item has been incorporated into Chapter 15, regarding terminating family assistance due to insufficient funding. HUD does not provide guidance in this area. The VHA has not had a policy to address this issue; however, it is entirely possible that at some point it may become necessary to eliminate assistance to families due to funding shortages. The new policy proposes to eliminate those families who have been on the program the longest, and to protect all families containing elderly or disabled members, or families with children attending school in Vallejo, from termination.

Chapter Eighteen – Program Administration

Chapter Eighteen incorporates several program administration functions into one chapter, and eliminates chapter 19. The topics covered in Chapter 18 are the administrative fee reserve; payment standards and utility allowances; informal reviews and hearings; collecting owner and family debts to the VHA; the Section 8 Management Assessment Program (SEMAP); record keeping and retention; elevated blood lead level intervention; and determination of insufficient funding.

This chapter has also been reformatted to comply with new HUD policies. Chapter 18 introduces information that was lacking in the Administrative Plan, and expounds upon existing programmatic policy. New local policy items implemented in this chapter are:

- 1) The VHA will only offer an informal review to applicants for whom assistance is being denied, in accordance with HUD provisions. Formerly, VHA policy allowed applicants to request informal reviews in situations which were not mandated by HUD. The new policy complies with regulations, while eliminating unnecessary staff involvement.
- 2) The Repayment Policy for tenant debts to the VHA has been revised. The former policy was cumbersome, and provided for different agreement arrangements depending upon the circumstance. The new policy, suggested by Nan McKay and Associates, an industry trainer and leader, is simple and consistent. The new policy will eliminate the potential for inconsistency.
- 3) In accordance with federal requirements all landlord and tenant clients will be provided with information pertaining to their rights and obligations under VAWA.

FISCAL IMPACT

There is no immediate fiscal impact caused by the revision of the Administrative Plan.

RECOMMENDATION

Review and comment on the revisions to Chapters Three, Five, Fifteen, Nineteen and Eighteen of the Administrative Plan.

ALTERNATIVES CONSIDERED

The proposed changes made to Chapters Three and Five are designed to produce more efficient office policies, and to enable the VHA to complete the functions required by HUD with fewer staff. The recommended policies are modeled after policies currently adopted by other local Housing Authorities. The alternative is to maintain the status quo.

ENVIRONMENTAL REVIEW

An environmental review is not required.

PROPOSED ACTION

Adopt the enclosed resolution approving the revisions to Chapters Three, Five, Fifteen, Eighteen, and the elimination of Chapter Nineteen, of the Administrative Plan.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment A – Resolution
Attachment B – Chapter Three -Eligibility
Attachment C – Chapter Five – Briefings and Voucher Issuance
Attachment D – Chapter Fifteen – Termination of Assistance and Tenancy
Attachment E – Chapter Eighteen – Program Administration

PREPARED BY:

Melinda Nestlerode, Senior Community Development Analyst, (707) 648-4408,
mnestlerode@ci.vallejo.ca.us

CONTACT:

Craig Whittom, Assistant City Manager/Community Development, (707) 648-4579,
cwhittom@ci.vallejo.ca.us, or
Laura Simpson, Housing and Community Development Manager, (707) 648-4393,
lsimpson@ci.vallejo.ca.us, or
Melinda Nestlerode, Senior Community Development Analyst, (707) 648-4408,
mnestlerode@ci.vallejo.ca.us

ATTACHMENT "A" – RESOLUTION

RESOLUTION NO.

BE IT RESOLVED by the Housing Authority of the City of Vallejo that Chapters Three, Five, Fifteen and Eighteen of the Housing Authority's Administrative Plan, as amended, are hereby adopted.

BE IT FURTHER RESOLVED that all subject matter contained in Chapter Nineteen has been incorporated into Chapter Eighteen, eliminating Chapter Nineteen from the Administrative Plan.

HA 11/27/07

K:\CityWide\PUBLIC\AI\VHA and CD Division staff reports\HA112707resolution rev
adminplanchs3.5.15.18.19.doc

ATTACHMENT "B" – CHAPTER THREE

ELIGIBILITY

Chapter 3

(Revised and Approved by Housing Authority Resolution #)

Deleted: 06-02, on 01/31/06

ELIGIBILITY

INTRODUCTION

The Housing Authority of the City of Vallejo (HA) is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the HA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
 - Qualify as a family as defined by HUD and the HA.
 - Have income at or below HUD-specified income limits.
 - Qualify on the basis of citizenship or the eligible immigrant status of family members.
 - Provide social security number information for family members as required.
 - Consent to the HA's collection and use of family information as provided for in HA-provided consent forms.
- The HA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the HA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and HA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the HA to deny assistance.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c), HUD-50058 IB, p. 13]

The terms *family* and *household* have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* is defined by HUD as a single person or a group of persons, a family with a child or children, two or more elderly or disabled persons living together, and one or more elderly or disabled persons, with one or more live-in aides. The HA has the discretion to determine if any other group of persons qualifies as a family.

HA Policy

Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

To qualify as a family when proposed family members are not related by blood, marriage, adoption, or other operation of law, the HA will require applicants to demonstrate that the individuals have lived together previously, or certify that each individual's income and other resources will be available to meet the needs of the family.

Household

Household is a broader term that includes additional people who, with the HA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

Family Break-up [24 CFR 982.315]

The HA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up. However, if a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the HA is bound by the court's determination of which family members continue to receive assistance.

HA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, the HA will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

Remaining Member of a Tenant Family [24 CFR 5.403]

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6 for the policy on “Caretakers for a Child.”

3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

Head of household means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a co head or spouse.

HA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or co head, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage partner of the head of household.

HA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *co head* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one co head.

HA Policy

Minors who are emancipated under state law may be designated as a co head.

Other adult means a family member, other than the head, spouse, or co head, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, co head, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

HA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 51 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the HA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603, HVC GB p. 5-29]

A full-time student (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or co head, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403]

Elderly Persons

An *elderly person* is a person who is at least 62 years of age.

Near-Elderly Persons

A *near-elderly person* is a person who is at least 50 years of age but below the age of 62.

Elderly Family

An *elderly family* is one in which the head, spouse, co head, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

3-1.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or co head is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the HA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

Disabled Family

A *disabled family* is one in which the head, spouse, or co head is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the HA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in this Plan.

3-1.J. GUESTS [24 CFR 5.100]

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

HA Policy

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 90 cumulative calendar days during any 12 month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 51 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception, requiring landlord/owner approval, will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

3-1.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is

not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

HA Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency. Written documentation of the foster care relationship must be provided to the HA.

Foster children or foster adults will be included in determining unit size only if the family has been continuously providing foster care for at least the previous 120 days. Only one extra bedroom may be provided, regardless of the number of foster children or adults. The family must also provide the VHA with a copy of its current foster care license. A foster child or foster adult may be allowed to reside in the unit, with the prior approval of the VHA and the landlord/owner, only if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

HA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for more than 30 consecutive days will be considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

HA Policy

Students who attend school and live away from the home full-time (more than six months total from the date of the school term's start until school year end) will be considered permanently absent from the unit. Families failing to report a student's absence from the unit in a timely manner (within 10 days), will be charged for any rent overpayment, retroactively to the date of the school term's start.

Students who were approved family members prior to attending school, may be added back into the household until the age of 23. The family must complete an interim Adding Family Member's form and follow all VHA procedures.

Income from students must be used while they are members of the household. Full time students, (taking 12 or more units per semester), must provide documentation of their full

time status. The full gross income of non-full time students who are household members must be used to calculate the family's portion of rent.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

HA Policy

If a child has been placed in foster care, the HA will verify with the appropriate agency whether and when the child is expected to be returned to the home. If the time period is to be greater than 3 months from the date of removal of the child/ren, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the HA's subsidy standards.

Deleted: A student, (other than head of household or spouse), who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of voucher size.¶

Absent Head, Spouse, or Co head

HA Policy

An employed head, spouse, or co head absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member, if documentation of employment is provided, and the HA is using the income to determine the families portion of the rent.

Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

HA Policy

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, the HA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 90 consecutive days, the family member will not be considered permanently absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

Return of Permanently Absent Family Members

HA Policy

The family must request HA approval for the return of any adult family members that the HA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter. The voucher size will not be increased, other than through family composition changes based on birth, marriage, adoption or court awarded custody.

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The HA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

HA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The HA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the HA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.

The HA will notify the family of its decision in writing, within a reasonable time of receiving a request for a live-in aide, including all required documentation related to the request.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs, including the housing choice voucher program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

Types of Low-Income Families

Low-income family. A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

Very low-income family. A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

Extremely low-income family. A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

HA Policy

The HA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by the HA.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the HA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the HA plan and the consolidated plans for local governments within the HA's jurisdiction.

HA Policy

The HA has not established any additional categories of eligible low-income families.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the HA's program during a HA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the HA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not subject to the 75 percent restriction.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the HA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, co head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the HA to request additional documentation of their status, such as a passport.

HA Policy

Family members who declare citizenship or national status will not be required to provide additional documentation unless the HA receives information indicating that an individual's declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with HA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

Ineligible Noncitizens

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or co head (regardless of citizenship status), indicating their ineligible immigration status. The HA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

Ineligible Families [24 CFR 5.514(d), (e), and (f)]

A HA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the HA that the individual or at least one family member is eligible [24 CFR 5.512(a)].

HA Policy

The HA will not provide assistance to a family before the verification of at least one family member.

When a HA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the HA. The informal hearing with the HA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 19 of this Administrative Plan.

Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]

For new occupants joining the assisted family the HA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the HA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

HA Policy

The HA will verify the status of applicants at the time other eligibility factors are determined.

3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]

For every family member age 6 or older the family must provide documentation of a valid Social Security Number (SSN) or a certification stating that no SSN has been issued. If a family member who is required to execute a certification is less than 18 years old, the certification must be executed by the individual's parent or guardian [24 CFR 5.216(j)]. Assistance cannot be provided to a family until all SSN documentation requirements are met. A detailed discussion of acceptable documentation is provided in Chapter 7.

If a new member who is at least six years of age is added to the family, the new member's SSN documentation must be submitted at the family's next interim or regular reexamination, whichever comes first. If any member of the family who is at least six years of age obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next regularly scheduled reexamination.

The HA must deny assistance to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]

HUD requires each adult family member, and the head of household, spouse, or co head, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/

Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The HA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

A family that does not meet the following eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits the HA to deny assistance based on certain types of current or past behaviors of family members.

Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list,
- Denying or withdrawing a voucher,
- Not approving a request for tenancy or refusing to enter into a HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

Prohibited Reasons for Denial of Assistance [24 CFR 982.202(b)]

HUD rules prohibit denial of assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the HA's jurisdiction (See Chapter 13, for portability requirements.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires the HA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the HA to admit an otherwise-eligible family if the household member has completed a HA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).

HA Policy

The HA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the HA is able to verify that the household member who engaged in the criminal activity has completed a

supervised drug rehabilitation program approved by the HA, or the person who committed the crime, is no longer living in the household.

- The HA determines that any household member is currently engaged in the use of illegal drugs.

HA Policy

Currently engaged in is defined as any use of illegal drugs during the previous twelve months, or pattern of drug use over the last five years.

- The HA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

HA Policy

In determining reasonable cause, the HA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE

HUD permits, but does not require the HA to deny assistance for the reasons discussed in this section.

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the HA to deny assistance if the HA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

HA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the HA (including a HA employee or a HA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

- Conviction for drug-related or violent criminal activity within the past 5 years.
- Any arrests for drug-related or violent criminal activity within the past 5 years.
- Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.

In making its decision to deny assistance, the HA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the HA may, on a case-by-case basis, and upon receipt of verifiable documentation, decide not to deny assistance.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes the HA to deny assistance based on the family's previous behavior in assisted housing:

HA Policy

The HA will not deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program or the Welfare to Work voucher program.

The HA will deny assistance to an applicant family if:

- The family does not provide information that the HA or HUD determines is necessary in the administration of the program.
- The family does not provide complete and true information to the HA.
- Any family member has been evicted from federally-assisted housing in the last five years.
- Any HA has ever terminated assistance under the program for any member of the family.
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- The family owes rent or other amounts to any HA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.
- If the family has not reimbursed any HA for amounts the HA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the HA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward HA personnel.

Abusive or violent behavior towards HA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the HA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the HA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

HA's are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the HA in complying with HUD requirements and HA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the HA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

HA's are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

If the HA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the HA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

The HA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The HA may opt to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

HA Policy

The HA will always conduct a criminal background check and registered sex offender check for all adult applicants. The HA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The HA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the HA to provide prospective owners with the family's current and prior address (as shown in HA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the HA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

HA Policy

The HA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information of previous owners, at the prospective owners request. Any HA staff member may provide any additional information to the owner, such as tenancy history, criminal history, inspection history, etc., after reviewing the tenant's file. The HA will not provide information to owners which is prohibited under the Privacy Act (5 U.S.C. 552a).

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

HA Policy

The HA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes the HA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).

HA Policy

The HA will consider the following factors when making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The HA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]

HUD permits HAs to impose as a condition of admission, a requirement that family members who participated in or were culpable for an action or failure to act which results in the denial of assistance, to not reside in the unit.

HA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon HA request.

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the HA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

HA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the HA will determine whether the behavior is related to the disability. If so, upon the family's written request, the HA will determine whether alternative measures are appropriate as a reasonable accommodation. The HA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

Eligible for Assistance

If the family is eligible for assistance, the HA will notify the family when it extends the invitation to attend the voucher briefing appointment.

If the HA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe (1) the reasons for which assistance has been

denied (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 15, for informal review policies and procedures.

If a criminal record is the basis of the denial, a copy of the record must accompany the notice. In addition, a copy of the criminal record must be provided to the subject of the record [24 CFR 982.553(d)].

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

HA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination. The family will have 10 business days from the notice to deny assistance to request and informal review.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.
- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:

A severe, chronic disability of a person 5 years of age or older which:

 - Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - Is manifested before the person attains age twenty-two;
 - Is likely to continue indefinitely;
 - Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; *and*
 - Reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and young children, means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.”
- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others.

As used in this definition, the phrase:

(1) Physical or mental impairment includes:

- (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:

- (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
- (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
- (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

ATTACHMENT "C" – CHAPTER FIVE
BRIFIENGs AND VOUCHER ISSUANCE

Chapter 5

(Revised and Approved by Housing Authority Resolution #)

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the Vallejo Housing Authority (VHA) must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, the VHA issues the family a voucher. The voucher includes the unit size the family qualifies for based on the VHA's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and VHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses the VHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-1.A. OVERVIEW

HUD regulations require the VHA to conduct mandatory briefings for applicant families. The briefing provides a broad description of owner and family responsibilities, explains the VHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]

The VHA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, the VHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

VHA Policy

Briefings will be conducted in group meetings.

Generally, the head of household is required to attend the briefing. If the head of household is unable to attend, the VHA may approve another adult family member to attend the briefing.

Families that attend group briefings and still need individual assistance will be referred to an appropriate VHA staff person.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, the VHA will provide translation services in accordance with the VHA's LEP plan (See Chapter 2).

Notification and Attendance

VHA Policy

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, a notice of denial (see Chapter 3) will be sent to the family's address of record, as well as to any alternate address provided on the initial application.

Applicants who fail to attend a scheduled briefing will be sent a notice of denial. They will be given an opportunity to explain, in writing, why they missed the briefing. Upon receipt of a written explanation, the applicant will be scheduled for another briefing. The VHA will notify the family of the date and time of the second scheduled briefing.

Applicants who fail to attend two scheduled briefings, without VHA approval, will be denied assistance (see Chapter 3).

Oral Briefing [24 CFR 982.301(a)]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the VHA's jurisdiction;
- For families eligible under portability, an explanation of portability. The VHA cannot discourage eligible families from moving under portability;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

Briefing Packet [24 CFR 982.301(b)]

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, and the VHA's policies on any extensions or suspensions of the term. If the VHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the VHA determines the payment standard for a family, how the VHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the VHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit. For a family that qualifies to lease a unit outside the VHA jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of the VHA policy on providing information about families to prospective owners.
- The VHA subsidy standards including when and how exceptions are made.
- The HUD brochure on how to select a unit.
- The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*.

- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords or other parties willing to lease to assisted families or help families find units, especially outside areas of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the VHA.
- The family obligations under the program, including any obligations of a welfare-to-work family.
- The grounds on which the VHA may terminate assistance for a participant family because of family action or failure to act.
- VHA informal hearing procedures including when the VHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

If the VHA is located in a metropolitan FMR area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)].

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.
- Information about the characteristics of these areas including job opportunities, schools, transportation and other services.
- An explanation of how portability works, including a list of portability contact persons for neighboring VHAs including names, addresses, and telephone numbers.

Additional Items to be Included in the Briefing Packet

In addition to items required by the regulations, VHAs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7].

VHA Policy

The VHA will provide the following additional materials in the briefing packet:

- Information on how to fill out and file a housing discrimination complaint form.
- The publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The VHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance.

Time Frames for Reporting Changes Required By Family Obligations

VHA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the VHA of a change, notifying the VHA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to the VHA, the notice must be in writing, using HA supplied forms. All forms are available in the VHA lobby, located at 200 Georgia Street, Vallejo. Many forms are available online at www.ci.vallejo.ca.us.

Family Obligations [24 CFR 982.551]

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the VHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the VHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

VHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit. Damages in excess of the security deposit may lead to termination of assistance.

- The family must allow the VHA to inspect the unit at reasonable times and after reasonable notice.
- The family must not commit any serious or repeated violation of the lease.

VHA Policy

The VHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

- The family must notify the HA and the owner before moving out of the unit or terminating the lease.

VHA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the VHA at the same time the owner is notified.

- The family must promptly give the VHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

VHA Policy

The family must not allow another person who is not a member of the household to use their residence as a mailing address, or as the address indicated on their California Drivers License or California ID cards.

- The composition of the assisted family residing in the unit must be approved by the VHA. The family must promptly notify the VHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request VHA approval to add any other family member as an occupant of the unit.

VHA Policy

Once a voucher has been issued, separate families will not be permitted to live together in the same unit. This includes any other adult requesting to be added. A single adult, even if related by blood is considered a separate family. The one exception to this rule is adult children who where once a part of the assisted family, but who moved out of the home and were removed from the household. Returning adult children may be added back into the household until the age of 23. The family must complete an interim Adding Family Member's form and follow all VHA procedures.

Deleted: The request to add a family member must be submitted in writing using the form supplied by the VHA, and approved by the landlord and the VHA prior to the person moving into the unit. The VHA will determine eligibility of the new member in accordance with VHA policies

Formatted: Underline, Font color: Red

With the exception of returning adult children aged 23 and under, only new family members added as a result of marriage, co-head, birth, adoption or court awarded custody will be approved by the VHA. Written verification of marriage, birth, adoption and court awarded custody must be provided.

Non-family members may be added as a live-in-aid or as a foster child or adult, in accordance with VHA policies.

- The family must promptly notify the VHA in writing if any family member no longer lives in the unit.
- If the VHA has given approval, a foster child or a live-in aide may reside in the unit. The VHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when VHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M).
- The family must not sublease the unit, assign the lease, or transfer the unit.

VHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the VHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the VHA when the family is absent from the unit.

VHA Policy

Any member of the household will be considered permanently absent if s/he is away from the unit for 2 consecutive months, or 90 days in a 12 month period, except as otherwise provided in this Plan.

Notice is required when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days.

Written notice must be provided to the VHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the VHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

The VHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. The VHA also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, the VHA determines the appropriate number of bedrooms under the VHA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when the VHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the VHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the VHA subsidy standards.

VHA Policy

The VHA will assign one bedroom for each two persons within the household, except in the following circumstances:

The Head of Household and their spouse, significant other, or life partner will be assigned a separate bedroom subsidy

Live-in aides will be allocated a separate bedroom subsidy.

Single person families will be allocated one bedroom subsidy.

The new subsidy standards allocating a separate bedroom subsidy for the Head of Household and their spouse, significant other or life partner, and two family members per room for all remaining family members will go into effect on June 1, 2007 for all new Housing Assistance Payments (HAP) contracts, including new admissions to the program. For program participants with existing HAP contracts in place, the new standards will become effective upon the families annual reexamination date, beginning with the September 1, 2007 reexaminations.

Deleted: Septembe

The VHA will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
1 Bedroom	1-2
2 Bedrooms	2-4
3 Bedrooms	4-6
4 Bedrooms	6-8
5 Bedrooms	8-10

5-ILC. EXCEPTIONS TO SUBSIDY STANDARDS

In determining family unit size for a particular family, the VHA may grant an exception to its established subsidy standards if the VHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member’s disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

VHA Policy

The VHA will consider granting an exception to their established subsidy standards as a reasonable accommodation for persons with disabilities.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source, unless the disability and the disability-related request for accommodation is readily apparent or otherwise known.

After a written request for an accommodation is presented, the VHA will verify the need for reasonable accommodation through a 3rd party. Upon receipt of the completed 3rd party verification form, the family’s written request and the 3rd party verification will be reviewed promptly by the VHA management team. The VHA will relay their decision, in writing, within a reasonable time.

The VHA will notify the family of its determination within 10 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

The need for reasonable accommodation will be reviewed annually at the family's annual recertification appointment.

5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, the VHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 8.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that the VHA has determined the family to be eligible for the program, and that the VHA expects to have money available to subsidize the family if the family finds an approvable unit. However, the VHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the VHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after the VHA has determined that the family is eligible for the program based on information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

VHA Policy

Vouchers will be issued to eligible applicants during the mandatory briefing.

The VHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the VHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

VHA Policy

Prior to issuing any vouchers, the VHA will determine whether it has sufficient funding in accordance with VHA policies.

If the VHA determines that there is insufficient funding after a voucher has been issued, the VHA may rescind the voucher and place the affected family back on the waiting list.

5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

VHA Policy

The initial voucher term will be 60 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 60-day period unless the VHA grants an extension.

Extensions of Voucher Term [24 CFR 982.303(b)]

The PHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that the VHA can approve. Discretionary policies related to extension and expiration of search time must be described in the VHA's administrative plan [24 CFR 982.54].

The VHA must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of the VHA's decision to approve or deny an extension. The VHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

VHA Policy

The VHA will automatically approve one 30-day extension upon written request from the family.

The VHA will approve additional extensions only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities. The family must request each extension in writing. Extension will be granted in 30 day increments, up to a maximum voucher term of 180 days (6 months).

It is necessary due to reasons beyond the family's control, as determined by the VHA. Following is a list of extenuating circumstances that the VHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family verified by documentation

Other family emergency verified by documentation

Obstacles due to employment verified by documentation

Whether the family has already submitted requests for tenancy approval that were not approved by the VHA

Whether family size or other special requirements make finding a unit difficult

Any request for an additional extension must include the reason(s) an additional extension is necessary. The VHA will require the family to provide documentation to support the request.

All requests for extensions to the voucher term must be made in writing and submitted to the VHA prior to the expiration date of the voucher (or extended term of the voucher).

The VHA will decide whether to approve or deny an extension request within 10 business days of the date the request is received. Extensions may be granted in 30 day increments, up to a maximum voucher term of 120 days, (4 months).

Suspensions of Voucher Term [24 CFR 982.303(c)]

At its discretion, a PHA may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RTA) during the voucher term.

“Suspension” means stopping the clock on a family’s voucher term from the time a family submits the RTA until the time the PHA approves or denies the request [24 CFR 982.4]. The VHA’s determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

VHA Policy

When a Request for Tenancy Approval and proposed lease is received by the VHA, the term of the voucher will be suspended while the VHA processes the request. This process is known as “tolling”. If the requested unit does not pass HQS, or the VHA is unable to approve the unit for any reason, the time that the VHA has been processing the RTA will be added to the voucher term.

Expiration of Voucher Term

Once a family’s housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the VHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

VHA Policy

If an applicant family’s voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), the VHA will require the family to reapply for assistance. If an RTA that was submitted prior to the expiration date of the voucher is subsequently disapproved by the VHA (after the voucher term has expired), the family will be afforded additional time due to tolling of their voucher. The time added to the voucher due to tolling will equal the number of days between the time the VHA received the RTA and the time the VHA determined it could not approve the unit.

ATTACHMENT "D" – CHAPTER FIFTEEN
TERMINATIONS OF ASSISTANCE AND TENANCY

Chapter 15

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify the reasons for which the Vallejo Housing Authority (VHA) can terminate a family's assistance, and the ways in which such terminations must take place. They also dictate the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part discusses various reasons that a family's assistance may be terminated, including voluntary termination by the family, termination because the family no longer qualifies to receive subsidy, and termination by the VHA based on the family's behavior.

Part II: Approach to Termination of Assistance. This part describes the policies that govern how an involuntary termination takes place. It specifies the alternatives that the VHA may consider in lieu of termination, the criteria the VHA must use when deciding what action to take, and the steps the VHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part presents the policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

15-I.A. OVERVIEW

HUD requires the VHA to terminate assistance for certain offenses and when the family no longer requires assistance. HUD permits the VHA to terminate assistance for certain other actions family members take or fail to take. In addition, a family may decide to stop receiving HCV assistance at any time by notifying the VHA.

15-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of VHA subsidy goes down. If the amount of Housing Choice Voucher (HCV) assistance provided by the VHA drops to zero and remains at zero for 180 consecutive calendar days the family's assistance terminates automatically.

VHA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would cause the Housing Assistance Payments (HAP) payment to rise above zero, the family must notify the VHA of the changed circumstances and request an interim reexamination before the expiration of the 180-day period.

15-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that the VHA terminate the family's assistance at any time.

VHA Policy

The request to terminate assistance should be made in writing and signed by the head of household.

15-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires the VHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2), Pub.L. 109-162]

The VHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. Incidents of actual or threatened violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

VHA Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, the VHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any alternative measures. Upon consideration of such alternatives and factors, the VHA may, on a case-by-case basis, choose not to terminate assistance.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

Failure to Provide Consent [24 CFR 982.552(b)(3)]

The VHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination. See Chapter 7 for a complete discussion of consent requirements.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]

The VHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Provide Social Security Documentation [24 CFR 5.218(c)]

The VHA must terminate assistance if a participant family fails to provide the documentation or certification required for any family member who obtains a social security number, joins the family, or reaches 6 years of age.

Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

The VHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, and is not residing with his/her parents in an HCV assisted household, the VHA must terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and VHA policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

15-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]

HUD requires the VHA to establish policies that permit the VHA to terminate assistance if the VHA determines that:

- Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity
- Any household member has violated the family's obligation not to engage in violent criminal activity

Use of Illegal Drugs and Alcohol Abuse

VHA Policy

The VHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The VHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

The VHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

In making its decision to terminate assistance, the VHA may consider alternatives and other factors, dependant upon the circumstances. Upon consideration of such alternatives and factors, the VHA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

VHA Policy

The VHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The VHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

In making its decision to terminate assistance, the VHA will consider alternatives and other factors. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c), Pub.L. 109-162]

HUD permits the VHA to terminate assistance under a number of other circumstances. It is left to the discretion of the VHA whether such circumstances in general warrant consideration for the termination of assistance. The Violence Against Women Reauthorization Act of 2005 explicitly

prohibits VHAs from considering incidents or actual threatened domestic violence, dating violence, or stalking as reasons for terminating the assistance of a victim of such violence.

VHA Policy

The VHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program.

The VHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Section 5-I.C for a listing of family obligations and related VHA policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the VHA.

A family member has engaged in or threatened violent or abusive behavior toward VHA personnel.

Abusive or violent behavior towards VHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, the VHA will consider alternatives and other factors. Upon consideration of such alternatives and factors, the VHA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. The VHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

VHA Policy

If the family is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent to the family.

Insufficient Funding [24 CFR 982.454]

The VHA may terminate HAP contracts if the VHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

VHA Policy

The VHA will determine whether there is sufficient funding to pay for currently assisted families. If the VHA determines there is a shortage of funding, prior to terminating any HAP contracts, the VHA will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the VHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the VHA will inform the local HUD field office. The VHA will terminate the minimum number needed in order to reduce HAP costs to a level within the VHA's annual budget authority.

If the VHA must terminate HAP contracts due to insufficient funding, the VHA will do so in accordance with the following criteria and instructions:

- 1. The VHA will review all assisted families to determine whether the family consists of elderly or disabled members, or children attending school in Vallejo***
- 2. The VHA will first terminate families who have been on the program the longest, and who do not have elderly or disabled family members, or children attending school in Vallejo***
- 3. With the exception of families with elderly and disabled members, and children attending school in Vallejo, all families will be terminated based on admission date to the program, in the order in which they were admitted, with the longest assisted families being the first to be terminated.***
- 4. The VHA will make every effort not to terminate families with elderly or disabled members, or with children attending school in Vallejo.***

PART II: APPROACH TO TERMINATION OF ASSISTANCE

15-II.A. OVERVIEW

The VHA is required by regulation to terminate a family's assistance if certain program rules are violated. For other types of offenses, the regulations give the PHA the discretion to either terminate the family's assistance or to take another action. This part discusses the various actions the VHA may choose to take when it has discretion, and outlines the criteria the VHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notice that must be provided before terminating assistance.

15-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

The way in which the VHA terminates assistance depends upon individual circumstances. HUD permits the VHA to terminate assistance by:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to approve a request for tenancy or to enter into a new HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

15-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, the VHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

VHA Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon VHA request.

Repayment of Family Debts

VHA Policy

If a family owes amounts to the VHA, as a condition of continued assistance, the VHA will require the family to repay the full amount or to enter into a repayment agreement, upon receipt of notice from the VHA of the amount owed. See Chapter 18 for policies on repayment agreements.

15-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits the VHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

VHA Policy

The VHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

The VHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

VHA Policy

The VHA will consider the following factors when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor, a person with disabilities, or a victim of domestic violence, dating violence, or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The VHA will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the VHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

VHA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the VHA will determine whether the behavior is related to the disability. If so, upon the family's request, the VHA will determine whether alternative measures are appropriate as a reasonable accommodation. The VHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

15-II.E. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS [Pub.L. 109-162, Pub.L. 109-271]

The Violence Against Women Reauthorization Act of 2005 (VAWA) provides that "criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking."

VAWA also gives PHA's the authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant."

VAWA does not limit the authority of the VHA to terminate the assistance of any participant if the VHA "can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted or terminated from assistance."

Victim Documentation

VHA Policy

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, or stalking, the VHA will require the individual to submit documentation affirming that claim.

The documentation must include two elements:

A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking, and

One of the following:

A police or court record documenting the actual or threatened abuse, or
A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

The required certification and supporting documentation must be submitted to the VHA within 14 business days after the VHA issues their written request. The 14-day deadline may be extended at the VHA's discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, the VHA may proceed with assistance termination.

If the VHA can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's tenancy is not terminated, the VHA will bypass the standard process and proceed with the immediate termination of the family's assistance.

Terminating the Assistance of a Domestic Violence Perpetrator

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives the VHA the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others...without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant." This authority supersedes any local, state, or other federal law to the contrary. However, if the VHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance [Pub.L. 109-271].

VHA Policy

When the actions of a participant or other family member result in a VHA decision to terminate the family's assistance and another family member claims that the actions involve criminal acts of physical violence against family members or others, the VHA will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, the VHA will terminate the perpetrator's assistance. If the victim does not provide the certification and supporting documentation, as required, the VHA will proceed with termination of the family's assistance.

If the VHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if the participant's tenancy is not terminated, the VHA will bypass the standard process and proceed with the immediate termination of the family's assistance.

PHA Confidentiality Requirements

All information provided to the VHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

15-II.F. TERMINATION NOTICE [HCV GB, p. 15-7]

If a family's assistance is to be terminated, whether voluntarily or involuntarily, the VHA must give the family and the owner written notice that specifies:

- The reasons for which assistance has been terminated
- The effective date of the termination
- The family's right to an informal hearing

If a criminal record is the basis of the termination, a copy of the record must accompany the notice. A copy of the criminal record also must be provided to the subject of the record [24 CFR 982.553(d)].

VHA Policy

When termination is initiated by the VHA, the notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing the VHA, 30 days notice will not be given. In these cases, the notice to terminate will be sent at the time the VHA learns the family has vacated the unit. The family must request an Informal Hearing within ten calendar days of date of VHA termination notice.

Notices proposing to terminate assistance will include language indicating that the HCV participant may seek counsel from the City of Vallejo Human Relations Commission.

When a family requests to be terminated from the program they must do so in writing to the VHA. The VHA will then send a confirmation notice to the family and the owner within 10 business days of the family's request, but no later than the termination effective date (as requested by the family).

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

The VHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or eligible immigration status; (2) evidence of citizenship and eligible immigration status is submitted timely, but USCIS primary and secondary verification does not verify eligible immigration status of a family; or (3) the VHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3) above, such termination must be for a period of at least 24 months.

The notice of termination must advise the family of the reasons their assistance is being terminated, that they may be eligible for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, that they have the right to

request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and that they have the right to request an informal hearing with the VHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.

VHA Policy

The notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. The family must request an Informal Hearing within ten calendar days of date of VHA termination notice.

15-II.G. HOW TERMINATION OF ASSISTANCE AFFECTS THE HAP CONTRACT AND LEASE

When the family's assistance is terminated, the lease and HAP contract terminate automatically [Form HUD-52641].

The owner may offer the family a separate unassisted lease [HCV GB, p. 15-8].

PART III: TERMINATION OF TENANCY BY THE OWNER

15-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; the VHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy, and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

15-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 and Form HUD-52641-A, Tenancy Addendum, Pub.L. 109-162]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, including failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking against that participant. This includes failure to pay rent or other amounts due under the lease. However, the VHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or

- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction, except in certain incidents where the criminal activity directly relates to domestic violence, dating violence, or stalking and the tenant or an immediate member of the tenant's family is the victim or threatened victim of the domestic violence, dating violence, or stalking.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

15-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the VHA a copy of any eviction

notice at the same time the owner notifies the family. The family is also required to give the PHA a copy of any eviction notice (see Chapter 5).

PHA Policy

If the eviction action is finalized in court, the owner must provide the VHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

15-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), Pub.L. 109-162]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, or stalking is limited by the Violence Against Women Reauthorization Act of 2005 (VAWA). (See Section 12-II.E.)

15-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if the VHA has no other grounds for termination of assistance, the VHA may issue a new voucher so that the family can move with continued assistance.

EXHIBIT 15-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the VHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the VHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

VHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit. Damages in excess of the security deposit may lead to termination of assistance.

- The family must allow the VHA to inspect the unit at reasonable times and after reasonable notice.
- The family must not commit any serious or repeated violation of the lease.

VHA Policy

The VHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice to evict.

Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used is whether the reason for the eviction was through no fault of the tenant or guests.

- The family must notify the VHA and the owner before moving out of the unit or terminating the lease.

VHA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the VHA at the same time the owner is notified.

- The family must promptly give the VHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

VHA Policy

The family must not allow another person who is not a member of the household to use their residence as a mailing address.

- The composition of the assisted family residing in the unit must be approved by the VHA. The family must promptly notify the VHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request VHA approval to add any other family member as an occupant of the unit.

VHA Policy

Once a voucher has been issued, separate families will not be permitted to live together in the same unit. This includes any other adult requesting to be added. A single adult, even if related by blood, is considered a separate family. Only family members added as a result of marriage, co-head, birth, adoption or court awarded custody will be approved by the VHA. Written verification of marriage, birth, adoption and court awarded custody must be provided.

Non-family members may be added as a live-in-aid or as a foster child or adult, in accordance with VHA policies.

- The family must promptly notify the VHA in writing if any family member no longer lives in the unit.
- If the VHA has given approval, a foster child or a live-in aide may reside in the unit. The VHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when VHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3.
- The family must not sublease the unit, assign the lease, or transfer the unit.

VHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member:

- The family must supply any information requested by the VHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the VHA when the family is absent from the unit.

VHA Policy

Any member of the household will be considered permanently absent if s/he is away from the unit for 2 consecutive months, or 90 days in a 12 month period,, except as otherwise provided in this Plan.

Notice is required when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days.

Written notice must be provided to the VHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].

- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

ATTACHMENT "E" – CHAPTER EIGHTEEN

PROGRAM ADMINISTRATION

Chapter 18

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the VHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the VHA. This part describes policies for recovery of monies that the VHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the VHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect the VHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the VHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the VHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the VHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

The VHA must maintain an administrative fee reserve for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a VHA fiscal year. If funds in the administrative fee reserve are not needed to cover VHA administrative expenses, the VHA may use these funds for other housing purposes permitted by Federal, State and local law.

If the VHA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct the VHA to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses. HUD also may prohibit use of the funds for certain purposes.

HUD requires the VHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

VHA Policy

Expenditures from the administrative fee reserve will be made in accordance with all applicable Federal requirements. Expenditures will not exceed \$25,000 per occurrence without the prior approval of the VHA's Board of Commissioners.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

18-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the VHA to adapt the program to local conditions. This part discusses how the VHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive; and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities.

VHA Policy

Copies of the payment standard and utility allowance schedules are available for review in the VHA's offices during normal business hours.

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

The VHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

18-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]

The payment standard sets the maximum subsidy payment a family can receive from the VHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

The VHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the VHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the VHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, the VHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

Updating Payment Standards

When HUD updates its FMRs, the VHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the VHA to make further adjustments if it determines that rent burdens for assisted families in the VHA's jurisdiction are unacceptably high 24 CFR 982.503(g)].

VHA Policy

The VHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always within the “basic range” the VHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The VHA will review the HAP budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The VHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the VHA will consider increasing the payment standard. In evaluating rent burdens, the VHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The VHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The VHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The VHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The VHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective on October 1st of every year for new HAP contracts.

If the VHA has already processed reexaminations for existing HAP contract that will be effective on or after October 1st, the VHA will make the new payment standards effective on January 1, each year for existing contracts.

Exception Payment Standards [982.503(c)]

The VHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD’s sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard

amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

Unit-by-Unit Exceptions [24 CFR 982.503(c)(2)(ii)]

Unit-by-unit exceptions to the VHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the VHA's payment standard schedule.

When needed as a reasonable accommodation, the VHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 110 percent of the applicable FMR for the unit size [HCV GB 7-9]. The VHA may request HUD approval for an exception to the payment standard for a particular family if the required amount falls between 110 and 120 percent of the FMR.

VHA Policy

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, the VHA must determine that:

There is a shortage of affordable units that would be appropriate for the family;

The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and

The rent for the unit is reasonable.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, the VHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the VHA to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR). To support the request, the VHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- The VHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR; and
- The PHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the VHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the VHA's jurisdiction within the FMR area.

Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)]

The VHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment

standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

18-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

A VHA-established utility allowance schedule is used in determining family share and VHA subsidy. The VHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the VHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the VHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the VHA about establishing utility allowance schedules.

Air Conditioning

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

VHA Policy

The VHA has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before the VHA will apply this allowance to a family's rent and subsidy calculations.

Reasonable Accommodation

HCV program regulations require the VHA to approve a utility allowance amount higher than shown on the VHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the VHA will approve an allowance for air-conditioning, even if the VHA has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

The VHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

The VHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: INFORMAL REVIEWS AND HEARINGS

18-III.A. OVERVIEW

When the VHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

PHAs are required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

18-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

Decisions Subject to Informal Review

The VHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the VHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures
- Denial of assistance based on an unfavorable history that may be the result of domestic violence, dating violence or stalking. (See Section 3-III.G.)

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the VHA
- General policy issues or class grievances
- A determination of the family unit size under the VHA subsidy standards
- A VHA determination not to grant approval of the tenancy
- A VHA determination that the unit is not in compliance with the HQS
- A VHA determination that the unit is not in accordance with the HQS due to family size or composition

VHA Policy

The VHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the VHA waiting list; denying or

withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures. The VHA will not provide an informal review to applicants whose placement on the waiting list has changed due to a change in the families circumstances, or new information made available to the VHA.

Notice to the Applicant [24 CFR 982.554(a)]

The VHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the VHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

VHA Policy

Notices proposing to deny assistance will include language indicating that the applicant may seek counsel from the City of Vallejo Human Relations Commission.

Scheduling an Informal Review

VHA Policy

A request for an informal review must be made in writing and delivered to the VHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the VHA's notice of denial of assistance.

Except as provided in Section 3-III.G, the VHA must schedule and send written notice of the informal review within 10 business days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

VHA Policy

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the VHA.

Informal reviews will be conducted by the Housing and Community Development Manager, or, in her absence, the Senior Community Development Analyst.

Informal Review Decision [24 CFR 982.554(b)]

The VHA must notify the applicant of the VHA's final decision, including a brief statement of the reasons for the final decision.

VHA Policy

In rendering a decision, the VHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the Notice.

The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The VHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds

for denial, and the denial is required by HUD, the VHA will uphold the decision to deny assistance.

The VHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

18-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555, Pub.L. 109-162]

VHAs must offer an informal hearing for certain VHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the VHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the VHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and VHA policies.

The VHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the VHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the VHA utility allowance schedule
- A determination of the family unit size under the VHA's subsidy standards
- A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the VHA's subsidy standards, or the VHA determination to deny the family's request for exception from the standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act

- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under VHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]
- A determination to deny admission based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking.

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the VHA
- General policy issues or class grievances
- Establishment of the VHA schedule of utility allowances for families in the program
- A VHA determination not to approve an extension or suspension of a voucher term
- A VHA determination not to approve a unit or tenancy
- A VHA determination that a unit selected by the applicant is not in compliance with the HQS
- A VHA determination that the unit is not in accordance with HQS because of family size
- A determination by the VHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

VHA Policy

The VHA will only offer participants the opportunity for an informal hearing when required to by the regulations.

Informal Hearing Procedures

***Notice to the Family* [24 CFR 982.555(c)]**

When the VHA makes a decision that is subject to informal hearing procedures, the VHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the VHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the VHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

VHA Policy

In cases where the VHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the VHA.

A brief statement of the reasons for the decision including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the VHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the VHA's hearing procedures.

Language indicating that the HCV participant may seek counsel from the City of Vallejo Human Relations Commission.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the VHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

VHA Policy

A request for an informal hearing must be made in writing and delivered to the VHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the VHA's decision or notice to terminate assistance.

The VHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made in writing prior to the hearing date. The VHA will request documentation of the "good cause" prior to rescheduling the hearing. The VHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

If the family does not appear at the scheduled time, and did not reschedule the hearing in advance of the hearing date, the hearing will continue without the family present.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the VHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any VHA documents that are directly relevant to

the hearing. The family must be allowed to copy any such documents at their own expense. If the VHA does not make the document available for examination on request of the family, the VHA may not rely on the document at the hearing.

The VHA hearing procedures may provide that the VHA must be given the opportunity to examine at the VHA offices before the hearing, any family documents that are directly relevant to the hearing. The VHA must be allowed to copy any such document at the VHA's expense. If the family does not make the document available for examination on request of the VHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

VHA Policy

The family will be sent all documents related to the hearing at the time that the hearing is scheduled.

The VHA must be given an opportunity to examine at the VHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the VHA will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 48 prior to the scheduled hearing date.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the VHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

VHA Policy

The VHA has designated the following to serve as hearing officers:

Managers and supervisors from departments in the City of Vallejo, or other local governmental agencies

Managers from other PHA's

Professional mediators or arbitrators employed by a mediation, dispute resolution, or arbitration service

Members of commissions or groups, such as the City of Vallejo Human Relations Commission, who have received mediation and arbitration training

Retired managers from a public agency

Students attending and having completed at least one year of law school

VHA management, as a last resort, if no other qualified individuals meeting the above requirements are available

Attendance at the Informal Hearing

VHA Policy

Hearings may be attended by a hearing officer and the following applicable persons:

- A VHA representative(s) and any witnesses for the VHA
- The participant and any witnesses for the participant
- The participant's counsel or other representative
- Any other person approved by the VHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the VHA's hearing procedures [24 CFR 982.555(4)(ii)].

VHA Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The VHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

VHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the VHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the VHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family.

VHA Policy

In rendering a decision, the hearing officer will consider the following matters:

VHA Notice to the Family: The hearing officer will determine if the reasons for the VHA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if the VHA and the family were given the opportunity to examine any relevant documents in accordance with VHA policy.

VHA Evidence to Support the VHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the VHA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and VHA policies. If the grounds for termination are not specified in the regulations or in compliance with VHA policies, then the decision of the VHA will be overturned.

The hearing officer will issue a written decision to the family and the VHA no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

Name of the participant;

Date, time and place of the hearing;

Name of the hearing officer;

Name of the VHA representative(s); and

Name of family representative (if any).

Background: A brief, impartial statement of the reason for the hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as

evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the VHA's decision.

Order: The hearing report will include a statement of whether the VHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the VHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the VHA to restore the participant's program status.

Procedures for Rehearing or Further Hearing

VHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the VHA will take effect and another hearing will not be granted.

There are no further appeals through the VHA. However, the participant may pursue judicial review of the hearing officer's decision through the Code of Civil Procedure section 1094.6.

VHA Notice of Final Decision [24 CFR 982.555(f)]

The VHA is not bound by the decision of the hearing officer for matters in which the VHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If the VHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the VHA must promptly notify the family of the determination and the reason for the determination.

VHA Policy

The VHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail; postage pre-paid with an affidavit of mailing enclosed, and by certified mail. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in the VHA's file.

18-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the VHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the VHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapter 3 the notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the VHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When the VHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the VHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the VHA with a copy of the written request for appeal and the proof of mailing.

VHA Policy

The VHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the VHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the VHA, of its decision. When the USCIS notifies the VHA of the decision, the VHA must notify the family of its right to request an informal hearing.

VHA Policy

The VHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the VHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the VHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The VHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 18-III.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the VHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

VHA Policy

The family will be sent all documents related to the hearing at the time that the hearing is scheduled.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the VHA, and to confront and cross-examine all witnesses on whose testimony or information the VHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the VHA, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The VHA may, but is not required to provide a transcript of the hearing.

VHA Policy

The VHA will not provide a transcript of an audio taped hearing.

Hearing Decision

The VHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS; the family may request that the VHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the VHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

The VHA must retain for a minimum of 5 years the following documents that may have been submitted to the VHA by the family, or provided to the VHA as part of the USCIS appeal or the VHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO THE VHA

18-IV.A. OVERVIEW

VHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the VHA [24 CFR 982.54]. This part describes the VHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

VHA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the VHA holds the owner or participant liable to return any overpayments to the VHA.

The VHA, at its discretion, may offer a family or owner the opportunity to enter an agreement to pay amounts owed to the VHA or amounts paid to an owner by the VHA. The VHA may prescribe the terms of the agreement.

When an owner or participant refuses to repay monies owed to the VHA, the VHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

18-IV.B. REPAYMENT POLICY

Owner Debts to the VHA

VHA Policy

Any amount due to the VHA by an owner must be repaid by the owner within 15 days of the VHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the VHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the VHA will offer to enter into a repayment agreement in accordance with the policies below.

If the owner refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the VHA will ban the owner from future participation in the program and pursue other modes of collection.

Family Debts to the VHA

VHA Policy

Any amount due to the VHA by an HCV participant must be repaid by the family. If the family is unable to repay the debt, the VHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the VHA will terminate the assistance upon notification to the family and pursue other modes of collection.

The family will not be authorized to move to a new unit with HCV assistance until the debt is paid in full.

Repayment Agreement [24 CFR 792.103]

The term *repayment agreement* refers to a formal document signed by a tenant or owner and provided to the VHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

Repayment Agreement Guidelines

Down Payment Requirement

VHA Policy

Prior to the execution of a repayment agreement, if the amount of debt exceeds the Federal or State threshold for criminal prosecution, the owner or family must pay the amount that exceeds that threshold and 10 percent of the remaining balance owed to the VHA.

Payment Thresholds

PHA Policy

Amounts between \$3,000 and the Federal or State threshold for criminal prosecution must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

Execution of the Agreement

PHA Policy

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

In the event of death of head of household, the eligible remaining member must assume the debt to the VHA and must sign the existing repayment agreement in order to continue receiving rental assistance.

The transference of the voucher from one family member to another will not be allowed until the debt to the VHA is paid in full.

Due Dates

PHA Policy

All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date is the close of business on the first business day after the 15th.

Non-Payment

PHA Policy

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the PHA, the PHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the PHA will terminate assistance upon written notification to the family.

If a family receives 3 delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default, and the PHA will terminate assistance upon written notification to the family.

No Offer of Repayment Agreement

PHA Policy

The PHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family or owner, or the household has had a repayment agreement within the last five years.

PART V: MANAGEMENT ASSESSMENT (SEMAP)

18-V.A. OVERVIEW

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure VHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the VHA in several ways.

- High-performing VHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- VHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- VHAs with an overall rating of “troubled” are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated “troubled” may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a VHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

18-V.B. SEMAP CERTIFICATION [24 CFR 985.101]

VHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by VHA board resolution and signed by the VHA executive director. If the VHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as “troubled” [24 CFR 985.105].

Failure of the VHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of “troubled.”

The VHA’s SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the VHA’s SEMAP certification, HUD will rate the VHA’s performance under each SEMAP indicator in accordance with program requirements.

HUD Verification Method

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The VHA or the Independent Auditor must select an unbiased sample

that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the VHA's certification on the indicator due to the VHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

18-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than \$300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

SEMAP Indicators
<p>Indicator 1: Selection from the waiting list Maximum Score: 15</p> <ul style="list-style-type: none"> • This indicator shows whether the VHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the VHA follows these policies when selecting applicants for admission from the waiting list. • Points are based on the percent of families that are selected from the waiting list in accordance with the VHA's written policies, according to the VHA's quality control sample.
<p>Indicator 2: Rent reasonableness Maximum Score: 20</p> <ul style="list-style-type: none"> • This indicator shows whether the VHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units • Points are based on the percent of units for which the VHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the VHA's quality control sample.
<p>Indicator 3: Determination of adjusted income Maximum Score: 20</p> <ul style="list-style-type: none"> • This indicator measures whether the VHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent. • Points are based on the percent of files that are calculated and verified correctly, according to the VHA's quality control sample.
<p>Indicator 4: Utility allowance schedule Maximum Score: 5</p> <ul style="list-style-type: none"> • This indicator shows whether the VHA maintains an up-to-date utility allowance schedule.

- Points are based on whether the VHA has reviewed the utility allowance schedule and adjusted it when required, according to the VHA's certification.

Indicator 5: HQS quality control inspections

Maximum Score: 5

- This indicator shows whether a VHA supervisor reinspects a sample of units under contract during the VHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.
- Points are based on whether the required quality control reinspections were completed, according to the VHA's certification.

Indicator 6: HQS enforcement

Maximum Score: 10

- This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any VHA-approved extension.
- Points are based on whether the VHA corrects all HQS deficiencies in accordance with required time frames, according to the VHA's certification.

Indicator 7: Expanding housing opportunities

Maximum Points: 5

- Only applies to VHAs with jurisdiction in metropolitan FMR areas.
- This indicator shows whether the VHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the VHA's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.
- Points are based on whether the VHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the VHA's certification.

Indicator 8: FMR limit and payment standards

Maximum Points: 5 points

- This indicator shows whether the VHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the VHA's jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.
- Points are based on whether the VHA has appropriately adopted a payment standard schedule(s), according to the VHA's certification.

Indicator 9: Annual reexaminations

Maximum Points: 10

- This indicator shows whether the VHA completes a reexamination for each participating family at least every 12 months.
- Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.

Indicator 10: Correct tenant rent calculations

Maximum Points: 5

- This indicator shows whether the VHA correctly calculates the family's share of the rent to owner.
- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

Indicator 11: Pre-contract HQS inspections

Maximum Points: 5

- This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.
- Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.

Indicator 12: Annual HQS inspections

Maximum Points: 10

- This indicator shows whether the VHA inspects each unit under contract at least annually.
- Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.

Indicator 13: Lease-up

Maximum Points: 20 points

- This indicator shows whether the VHA enters HAP contracts for the number of units or funding reserved under ACC for at least one year.
- Points are based on the percent of units leased during the last completed VHA fiscal year, or the percent of allocated budget authority that has been expended by the VHA, according to data from the VHA's last year-end operating statement that is recorded in HUD's accounting system.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances

Maximum Points: 10

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the VHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

Success Rate of Voucher Holders**Maximum Points: 5**

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

Deconcentration Bonus Indicator**Maximum Points: 5**

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50th percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
- Points are based on whether the data that is submitted meets the requirements for bonus points.

PART VI: RECORD KEEPING

18-VI.A. OVERVIEW

The VHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the VHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

18-VI.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, the VHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the VHA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting VHA budget and financial statements for the program;
- Records to document the basis for VHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

18-VI.C. RECORDS MANAGEMENT

The VHA must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

VHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to VHA staff. VHA staff will not discuss personal family information unless there is a business reason to do so.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the VHA may release the information collected.

Upfront Income Verification (UIV) Records

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data*.

VHA Policy

The VHA has adopted and implemented EIV security procedures required by HUD. See Chapter 7, Section 7.I.D for EIV policies.

Criminal Records

The VHA may only disclose the criminal conviction records which the VHA receives from a law enforcement agency to officers or employees of the VHA, or to authorized representatives of the VHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The VHA must establish and implement a system of records management that ensures that any criminal record received by the VHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the VHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The VHA must establish and implement a system of records management that ensures that any sex offender registration information received by the VHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the

period for filing a challenge to the VHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a VHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The VHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the VHA receives a verification document that provides such information, the VHA should not place this information in the tenant file. The VHA should destroy the document.

PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

18-VII.A. OVERVIEW

The VHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the VHA is subject to.

18-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)]

The VHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

VHA Policy

The VHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

18-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]

At least quarterly, the VHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If the VHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the VHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the VHA must carry out the notification, verification, and hazard reduction requirements and the reporting requirement discussed above.

At least quarterly, the VHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

VHA Policy

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the VHA is not providing such a report.

PART VIII: DETERMINATION OF INSUFFICIENT FUNDING

18-VIII.A. OVERVIEW

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.314(e)(1) and 982.454]. Insufficient funding may also impact the VHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the VHA will use to determine whether or not the VHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

18-VIII.B. METHODOLOGY

VHA Policy

The VHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the VHA's annual budget authority to the annual total HAP needs on a quarterly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the VHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the quarterly average HAP. If the total annual HAP needs equal or exceed the annual budget authority, or if the VHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the VHA will be considered to have insufficient funding.

PART IX: NOTIFICATION REGARDING APPLICABLE PROVISIONS OF THE VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2005 (VAWA)

18-IX.A. NOTIFICATION TO PARTICIPANTS [Pub.L. 109-162]

VAWA requires PHAs to notify public housing program participants of their rights under this law, including their right to confidentiality and the limits thereof.

VHA Policy

The VHA will provide all participants with notification of their protections and rights under VAWA at the time of admission and at annual reexamination.

The notice will explain the protections afforded under the law, inform the participant of VHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The VHA will also include in all assistance termination notices a statement explaining assistance termination protection provided by VAWA (see Section 15-II.E).

18-IX.B. NOTIFICATION TO APPLICANTS

VHA Policy

The VHA will provide all applicants with notification of their protections and rights under VAWA at the time they request an application for housing assistance.

The notice will explain the protections afforded under the law, inform each applicant of VHA confidentiality requirements, and provide contact information for local victim advocacy groups or service providers.

The VHA will also include in all notices of denial a statement explaining the protection against denial provided by VAWA (see section 3-III.G).

18-IX.C. NOTIFICATION TO OWNERS AND MANAGERS [Pub.L. 109-162]

VAWA requires PHAs to notify owners and managers of their rights and responsibilities under this law.

VHA Policy

Inform property owners and managers of their screening and termination responsibilities related to VAWA. The VHA may utilize any or all of the following means to notify owners of their VAWA responsibilities:

As appropriate in day to day interactions with owners and managers.

Inserts in HAP payments, 1099s, owner workshops, classes, orientations, and/or newsletters.

Signs in the VHA lobby and/or mass mailings which include model VAWA certification forms.




CONSENT A

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNATED REPRESENTATIVE TO ISSUE PURCHASE ORDERS FOR FOUR (4) FORD RANGER TRUCKS, AND ONE (1) FORD F-150 TRUCK FROM CORNELIUS FORD OF VALLEJO, CA

BACKGROUND

The City of Vallejo has a comprehensive Vehicle and Equipment Replacement Program designed to manage our fleet. The responsibility for this program falls under the Public Works Department, Maintenance Division. The subject vehicles are being replaced in accordance with the City's fleet replacement plan, and were approved for purchase/replacement during Fiscal Year (FY) 2006/2007 under this program. These items were carried over to FY 2007/2008 pending completion of the bid process for each vehicle. Therefore, funding for these purchases will be provided from the approved budget. The total cost for these vehicles is \$72,669.00 including tax, license, warranty, options and delivery.

Formal bid packets were sent out to thirteen (13) prospective bidders for each Request for Quotation (RFQ). A total of 12 responses were received, including 2 "No Bid" response forms. Staff has completed the review of these bid responses and based on our analysis, it is recommended that a purchase orders be issued to Cornelius Ford of Vallejo, California for a total amount of \$72,669.00 for the purchase of four (4) Ford Ranger pick-up trucks as specified in RFQ #502-2902-29 and -30, and one (1) Ford F-150 pick-up truck as specified in RFQ #502-2902-31.

The following is a tabulation of the bids received and the Department/Division each vehicle is assigned to:

Units #540 & 550 (LMD) RFQ# 502-2902-29, 2 ea. Ford Ranger XL Super Cab 4x4

Hansel Ford
\$ 32,837.20

Downtown Ford Sales
Submitted "No Bid" Response Form



COUNCIL COMMUNICATION

Senator Ford
\$ 33,773.03

Salinas Valley Ford Truck
\$32,887.14

Cornelius Ford
\$ 32,752.00 (eligible for 5% local vendor preference)

Units #543 & #556 RFQ# 502-2902-30, 2 ea. Ford Ranger XL Regular Cab 2WD (Marina)

Hansel Ford
\$ 21,464.14

Salinas Ford Truck
\$ 21,479.62

Cornelius Ford
\$ 21,480.00 (eligible for 5% local vendor preference)

Senator Ford
\$22,252.23

Downtown Ford Sales
Submitted "No Bid" Response Form

Unit #435 RFQ# 502-2902-31, 1 ea. Ford F-150 Regular Cab 4x4 (Water – Lakes Operation)

Salinas Valley Ford Truck
\$ 18,465.44

Cornelius Ford
\$ 18,437.00 (eligible for 5% local vendor preference)

Senator Ford
\$20,627.39

Hansel Ford
\$ 20,094.10



COUNCIL COMMUNICATION

Downtown Ford Sales
Submitted "No Bid" Response Form

As reflected by the above listing, while the bid packages were sent out to thirteen (13) prospective bidders we received few responses. Our previous experience has indicated that most suppliers are reluctant to bid on City of Vallejo vehicle bid packages as they feel that they cannot compete with our 5% local vendor preference clause.

Fiscal Impact

Under the Vehicle and Equipment Replacement Program, funds are allocated from utilizing departments for each vehicle. The funding for these vehicles has been accumulated, over time, from each of the associated budgets in which they are assigned. These purchases will have no impact on the General Fund as none of these vehicles are associated with the General Fund. Allocation amounts, for vehicle replacement, vary according to purchase price and the estimated life expectancy of each unit. Therefore, the replacement charge for these vehicles will increase slightly in Fiscal Year 2008/2009 as a result of applying the current vehicle cost to their respective vehicle replacement calculations.

RECOMMENDATION

Staff recommends that authorization be given to proceed with purchase of the listed vehicles from the suggested vendor.

ENVIRONMENTAL IMPACT

This procurement does not fall under the California Environmental Quality Act ("CEQA") pursuant to section 15378 (B) (2) of Title 14 of the California Code of Regulations. There is no environmental impact related to the purchase of these vehicles.

PROPOSED ACTION

Adopt a resolution authorizing the purchase of four (4) Ford Ranger trucks and one (1) Ford F-150 truck from Cornelius Ford of Vallejo, California in the amount of \$72,669.00.

DOCUMENTS AVAILABLE FOR REVIEW

- A. A resolution authorizing the purchase of four (4) Ford Ranger trucks and one (1) Ford F-150 truck from Cornelius Ford of Vallejo, California in the amount of \$72,669.00.



COUNCIL COMMUNICATION

CONTACT:

Gary Leach, Public Works Director
(707) 648-4316
GARYL@ci.vallejo.ca.us

John Cerini, Maintenance Superintendent
(707) 648-4557
JCerini@ci.vallejo.ca.us

NOVEMBER 27, 2007
J:\PUBLIC\AI\PW2007\Maint\PWSR4211.doc

RESOLUTION NO. 07-____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, it has been determined that the vehicles under the City of Vallejo Vehicle and Equipment Replacement Program which have reached their life cycle require replacement; and

WHEREAS, the Maintenance Division sent out Requests for Quotations (RFQ) for replacement of these vehicles to thirteen (13) qualified suppliers; and

WHEREAS, the Maintenance Division received and reviewed responses to the RFQ's; and

WHEREAS, based on their review, the Maintenance Division has made a recommendation to purchase two (2) Ford Ranger XL Super Cab 4x4 trucks; and two (2) Ford Ranger XL Regular Cab 2WD trucks; and one (1) Ford F-150 Regular Cab 4x4 short bed truck from Cornelius Ford of Vallejo, California in accordance with the City's bid requirements;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo authorizes the City Manager or his designated representative to issue a purchase order to Cornelius Ford of Vallejo, California in the amount of \$32,752.00 for the purchase of two (2) Ford Ranger XL Super Cab 4x4 trucks as specified in RFQ #502-2902-29; and

BE IT FURTHER RESOLVED that the Council of the City of Vallejo authorizes the City Manager or his designated representative to issue a purchase order to Cornelius Ford of Vallejo, California in the amount of \$21,480.00 for the purchase of two (2) Ford Ranger XL Regular Cab 2WD trucks as specified in RFQ #502-2902-30; and

BE IT FURTHER RESOLVED that the Council of the City of Vallejo authorizes the City Manager or his designated representative to issue a purchase order to Cornelius Ford of Vallejo, California in the amount of \$18,437.00 for the purchase of one (1) Ford F-150 Regular Cab 4x4 short bed truck as specified in RFQ #502-2902-31; and

BE IT FURTHER RESOLVED, that all other offers submitted in response to RFQ #502-2902-29, -30 and -31 are hereby deemed rejected upon execution of purchase orders with the aforementioned supplier.

NOVEMBER 27, 2007

J:\PUBLIC\AIPW\2007\Maint\PWSR4211.doc



CONSENT B

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *CW*
Brian Dolan, Development Services Director *BD*
Don Hazen, Planning Manager *DH*

SUBJECT: CONSIDERATION OF AN HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT) FOR 1015 Azuar Drive.

BACKGROUND AND DISCUSSION

In order to encourage owners to invest in preserving the historic character of their properties, the City Council adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements through the Mills Act. On October 18, 2007, the Architectural Heritage and Landmarks Commission considered an application for a Historic Property Preservation Agreement (Mills Act Contract) with William and Betty Romaine for their property at 1015 Azuar Drive. For potential property tax relief, the property owners have agreed to enter into a ten-year program of maintenance, rehabilitation, and restoration of their historic property. The Commission voted 7-0, to recommend that the City Council approve a resolution to enter into an Agreement with the property owners.

As noted above, the City Council has indicated its willingness to enter into Historic Property Preservation Agreements. When the City Council adopted Resolution No. 91-442, they also adopted a set of criteria to be used in evaluating the scope and appropriateness of individual contracts. The applicable criteria are outlined below.

1. The property must be on the City's Historic Resources Inventory and an evaluation form must have been completed and reviewed as to the property's level of significance.
2. An application must include an itemized description of the annual preservation and restoration goals to be undertaken by the owner through the initial ten year life of the Agreement and the estimated completion time.
3. The project should be highly visible so that it will serve as a catalyst to encourage others.

4. Preservation and restoration activities shall be carried out in conformity with the Design Standards of the City of Vallejo, the Secretary of Interior's *Standards for the Treatment of Historic Properties and the Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings*, and the State Historic Building Code.

The property meets the first criterion as it is on the City's Historic Resources Inventory. The property is located within the Mare Island Historic District (Historic District), Residential Character Area G, and subject to the Mare Island Historic District Project Guidelines, Appendix B.1 of the Mare Island Specific Plan (Guidelines). The residence is known as building 429 was built in 1921 as quarters for married officers stationed at the Mare Island Radio Station. The building is classified as a "notable" contributor to the Historic District Resources.

Criteria 2 is addressed in the ten-year improvement plan submitted by the property owner to restore and preserve the buildings and grounds. The Architectural Heritage and Landmarks Commission (AHLC) reviewed the scope of work and recommends that the attached improvement plan be included as an exhibit in the Agreement. (See Exhibit A.2)

As required under criteria 3, the property is located prominently on Azuar Drive right across from St. Peters Chapel, and being one of the first of the historic "Officers Quarters" on Mare Island to be restored, will be both highly visible and serve as a catalyst to encourage others to preserve and restore their properties.

As the property is subject the Mare Island Historic Project Guidelines, Appendix B.1 of the Specific Plan (Guidelines), all work will be reviewed by the Architectural Heritage and Landmarks Commission for conformance with the *Secretary of the Interior's Standards* and the State Historic Building Code.

The City currently has twelve active Historic Property Preservation Agreements. When the City Council adopted the Mills Act program, the number of new contracts per year was limited to five. The subject proposal is the second application reviewed and recommended for approval by the Architectural Heritage and Landmarks Commission in 2007; however the Planning Division currently has five applications for the first time ever will reach the maximum number.

Architectural Heritage and Landmarks Commission (AHLC) Action

Based on a review of the City-approved criteria and the proposed ten-year improvement plan, the AHLC voted 7-0 to recommend that the City Council enter into a Historic Property Preservation Agreement with the property owners. (See attached Staff Report of the Architectural Heritage and Landmarks Commission, dated October 18, 2007)

FISCAL IMPACT

When the City Council adopted the Mills Act program, they also established a filing fee of \$1,000. However, since the filing fee might discourage people from applying, the City Council decided that an initial application fee of \$100 would be required and then three annual payments of \$300. The property owners have paid the \$100 application fee. The Planning Division will contact the applicant to assure payment of the balance of the fee.

The usual method of valuation for property tax is to determine fair market value based on comparable sales. However, under the Mills Act, valuation is determined by a capitalization of income method rather than on market value.

The current property tax revenue collected by the County Assessor and credited to the City is approximately \$403.00. The estimated property tax revenue to the City from the property under the agreement would be \$240.00, a net reduction in property tax revenue of \$163.00 annually for at least ten years. (See Attachment 3)

The assessed value of property under an Agreement is recalculated each year by the County Assessor to reflect changes in income, expenses, interest rate, and amortization. Through the life of the Agreement, the tax revenue reduction to the City and the tax savings to the property owners will generally increase as the market value assessment increases.

ENVIRONMENTAL REVIEW

The Mills Act Contract is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15308, Class 8. The project involves an action taken by a regulatory agency (city), as authorized by State Ordinance to assure the maintenance, restoration, enhancement, or protection of the environment (historic resources) where the regulatory process involves procedures for the protection of the environment.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to execute a Historic Property Preservation Agreement for the subject property as described above and as recommended by the Architectural Heritage and Landmarks Commission.

PROPOSED ACTION

Adopt the attached resolution approving a Historic Property Preservation Agreement with the property owners of 1015 Azuar Drive as recommended by the Architectural Heritage and Landmarks Commission.

DOCUMENTS ATTACHED

1. Proposed resolution with Exhibit A - Historic Property Preservation Agreement
2. Staff report to the Architectural Heritage and Landmarks Commission dated October 18, 2007.
3. Estimated Capitalization of Income Assessment

CONTACT PERSON

Don Hazen, Planning Manager – 648-4328, dhazen@ci.vallejo.ca.us
Bill Tuikka, Associate Planner – 648-5391, btuikka@ci.vallejo.ca.us

RESOLUTION NO. ___ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the Council of the City of Vallejo adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements through the Mills Act; and

WHEREAS, William and Betty Romaine submitted an application for an Historic Property Agreement for their property at 1015 Azuar Drive; and

WHEREAS, on October 18, 2007, the Architectural Heritage and Landmarks Commission considered the application for an Historic Property Preservation Agreement and, based upon all evidence in the record, determined that the property met the criteria established by the City Council to be used in evaluating the scope and appropriateness of individual contracts; and

WHEREAS, the Architectural Heritage and Landmarks Commission voted 7-0 to recommend that the City Council enter into an Historic Property Preservation Agreement with the property owner; and

WHEREAS, on November 27, 2007, the City Council considered the application for an Historic Property Preservation Agreement and the recommendation by the Architectural Heritage and Landmarks Commission that the City Council enter into the Historic Property Preservation Agreement with the property owner; and

WHEREAS, all interested persons filed written comments with the City Clerk at or before the hearing, and all persons desiring to be heard were given an opportunity to be heard in this matter, and all such verbal and written testimony was considered by the City Council;

NOW, THEREFORE, BE IT RESOLVED that the City Council directs the City Manager to execute the Historic Property Preservation Agreement attached hereto and incorporated herein by this reference as an exhibit, and that no later than twenty (20) days after the parties execute and enter into this Historic Property Preservation Agreement, the City Clerk shall cause this Historic Property Preservation Agreement to be recorded in the office of the County Recorder of Solano County; and

BE IT FURTHER RESOLVED that 1) the property owner or his successors in interest shall comply with all terms identified in the Historic Property Preservation Agreement, and 2) the property owner or his successor in interest shall pay a contract maintenance fee of \$900.00 due and payable to the City of Vallejo over a three-year period at \$300.00 yearly on the anniversary date of the execution of the Historic Property Preservation Agreement.

Recorded at the Request of:
The City of Vallejo

When recorded, mail to:
City of Vallejo
City Clerk
P.O. Box 3068
Vallejo, CA 94590

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into at Vallejo, California, this 27th day of November, 2007, by and between the CITY OF VALLEJO, a municipal corporation, (hereinafter referred to as the "City") and William and Betty Romaine, husband and wife (hereafter referred to as the "Owners").

WITNESETH

A. Recitals

- i. California Government Code Sections 50280, et seq. authorize cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance, and restoration of such historical property so as to retain its characteristics as property of historical significance;
- ii. Owners possess fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 1015 Azuar Drive, Vallejo, California, (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked Exhibit "A.1" and is incorporated herein by this reference.
- iii. On the 27th day of November, 2007, the City Council of the City of Vallejo adopted its Resolution No. N.C. thereby declaring its intention to enter in this Historic Property Preservation Agreement (hereinafter referred to as the "Agreement"); and
- iv. City and Owners, for their mutual benefit, now desire to enter into this Agreement to protect, enhance, and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with Section 439) Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owners, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement

This agreement shall be effective and commence on November 27, 2007 and shall remain in effect for a term of ten (10) years thereafter. Each year, upon the anniversary of the effective date, such initial term will automatically be extended as provided in Paragraph 2, below.

2. Renewal

Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of nonrenewal is mailed as provided herein. If either Owners or City desires in any year not to renew the Agreement, Owners or City shall serve written notice of nonrenewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owners to City at least ninety (90) days prior to the annual renewal date, or served by the City to Owners at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement as provided herein. Upon receipt by Owners of a notice of nonrenewal from City, Owners may make a written protest of the notice. City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Standards for Historic Property

During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

- a. Owners shall preserve and maintain the characteristics of historical significance of the Historic Property and, where necessary, restore and rehabilitate the Historic Property according to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, the United States Secretary of the Interior's Standards for the Treatment of Historic Properties, and the State Historical Building Code. Attached hereto, marked as Exhibit "A.2", and incorporated herein by this reference, is a list of those conditions and improvements pertaining to the restoration or rehabilitation of the Historic Property.
- b. Prior to the commencement of any improvements listed in Exhibit "A.2", Owners shall contact the Secretary of the Architectural Heritage and Landmarks Commission to determine what, if any, City of Vallejo permits or approvals may be required.
- c. Owners shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and City, as may be necessary to determine Owners' compliance with the terms and provisions of this Agreement.

4. Provision of Information of Compliance

Owners hereby agree to furnish City with any and all information reasonably requested by the City, which may be necessary or advisable to determine compliance with the terms and provisions of this Agreement.

5. Cancellation

City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owners are in breach of any of the conditions of this Agreement or have allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owners have failed to restore or rehabilitate the property in the manner specified in Subparagraph 3 (a) of this Agreement. In the event of cancellation, Owners may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

6. Enforcement of Agreement

In lieu of and/or in addition to any provisions to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default under the provisions of this Agreement by Owners, the City shall give written notice to Owners by registered or certified mail addressed to the address stated in this Agreement, and if such violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter or if not corrected within such a reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within (30) days (provided that acts to cure the breach or default must be commenced within thirty (30) days and must thereafter be diligently pursued to completion by Owners), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owners growing out of the terms of this Agreement; apply to any court, state or federal, for injunctive relief against any violation by Owners; perform the work (or cause its performance) and assess the property for the work's value, as set forth in Chapters 11-16 of the Uniform Housing Code, as adopted; or apply for such other relief as may be appropriate.

City does not waive any claim or default by Owners if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

7. Binding Effect of Agreement

The Owners hereby subject the Historic Property described in Exhibit "A.1" hereto to the covenants, reservations, and restrictions as set forth in this Agreement. City and Owners hereby declare their specific intent that the covenants, reservations, and

restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owners' successors and assigns in title or interest to the Historic Property. Each and every contract, deed, or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the covenants, reservations, and restrictions expressed in this Agreement regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed, or other instrument.

City and Owners hereby declare their understanding and intent that the burden of the covenants, reservations, and restrictions set forth herein touch and concern the land in that Owners' legal interest in the Historic Property is rendered less valuable thereby. City and Owners hereby further declare their understanding and intent that the benefit of such covenants, reservations, and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and Owners.

8. Notice

Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: Planning Manager
 City of Vallejo
 555 Santa Clara Street
 Vallejo, CA 94590

To Owner: William and Betty Romaine
 121 Blackstone Drive
 Danville, CA 94506

9. General Provisions

- a. No later than one hundred eighty (180) days after the parties execute and enter into this Agreement, Owners shall provide written notice of this Agreement to the Office of Historic Preservation, Department of Parks and Recreation, P.O. Box 942896, Sacramento, CA 94296-0001.
- b. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors, or assigns, nor shall such terms, provisions or conditions cause them to be considered joint venturers or members of any enterprise.
- c. Owners agree to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage that may arise from the direct or indirect use or operations of Owners or those of their contractor, subcontractor, agent, employee, or other person acting on their behalf that relate to the use, operation, and maintenance of the Historic Property. Owners hereby

agree to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused, or alleged to have been caused, by reason of Owners' activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied, or approved the plans, specifications or other documents for the Historic Property.

- d. All of the agreements, rights, covenants, reservations, and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns, and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.
- e. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations, or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.
- f. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.
- g. This Agreement shall be construed and governed in accordance with the laws of the State of California.

10. Recordation

No later than twenty (20) days after the parties execute and enter into this Agreement, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Solano.

11. Amendments

This Agreement may be amended, in whole or in part, only by a written and recorded instrument executed by the parties hereto, in the manner in which it originally was executed except that Exhibit "A.1" may be amended upon mutual consent of the Owners, the Secretary of the Architectural Heritage and Landmarks Commission, and the City Manager.

(Signatures and acknowledgment on next page)

IN WITNESS WHEREOF, City and Owners have executed this Agreement on the day and year first written above.

CITY OF VALLEJO

OWNER

Joseph M. Tanner
City Manager

William Romaine

Mary Ellsworth
City Clerk

Betty Romaine

(City Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA }
 } SS.
COUNTY OF SOLANO }

On _____, before me, _____, Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

EXHIBIT A.1
Legal Description

The land referred to in this document is situated in the County of Solano, City of Vallejo, State of California, and is described as follows:

Lot 5, as shown on that certain map entitled "Final Map of Farragut Village Unit # 4", which map was filed in the Office of the Recorder of the County of Solano, State of California, on November 28, 2005, in Book 82 of Maps at Pages 8 through 13, inclusive, in the Official Records of the County of Solano, State of California.

APN: 0066-100-020

EXHIBIT A.2

William W. and Betty Romine, 1015 Azuar Drive, Mare Island - APN 0066-100-020

PROPOSED STRUCTURE/PROPERTY IMPROVEMENTS

2008

1. Seismic upgrade: bolt foundation to structural beams of the house (\$6,000)
2. Construct garage (\$55,000) siding same as house.
3. Construct deck and privacy fencing in back yard (\$12,000)
4. Repair all termite damage as noted in termite report (\$3,000)
5. Replace plumbing (\$15,000)
6. Update electrical system (\$12,500)
7. Update kitchen and bathroom (\$36,000)
8. Remove forced air heating system; replace with radiant heat (\$10,000)
9. Paint interior (\$4,500)
10. Restore oak floors (\$9,000)
11. Prune, shape and fertilize trees (boom truck required for three Canary Island Palms) (\$4,600)

2009

1. Insulate attic garage/house (\$5,800)
2. Replace old sidewalks; repair front steps and front porch floor (pitted concrete) *
3. Plant grass (or sod) in front yard; install sprinklers *

2010

1. Paint house exterior; reglaze, repair and refit windows; add window screens (\$8,000)
2. Ongoing replacement of incandescent bulbs with fluorescent *

2011

1. Finish back garden *
2. Construct patio in back *

2012

1. Replace house roof (\$15,000)

2013

1. Add security alarm system (\$2,500)
2. Add front yard cross-fencing *
3. Tree service to prune Canary Island Palms (\$3,000)

2014

1. Finish off exercise room in the garage (\$2,000)
2. Repaint garage exterior (\$5,000)

2015

1. Insulate floor under house (\$2,000)
2. Repair/waterproof kitchen chimney (\$750)
3. Build pergola or trellis over patio (\$5,000)

2016

1. Tree service to prune Canary Island Palm fronds (\$3,000)

2017

1. Repaint house (\$6,000)
2. Maintain/repaint wrought iron fencing (\$1,000)
3. Ongoing annual maintenance (depending on the year -- varying from \$3,000 upward)

- I have no cost estimates for some items.

10/22/07

ARCHITECTURAL HERITAGE & LANDMARKS COMMISSION

STAFF REPORT

Date of Hearing: October 18, 2007

Agenda Item: 13e

Application: Request by the property owners to enter into a Historic Property Preservation Agreement (Mills Act Contract) with the City of Vallejo for their property at 1015 Azuar.

Recommendation: **APPROVE** a recommendation that the City Council enter into an Historic Property Preservation Agreement with the property owners. (Mills act Application 07-0004)

1. **LOCATION:** 1015 Azuar Drive, North of 7th Street, South of Flagship Drive; Mare Island Reuse Area 6B.
2. **APPLICANT:** William and Betty Romaine
121 Blackstone Drive
Danville, CA 94506
3. **PROPERTY OWNER:** Same
4. **BACKGROUND AND DISCUSSION:**

In 1976, legislation was adopted in California that created an alternative method for determining assessed value for qualified historic properties subject to an historic property agreement. These agreements, commonly referred to as "Mills Act contracts", provide for property tax relief for owners of qualified historic properties who agree to comply with certain preservation restrictions and subject to approval and adoption by the local government. Participation in the program is voluntary on the part of the property owner. To be eligible for a Mills Act contract, the property must either be listed on the National Register of Historic Places, be located in a National Register or local historic district, or be listed on a state, county, or city and county official register.

As appropriate, the contract may provide for the preservation, restoration, and rehabilitation of the property. The contract may also provide for periodic examination of the property to ensure compliance with the contract terms. Under a Mills Act contract, the property owner is obligated to prevent deterioration of the property in addition to complying with any specific restoration or rehabilitation provisions contained in the contract.

The minimum term of a Mills Act contract is ten years and each year, the contract is automatically renewed for an additional year on a specified date unless a notice of non-renewal is given. Either the property owner or the City may elect not to renew for any reason. The effect of non-renewal is to terminate the contract at the end of the current ten-year term.

To encourage owners to invest in preserving the historic character of their properties, the City Council adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements (Agreement) through the Mills Act. Although the State statute provides for a number of mandatory contract provisions, the City has the discretion to set such terms as are "reasonable to carry out the purposes of preservation of the property."

When the City Council adopted the resolution in 1991, they also adopted a set of criteria to be used in evaluating the scope and appropriateness of individual contracts. The applicable criteria are listed below.

1. The property must be on the City's Historic Resources Inventory and an evaluation form must have been completed and reviewed as to the property's level of significance.
2. An application must include an itemized description of the annual preservation and restoration goals to be undertaken by the owner through the initial ten-year life of the Agreement with the estimated completion time. An application must also include projected adjustments of the property taxes as determined by the Solano County Assessor's Office. (As the Assessor's Office no longer provides this projection, this requirement has been waived.)
3. The project should be highly visible so that it will serve as a catalyst to encourage others to preserve and restore their properties.
4. Preservation and restoration activities required for or performed on properties bound under a Mills Act Contract shall be carried out in conformity with the Design Standards of the City of Vallejo, the Secretary of Interior's Standards for the Treatment of Historic Properties and the Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings, and the State Historical Building Code.

Project Description.

The applicants have submitted an application for a Historic Property Preservation Agreement for their property, which site is located within the Mare Island Historic District (Historic District), Residential Character Area G, and subject to the Mare Island Historic District Project Guidelines, Appendix B.1 of the Mare Island Specific Plan (Guidelines). The property is developed with a vernacular style

one-story wood frame residence built in 1921 as quarters for married officers station at the Mare Island Radio Station. The wood sided exterior walls are divided into a base of wide horizontal clapboard siding up to the sills of paired double-hung windows. The residence has a square-columned screened in porch. The residence is known as building # 429 and classified as a "Notable" contributor to the Historic District Resources.

In an attempt to maintain, restore, and preserve this historic property, the applicants have submitted a Ten-Year Scope of Work (Attachment 1). The City has no written criteria for the type of improvements to be made and each application is evaluated on its own merits; however, the type of improvements should clearly show that the City will benefit from the program in exchange for the tax savings and that the goals of preservation and restoration will be accomplished.

The application, including the proposed scope of work, has been reviewed by the Landmarks and Mills Act Committee. The Committee recommends forwarding a recommendation of approval to City Council.

The proposed scope of work includes extensive work on the grounds, installation of new landscaping, fencing, and construction of a garage. The concept of the garage construction has already been approved for a Certificate of Appropriateness by the Architectural Heritage and Landscape Commission (#05-0018). A COA for the design and garage construction would need to be approved by the AHLC. Further work includes structural renovation where necessary to maintain the integrity of the building, including replacing the rear porch, a new roof, painting of the house exterior, and significant interior restoration work, including cosmetic work (plaster repair, floor refinishing, kitchen remodel) as well as upgrading of basic internal systems (plumbing and electrical).

The ambitious scope of work will restore this structure, which has been suffering from disrepair after ten years of vacancy due to the closing of the Mare Island Naval Base.

It is staff's opinion that this scope of work will help maintain, restore, and preserve this historic property and is appropriate for a Historic Property Preservation Agreement.

Furthermore, this project site, being located prominently on Azuar Drive right across from St. Peters Chapel, and being one of the first of the historic "Officers Quarters" on Mare Island to be restored, will be both highly visible and serve as a catalyst to encourage others to preserve and restore their properties.

Significance Documentation:

The following descriptions of the resources are provided from the 1996 Mare Island National Register Nomination Form:

Mare Island Historic District National Register District: *"The dominant characteristic of the historic district is its diversity... Because the district is so varied, the resources included therein can only be appreciated in the context in which they were built. That context is defined by two variables: the function with which a resource is associated...and the period in which the resource was built."* (from Summary Description of the MINR Nomination)

Buildings 411, 420, 429 and 431: *"These one-story wood frame residences with low pitched asphalt and gravel roofs were built in 1921 as quarters for married officers stationed at the Naval Radio Station. The wood-sided exterior walls are divided into a base of wide horizontal clapboard siding up to the sill of paired double-hung windows. Each residence is outfitted with a square-columned, screened porch. Although the communications facilities no longer exist at Mare Island, the remaining residential quarters serve as a reminder of the importance of this activity."* (MINR Nomination)

The following description of the resource is provided from the 1994-1995 Historical Survey of Mare Island Naval Complex (MINC-HS):

Buildings 411, 420, 429 and 431 Quarters: Architectural Style: *Prairie School*, Physical Description: *Buildings 411, 420, 429 and 431 are one-story wood framed residences with low pitched tar and gravel roofs. They are set low to the grade and the wood clad walls are divided into a base of wide horizontal siding with veegrooving up to the sills on paired double-hung windows with six light over one sash. Narrow bull nosed bevel siding bands windows trimmed with flat casings. The wall is finished with an architrave of surfaced wood. A substantial eave overhang has a wood soffit ending against a flat wood fascia capped with a metal gravel stop. The doorways enter from a square columned screened porch."*

"Significance: "Buildings 411, 420, 429 and 431 are a portion of the housing built to accommodate personnel active in the widespread Pacific basin communications network of post World War I. They are modest examples of Prairie Style architecture subdued and transformed with restrained classic motifs. For a good number of years radio communication was a major activity of the base" (MINC-HS 10/84 and 01/85)

5. STAFF RECOMMENDATION:

Staff recommends that the Commission **APPROVE** a recommendation that the City Council enter into a Historic Property Preservation Agreement with the property owners of 1175 Azuar Drive based on the following:

Findings:

1. The project will help maintain and preserve the architectural character of this notable resource on Mare Island.
2. Approval of the Historic Property Preservation Agreement and subsequent improvements may serve as a catalyst to encourage other property owners to preserve, rehabilitate, and restore their properties.

Conditions:

1. The property owners or their successors in interest shall comply with all terms identified in the Historic Property Preservation Agreement as approved by the City Council.
2. Prior to commencement of any work identified in the improvement plan, the property owners shall contact Planning Division staff to determine the specific scope of work, its appropriateness, and its compliance with the Agreement. As a City Landmark, all work on the interior or exterior of the buildings must have a Certificate of Appropriateness approved by the Architectural Heritage and Landmarks Commission.
3. Upon approval of the Historic Property Preservation Agreement by the City Council, the property owners or their successors in interest shall pay a contract maintenance fee of \$900.00, to be assessed over a three-year period at \$300.00 yearly.

ATTACHMENTS

1. Scope of Work
2. Historic Resources Inventory
3. Photos
4. Vicinity Map
5. Conflict of Interest Map

PROPOSED STRUCTURE/PROPERTY IMPROVEMENTS

2008

1. Seismic upgrade: bolt foundation to structural beams of the house (\$6,000)
2. Construct garage (\$55,000) siding same as house.
3. Construct deck and privacy fencing in back yard (\$12,000)
4. Repair all termite damage as noted in termite report (\$3,000)
5. Replace plumbing (\$15,000)
6. Update electrical system (\$12,500)
7. Update kitchen and bathroom (\$36,000)
8. Remove forced air heating system; replace with radiant heat (\$10,000)
9. Paint interior (\$4,500)
10. Restore oak floors (\$9,000)
11. Prune, shape and fertilize trees (boom truck required for three Canary Island Palms) (\$4,600)

2009

1. Insulate attic garage/house (\$5,800)
2. Replace old sidewalks; repair front steps and front porch floor (pitted concrete) *
3. Plant grass (or sod) in front yard; install sprinklers *

2010

1. Paint house exterior; reglaze, repair and refit windows; add window screens (\$8,000)
2. Ongoing replacement of incandescent bulbs with fluorescent *

2011

1. Finish back garden *
2. Construct patio in back *

2012

1. Replace house roof (\$15,000)

2013

1. Add security alarm system (\$2,500)
2. Add front yard cross-fencing *
3. Tree service to prune Canary Island Palms (\$3,000)

2014

1. Finish off exercise room in the garage (\$2,000)
2. Repaint garage exterior (\$5,000)

2015

1. Insulate floor under house (\$2,000)
2. Repair/waterproof kitchen chimney (\$750)
3. Build pergola or trellis over patio (\$5,000)

2016

1. Tree service to prune Canary Island Palm fronds (\$3,000)

2017

1. Repaint house (\$6,000)
2. Maintain/repaint wrought iron fencing (\$1,000)
3. Ongoing annual maintenance (depending on the year – varying from \$3,000 upward)

- I have no cost estimates for some items.

10/22/07

13. Condition: Excellent ___ Good Fair ___ Deteriorated ___ No longer in existence ___
14. Alterations: _____
15. Surroundings: (Check more than one if necessary) Open land ___ Scattered buildings ___ Densely built-up ___
Residential Industrial ___ Commercial ___ Other: _____
16. Threats to site: None known Private development ___ Zoning ___ Vandalism ___
Public Works project ___ Other: _____
17. Is the structure: On its original site? Moved? ___ Unknown? ___
18. Related features: _____

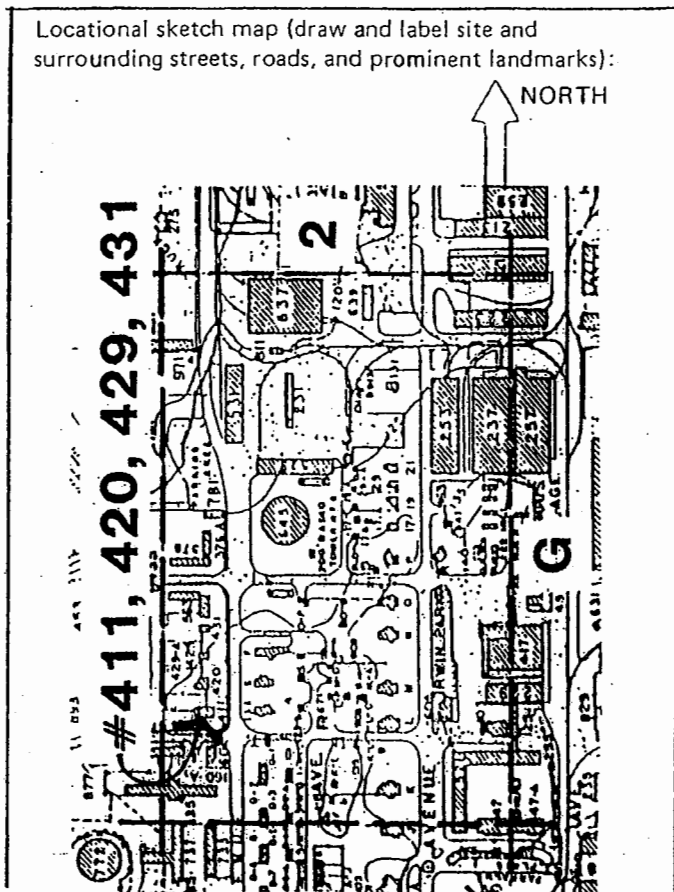
SIGNIFICANCE

19. Briefly state historical and/or architectural importance (include dates, events, and persons associated with the site.)
Buildings 411, 420, 429, and 431 are a portion of the housing built to accommodate personnel active in the widespread Pacific basin communications network of post World War I. They are modest examples of Prairie Style architecture subdued and transformed with restrained classic motifs. For a good number of years radio communication was a major activity of the base.

20. Main theme of the historic resource: (If more than one is checked, number in order of importance.)
Architecture ___ Arts & Leisure ___
Economic/Industrial ___ Exploration/Settlement ___
Government ___ Military
Religion ___ Social/Education ___

21. Sources (List books, documents, surveys, personal interviews and their dates).
Archives, MINS

22. Date form prepared 1/3/85
By (name) K.H. Cardwell
Organization Mighetto and Youngmeister
Address: 901 Grayson Street
City Berkeley Zip 94710
Phone: (415) 548-5700



Ser. No. _____
 HABS _____ HAER _____ NR _____ SHL _____ Loc _____
 UTM: A _____ B _____
 C _____ D _____

HISTORIC RESOURCES INVENTORY

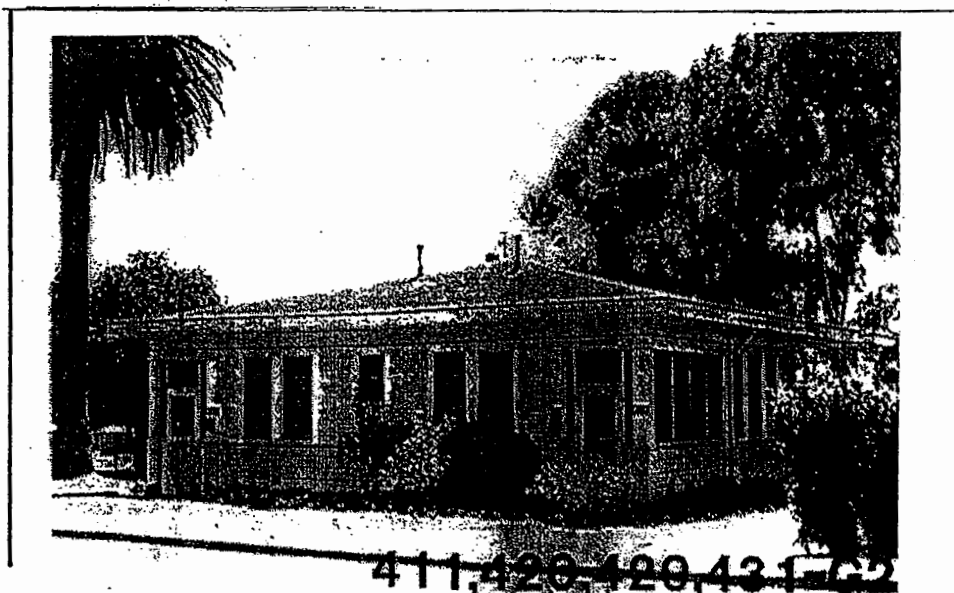
IDENTIFICATION

1. Common name: BLDGS. 411, 420, 429, 431 -- Quarters
2. Historic name: _____
3. Street or rural address: Mare Island Naval Complex
 City Vallejo Zip 94592 County Solano
4. Parcel number: Bldgs. 411, 420, 429, 431, Quadrant G2
5. Present Owner: U.S. Navy Address: Pub. Wks. Dpt. M.I.N.
 City Vallejo Zip 94592 Ownership is: Public Private _____
6. Present Use: Residential Original use: Residential

DESCRIPTION

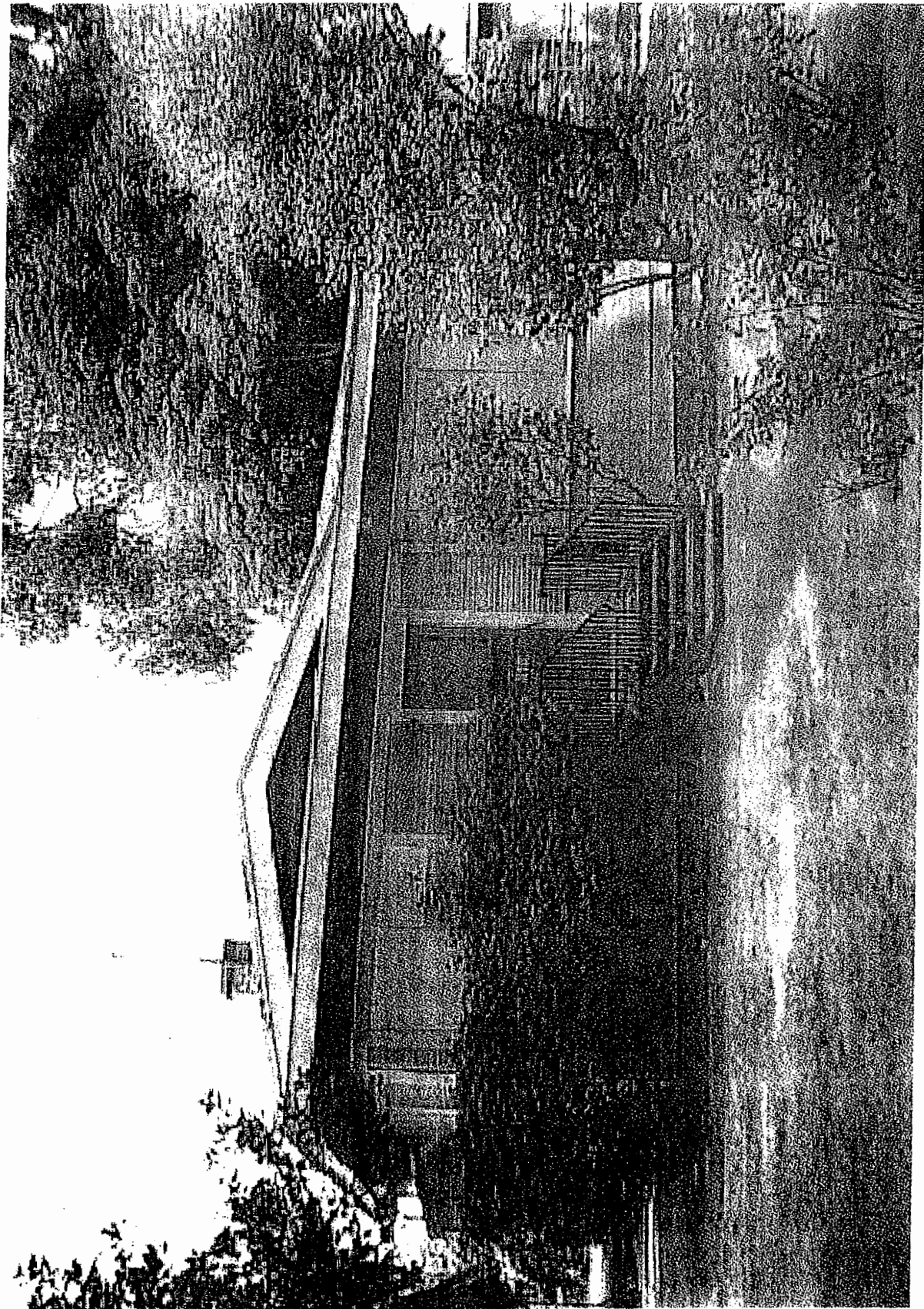
- 7a. Architectural style: Prairie School
- 7b. Briefly describe the present *physical description* of the site or structure and describe any major alterations from its original condition: Buildings 411, 420, 429, 431 are one story wood framed residences with low pitched tar and gravel roofs. They are set low to the grade and the wood clad walls are divided into a base of wide horizontal siding with vee grooving up to the sills of paired double hung windows with six light over one sash. Narrow bullnosed bevel siding bands windows trimmed with flat casings. The wall is finishes with an architrave of surfaced wood. A substantial eave overhang has a wood soffit ending against a flat wood fascia capped with a metal gravel stop. The doorways enter from a square columned screened porch.

8. Construction date:
 Estimated _____ Factual 1921
9. Architect _____
10. Builder _____
11. Approx. property size (in feet)
 Frontage 38 Depth 67
 or approx. acreage _____
12. Date(s) of enclosed photograph(s)
October, 1984



411, 420, 429, 431 G2

431



Building # 429

William W. Romine
1015 Azuar
Mare Island
APN 0066-100-020



front of house
with

- overgrown shrubs
to be
trimmed & fertilized

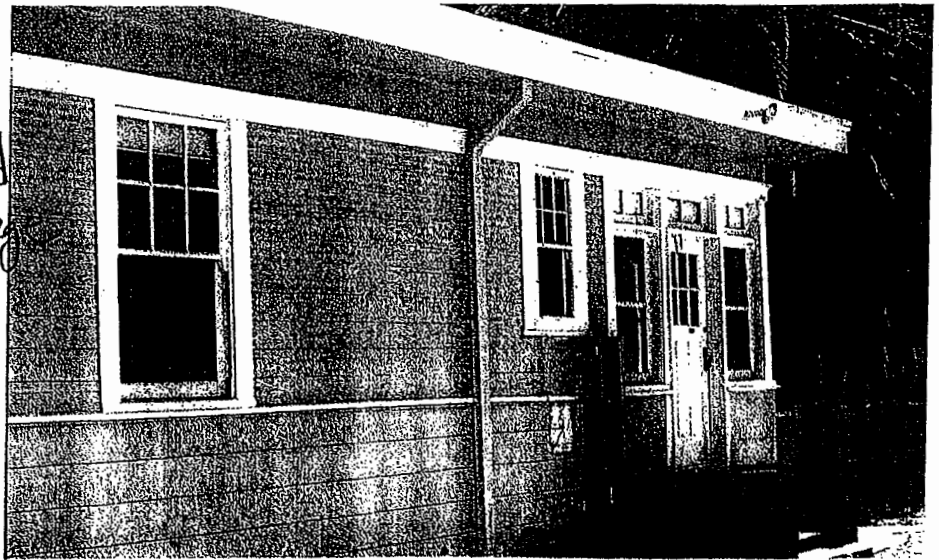
north side of house.

- patchy lawn has
bare spots &
weeds
to be replaced w/sod



back of house

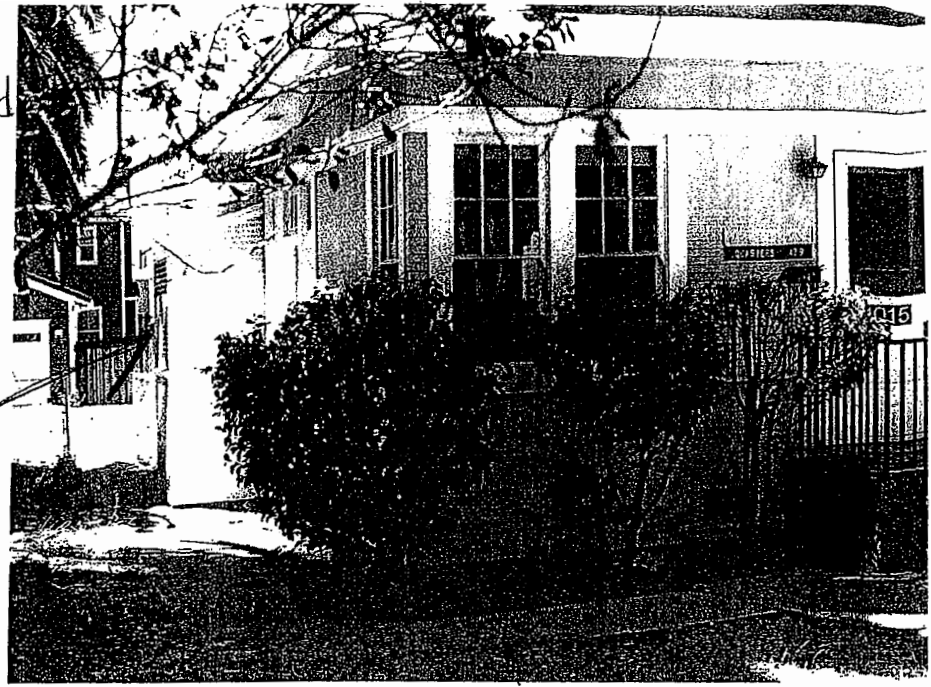
exterior painting planned
replacing termite damage
at porch
reglazing windows
replacing lost screens



William W. Romine
1015 Azuar, Mare Island
APN 0066-100-020

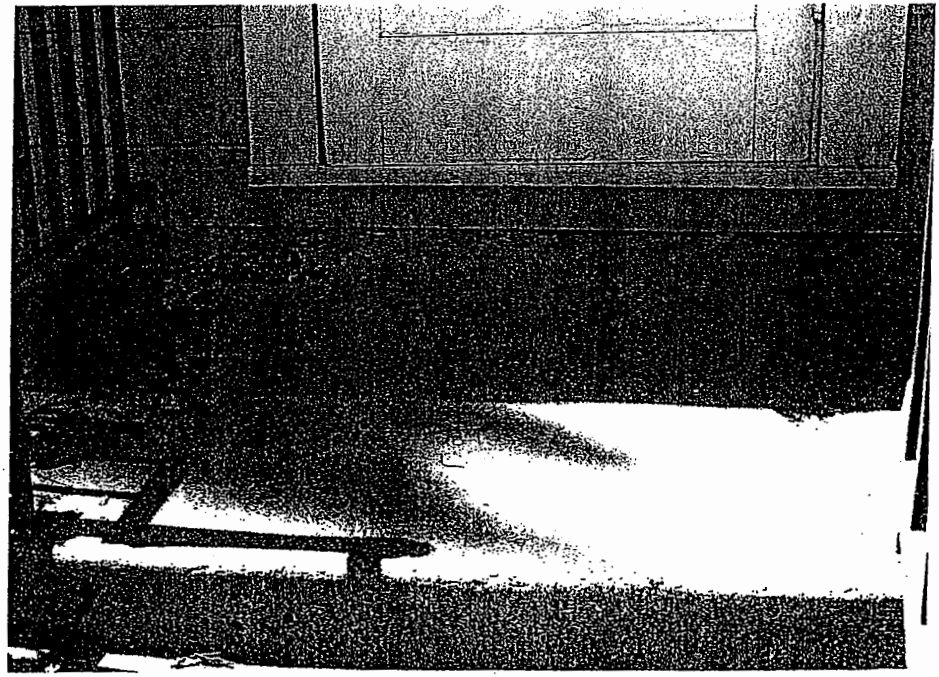
front of house
at south corner

- forced air heating unit and tack-on structure removed; replace with original radiant heat



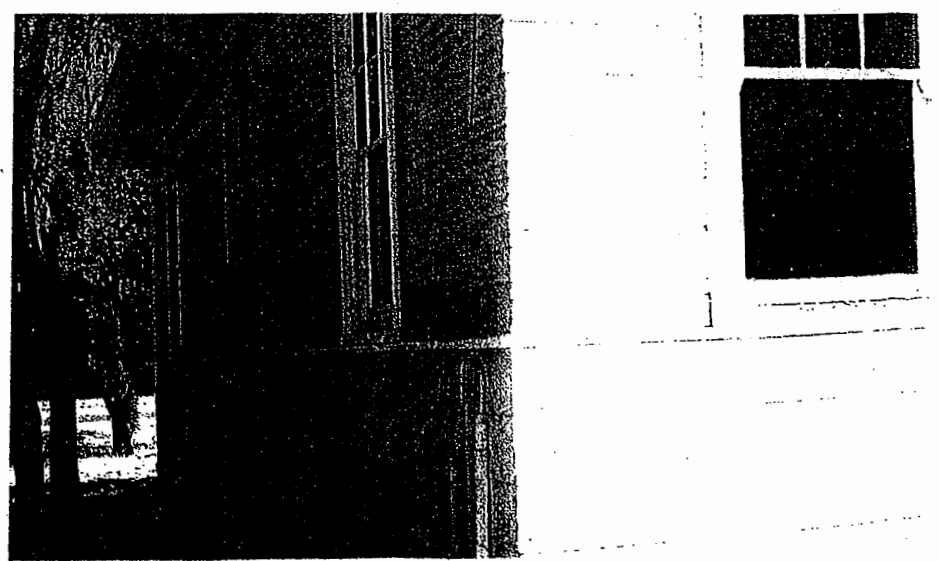
front porch

- repair damaged concrete exposing rebar



north side
of house

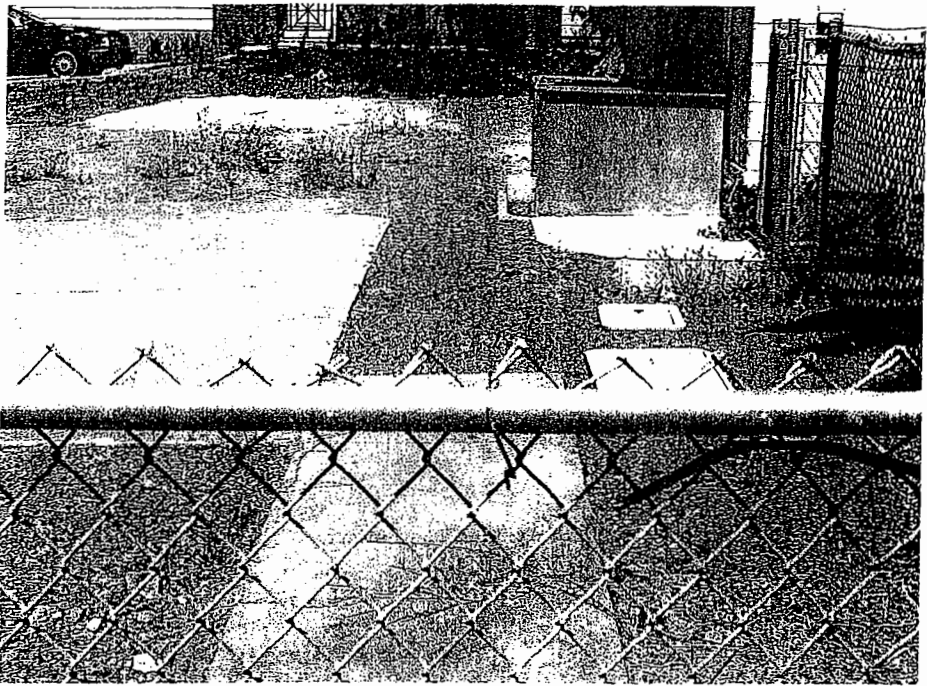
- remove unsightly old wiring



William W. Romine
1015 Azuar, Mare Island
APN 0066-100-020

back of house

- old fencing and patchy concrete to be replaced



South side of house

- overgrown palm tree with many dead fronds to be trimmed up to restore its beauty



north side of house
looking west

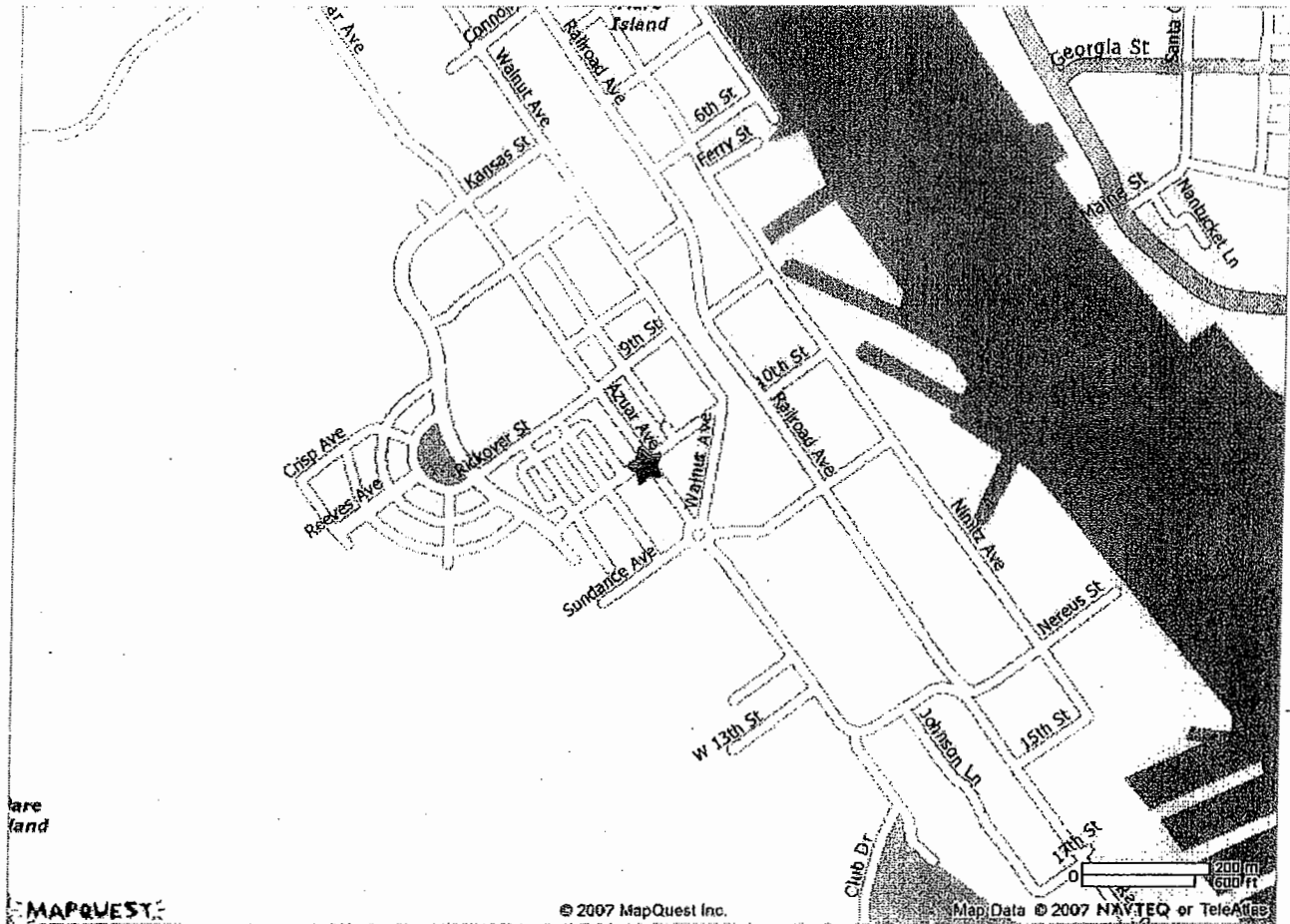
- large fig tree needs trimming away from adjacent town homes



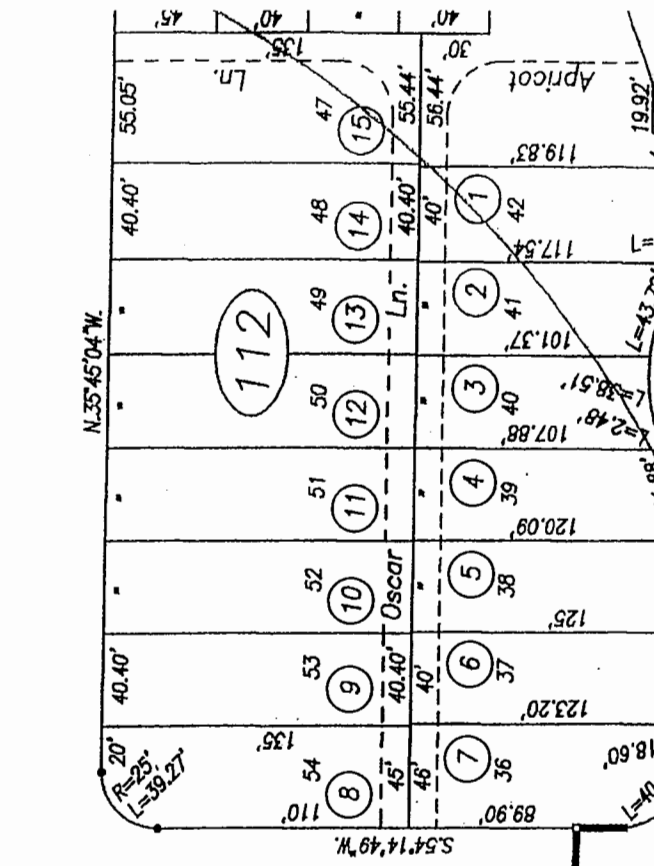
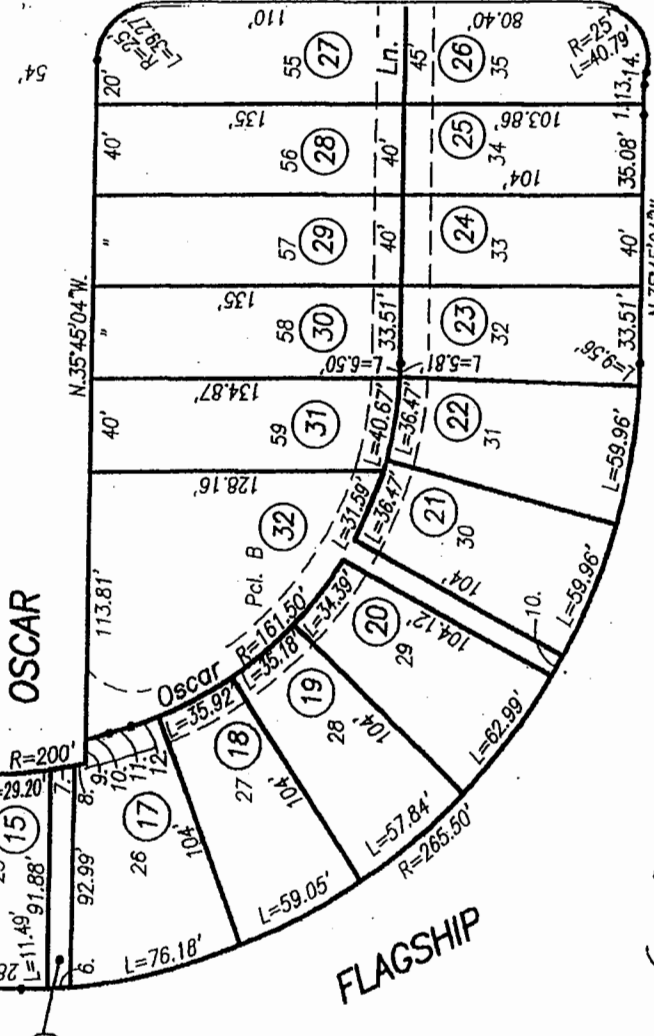
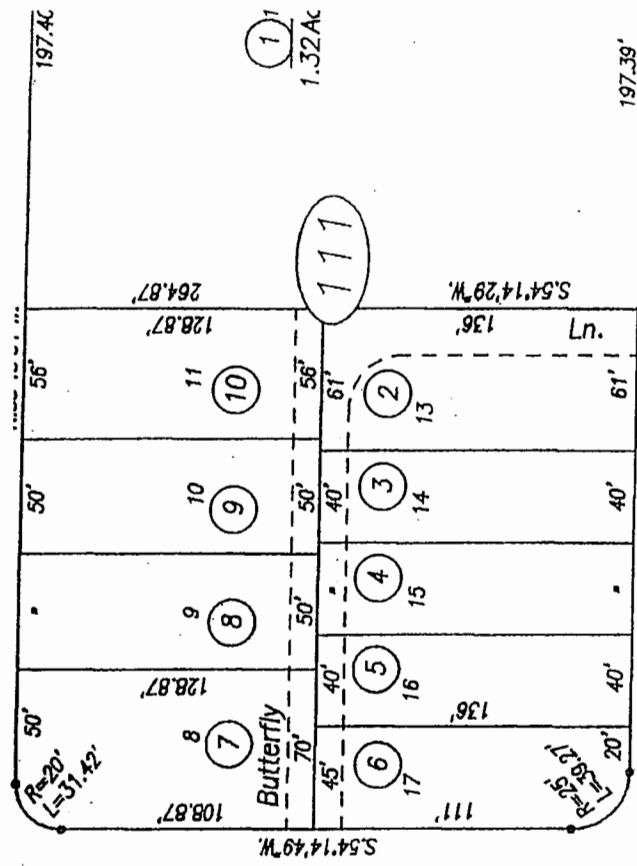
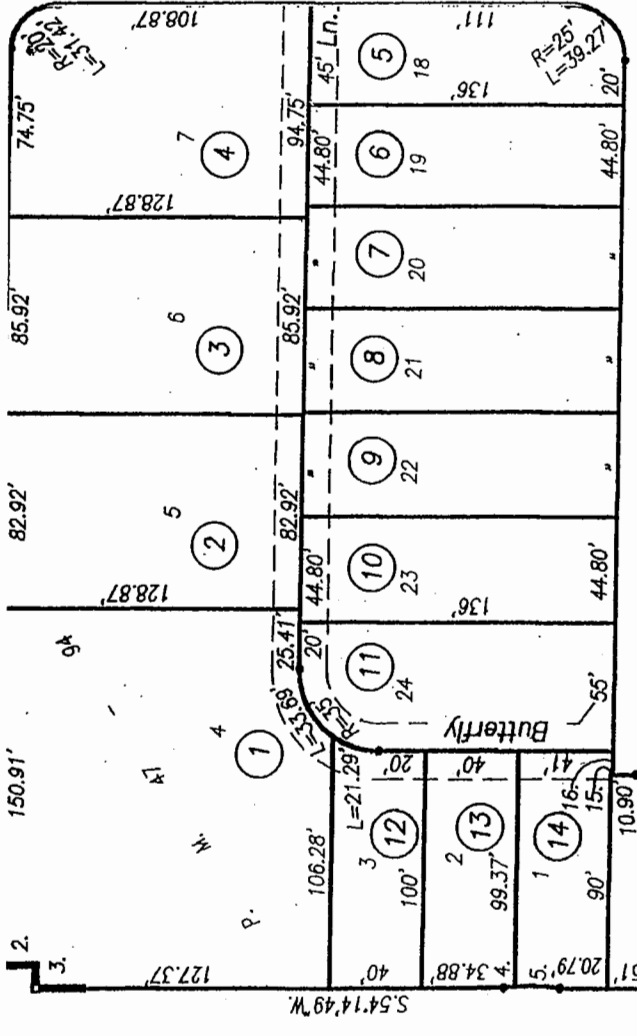
VICINITY MAP

★ **1015 Azuar Ave**
Vallejo, CA 94592-1041, US

Sorry! When printing directly from the browser your map may be incorrectly cropped. To print the entire map, try clicking the "Printer-Friendly" link at the top of your results page.



All rights reserved. Use Subject to License/Copyright
This map is informational only. No representation is made or warranty given as to its content. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.



CONFLICT OF INTEREST MAP
 1015 AZUAR DR
 ALL PARCELS ABOVE

DR.

DR.

DR.

Cross

ESTIMATED CAPITALIZATION OF INCOME ASSESSMENT

The usual method of valuation for property tax is to determine the fair market value based on comparable sales. However, under the Mills Act, valuation is determined by a capitalization of income method rather than on market value. The following example estimates the potential net savings to a property owner entering into a Mills Act agreement. If the Agreement is approved, the County Assessor will make an official determination on the value of the property using the following capitalization of income method.

Estimated Gross Income: (\$1,600/mo. X 12)		\$19,200
Expenses:		<u>- 7,470</u>
Net Operating Income (NOI)		\$11,370
Capitalization Rate		
Interest Component (rate estimated)	6.00%	
Historical Property Risk Component	4.00%	
Amortization Component		
(assume reciprocal life of 50 years)	2.00%	
Property Taxes Component	<u>1.00%</u>	
Total Capitalization Rate	13.00%	
Capitalization of Net Income (NOI / Cap Rate)		\$11,370 / .1300 = \$87,462
Current Assessed Value		\$150,830
Current Property Taxes		\$ 1,614
Current City Property Tax Revenue (Approx. 25% of tax collected by County)		\$ 403
Estimated Assessed Value w/ Agreement	\$ 87,462	
Estimated Property Tax w/ Agreement	\$ 962	
Estimated City Property Tax Revenue	\$ 240	
Potential annual property tax reduction to City		\$403 – 240 = \$163
Potential annual property tax reduction to property owner		\$1,614 – \$962 = \$652

The assessed value of property under an Agreement is recalculated each year by the County Assessor to reflect changes in income, expenses, interest rate, and will increase as the market value assessment increases.



CONSENT C

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *CW*
Brian Dolan, Development Services Director *BD*
Don Hazen, Planning Manager *DH*

SUBJECT: CONSIDERATION OF AN HISTORIC PROPERTY PRESERVATION AGREEMENT (MILLS ACT CONTRACT) FOR 723 and 729 Georgia Street.

BACKGROUND AND DISCUSSION

In order to encourage owners to invest in preserving the historic character of their properties, the City Council adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements through the Mills Act. On October 18, 2007, the Architectural Heritage and Landmarks Commission considered an application for a Historic Property Preservation Agreement (Mills Act Contract) Kathryn Lemlow and Wren Tracy for the property at 723 & 729 Georgia Street. For potential property tax relief, the property owners have agreed to enter into a ten-year program of maintenance, rehabilitation, and restoration of their historic property. The Commission voted 6-0, (one Commissioner abstained due to conflict of interest) to recommend that the City Council approve a resolution to enter into an Agreement with the property owners.

As noted above, the City Council has indicated its willingness to enter into Historic Property Preservation Agreements. When the City Council adopted Resolution No. 91-442, they also adopted a set of criteria to be used in evaluating the scope and appropriateness of individual contracts. The applicable criteria are outlined below.

1. The property must be on the City's Historic Resources Inventory and an evaluation form must have been completed and reviewed as to the property's level of significance.
2. An application must include an itemized description of the annual preservation and restoration goals to be undertaken by the owner through the initial ten year life of the Agreement and the estimated completion time.
3. The project should be highly visible so that it will serve as a catalyst to encourage others.

4. Preservation and restoration activities shall be carried out in conformity with the Design Standards of the City of Vallejo, the Secretary of Interior's *Standards for the Treatment of Historic Properties and the Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings*, and the State Historic Building Code.

The property meets the first criterion as it is on the City's Historic Resources Inventory. The property is located within the Architectural Heritage District (District) and located on Georgia Street, a prominent street in the District. The property is developed with two two-story shingled houses that would be classified as a combination of Colonial Revival and Craftsman, built around 1908. These houses are excellent examples of contractor's speculative housing of the period, and contain details that are trademarks of the local builder as it contains details that are seen on other houses in the area.

Criteria 2 is addressed in the ten-year improvement plan submitted by the property owner to restore and preserve the buildings and grounds. The Architectural Heritage and Landmarks Commission (AHLC) reviewed the scope of work and recommends that the attached improvement plan be included as an exhibit in the Agreement. (See Exhibit A.2)

As required under criteria 3, the property is located prominently on Georgia Street, one of the City's most important and visible residential streets. The houses are highly visible and this scope of work will serve as a catalyst to encourage others to preserve and restore their properties.

As the property is within the Architectural Heritage District, all work will be reviewed by the Architectural Heritage and Landmarks Commission for conformance with the *Secretary of the Interior's Standards* and the State Historic Building Code.

The City currently has thirteen active Historic Property Preservation Agreements. When the City Council adopted the Mills Act program, the number of new contracts per year was limited to five. The subject proposal is the second application reviewed and recommended for approval by the Architectural Heritage and Landmarks Commission in 2007; however the Planning Division currently has five applications for the first time ever will reach the maximum number.

Architectural Heritage and Landmarks Commission (AHLC) Action

Based on a review of the City-approved criteria and the proposed ten-year improvement plan, the AHLC voted 6-0 (one Commissioner abstained due to conflict of interest) to recommend that the City Council enter into a Historic Property Preservation Agreement with the property owners. (See attached Staff Report of the Architectural Heritage and Landmarks Commission, dated October 18, 2007)

FISCAL IMPACT

When the City Council adopted the Mills Act program, they also established a filing fee of \$1,000. However, since the filing fee might discourage people from applying, the City Council decided that an initial application fee of \$100 would be required and then three annual payments of \$300. The property owners have paid the \$100 application fee. The Planning Division will contact the applicant to assure payment of the balance of the fee.

The usual method of valuation for property tax is to determine fair market value based on comparable sales. However, under the Mills Act, valuation is determined by a capitalization of income method rather than on market value.

The current property tax revenue collected by the County Assessor and credited to the City is approximately \$555.00. The estimated property tax revenue to the City from the property under the agreement would be \$493.00, a net reduction in property tax revenue of \$62.00 annually for at least ten years. (See Attachment 3)

The assessed value of property under an Agreement is recalculated each year by the County Assessor to reflect changes in income, expenses, interest rate, and amortization. Through the life of the Agreement, the tax revenue reduction to the City and the tax savings to the property owners will generally increase as the market value assessment increases.

ENVIRONMENTAL REVIEW

The Mills Act Contract is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15308, Class 8. The project involves an action taken by a regulatory agency (city), as authorized by State Ordinance to assure the maintenance, restoration, enhancement, or protection of the environment (historic resources) where the regulatory process involves procedures for the protection of the environment.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to execute a Historic Property Preservation Agreement for the subject property as described above and as recommended by the Architectural Heritage and Landmarks Commission.

PROPOSED ACTION

Adopt the attached resolution approving a Historic Property Preservation Agreement with the property owners of 723 & 729 Georgia Street as recommended by the Architectural Heritage and Landmarks Commission.

DOCUMENTS ATTACHED

1. Proposed resolution with Exhibit A - Historic Property Preservation Agreement
2. Staff report to the Architectural Heritage and Landmarks Commission dated October 18, 2007.
3. Estimated Capitalization of Income Assessment

CONTACT PERSON

Don Hazen, Planning Manager – 648-4328, dhazen@ci.vallejo.ca.us
Bill Tuikka, Associate Planner – 648-5391, btuikka@ci.vallejo.ca.us

RESOLUTION NO. ___ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the Council of the City of Vallejo adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements through the Mills Act; and

WHEREAS, Kathryn Lemlow and Wren Tracy submitted an application for an Historic Property Agreement for their property at 723 & 729 Georgia Street ; and

WHEREAS, on October 18, 2007, the Architectural Heritage and Landmarks Commission considered the application for an Historic Property Preservation Agreement and, based upon all evidence in the record, determined that the property met the criteria established by the City Council to be used in evaluating the scope and appropriateness of individual contracts; and

WHEREAS, the Architectural Heritage and Landmarks Commission voted 6-0 (one Commissioner abstaining due to conflict of interest) to recommend that the City Council enter into an Historic Property Preservation Agreement with the property owner; and

WHEREAS, on November 27, 2007, the City Council considered the application for an Historic Property Preservation Agreement and the recommendation by the Architectural Heritage and Landmarks Commission that the City Council enter into the Historic Property Preservation Agreement with the property owner; and

WHEREAS, all interested persons filed written comments with the City Clerk at or before the hearing, and all persons desiring to be heard were given an opportunity to be heard in this matter, and all such verbal and written testimony was considered by the City Council;

NOW, THEREFORE, BE IT RESOLVED that the City Council directs the City Manager to execute the Historic Property Preservation Agreement attached hereto and incorporated herein by this reference as an exhibit, and that no later than twenty (20) days after the parties execute and enter into this Historic Property Preservation Agreement, the City Clerk shall cause this Historic Property Preservation Agreement to be recorded in the office of the County Recorder of Solano County; and

BE IT FURTHER RESOLVED that 1) the property owner or his successors in interest shall comply with all terms identified in the Historic Property Preservation Agreement, and 2) the property owner or his successor in interest shall pay a contract maintenance fee of \$900.00 due and payable to the City of Vallejo over a three-year period at \$300.00 yearly on the anniversary date of the execution of the Historic Property Preservation Agreement.

Recorded at the Request of:
The City of Vallejo

When recorded, mail to:
City of Vallejo
City Clerk
P.O. Box 3068
Vallejo, CA 94590

HISTORIC PROPERTY PRESERVATION AGREEMENT

THIS AGREEMENT is made and entered into at Vallejo, California, this 27th day of November, 2007, by and between the CITY OF VALLEJO, a municipal corporation, (hereinafter referred to as the "City") and Kathryn Lemlow and Wren Tracy, (hereafter referred to as the "Owners").

WITNESETH

A. Recitals

- i. California Government Code Sections 50280, et seq. authorize cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance, and restoration of such historical property so as to retain its characteristics as property of historical significance;
- ii. Owners possess fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 723 & 729 Georgia Street, Vallejo, California, (hereinafter such property shall be referred to as the "Historic Property"). A legal description of the Historic Property is attached hereto, marked Exhibit "A.1" and is incorporated herein by this reference.
- iii. On the 27th day of November, 2007, the City Council of the City of Vallejo adopted its Resolution No. N.C. thereby declaring its intention to enter in this Historic Property Preservation Agreement (hereinafter referred to as the "Agreement"); and
- iv. City and Owners, for their mutual benefit, now desire to enter into this Agreement to protect, enhance, and preserve the characteristics of historical significance of the Historic Property and to qualify the Historic Property for an assessment of valuation pursuant to the provisions of Article 1.9 (commencing with Section 439) Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code.

B. Agreement

NOW, THEREFORE, City and Owners, in consideration of the mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Effective Date and Term of Agreement

This agreement shall be effective and commence on November 27, 2007 and shall remain in effect for a term of ten (10) years thereafter. Each year, upon the anniversary of the effective date, such initial term will automatically be extended as provided in Paragraph 2, below.

2. Renewal

Each year on the anniversary of the effective date of this Agreement (hereinafter referred to as the "renewal date"), a year shall automatically be added to the initial term of this Agreement unless notice of nonrenewal is mailed as provided herein. If either Owners or City desires in any year not to renew the Agreement, Owners or City shall serve written notice of nonrenewal of the Agreement on the other party in advance of the annual renewal date of the Agreement. Unless such notice is served by Owners to City at least ninety (90) days prior to the annual renewal date, or served by the City to Owners at least sixty (60) days prior to the annual renewal date, one (1) year shall automatically be added to the term of the Agreement as provided herein. Upon receipt by Owners of a notice of nonrenewal from City, Owners may make a written protest of the notice. City may, at any time prior to the annual renewal date of the Agreement, withdraw its notice to the other of nonrenewal in any year, the Agreement shall remain in effect for the balance of the term then remaining, either from its original execution or from the last renewal of the Agreement, whichever may apply.

3. Standards for Historic Property

During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements and restrictions:

- a. Owners shall preserve and maintain the characteristics of historical significance of the Historic Property and, where necessary, restore and rehabilitate the Historic Property according to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, the United States Secretary of the Interior's Standards for the Treatment of Historic Properties, and the State Historical Building Code. Attached hereto, marked as Exhibit "A.2", and incorporated herein by this reference, is a list of those conditions and improvements pertaining to the restoration or rehabilitation of the Historic Property.
- b. Prior to the commencement of any improvements listed in Exhibit "A.2", Owners shall contact the Secretary of the Architectural Heritage and Landmarks Commission to determine what, if any, City of Vallejo permits or approvals may be required.
- c. Owners shall allow reasonable periodic examinations, by prior appointment, of the interior and exterior of the Historic Property by representatives of the County Assessor, State Department of Parks and Recreation, State Board of Equalization, and City, as may be necessary to determine Owners' compliance with the terms and provisions of this Agreement.

4. Provision of Information of Compliance

Owners hereby agree to furnish City with any and all information reasonably requested by the City, which may be necessary or advisable to determine compliance with the terms and provisions of this Agreement.

5. Cancellation

City, following a duly noticed public hearing as set forth in California Government Code Sections 50280, et seq., may cancel this Agreement if it determines that Owners are in breach of any of the conditions of this Agreement or have allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historic property. City may also cancel this Agreement if it determines that the Owners have failed to restore or rehabilitate the property in the manner specified in Subparagraph 3 (a) of this Agreement. In the event of cancellation, Owners may be subject to payment of those cancellation fees set forth in California Government Code Sections 50280, et seq.

6. Enforcement of Agreement

In lieu of and/or in addition to any provisions to cancel the Agreement as referenced herein, City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default under the provisions of this Agreement by Owners, the City shall give written notice to Owners by registered or certified mail addressed to the address stated in this Agreement, and if such violation is not corrected to the reasonable satisfaction of the City within thirty (30) days thereafter or if not corrected within such a reasonable time as may be required to cure the breach or default if said breach or default cannot be cured within (30) days (provided that acts to cure the breach or default must be commenced within thirty (30) days and must thereafter be diligently pursued to completion by Owners), then City may, without further notice, declare a default under the terms of this Agreement and may bring any action necessary to specifically enforce the obligations of Owners growing out of the terms of this Agreement; apply to any court, state or federal, for injunctive relief against any violation by Owners; perform the work (or cause its performance) and assess the property for the work's value, as set forth in Chapters 11-16 of the Uniform Housing Code, as adopted; or apply for such other relief as may be appropriate.

City does not waive any claim or default by Owners if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

7. Binding Effect of Agreement

The Owners hereby subject the Historic Property described in Exhibit "A.1" hereto to the covenants, reservations, and restrictions as set forth in this Agreement. City and Owners hereby declare their specific intent that the covenants, reservations, and

restrictions as set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Owners' successors and assigns in title or interest to the Historic Property. Each and every contract, deed, or other instrument hereinafter executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered, and accepted subject to the covenants, reservations, and restrictions expressed in this Agreement regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed, or other instrument.

City and Owners hereby declare their understanding and intent that the burden of the covenants, reservations, and restrictions set forth herein touch and concern the land in that Owners' legal interest in the Historic Property is rendered less valuable thereby. City and Owners hereby further declare their understanding and intent that the benefit of such covenants, reservations, and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Historic Property for the benefit of the public and Owners.

8. Notice

Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto.

To City: Planning Manager
 City of Vallejo
 555 Santa Clara Street
 Vallejo, CA 94590

To Owner: Kathryn Lemlow and Wren Tracy
 723 & 729 Georgia Street
 Vallejo, CA 94590

9. General Provisions

- a. No later than one hundred eighty (180) days after the parties execute and enter into this Agreement, Owners shall provide written notice of this Agreement to the Office of Historic Preservation, Department of Parks and Recreation, P.O. Box 942896, Sacramento, CA 94296-0001.
- b. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors, or assigns, nor shall such terms, provisions or conditions cause them to be considered joint venturers or members of any enterprise.
- c. Owners agree to and shall hold City and its elected officials, officers, agents, and employees harmless from liability for damage or claims for damage for personal injuries, including death, and claims for property damage that may arise from the direct or indirect use or operations of Owners or those of their contractor, subcontractor, agent, employee, or other person acting on their behalf that relate to the use, operation, and maintenance of the Historic Property. Owners hereby

agree to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused, or alleged to have been caused, by reason of Owners' activities in connection with the Historic Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied, or approved the plans, specifications or other documents for the Historic Property.

- d. All of the agreements, rights, covenants, reservations, and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns, and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.
- e. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, reservations, or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.
- f. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.
- g. This Agreement shall be construed and governed in accordance with the laws of the State of California.

10. Recordation

No later than twenty (20) days after the parties execute and enter into this Agreement, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Solano.

11. Amendments

This Agreement may be amended, in whole or in part, only by a written and recorded instrument executed by the parties hereto, in the manner in which it originally was executed except that Exhibit "A.1" may be amended upon mutual consent of the Owners, the Secretary of the Architectural Heritage and Landmarks Commission, and the City Manager.

(Signatures and acknowledgment on next page)

IN WITNESS WHEREOF, City and Owners have executed this Agreement on the day and year first written above.

CITY OF VALLEJO

OWNER

Joseph M. Tanner
City Manager

Kathryn Lemlow

Mary Ellsworth
City Clerk

Wren Tracy

(City Seal)

ACKNOWLEDGMENT

STATE OF CALIFORNIA }
 } SS.
COUNTY OF SOLANO }

On _____, before me, _____, Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

EXHIBIT A.1
Legal Description

The land referred to in this document is situated in the County of Solano, City of Vallejo, State of California, and is described as follows:

Lot 13, Block 267. as shown on that certain map entitled "Map of the City of Vallejo, made by E.H. Rowe, C.E.", which map was filed in the Office of the Recorder of the County of Solano, State of California, on September 19, 1868, in Book 1 of Maps at Page(s) 123.

APN: 0056-204-050

EXHIBIT A.2

PROPOSED STRUCTURE/PROPERTY IMPROVEMENTS 723 & 729 Georgia Street

- 2008: 1) Upgrade plumbing and repairs----\$4,000.00
2) New roofs----12,900.00
3) Repair and replace shingles----\$6,000.00
4) Painting \$2500.00
5) Preparation work barn foundation (raise foundation)---- \$4500.00
6) Repair kitchen chimney 723 unit--\$1800.00
7) Replace decks both units-----\$6500.00
- 2009: 1) Painting----\$2,000.00
2) Replace foundation and floor in barn----\$10,000.00
3) Repair and paint front porches----\$3500.00
- 2010: 1) Water heater 723 unit---\$1,000.00
2) Cabinet's and counter top bachelor pantry unit 729----\$5500.00
3) Repair chimney stacks---\$3500.00
4) Window restoration---\$3,000.00
- 2011: 1) Finish work in barn: \$12,000.00
- 2012: 1) Replace fences---\$5,000.00
2) Carport and cement work---\$11,000.00
- 2013: 1) Complete window restoration---\$3,000.00
2) Landscaping----\$5,000.00
3) Painting---\$3,000.00
4) Rebuild chimneys---\$6,000.00
- 2014: 1) Electrical upgrades----\$5,500.00
2) Painting----\$5,000.00
3) Fireplaces inserts----- \$6500.00
- 2015: 1) Greenhouse-----\$5,000.00
2) Indoor painting-----\$5,000.00
- 2017: 1) Ongoing annual maintenance----\$6,000.00
2) Copper plumbing 723 unit---\$5,000.00
- 2018: Ongoing annual maintenance----\$6,000.00

ARCHITECTURAL HERITAGE & LANDMARKS COMMISSION

STAFF REPORT

Date of Hearing: October 18, 2007

Agenda Item: 13f

Application: Request by the property owners to enter into a Historic Property Preservation Agreement (Mills Act Contract) with the City of Vallejo for their property at 723 & 729 Georgia Street. (Mills Act Application 07-0005)

Recommendation: **APPROVE** a recommendation that the City Council enter into an Historic Property Preservation Agreement with the property owners. (Mills Act Application 07-0005)

1. **LOCATION:** 723 & 729 Georgia Street; APN 0056-204-050, Architectural Heritage District
2. **APPLICANT:** Kathryn Lemlow and Wren Tracy
723 & 729 Georgia Street
Vallejo, CA 94590
3. **PROPERTY OWNER:** Same
4. **BACKGROUND AND DISCUSSION:**

In 1976, legislation was adopted in California that created an alternative method for determining assessed value for qualified historic properties subject to an historic property agreement. These agreements, commonly referred to as "Mills Act contracts", provide for property tax relief for owners of qualified historic properties who agree to comply with certain preservation restrictions and subject to approval and adoption by the local government. Participation in the program is voluntary on the part of the property owner. To be eligible for a Mills Act contract, the property must either be listed on the National Register of Historic Places, be located in a National Register or local historic district, or be listed on a state, county, or city and county official register.

As appropriate, the contract may provide for the preservation, restoration, and rehabilitation of the property. The contract may also provide for periodic examination of the property to ensure compliance with the contract terms. Under a Mills Act contract, the property owner is obligated to prevent deterioration of

the property in addition to complying with any specific restoration or rehabilitation provisions contained in the contract.

The minimum term of a Mills Act contract is ten years and each year, the contract is automatically renewed for an additional year on a specified date unless a notice of non-renewal is given. Either the property owner or the City may elect not to renew for any reason. The effect of non-renewal is to terminate the contract at the end of the current ten-year term.

To encourage owners to invest in preserving the historic character of their properties, the City Council adopted Resolution No. 91-442 indicating its willingness to enter into Historic Property Preservation Agreements (Agreement) through the Mills Act. Although the State statute provides for a number of mandatory contract provisions, the City has the discretion to set such terms as are "reasonable to carry out the purposes of preservation of the property."

When the City Council adopted the resolution in 1991, they also adopted a set of criteria to be used in evaluating the scope and appropriateness of individual contracts. The applicable criteria are listed below.

1. The property must be on the City's Historic Resources Inventory and an evaluation form must have been completed and reviewed as to the property's level of significance.
2. An application must include an itemized description of the annual preservation and restoration goals to be undertaken by the owner through the initial ten-year life of the Agreement with the estimated completion time. An application must also include projected adjustments of the property taxes as determined by the Solano County Assessor's Office. (As the Assessor's Office no longer provides this projection, this requirement has been waived.)
3. The project should be highly visible so that it will serve as a catalyst to encourage others to preserve and restore their properties.
4. Preservation and restoration activities required for or performed on properties bound under a Mills Act Contract shall be carried out in conformity with the Design Standards of the City of Vallejo, the Secretary of Interior's Standards for the Treatment of Historic Properties and the Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings, and the State Historical Building Code.

Project Description.

The applicant has submitted an application for a Historic Property Preservation Agreement for the property, which is located within the Architectural Heritage District. The property is developed with two two-story shingled houses that would be classified as a combination of Colonial Revival and Craftsman. It is

estimated that the houses were built around 1908. These houses are excellent examples of contractor's speculative housing of the period, and contain details that are trademarks of local builder as it contains details that are seen on other houses in the area. The houses are also supportive the streetscape of Georgia Street, one of the city's most visible and important. The AHLC recently voted to add these houses to the City's Historic Resources Inventory as Contributing Resources.

In an attempt to maintain, restore, and preserve this historic property, the applicant has submitted a Ten-Year Scope of Work (Attachment 1). The City has no written criteria for the type of improvements to be made and each application is evaluated on its own merits; however, the type of improvements should clearly show that the City will benefit from the program in exchange for the tax savings and that the goals of preservation and restoration will be accomplished. The AHLC Commission will need to determine if forwarding a recommendation of approval to City Council is appropriate.

The proposed scope of work includes extensive work on the exterior of the house including windows and shingle repair. Further work includes structural renovation where necessary to maintain the integrity of the building, new roofs, painting of the exterior, and significant interior restoration work, including cosmetic work as well as upgrading the existing electrical system.

It is staff's opinion that this scope of work will help maintain, restore, and preserve this historic property and is appropriate for a Historic Property Preservation Agreement.

Furthermore, this project site, being located prominently on Georgia Street, is highly visible and will serve as a catalyst to encourage others in the area to preserve and restore their properties.

5. **STAFF RECOMMENDATION:**

Staff recommends that the Commission **APPROVE** a recommendation that the City Council enter into an Historic Property Preservation Agreement with the property owners of 723 & 729 Georgia Street based on the following:

Findings:

1. The project will help maintain and preserve the architectural character of this contributing resource on Georgia Street.
2. Approval of the Historic Property Preservation Agreement and subsequent improvements may serve as a catalyst to encourage other property owners to preserve, rehabilitate, and restore their properties.

Conditions:

1. The property owners or their successors in interest shall comply with all terms identified in the Historic Property Preservation Agreement as approved by the City Council.
2. Prior to commencement of any work identified in the improvement plan, the property owners shall contact Planning Division staff to determine the specific scope of work, its appropriateness, and its compliance with the Agreement. All exterior modifications and improvements except painting must be approved by the Architectural Heritage and Landmarks Commission.
3. Upon approval of the Historic Property Preservation Agreement by the City Council, the property owners or their successors in interest shall pay a contract maintenance fee of \$900.00, to be assessed over a three-year period at \$300.00 yearly.

ATTACHMENTS

1. Scope of Work
2. Primary Record sheet for Contributing Structure Status
3. Photos
4. Conflict of Interest/Location Map

PROPOSED STRUCTURE/PROPERTY IMPROVEMENTS 723 & 729 Georgia Street

- 2008: 1) Upgrade plumbing and repairs----\$4,000.00
2) New roofs----12,900.00
3) Repair and replace shingles----\$6,000.00
4) Painting \$2500.00
5) Preparation work barn foundation (raise foundation)---- \$4500.00
6) Repair kitchen chimney 723 unit--\$1800.00
7) Replace decks both units----\$6500.00

- 2009: 1) Painting---\$2,000.00
2) Replace foundation and floor in barn---\$10,000.00
3) Repair and paint front porches---\$3500.00

- 2010: 1) Water heater 723 unit---\$1,000.00
2) Cabinet's and counter top bachelor pantry unit 729---\$5500.00
3) Repair chimney stacks---\$3500.00
4) Window restoration---\$3,000.00

- 2011: 1) Finish work in barn: \$12,000.00

- 2012: 1) Replace fences---\$5,000.00
2) Carport and cement work---\$11,000.00

- 2013: 1) Complete window restoration---\$3,000.00
2) Landscaping---\$5,000.00
3) Painting---\$3,000.00
4) Rebuild chimneys---\$6,000.00

- 2014: 1) Electrical upgrades---\$5,500.00
2) Painting---\$5,000.00
3) Fireplaces inserts---- \$6500.00

- 2015: 1) Greenhouse-----\$5,000.00
2) Indoor painting-----\$5,000.00

- 2017: 1) Ongoing annual maintenance----\$6,000.00
2) Copper plumbing 723 unit----\$5,000.00

- 2018: Ongoing annual maintenance----\$6,000.00

State of California — The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
PRIMARY RECORD

Primary #
HRI #
Trinomial
NRHP Status Code **1D**

Other Listings
Review Code

Reviewer

Date

Page 1 of

*Resource Name or #:

P1. Other Identifier:

*P2. Location: Not for Publication Unrestricted
and (P2b and P2c or P2d. Attach a Location Map as necessary.)

*a. County:

*b. USGS 7.5' Quad:

Date: **6/26** T3N; R4W; $\frac{1}{4}$ of S $\frac{1}{2}$ of Sec 13; M.D. **17**

c. Address: **723 & 729 Georgia St.**

City: **Vallejo**

Zip: **94590**

d. UTM: Zone: 10; mE/ mN (G.P.S.)

e. Other Locational Data: (e.g., parcel #, directions to resource, elevation, etc., as appropriate) Elevation:

*P3a. Description: (Describe resource and its major elements. Include design, materials, condition, alterations, size, setting, and boundaries)

ITM
in
approx
Mirrored pair of 2 story shingled houses that fuse elements from the Colonial Revival & Craftsman idiom. Homes are sitting on a upslope lot with views of the city & Mare Island Straits. The homes are similar marked raised floor 2 story buildings with rectangular floor plan, large front porches & moderately pitched gable roof. The upper floor windows are double hung & discolored flower boxes in the front. There is an asymmetrical front door. There are knee braces and cable vents with elaborate facings. The ends of the barge boards profile to match the pattern of the projecting beam ends. The porch post capital detail appears to be the trademark of a local builder.

There is a red barn on the alley side of the property with gabled roof, pier & post foundation, sliding barn door.

*P3b. Resource Attributes: (List attributes and codes)

*P4. Resources Present: Building Structure Object Site District Element of District Other (Isolates, etc.)

P5a. Photo or Drawing (Photo required for buildings, structures, and objects.)

P5b. Description of Photo: (View, date, accession #)

2007

*P6. Date Constructed/Age and Sources: Historic **1908 (approx.)**
 Prehistoric Both

*P7. Owner and Address:

**Kathryn Kenlow,
Wendy Tracy**

*P8. Recorded by: (Name, affiliation, and address)

*P9. Date Recorded: **5-16-07**

*P10. Survey Type: (Describe)

*P11. Report Citation: (Cite survey report and other sources, or enter "none.")

*Attachments: NONE Location Map Sketch Map Continuation Sheet Building, Structure, and Object Record
 Archaeological Record District Record Linear Feature Record Milling Station Record Rock Art Record
 Artifact Record Photograph Record Other (List):

DPR 523A (1/95)

*Required information

M.S.C. 204.050

BUILDING, STRUCTURE, AND OBJECT RECORD

Page 2 of 2

*NRHP Status Code 1D

*Resource Name or # (Assigned by recorder)

B1. Historic Name:

B2. Common Name:

B3. Original Use:

B4. Present Use: Residence

*B5. Architectural Style: Craftsman

*B6. Construction History: (Construction date, alterations, and date of alterations)

1908 (approximate)

*B7. Moved? No Yes Unknown Date:

Original Location:

*B8. Related Features: Barn on alleyway

B9a. Architect: unknown

b. Builder: unknown

*B10. Significance: Theme:

Area: Densely built

Period of Significance:

Property Type: Residential

Applicable Criteria:

(Discuss importance in terms of historical or architectural context as defined by theme, period, and geographic scope. Also address integrity.)

These houses are a good example of a contractor's speculative housing of the time. They are examples of one of the most inspired, economical & beautiful movements in American architecture, simple but beautifully built with both comfort & ecological awareness.

These homes provide supportive elements for one of Dallas's most important street-scapes

B11. Additional Resource Attributes: (List attributes and codes)

*B12. References:

Historic Resource Inventory

B13. Remarks:

(Sketch Map with north arrow required.)

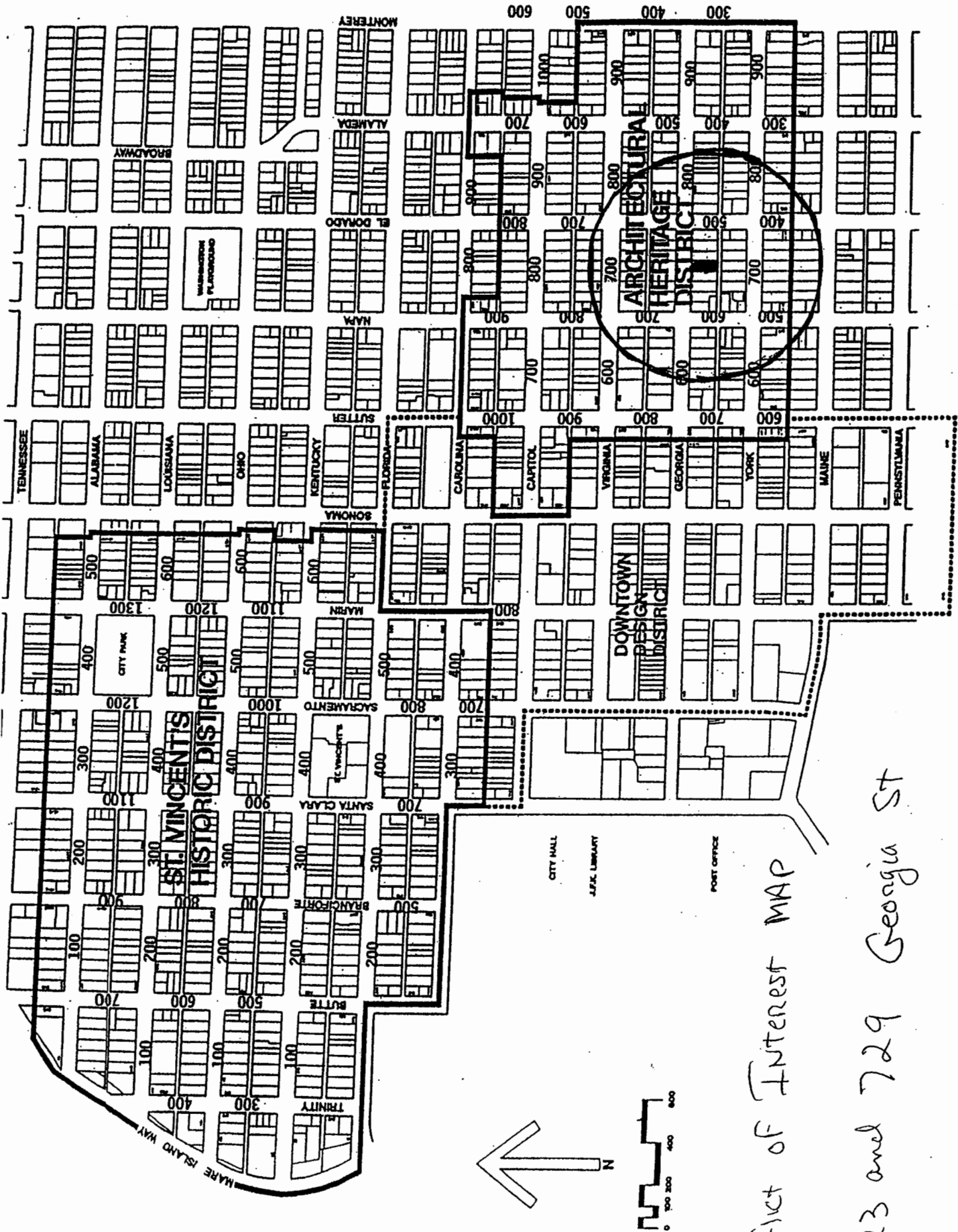
*B14. Evaluator:

*Date of Evaluation:

(This space reserved for official comments.)







Conflict of Interest MAP

723 and 729 Georgia St



CONSENT D

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNATED REPRESENTATIVE TO ISSUE PURCHASE ORDERS TOTALING \$29,003.63 TO IRONMAN FOR THE INSTALLATION OF BEST AVAILABLE CONTROL TECHNOLOGY (BACT) ON UNITS 453 AND 454

BACKGROUND AND DISCUSSION

The City of Vallejo has a Fleet Program which provides for the maintenance, repair and cyclical replacement of 496 vehicles and pieces of equipment. This program is managed by the Public Work Department, Maintenance Division. These vehicles and pieces of equipment are fueled with unleaded gasoline or diesel fuel.

On December 8, 2005 the California Air Resources Board adopted fleet rules, California Code of Regulations, Title 13, Sections 2020, 2022 and 2022.1 to reduce diesel particulate matter (PM) emissions from fleets operated by public agencies and utilities. Under these rules any municipality or utility that owns, leases, or operates on-road diesel-fueled heavy-duty vehicles with a 1960 to 2006 model-year medium heavy-duty or heavy heavy-duty engine and a manufacturer's gross vehicle weight rating greater than 14,000 pounds must comply with these regulations.

In order to comply with the new fleet rules an owner must apply Best Available Control Technology (BACT) to vehicles according to a specified implementation schedule. Each fleet is divided into three groups based on engine model-year: Group 1 (1960-1987), Group 2 (1988-2002), and Group 3 (2003-2006). This schedule specifies compliance deadlines and the percentage of each group that must be equipped with BACT by those deadlines. The first compliance deadline is December 31, 2007 when 20% of Group 1 and 20 % of Group 2 engines must be brought into compliance.

Municipalities are required to keep each vehicle in continuous compliance with this regulation, once it has been brought into compliance, so long as the municipality is operating the vehicle in California. Any Violations of this requirement may carry civil penalties as specified in state law and regulations. Records must be established and maintained for each vehicle to document continued compliance. All records must be kept for the life of the vehicle while it operates in California. Certain records must be kept and



made available at the terminal where the vehicle is normally housed, while other records must be kept in the vehicle.

The City of Vallejo has two (2) dump trucks, Units 453 and 454, which require upgrade prior to December 31, 2007. As a result of this requirement Staff requested bids to make the BACT modifications to each vehicle. Two (2) responses were received, 1) Cummins West, Inc for \$29,863.88, and 2) Ironman for \$29,003.63. Both bids were found to properly bring these vehicles into compliance. Therefore, Ironman, was determined to be the successful low bidder.

Fiscal Impact

While this specific expenditure was not included in the Fiscal Year 07/08 budget, as we were not aware of the requirement at the time the budget was prepared, this work is not expected to require a budget increase, at this time, as a result of salary savings that have been experienced due to an unfilled position in the fleet maintenance staff. Although, a mid-year adjustment may be required if fuel use or fuel prices increase in excess of what has been budgeted for.

RECOMMENDATION

Staff recommends that Best Available Control Technology be installed on Units 453 and 454 in order to meet the California Environmental Protection Agency deadline of December 31, 2007 for this upgrade.

ALTERNATIVES CONSIDERED

Consideration was given to installing the BACT components with in-house staff and it was determined that we do not have the available staff time nor has our staff been provided the training or the tools/equipment necessary to perform this work.

ENVIRONMENTAL REVIEW

This work is being done in conformance with the California Environmental Protection Agency Air Resources Board requirements.

DOCUMENTS AVAILABLE FOR REVIEW

- 1) A resolution authorizing the City Manager or his designated representative to issue Purchase Orders totaling \$29,003.63 to Ironman for the installation of Best Available Control Technology on dump truck Units 453 and 454.



CONTACT:

Gary Leach
Public Works Director
707-648-4316
GARYL@ci.vallejo.ca.us

John Cerini
Maintenance Superintendent
(707) 648-4551
JCerini@ci.vallejo.ca.us

November 27, 2007
J:\PUBLICA\IPW\2007\Maint\PWSR4208.doc

RESOLUTION NO. 07-____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, the City of Vallejo has a comprehensive Fleet Program that maintains, repairs, and replaces vehicles on a cyclical basis; and

WHEREAS, many of the vehicles in the Fleet Program are fueled with diesel fuel; and

WHEREAS, Title 13, Sections 2020, 2022, and 2022.1 of the California Code of Regulations establishes fleet rules requiring the application of Best Available Control Technology (BACT) to select vehicles that are fueled with diesel fuel by December 31, 2007; and

WHEREAS, two (2) dump trucks within the City of Vallejo fleet, Units 453 and 454, fall within the criteria requiring upgrade; and

WHEREAS, bids were solicited for the installation of BACT on these units; and

WHEREAS, bids were received from Ironman in the amount of \$29,003.63 and Cummins West, Inc in the amount of \$29,863.88 to upgrade these vehicles; and

WHEREAS, Staff has found the bid from Ironman to be the successful low bidder.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Vallejo hereby authorizes the City Manager or his designated representative to issue Purchase Orders totaling \$29,003.63 to Ironman for the installation of BACT on Units 453 and 454.

BE IT FURTHER RESOLVED, that all other offers submitted in response to this Request for Quotation are hereby deemed rejected upon execution of purchase orders with the aforementioned supplier.

November 27, 2007

J:\PUBLIC\AIPW\2007\Maint\PWSR4208.doc




CONSENT E

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: Approval of a Resolution Awarding the Right of Way Consulting Services Contract for the Vallejo Station Project to Overland Pacific and Cutler and Authorizing the City Manager to Enter Into a Contract with Overland Pacific and Cutler

BACKGROUND

The Waterfront and Downtown Master Plans seek to reintegrate and reinvigorate the City's waterfront and downtown areas allowing them to flourish and once again become a vibrant center for the Vallejo community. Since adoption of the plans, the City of Vallejo has been working to implement the visions articulated in the two plans. The existing Georgia Street streetscape improvements and the new Martin Luther King Plaza invite travelers to walk through the downtown to the Waterfront.

One of the most important elements of the Waterfront Master Plan is the construction of Vallejo Station -- a multi modal transit hub that includes both private and public components. When Vallejo Station is fully implemented, there will be new housing, commercial development, waterfront open space, new retail space. The Vallejo Station project leverages both public and private investments as the City of Vallejo is working closely with the developer, Callahan/DeSilva, LLC, to create this unique transit village.

A major element of the Vallejo Station project is the acquisition of necessary right of way to accommodate the approved ferry parking structure footprint and bus transfer station as well as relocation of the current owners and tenants. Staff is proposing to provide for these services under a consulting services contract due to the temporary and specialized nature of the work to be performed.

A Request for Qualifications (RFQ) was officially released on October 8, 2007. Notice of the RFQ was sent to twelve firms and advertised in the Vallejo Times Herald. Three firms, Overland Pacific and Cutler, Associated Right of Way Services, Inc (AR/WS), and Bender Rosenthal Inc, responded to the request. Bender Rosenthal, Inc. was found non-responsive because they failed to submit the proposal questionnaire, the Lobbying Certification, and the Drug Free Workplace Certification. The Selection Committee decided that a review of the submitted proposals was sufficient to make a decision



regarding the procurement. The Selection Committee used the evaluation factors of: Team and Key Individuals Experience, Project Management Approach, and Key Employee hourly rates and level of effort. The Selection Committee scored against the evaluation criteria with the following results:

Overland Pacific and Cutler:	79.83% out of 100%
AR/WS:	76.00% out of 100%

After a thorough review and scoring of the proposals, the Selection Committee is recommending Overland Pacific and Cutler to the City Council for award of contract.

FISCAL IMPACT

This project will be funded by a variety of state and federal grants. These grants have been secured and are awaiting draw down. There will be no impact to the general fund. Additional fees and Attorney costs may be incurred if the City has to initiate eminent domain action for the acquisitions.

RECOMMENDATION

Staff recommends approval of a resolution awarding the Right of Way Consulting Services Contract for the Vallejo Station Project to Overland Pacific and Cutler and authorizing the City Manager to enter into a contract with Overland Pacific and Cutler for an amount Not To Exceed \$81,000.

ENVIRONMENTAL REVIEW

The required Environmental Impact Report for the project was certified on November 15, 2005.

ALTERNATIVES CONSIDERED

The alternatives considered included doing the work in house, and the awarding the contract to the competing firm. The idea of doing the work in house was not carried forward due to the temporary and specialized nature of the work. The other responsive firm was put through the competitive process and the Selection Committee chose to recommend the proposed firm for the work.

PROPOSED ACTION

Approve the resolution awarding the Vallejo Station Project Right of Way Consulting Services Contract to Overland Pacific and Cutler for an amount Not To Exceed \$81,000.



DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution awarding the Right of Way Consulting Services Contract to Overland Pacific and Cutler
- b. Scope of Work

CONTACT PERSON

Gary A. Leach, Public Works Director
648-4315
GARYL@ci.vallejo.ca.us

November 27, 2007
J:\PUBLIC\AI\PW2007\Transportation\PWSR4210.doc

RESOLUTION NO. 07- N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, it has been determined that the proposed Vallejo Station Right of Way Consulting Services Contract is essential for the operation of Vallejo's Transportation System; and

WHEREAS, the Transportation Division conducted a formal Request for Qualifications solicitation process; and

WHEREAS, the Transportation Division received two responsive responses to the Request for Qualifications; and

WHEREAS, based on the qualifications criteria set forth in the Request for Qualifications, the Transportation Division has made a recommendation to award the contract to Overland Pacific and Cutler of Oakland, California, for a time and materials contract for right of way consulting services in an amount not to exceed \$81,000; and

WHEREAS, the Transportation Division has sufficient funds budgeted to engage the consultants;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo

1. Awards the Right of Way Consulting Services Contract for the Vallejo Station Project to Overland Pacific and Cutler; and
2. Authorizes the City Manager to enter into a contract with Overland Pacific and Cutler of Oakland, California, for right of way consulting services for the Vallejo Station Project in an amount not to exceed \$81,000, including optional tasks, and subject to amendments, review and approval by the City Attorney and City Manager, consistent with this resolution,

BE IT FURTHER RESOLVED, that all other proposals received are hereby deemed rejected upon execution of a contract with the aforementioned consultant.

November 27, 2007

J:\PUBLIC\ANPW2007\Transportation\PWSR4210.doc

VALLEJO STATION RIGHT OF WAY CONSULTANT

SCOPE OF SERVICES

The City of Vallejo intends to redevelop land between Georgia Street and Maine Street and between Sacramento St. and Mare Island Way as part of the Vallejo Station Project. To accomplish the construction of Vallejo Station, various parcels will need to be acquired and several occupants will need to be relocated. This Scope of Services includes consultant services to identify and resolve all right-of-way issues related to the development of the major elements of the Vallejo Station Project including appraisals, acquisition, and relocation assistance. Coordination with the City and the developer responsible for securing and constructing a new Post Office building will be critical to project's success.

Basic Services include leading presentations to community groups, the City Council, funding partners, and other stakeholders.

The scope of work includes the acquisition of the following parcels:

- 485 Santa Clara Street, Vallejo - Owner: Hilf Trust (and leasehold interest)
- 415 Santa Clara Street, Vallejo - Owner: Higgins

The scope of work includes potential acquisition of the following parcel:

- 237 Georgia St., Vallejo - Owner: Beeman

The project will involve the relocation of the following occupants:

- United States Post Office at 485 Santa Clara
- My Café at 415 Santa Clara

The project will involve the potential relocation of the following occupants:

- Law Offices of William L. Beeman at 237 Georgia St.
- Tenant(s) in Beeman Bldg

Program & Project Management Services

1. Prepare a comprehensive project planning worksheet designed to ensure all project elements are considered in the work plan and the City of Vallejo's policies are clearly understood.
2. Participate in meetings with the public, Post Office staff and administrators, property owners, tenants and representatives.
3. Track and manage the project budget associated with ROW Scope of Services.
4. Assist with the development of administrative policies, procedures and forms necessary to carry out this program.

5. Consult and coordinate with the City, its consultants, social service agencies, governmental entities and project team members.
6. Represent the City at public meetings, hearings and litigation related matters.
7. Prepare reports that track the completion of project milestones of the various disciplines involved on the project.
8. Prepare and present monthly written status reports based on the City guidelines that contain information requested. Confer weekly with the City and its consultants on general status, problem areas, and progress.
9. Coordinate with federal and state oversight agencies such as Caltrans, Federal Highway Administration (FHWA), or Federal Transit Administration (FTA), as needed.
10. Subcontract for and manage all necessary disciplines needed for the project.
11. Coordinate with the FTA as required to prepare any acquisition management plans.

Appraisal Services

1. Provide appraisal services for fixtures, furniture, and equipment (FF&E). The FF&E appraisals will contain an inventory and an estimate of the fair market value-in-place and liquidation value of the improvements pertaining to the realty and major movable equipment, excluding licensed vehicles, and in conformance with the Uniform Standards of Professional Appraisal Practice.
2. Analyze the real estate appraisals to be provided by the City of Vallejo and reconcile the real estate and FF&E conclusions as necessary to assure no duplication. Real estate appraisals for 415 Santa Clara Street (My Café), 485 Santa Clara Street (Post Office) and 237 Georgia Street have been completed.

Acquisition Services – Fee Owner

1. Establish and maintain a complete and current record file for each owner in a form acceptable to the City.
2. Receive and analyze title information, approved appraisal reports and legal descriptions in sufficient detail to negotiate with property owners and other parties.
3. Prepare all offer letters, summary statements, and lists of compensable items of fixtures and equipment, in accordance with state or federal regulations and approval of the City.
4. Present written purchase offers to owners or their representatives in person, when possible. Secure receipt of delivery of offer as practical and present and secure tenant information statements, as applicable.
5. Notify relocation agent of initiation of negotiations within 2 business days and provide appraisal information, occupant contact information, and tenant information as necessary.
6. Follow-up and negotiate with each property owner, as necessary; prepare and submit recommended settlement justifications to the City for review and approval; review any independent appraisal secured by property owner and coordinate reimbursement of property owner appraisal fees with the City.

7. Prepare and assemble acquisition contracts, deeds and related acquisition documents required for the acquisition of necessary property interests. Legal descriptions to accompany easements or to accompany partial acquisition deeds are will be provided by the Consultant.
8. Maintain a diary report of all contacts made with property owners or representatives and a summary of the status of negotiations indicating attitude of owners, problem areas, and other pertinent information. Copies of all written correspondence shall be maintained in files and provided to the City upon completion of the consultant contract.
9. Prepare an impasse letter for any parcel where, after diligent attempts to settle by negotiation, it appears eminent domain will be needed or prudent to acquire the needed interest.
10. Transmit executed acquisition documents to client. Each transmittal package shall include a fully executed and properly notarized deed(s), fully executed acquisition contract with attachments, and a brief settlement memorandum which summarizes the pertinent data relative to the transaction.

Acquisition Services – Tenant-Interest

1. After the formal offer to purchase is delivered to the underlying property owner, deliver a “tenant notification letter” notifying tenants of their rights in the transaction and informing them of needed quitclaims of interests.
2. Secure copy of lease to determine the extent of possessory interest in property to be acquired.
3. Participate in and facilitate discussions between property owner and tenant regarding apportionment of just compensation, ownership of fixtures and equipment or improvements, and other elements needed to secure tenants voluntary settlement of rights and interests.
4. Present unapportioned offer to purchase leasehold interest and fixtures and equipment to tenant as may be required to facilitate settlement by eminent domain.
5. Prepare purchase agreements and deeds for acquisition of tenants’ rights and property.

Escrow Coordination or Eminent Domain Coordination Services

If by Negotiated Settlement: Assist the escrow/title company in the following:

1. Provide escrow officer with fully executed acquisition contract and notarized deed.
2. Review settlement statement for accuracy.
3. Coordinate deposit of acquisition price and estimated closing costs with escrow.
4. Prepare and mail a letter to County Assessor requesting cancellation of taxes if appropriate.

If Acquisition by Eminent Domain: Assist eminent domain counsel with the following:


5. Prepare a letter for the City signature, to eminent domain counsel requesting proceeding to condemnation.
6. Prepare a letter for City signature, to the FTA for concurrence in proceeding to condemnation, if applicable.
7. Provide eminent domain counsel with available right of way maps and legal descriptions, preliminary title reports and title review documents, and information on how to contact each owner or interest holder.
8. Provide eminent domain counsel with a duplicate copy of the parcel file, together with a copy of the appraisal, offer to purchase, correspondence, acquisition contract, and deed as presented.
9. Convert preliminary title reports to litigation guarantees for eminent domain counsels' use.

Relocation Assistance Program Implementation Services

1. Secure basic case information and set up case file; maintain the necessary case documentation and contact diary throughout the course of our involvement with the claimant.
2. Conduct initial in-depth field interview with claimants: Document current status of business and relocation needs, preferences and special requirements; provide general information notices and brochure; explain relocation process, rights and benefits available.
3. Provide on-going advisory assistance to minimize hardships on claimants, including referrals to and coordination with community service resources, as needed.
4. Prepare move specifications for moving bids and securing business move cost estimates from vendors, as necessary.
5. Monitor and coordinate the moves to replacement sites.
6. Assist with the reconciliation of FF&E ownership among owner and tenant.
7. Search for available suitable business replacement sites. Recommend at least one appropriate site or determines that no such site exists. Provide with any referral, an evaluation form that requests feedback as to the suitability of the site referral, and attempt to secure response from claimant.
8. Prepare and deliver letter of eligibility to claimants. Discuss findings and impacts to occupants' specific needs.
9. Prepare and deliver 90-day notices to vacate no later than 12 weeks after general information notices have been delivered.
10. Arrange for transportation to view replacement sites if needed; assist claimants with their selection of a replacement site, with lease offers, with review of rental agreements, and with move bids or fixed moving payment.
11. Monitor the replacement site escrow and explain the relocation process to agent and escrow officer as necessary.
12. Review and discuss claimants' moving plans, build-out specifications and personal property inventory and coordinate eligibility limitations in advance of physical move.

13. Verify vacation of the displacement site and secure a certificate of abandonment.
14. Secure and process moving assistance, re-establishment, in-lieu, or settlement claims ensuring that no item was duplicated in the acquisition process.
15. Specifically for the relocation of the Vallejo Post Office, coordinate all aspects of the functional replacement of the post office facilities at the selected replacement site.
16. Each claim will be signed by the claimant, supported by appropriate back-up (written bids, schedules, receipts, etc.), and reviewed by the Consultant prior to submission to the City for approval. Each claim check will be delivered to the claimant in person (where feasible) and a receipt of payment will be secured.

**Agenda Item No.****COUNCIL COMMUNICATION****Date:** November 27, 2007

TO: Honorable Mayor and Members of the City Council
FROM: Gary A. Leach, Public Works Director 
SUBJECT: Approval of Mare Island Coral Sea Village South Unit 3 Subdivision

BACKGROUND AND DISCUSSION

The Mare Island Naval Shipyard (Mare Island), located in Vallejo, California was used as a military installation and was ordered to be closed pursuant to the Defense Base Closure and Realignment Act of 1990. Subsequent to the order to close Mare Island, on July 26, 1994, the City accepted the Mare Island Final Reuse Plan (Reuse Plan). The Reuse Plan divided Mare Island into thirteen Reuse Areas.

The City and Lennar Mare Island, Inc. entered into an Amended and Restated Agreement to Negotiate Exclusively for Mare Island Reuse as of December 9, 1998. The City adopted the Mare Island Specific Plan, dated March 30, 1999. On December 21, 1999 the City and Lennar entered into an Acquisition Agreement that transferred Reuse Areas 2 through 6, 8 and 9 (EETP) to Lennar for development, pursuant to an Economic Development Conveyance Memorandum of Agreement between the City and the United States of America, dated September 30, 1999.

Coral Sea Village South Unit 3, is located within the portion of Reuse Area 8 that is immediately north of Club Drive Park.

On October 17, 2005, the Vallejo Planning Commission approved Tentative Map #05-0011 (TM) and Planned Development #05-0016 (PD) allowing for development of 7 multi-family residential lots, 2 single family residential lots for two existing historic homes, 1 multipurpose lot and 1 open space parcel on the property. Lennar is currently requesting approval for all these housing sites, the multipurpose lot and the open space parcel. A subdivision improvement agreement, the Subdivision Final Map and the construction plans and specifications for public improvements have been submitted for approval.

Some of the street names for this subdivision are being reused from the former Coral Sea Village military housing site and all new street names proposed by Lennar have been reviewed and approved by the Police Dept., Fire Dept. and United States Postal Service.



Staff and Lennar have worked with the Architectural Heritage and Landmarks Commission to preserve 2 historic homes along Azuar Drive. The two will remain as currently sited.

In an effort to allow development of Mare Island to proceed, while still holding Lennar responsible for complying with the spirit of the conditions of approval of the TM and PD, the City Engineer recommends the following conditions of approval of the TM and PD be revised as incorporated into the Subdivision Improvement Agreement:

- Public Works Condition No. 37 – “Prior to building permit application submittal, other than building permits for model units, or acceptance of the subdivision, whichever comes first, a Local Improvement Benefit District, pursuant to Chapter 14.36 of the Vallejo Municipal Code, for backbone infrastructure on Mare Island shall be formed.” The City and Lennar are currently working together to establish a Benefit District. Lennar has provided funding for a consultant to assist in establishing the Benefit District. In recognition that the Benefit District can not be established prior to building permit application, the subdivision improvement agreement extends the time to read as follows: “Prior to the acceptance of the IMPROVEMENTS by the City, DEVELOPER shall form a Local Improvement Benefit District, pursuant to Chapter 14.36 of the Vallejo Municipal Code, or other funding mechanism mutually acceptable to CITY and DEVELOPER, for construction of backbone infrastructure on Mare Island. DEVELOPER shall be responsible for payment of the full Benefit District share of SUBDIVISION.”

Wet utility easements were recorded on the property in March 26, 2002. The existing wet utilities are being demolished and relocated into proposed Right of Way and Public Utility Easements and as such, the existing wet utility easements are no longer needed.

The wet utility easements will be abandoned by the City with the adoption of the Final Map. Proper notice has been provided to the Water Division and Vallejo Sanitation and Flood Control District which expressed no objection. An existing Island Energy easement for gas and electric distribution systems is also being quitclaimed by Island Energy concurrent with the recordation of the Final Map. An easement for telecommunications will also be quitclaimed by Lennar prior to the recordation of the Final Map.

Fiscal Impact

Fees for grading and improvement plan check, engineering and inspection in the amount of \$137,571.60 have been paid. Additional payment for these services are funded through the Mare Island Plan Review and Inspection Services Agreement between the City and Lennar, dated February 14, 2006.

Performance bonds for the improvements have been furnished in the amounts of \$3,340,577.00.



Labor and Materials (payment) bonds for the improvements have been furnished in the amounts of \$1,670,289.00.

The additional cost of maintenance and operation of public amenities that are of greater cost than the City of Vallejo standards for public improvements shall be paid for by a Community Facilities District. Lennar and its staff are in the process of annexing this subdivision into CFD 2005 1A and 1B. The resolution of intention to annex Coral Sea Village South Unit 3 was approved by Council on October 23, 2007. The public hearing is set to be heard by Council on November 27, 2007. The Tentative Map Conditions of Approval for the Subdivision required the establishment of a maintenance district prior to building permit.

RECOMMENDATION

Staff recommends the adoption of the three resolutions for the Coral Sea Village South Unit 3 subdivision to be constructed.

ENVIRONMENTAL REVIEW

The proposed subdivision is consistent with the project analyzed in the Final Subsequent Environmental Impact Report for the Mare Island Specific Plan, certified in November 2005. No further environmental review is required.

PROPOSED ACTION

Adopt three resolutions for the approval of Mare Island Coral Sea Village South Unit 3: 1) approving the Final Map; 2) approving the Plans and Specifications for public improvements; and 3) authorizing the City Manager to sign the Subdivision Agreement for Mare Island Coral Sea Village South Unit 3.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution approving the Final Map.
- b. A resolution approving the Plans and Specifications for public improvements.
- c. A resolution authorizing the City Manager to sign the Subdivision Improvement Agreement for Coral Sea Village South Unit 3.
- d. Project location map.

CONTACT PERSON

Gary A. Leach, Public Works Director
(707)648-4315, GARYL@ci.vallejo.ca.us

November 27, 2007

K:\PUBLIC\AI\PW\2007\Engineering\PWSR4202.doc

RESOLUTION NO. 07- N.C.

BE IT RESOLVED by the council of the City of Vallejo as follows:

WHEREAS, the Tentative Map #05-0011 and Plan Development #05-0016 of that certain subdivision entitled "CORAL SEA VILLAGE SOUTH UNIT 3 " was approved by the Vallejo Planning Commission on October 17,2005; and

WHEREAS, Lennar Mare Island, LLC a California limited liability company, has submitted the Final Map for the subdivision of "CORAL SEA VILLAGE SOUTH UNIT 3" for approval and adoption by the City Council; and

WHEREAS, the City Engineer recommends that incorporated into the Subdivision Improvement Agreement of the conditions of approval of the Tentative map and Planned Development that have not been complied is adequate security that the conditions will be met; and

WHEREAS, the City Engineer has determined that said Final Map is in conformance with the applicable requirements of the State Subdivision Map Act and Subdivision Ordinance No. 1056 N. C. (2nd), as amended, of the City of Vallejo; and

NOW, THEREFORE, BE IT FOUND AND DETERMINED that said Final Map substantially conforms to the approved Tentative Map and all conditions of approval thereof and is in conformance with the applicable requirements of the State Subdivision map Act and Subdivision Ordinance No. 1056 N. C. (2nd), as amended, of the City of Vallejo; and

NOW, THEREFORE, BE IT RESOLVED that the offers of dedication to the City of Vallejo as designated in said Final Map are hereby accepted, subject to the completion and acceptance of the public improvements.

BE IT FURTHER RESOLVED that said Final Map be and the same is hereby approved and placed in the custody of the City Clerk and is directed to record or cause to be recorded the same in the office of the County Recorder of Solano County, California, provided that the signers of said map are the recorded owners of said property shown on said map at the time of recordation, and after the developer of said subdivision has executed the Subdivision Improvement Agreement between themselves and the City of Vallejo providing for the construction of completed street, utility and landscaping improvements satisfactory to the City Manager within a period of two (2) years at their sole cost and expense.

NOVEMBER 27, 2007

K:\PUBLIC\A\PW2007\Engineering\PWSR4202.doc

RESOLUTION NO. 07- N.C.

BE IT RESOLVED by the council of the City of Vallejo as follows:

WHEREAS, staff has presented those certain Plans and Specifications, prepared by Chaudhary & Associates, Inc., entitled "GRADING PLANS FOR CORAL SEA VILLAGE SOUTH – UNIT 3 REUSE AREA 8B SOUTH, MARE ISLAND, CITY OF VALLEJO, SOLANO COUNTY, CALIFORNIA", "IMPROVEMENT PLANS FOR CORAL SEA VILLAGE SOUTH – UNIT 3 REUSE AREA 8B SOUTH, MARE ISLAND, CITY OF VALLEJO, SOLANO COUNTY, CALIFORNIA" and "IMPROVEMENT PLANS FOR CLUB DRIVE HISTORIAL PARK, MARE ISLAND, CITY OF VALLEJO, SOLANO COUNTY, CALIFORNIA."

NOW, THEREFORE, BE IT RESOLVED that said Plans and Specifications are here by approved subject to review and approval by the City Engineer.

BE IT FURTHER RESOLVED that a true copy therefore be filed in the Public Works Department.

NOVEMBER 27, 2007

K:\PUBLIC\A\IPW\2007\Engineering\PWSR4202.doc

RESOLUTION NO. 07- N.C.

BE IT RESOLVED by the council of the City of Vallejo as follows:

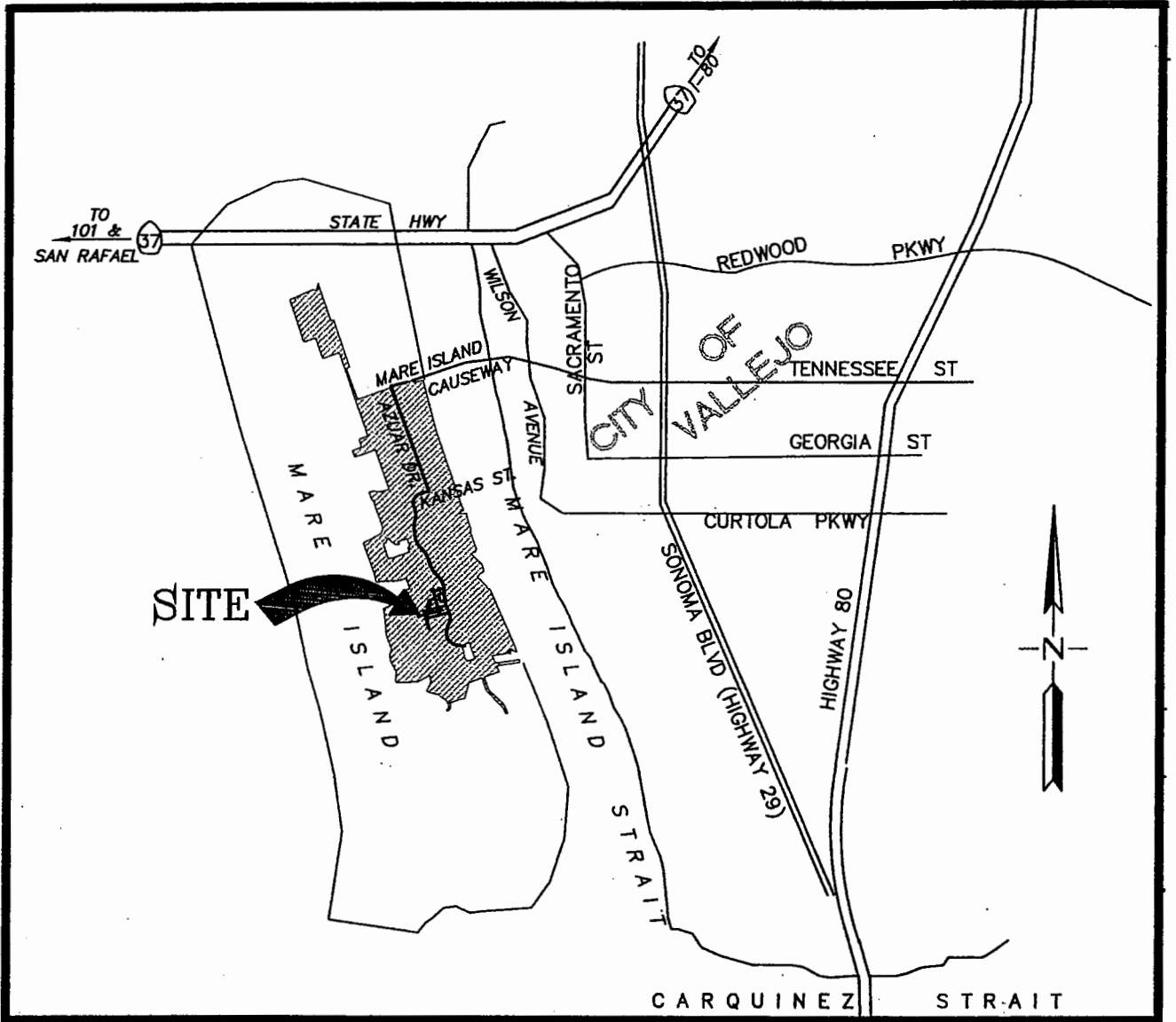
WHEREAS, staff has presented that certain Subdivision Improvement Agreement by and between the City of Vallejo and Lennar Mare Island, LLC, a California Limited Liability Company, providing for the construction of the street and utility improvements in the Coral Sea Village South Unit 3 subdivision.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized to sign said Subdivision Improvement Agreement and the City Clerk to attest the signing of that agreement.

NOVEMBER 27, 2007

K:\PUBLIC\A\PW\2007\Engineering\PWSR4202.doc

Location Map






CONSENT G

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: Adopt a resolution approving Contract Change Order No. 1 with Pioneer Contractors, Inc. for additional construction improvements and final acceptance of contract completion for the retrofitting of the Vallejo Transit Facility Roof.

BACKGROUND AND DISCUSSION

The City of Vallejo Transit Facility located at 1850 Broadway Street, is owned by the City of Vallejo and operated under a contract with Vallejo Citizens Transit Corporation, a private entity. City staff, in conjunction with Northwest Consulting and Inspections of Vacaville, California, has examined the roof of this facility as a part of our ongoing roof maintenance program. This inspection revealed that this roof was in poor condition and that it requires replacement or retrofitting. Evidence of significant water leakage has been noted. Damage to the interior walls and ceiling tiles has occurred. Hairline splits and cracks throughout the existing membrane have increased since previous inspections. These failures will continue to damage the facility and could also create a possible health and safety hazard if not corrected.

Plans were approved in September 26, 2006. Soon thereafter, the City Clerk advertised the Notice to Construct. Bids were opened on Thursday, October 19, 2006, with three contractors bidding on the project.

The project was awarded to the lowest bidder Pioneer Contractors, Inc., San Francisco, CA, on November 14, 2006 a contract in the amount of \$162,580. Work began on March 26, 2007. During construction, staff recommended to change the designed items for a better final product. This change in the scope of work resulted in a Contract Change Order No. 1 in order field fit the product. The total cost of Contract Change Order No. 1 is \$3,438.50.

Final finish of the roof and accessories was completed on May 11, 2007, but acceptance had to wait for the manufacturer's inspection of the work and the manufacturer's twenty (20) year warranty for the product. The project is ready for final acceptance. Therefore, staff recommends that the City Council accept the work of Pioneer Contractors, Inc., as complete.



FISCAL IMPACT

The total cost of Contract Change Order No. 1 is \$3,438.50, bringing the total value of the construction contract with Pioneer Contractors Inc., to \$166,018.50. City staff had allocated \$200,000.00 for this project from a Federal Capital Grant in the Transportation Fund. This work was completed within the authorized funding.

RECOMMENDATION

Staff recommends adoption of a resolution approving Contract Change Order No. 1 with Pioneer Contractors, Inc., San Francisco, California for the Retrofitting of the Vallejo Transit Facility Roof.

ENVIRONMENTAL REVIEW

This project is considered a repair to an existing facility and qualifies as a Class 1 categorical exemption pursuant to Section 15301 of title 14 of the California Code of Regulations. A Notice of Exemption will be filed and recorded with the Solano County Clerk upon approval of this project.

PROPOSED ACTION

Adopt the resolution approving Contract Change Order No. 1, and accepting the contract as complete and authorizing the City Clerk to file a Notice of Completion with the Solano County Recorder's Office.

DOCUMENTS AVAILABLE FOR REVIEW

- a) A resolution approving Contract Change Order No. 1, and accepting the contract as complete and authorizing the City Clerk to file a Notice of Completion with the Solano County Recorder's Office.

CONTACT PERSON

David A. Kleinschmidt, City Engineer
(707) 648-4301
David@ci.vallejo.ca.us

November 27, 2007
J:\A\PW2007\Engineering\PWSR4204.doc

RESOLUTION NO. 07-____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, on November 14, 2006, the City Council through Resolution No. 06-337 N.C. awarded a contract to Pioneer Contractors, Inc., San Francisco, California for the Retrofitting of the Vallejo Transit Facility Roof; and

WHEREAS, additional construction changes beyond the original contract amount under Change Order No. 1 in the amount of \$3438.50, were required to provide a completely operational project prior to City acceptance; and

WHEREAS, the work for the Retrofitting of the Vallejo Transit Facility Roof within the City of Vallejo, County of Solano, California by Pioneer Contractors, Inc., San Francisco, California, is now complete as detailed in their contract dated November 14, 2006 and the same is hereby accepted.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vallejo that Contract Change Order No. 1 to Pioneer Contractors, Inc., San Francisco, California is hereby approved in the amount of Three Thousand Four Hundred Thirty Eight dollars and fifty Cents (\$3,438.50) for additional construction changes, bringing the total obligation to Pioneer Contractors, Inc., to \$166,018.50.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized and directed to file a Notice of Completion with the Recorder of Solano County, California.

November 27, 2007

J:\AIPW\2007\Engineering\PWSR4204.doc




PUB HRG A

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: CONSIDERATION OF A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1A (MARE ISLAND) OF THE CITY OF VALLEJO.

BACKGROUND AND DISCUSSION

Pursuant to the City's development agreement with Lennar Mare Island LLC (Developer), the City contemplates forming a series of "community facilities districts" on Mare Island. The formation of such districts would enable the City to levy a special tax on the property in such districts. The special tax would be used to fund a portion of the cost of the infrastructure and maintenance services required to support new development on Mare Island, thereby relieving pressure on the general fund or other funds of the City.

On April 26, 2005, the City Council formed two community facilities districts on Mare Island, designated the Mare Island Community Facilities District No. 2005-1A ("CFD 2005-1A") and Mare Island Community Facilities District No. 2005-1B ("CFD 2005-1B"). CFD 2005-1A was formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Sections 53311 et seq. of the California Government Code) (the "Act"). The formation of CFD 2005-1A enables the City to levy a special tax to fund certain maintenance services (i.e. park, landscape and open space maintenance, among others) and to fund infrastructure improvements (i.e. sanitary sewer, storm drain and streets, among others) through the use of bond debt. This bond debt would be payable solely from the special taxes levied on property within CFD 2005-1A.

CFD 2005-1B was formed pursuant to the City of Vallejo-Mare Island Services Financing Code (Ord. 1471 N.C. (2d) Sec. 2 (part), 2002), including by reference therein the provisions of the Act (the "Code"). The formation of CFD 2005-1B enables the City to levy a special tax therein to fund certain maintenance services (i.e. public or private facilities such as landscape, sewer and vehicle parking, among others) that are not otherwise permitted to be funded under the Act. CFD 2005-1A and CFD 2005-1B have identical boundaries, as set forth in the boundary maps approved by the City Council on March 22, 2005.

As development on Mare Island progresses, the Developer has proposed forming additional financing districts on Mare Island, or annexing territory to existing financing districts. Such



COUNCIL COMMUNICATION

additional financing districts or annexations would be for the same purposes as CFD 2005-1A and CFD 2005-1B. The Developer has advised the City that Mare Island Subdivision Coral Sea Village South Unit 3 needs to be included in one or more community facilities districts in order to permit further development, and the Developer proposes to annex said subdivision into CFD 2005-1A and CFD 2005-1B.

City Council adopted Resolution No. 07-276 N.C. on October 23, 2007, and determined that public convenience and necessity require the territory described in the map titled "Annexation Map No. 2 of Community Facilities District No. 2005-1A (Mare Island), City of Vallejo, County of Solano, State of California" be annexed to Community Facilities District No. 2005-1A (Mare Island) of the City of Vallejo. However, City Staff and the Developer were unable to come to terms on the Subdivision Improvement Agreement and the Subdivision Final Map titled "Coral Sea Village South Unit 3" needs to be finalized for legal parcels to be created prior to the public hearing for the annexation. Consequently, City staff is requesting that City Council continue the public hearing to December 18, 2007, which will be after the Final Map has been recorded and the parcels legally created.

This staff report relates to the public hearing to annex Coral Sea Village South Unit 3 to CFD 2005-1A. The public hearing to annex Coral Sea Village South Unit 3 to CFD 2005-1B is being addressed in a separate staff report.

The proposed Council actions are to open the public hearing and to adopt a resolution to continue the public hearing to take public testimony and protests on the proposed annexation of Coral Sea Village South Unit 3 to CFD 2005-1A until December 18, 2007.

FISCAL IMPACT

There is no fiscal impact by continuing the public hearing to December 18, 2007.

RECOMMENDATION

Staff recommends that the public hearing be opened and a resolution be adopted to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1A (MARE ISLAND) of the City of Vallejo until December 18, 2007.



COUNCIL COMMUNICATION

ENVIRONMENTAL REVIEW

The annexation of territory to a community facilities district is not a project under the California Environmental Quality Act ("CEQA") pursuant to section 15378 (b)(4) of Title 14 of the California Code of Regulations and not subject to CEQA. As this action is creating a government funding mechanism and does not involve any commitment to a specific project, it is not considered a project under the CEQA Guidelines. When a specific public improvement project is undertaken with the taxes collected, an environmental review for that project under CEQA will be undertaken.

PROPOSED ACTION

Open the public hearing and adopt a resolution to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1A (MARE ISLAND) of the City of Vallejo until December 18, 2007.

DOCUMENTS AVAILABLE FOR REVIEW

- a) A resolution continuing the public hearing relating to the annexation of certain territory to community facilities District No. 2005-1a (Mare Island) of the City of Vallejo.

CONTACT PERSON:

Gary A. Leach, Public Works Director
(707) 648-4315
GARYL@ci.vallejo.ca.us

David Espinoza, Associate Civil Engineer
(707) 648-4538
despinoza@ci.vallejo.ca.us

K:\PUBLIC\AIPW\2007\Engineering\PWSR4208.DOC

RESOLUTION NO. 07-_____ N.C.

A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1A (MARE ISLAND) OF THE CITY OF VALLEJO

(ANNEXATION NO. 2)

WHEREAS, the City Council (the "City Council") of the City of Vallejo (the "City"), by Resolution No. 07-276 N.C. (the "Resolution") adopted by the City Council on October 23, 2007, has determined that public convenience and necessity require the annexation of the territory described in the map entitled "Annexation Map No. 2 of Community Facilities District No. 2005-1A (Mare Island), City of Vallejo, County of Solano, State of California" (the "Annexation Map") be annexed to Community Facilities District No. 2005-1A (Mare Island) of the City of Vallejo (the "Community Facilities District"), which Annexation Map was recorded on November 8, 2007, in Book 24 of Maps of Assessment and Community Facilities Districts of the County of Solano at page 19, and has further determined that such annexation is advantageous to the Community Facilities District and the owners of the property in the Community Facilities District; and

WHEREAS, the Resolution fixed Tuesday, the 27th day of November, 2007, at the hour of 7:00 o'clock P.M., or as soon thereafter as the City Council may consider the matter, at the regular meeting place of the City Council, at 555 Santa Clara Street, Vallejo, California 94590, as the time and place for a public hearing to be held by the City Council to consider the proposed annexation of such territory to the Community Facilities District and all other matters set forth in the Resolution, and notice of such public hearing was duly given as provided in the Resolution; and

WHEREAS, the Subdivision Improvement Agreement was not signed by the developer and the Subdivision Final Map was not presented to Council for approval as scheduled on November 13, 2007; and

WHEREAS, the final map must be approved and recorded prior to the public hearing regarding the annexation of Coral Sea Village South Unit 3 subdivision to CFD 2005-1A.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vallejo, that the public hearing is continued until December 18, 2007, at the same time and place. The City Clerk is directed to post a Notice of Continuance of Public Hearing at or near the Council Chamber door no later than 24 hours after the continuance of the public hearing by the City Council.

K:\PUBLIC\A\PW\2007\Engineering\PWSR4208.DOC




PUB HRG B

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: CONSIDERATION OF A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES DISTRICT NO. 2005-1B (MARE ISLAND) OF THE CITY OF VALLEJO.

BACKGROUND AND DISCUSSION

Pursuant to the City's development agreement with Lennar Mare Island LLC (Developer), the City contemplates forming a series of "community facilities districts" on Mare Island. The formation of such districts would enable the City to levy a special tax on the property in such districts. The special tax would be used to fund a portion of the cost of the infrastructure and maintenance services required to support new development on Mare Island, thereby relieving pressure on the general fund or other funds of the City.

On April 26, 2005, the City Council formed two community facilities districts on Mare Island, designated the Mare Island Community Facilities District No. 2005-1A ("CFD 2005-1A") and Mare Island Community Facilities District No. 2005-1B ("CFD 2005-1B"). CFD 2005-1A was formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Sections 53311 et seq. of the California Government Code) (the "Act"). The formation of CFD 2005-1A enables the City to levy a special tax to fund certain maintenance services (i.e. park, landscape and open space maintenance, among others) and to fund infrastructure improvements (i.e. sanitary sewer, storm drain and streets, among others) through the use of bond debt. This bond debt would be payable solely from the special taxes levied on property within CFD 2005-1A.

CFD 2005-1B was formed pursuant to the City of Vallejo-Mare Island Services Financing Code (Ord. 1471 N.C. (2d) Sec. 2 (part), 2002), including by reference therein the provisions of the Act (the "Code"). The formation of CFD 2005-1B enables the City to levy a special tax therein to fund certain maintenance services (i.e. public or private facilities such as landscape, sewer and vehicle parking, among others) that are not otherwise permitted to be funded under the Act. CFD 2005-1A and CFD 2005-1B have identical boundaries, as set forth in the boundary maps approved by the City Council on March 22, 2005.

As development on Mare Island progresses, the Developer has proposed forming additional financing districts on Mare Island, or annexing territory to existing financing districts. Such additional financing districts or annexations would be for the same purposes as CFD 2005-1A and CFD 2005-1B. The Developer has advised the City that Mare Island Subdivision Coral Sea



COUNCIL COMMUNICATION

Village South Unit 3 needs to be included in one or more community facilities districts in order to permit further development, and the Developer proposes to annex said subdivision into CFD 2005-1A and CFD 2005-1B.

City Council adopted Resolution No. 07-277 N.C. on October 23, 2007, and determined that public convenience and necessity require the territory described in the map titled "Annexation Map No. 2 of Community Facilities District No. 2005-1B (Mare Island), City of Vallejo, County of Solano, State of California" be annexed to Community Facilities District No. 2005-1B (Mare Island) of the City of Vallejo. However, City Staff and the Developer were unable to come to terms on the Subdivision Improvement Agreement and the Subdivision Final Map titled "Coral Sea Village South Unit 3" needs to be finalized for legal parcels to be created prior to the public hearing for the annexation. Consequently, City staff is requesting that City Council continue the public hearing to December 18, 2007, which will be after the Final Map has been recorded and the parcels legally created.

This staff report relates to the public hearing to annex Coral Sea Village South Unit 3 to CFD 2005-1B. The public hearing to annex Coral Sea Village South Unit 3 to CFD 2005-1A is being addressed in a separate staff report.

The proposed Council actions are to open the public hearing and to adopt a resolution to continue the public hearing to take public testimony and protests on the proposed annexation of Coral Sea Village South Unit 3 to CFD 2005-1B until December 18, 2007.

FISCAL IMPACT

There is no fiscal impact by continuing the public hearing to December 18, 2007.

RECOMMENDATION

Staff recommends that the public hearing be opened and a resolution be adopted to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1B (MARE ISLAND) of the City of Vallejo until December 18, 2007.



COUNCIL COMMUNICATION

ENVIRONMENTAL REVIEW

The annexation of territory to a community facilities district is not a project under the California Environmental Quality Act ("CEQA") pursuant to section 15378 (b)(4) of Title 14 of the California Code of Regulations and not subject to CEQA. As this action is creating a government funding mechanism and does not involve any commitment to a specific project, it is not considered a project under the CEQA Guidelines. When a specific public improvement project is undertaken with the taxes collected, an environmental review for that project under CEQA will be undertaken.

PROPOSED ACTION

Open the public hearing and adopt a resolution to continue the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005-1B (MARE ISLAND) of the City of Vallejo until December 18, 2007.

DOCUMENTS ATTACHED

- a. A resolution continuing the public hearing relating to the annexation of certain territory to Community Facilities District No. 2005 1B (Mare Island) of the City of Vallejo.

CONTACT PERSON:

Gary Leach, Public Works Director
(707) 648-4315
GARYL@ci.vallejo.ca.us

David Espinoza, Associate Civil Engineer
(707) 648-4538
despinoza@ci.vallejo.ca.us

November 27, 2007

K:\PUBLIC\AIPW2007\Engineering\PWSR4209.DOC

RESOLUTION NO. 07-_____ N.C.

**A RESOLUTION CONTINUING THE PUBLIC HEARING RELATING TO THE
ANNEXATION OF CERTAIN TERRITORY TO COMMUNITY FACILITIES
DISTRICT NO. 2005-1B (MARE ISLAND) OF THE CITY OF VALLEJO**

(ANNEXATION NO. 2)

WHEREAS, the City Council (the "City Council") of the City of Vallejo (the "City"), by Resolution No. 07-277 N.C. (the "Resolution") adopted by the City Council on October 23, 2007, has determined that public convenience and necessity require the annexation of the territory described in the map entitled "Annexation Map No. 2 of Community Facilities District No. 2005-1B (Mare Island), City of Vallejo, County of Solano, State of California" (the "Annexation Map") be annexed to Community Facilities District No. 2005-1B (Mare Island) of the City of Vallejo (the "Community Facilities District"), which Annexation Map was recorded on November 8, 2007, in Book 24 of Maps of Assessment and Community Facilities Districts of the County of Solano at page 21, and has further determined that such annexation is advantageous to the Community Facilities District and the owners of the property in the Community Facilities District; and

WHEREAS, the Resolution fixed Tuesday, the 27th day of November, 2007, at the hour of 7:00 o'clock P.M., or as soon thereafter as the City Council may consider the matter, at the regular meeting place of the City Council, at 555 Santa Clara Street, Vallejo, California 94590, as the time and place for a public hearing to be held by the City Council to consider the proposed annexation of such territory to the Community Facilities District and all other matters set forth in the Resolution, and notice of such public hearing was duly given as provided in the Resolution; and

WHEREAS, the Subdivision Improvement Agreement was not signed by the developer and the Subdivision Final Map was not presented to Council for approval as scheduled on November 13, 2007; and

WHEREAS, the final map must be approved and recorded prior to the public hearing regarding the annexation of Coral Sea Village South Unit 3 subdivision to CFD 2005-1B.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vallejo, that the public hearing is continued until December 18, 2007, at the same time and place. The City Clerk is directed to post a Notice of Continuance of Public Hearing at or near the Council Chamber door no later than 24 hours after the continuance of the public hearing by the City Council.



ADMIN A

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: Approval of a resolution authorizing the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. And Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.

BACKGROUND

SB 976 (Torlakson), approved by the Governor on October 14, 2007, will become law on January 1, 2008. This legislation repeals prior legislation that created the San Francisco Bay Area Water Transit Authority (WTA) and creates a new San Francisco Bay Area Water Emergency Transportation Authority (WETA). Among other things, this legislation requires the appointment of a five member board of directors, of which the Governor is to appoint three members by January 10, 2008. In addition one member shall be appointed by the Senate Committee on Rules and the other by the Speaker of the Assembly. SB976 also requires the new Authority to "create and adopt, on or before January 1, 2009, a transition plan to facilitate the transfer of existing public transportation ferry services within the bay area region (including the Vallejo's Baylink service) to the authority..." This takeover of the City's ferry facilities and ferry service has significant operational and financial implications for the City of Vallejo's transportation services as well as the economic viability of the proposed transit-oriented Waterfront and Downtown developments.

In the aftermath of the rapid legislative approval and enactment of SB 976 City staff have identified a number of policy and political issues with this new law that need to be addressed to the City's satisfaction. In an effort to maximize the City's success in addressing its concerns, staff has been working with Bill Gray of Gray-Bowen & Company (a consultant assisting the City in managing the Vallejo Station Project) in putting together our list of issues as well as assembling a team of consultants to assist in making sure that the City's issues are considered in any cleanup legislation for SB 976 and during the implementation of this bill.

The issues identified to date and a brief description of the legislative work and



advocacy program necessary to achieve improvements to SB 976 in response to Vallejo's concerns are outlined below:

- *WETA Representation* – This team of consultants will provide advice and assistance in ensuring adequate Solano County (Vallejo) representation (focusing on Mayor Intintoli's appointment) on the new five-member WETA board, mindful that the newly enacted law calls on the Governor to make initial appointments (3) by January 10, 2008.
- *Clean-Up Legislation* – This team will assist the city in pursuit of identified and emerging policy goals in an anticipated, author-sponsored "clean-up" bill, or alternatively, seek introduction and passage of legislation to address these matters, and other issues as they are identified:
 - Compensation for transfer of assets to WETA and leased assets, as well as for a range of costs associated with the establishment of the WETA;
 - Ensure the continuation of appropriate Ferry service levels to Vallejo;
 - Address issues surrounding the related future, planned developments that are intrinsically woven into the city's vision for downtown and the waterfront, including the Vallejo Station Parking Garage and Ferry Maintenance Facility;
 - Ensure that WETA respects the city's purview over local planning and zoning, including related agreements;
 - Seek a change in the approach and timing outlined in law for the WETA management plan and transition plan to achieve the goals above;
 - WETA management plan and Transition plan to not compromise current Vallejo Transit bus services;

Tonight's action is to authorize the City Manager to enter into contracts with the following three consultant firms:

- **Joe A. Gonsalves & Son:** This State lobbyist firm was founded in 1975 and currently represents about 53 cities throughout the California. This firm is well respected in Sacramento and has a reputation of being very successful advocates for their clients. In addition to addressing the immediate issues related to SB 976, staff is recommending that the contract with this firm be long term as a proactive measure of insuring that the City's interest is properly addressed in any future State Legislation actions. Compensation consists of \$4,000 per month as a retainer plus reimbursement of expenses.
- **Barnes Mosher Whitehurst Lauter & Partners:** This consulting firm has over 40 years of combined governmental relations experience with intimate and



extensive knowledge of how government works, who the right people are to make it work and how to make it work for its clients. Having worked on the legislation that originally formed the existing Water Transit Authority (WTA) this firm is already familiar with the issues related to the new WETA legislation. This firm will provide strategic and consulting assistance to create and implement intergovernmental strategies to get the various levels of government- local, state & federal- cooperating with City of Vallejo to resolve its issues related to SB 976. Compensation consists of \$5,000 per month as a retainer plus reimbursement of expenses.

- **California Strategies, LLC:** This firm is a full-service governmental relations firm that provides political and strategic consulting to their clients. Mark Watts the lead partner for this contract has over 25 years experience in transportation policy and funding expertise. He has been a key advocate for a number of public agencies in transportation policy with nearly fifteen years of working with the legislative transportation committees. He has ongoing experience with the current legislative leadership and the Schwarzenegger Administration. Mr. Watt was lead legislative staff person in the enactment of the bridge toll ballot measure Regional Measure 1 (RM1). He was also an advocate involved in Regional Measure 2 (RM2) as well as for Proposition 1B, and the related trailer bill, SB 88, which provides \$250 Million for emergency water transportation purposes. Accordingly Mr. Watt's strong familiarity with Bay Area transportation issues makes him a valuable member of this team. Compensation consists of \$5,000 per month as a retainer plus reimbursement of expenses.

Staff has assembled a very effective team to address Vallejo's issues related to the implementation of SB 976. Given the potential impact of SB 976 on Vallejo's Baylink Ferry service, Vallejo Transit bus service and the future fiscal health of the City, staff believes that the hiring of these three consultants is well worth the investment at this time.

Fiscal Impact

The combined fee for these three consultants is \$14,000 per month retainer plus expenses. It is anticipated that this team of consultants will be needed for the SB 976 effort for a minimum of three months but not more than twelve months. Accordingly the total fee would range from a minimum of \$42,000 to a maximum of \$168,000 plus expenses. It should also be noted that staff anticipates the need for outside legal advice on this SB 976 issue which may add an estimated \$60,000 to \$80,00 in legal fees.

As part of the mid-year budget amendment, staff has requested the City Council to



appropriate \$100,000 of General Fund to the Transportation fund to pay for these fees. In addition staff has made a request to the Solano Transportation Authority for additional funding for this effort. Their response has been favorable. It should also be noted that we have already asked these consultants to assist the City in securing funding to pay for their respective fees after the first three months. One of our strategies will be to request that the newly formed WETA reimburse the City any and all expenses associated with the City's effort to address the implementation of SB 976.

It should also be noted that staff is recommending that Joe A. Gonzalves & Son remain under contract with the City of Vallejo after this initial effort on SB 976 has been completed in order to protect the City's interest with continued proactive lobbyist representation in Sacramento.

RECOMMENDATION

Staff recommends approval of a resolution authorizing the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. And Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.

ENVIRONMENTAL REVIEW

This action by the City Council does not involve any issues with regard to the California Environmental Quality Act and is not subject to CEQA requirements.

ALTERNATIVES CONSIDERED

The alternative to this proactive team approach would be to wait and respond to whatever cleanup legislation is developed by the authors of SB 976. Staff strongly believes that such a reactive approach would not be in the best interest of the City. The recommended proactive team approach is essential to ensure that the City's issues are properly addressed over the next several months.

PROPOSED ACTION

Approve the resolution authorizing the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. And Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.



DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution authorizing the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. And Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority.

CONTACT PERSON

Gary A. Leach, Public Works Director
648-4315
GARYL@ci.vallejo.ca.us

November 27, 2007
J:\PUBLIC\A\PW\2007\Engineering\PWSR4211.doc

RESOLUTION NO. 07-_____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, SB 976 (Torlakson) was approved by the Governor on October 14, 2007, will become law on January 1, 2008; and

WHEREAS, this bill creates the San Francisco Bay Area Emergency Transportation Authority (WETA) with powers and duties to take over all of the funding and assets to operate the City of Vallejo's Baylink Ferry Service; and

WHEREAS, this bill requires WETA to be governed by a five member board of directors, of which the Governor is to appoint three members by January 10, 2008; and

WHEREAS, this bill requires the adoption of a transition plan by January 1, 2009 and a management plan by July 1, 2009.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo hereby directs staff to take a proactive role in addressing the impacts of SB 976 on the City of Vallejo; and

BE IT FURTHER RESOLVED, that the City Council of the City of Vallejo authorizes the City Manager to enter into contracts with Joe A. Gonsalves & Son, California Strategies & Advocacy, LLC. and Barnes Mosher Whitehurst Lauter & Partners to support the City of Vallejo's efforts in addressing SB 976 which created the San Francisco Bay Area Water Emergency Transportation Authority, including optional tasks, and subject to amendments, review and approval by the City Attorney and Risk Manager, consistent with this resolution.

November 27, 2007

J:\PUBLIC\AI\PW\2007\Engineering\PWSR4211.doc



CITY OF VALLEJO

Agenda Item No.

ADMIN B

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development *CW*
Brian Dolan, Development Services Director *BD*
Don Hazen, Planning Manager *DH*
Laura Simpson, Housing Manager *LS*
Claudia Quintana, Assistant City Attorney *CQ*

SUBJECT: Consideration of an Interim Ordinance adopted as an Urgency Measure pursuant to California Government Code §65858, extending a Moratorium on the Conversion of Mobilehome Parks to Condominium Ownership until September 23, 2008

BACKGROUND AND DISCUSSION

On October 23, 2007, the City Council adopted findings and approved an urgency ordinance declaring a 45-day moratorium on mobilehome park conversions (Ord. 1597 N.C. 2d). The purpose of the moratorium was to enable staff to study the issue and prepare specific recommendations for amending the Zoning and/or Subdivision ordinance. The moratorium is due to expire on December 7, 2007, unless extended as provided by State law.

Staff has prepared a workplan (Attachment B) for soliciting public input and analyzing the mobilehome park conversion issue, and finds that it is necessary to request that the City Council extend the moratorium until October 23, 2008 in order to complete the tasks outlined in the workplan. There is currently one application for a park conversion that would be potentially affected by this moratorium.

The proposed workplan would form a Mobile Home Park Conversion Task Force for the purpose of soliciting public input and crafting proposed new regulations for public hearing. One member from the Planning Commission, one member from the Mobile Home Rent Review Board (MHRRB), and staffing by the Planning Manager, Housing Manager, and City Attorney would comprise this Task Force. The plan would begin with Commission appointments in January; public meetings occurring in March and May; and public hearings before the MHRRB, Planning Commission, and City Council from June through September

2008.

Staff has determined that the same findings adopted by the City Council for granting the initial 45-day moratorium are still valid for extending the moratorium an additional 11 months. The moratorium and the anticipated regulatory ordinance are the most logical instruments that are available to the City should the Council wish to clearly establish regulations, and to obtain some degree of control over the health and safety of the park residents and the public for this type of park conversion. Such ordinances may possibly attempt to mitigate the possible displacement of citizens from their existing mobile homes. The temporary moratorium must be approved by a 5/7 vote of the Council.

Mobilehomes in Vallejo

Mobilehome parks provide a significant source of affordable housing in the City of Vallejo. There are currently 11 parks within the city, containing approximately 1300 spaces, according to the 2000 U.S. Census. This represents almost 3% of the city's housing stock. The average household size for this housing type in Vallejo is 1.83 persons per unit; therefore, these units house an estimated 2,380 persons. Mobilehome park spaces are subject to local rent control under the City's Municipal Code, Chapter 5.64, Sections 5.64.010 through 5.64.180, except for spaces which are exempted by state law because they are covered by leases of 12 months or more that meet specified conditions set forth in the California Civil Code.

Mobilehome park residents usually own their mobilehomes and pay rent for the space that their mobilehome is located upon. Based upon a September 2007 phone survey of mobile home park management, it is estimated that tenants of mobile home parks in Vallejo pay space rents ranging from \$244 to \$500 per month, with an average rent of approximately \$400 per month.

Mobilehomes prices range from about \$50,000 to \$90,000 in Vallejo, making the purchase of a mobilehome on a rental lot in an existing mobile home park affordable to low income households that could not afford to purchase condominiums or houses within the City.

In a recent survey of one of the largest mobilehome parks in the City, 40% of the respondents indicated that their household income was in the very low income category (less than \$30,000 for a two-person household.) 70% of the adults in the park were seniors. (36% of the 255 households provided responses to the survey questionnaire.) The City has not surveyed the residents of the other parks in the City. However, surveys of mobilehome park residents in other jurisdictions have consistently shown that a substantial portion of mobilehome park residents are low income.

Impact of the Conversion of Mobilehomes to Condominium Ownership

If mobilehome parks are converted into condominium ownership, the cost of mobilehome

park space parcels will mostly likely become unaffordable to low income households that could afford previously to purchase mobilehomes on rented spaces and pay the space rent. While we do not have information on the sales prices after the conversion, if prices exceed \$80,000 per unit, the cost would be unaffordable to Very Low Income households. If prices exceed \$150,000 per unit, the units will be unaffordable to Low Income households.

Mobilehome park conversions to condominium ownership are subject to state law regarding the mitigation of the impacts of conversions. However, the scope of those protections is limited. Under the state law when a park is converted to condominium ownership it is no longer subject to local rent regulations. After the conversion, the space rents of non-purchasing **low-income** tenants (those low income tenants that choose not to purchase the land under their mobile home) may not be increased by more than the percentage increase in the Consumer Price Index (CPI). However, there are no limits on the rents that may be charged when new residents acquire land in a mobilehome park converted to condominium ownership. Therefore, at the time of an in-place sale of a mobilehome after a condominium conversion, the rents may be raised to a level unaffordable to low income residents.

The rents of the mobilehome park tenants who are **not in the low-income category** may be raised to market levels four years after the condominium conversion, thereby exposing these tenants to the possibility of exceptional rent increases and corresponding adverse effects on the values of their mobilehomes. In a park in American Canyon, a few years after a park conversion took place and the City's rent control ordinance was no longer applicable space rents in the park where raised from \$500 to \$1,300 per month.

When mobilehome owners are faced with rent increases or conversions costs that they cannot afford, they do not have any option to move their mobilehomes because as a practical matter mobilehomes are not portable. The cost of moving a mobilehome and setting up the mobilehome in another park is substantial (e.g. \$10,000). Furthermore, virtually all mobilehome parks in the Bay Area will not accept mobilehomes that are more than a few years old. Therefore, as a practical matter, most mobilehomes cannot be moved within the Bay Area. Mobilehome park conversions are more likely to impact low-income households and seniors, due to the affordable nature of the housing stock. Currently, one park owner in the City has expressed an intent to convert a park to condominium ownership. Statewide, park owner initiated conversions have become widespread within the past few years.

City's Ability to Regulate the Conversion of Mobilehomes to Condominium Ownership

Under the Subdivision Map Act, local governments have some authority to regulate the conversion of a mobile home park to resident ownership or to non-mobile home park use; however, local governments' ability to control conversions is limited by Government Code

66427.5.

Under Government Code 66427.5, the applicant seeking the subdivision is required to:

- Obtain City approval of the conversion pursuant to Subdivision Map act including approval of a map
- Submit a report on the impact of the conversion
- Offer existing tenants an option to buy the lot on which their mobile home is located
- Survey each tenant to assess resident support for the conversion
- Limit the amount of any rent increase to tenants not purchasing their units

Under the state law in effect as of 2001, an appellate court ruled that a City could not prevent a park conversion on the basis that it was not bona fide and that a park was no longer subject to local rent regulation after a single space in the park was sold. (*El Dorado Palm Springs, Ltd. V. City of Palm Springs* (2001) 96 Cal.App.4th 1153).

Subsequently, the state law was amended to require that "The subdivider shall obtain a survey of support of residents of the mobilehome park for the proposed conversion". (Statutes 2002, ch. 1143). The bill also included uncodified language stating a legislative intent to ensure that a mobilehome park subdivision ... is a "bona fide" resident conversion. (Statutes 2002, ch. 1143, Sec. 2, p.3324.)

Moratorium on Conversion of Mobilehomes to Condominium Ownership

In order to protect mobilehome park residents from the adverse effects of park conversions, moratoriums on conversion of mobilehome parks to condominium ownership and/or ordinances governing such conversions have recently been adopted by a number of municipal and county agencies including, the Sonoma County, Santa Cruz County, Santa Rosa, Rohnert Park, American Canyon, and the City of Sonoma. For example, some jurisdictions enacted a mobilehome zoning overlay to help set the standards.

The City's current zoning ordinance, including the condominium conversion ordinance, does not set forth any procedures or conditions for mobilehome park condominium conversions. Adoption of a moratorium by the City Council will provide City staff sufficient time to study the issue and determine how to implement the authority that it has to consider and address the impacts of proposed conversions on mobilehome park residents. Staff would review the results of regulatory approaches in other communities.

It is anticipated that the Planning Division staff would conduct one public workshop to solicit input to regulatory approaches by interested parties (e.g. mobile home residents, mobilehome park owners). The Planning Commission and MHRRB would also review any proposed regulatory changes.

Legal Analysis

Generally, a tentative map application is required to begin the subdivision process to convert mobilehome parks into condos. The Vallejo Municipal Code does have a Chapter 15.08 which sets forth the requirements for all subdivisions requiring a tentative map, but there is no local ordinance which specifically governs the subdivision of a mobilehome park to individual ownership.

These applications are strictly governed by California Government Code § 66427.5. Unlike common tentative map applications where the City retains a broad amount of discretion to approve and condition a map, the City has a very limited scope of review in mobilehome-to-condo conversions. Under current law, the scope of review is basically limited to whether the applicant has complied with §66427.5. (*El Dorado v. City of Palm Springs* (2001) 96 Cal.App.4th 1153). A recent amendment adds a requirement that the applicant provide a survey of support. Whether a conversion can be denied if there is insufficient support is an issue that is currently being litigated by other jurisdictions.

Whether cities have continuing land-use discretion through their police and regulatory power in approving this type of application and the scope of such powers is an issue that is now being tested in the courts in response to park owner challenges to recently adopted local conversion ordinances. Typically, applicants take the position that Cities may not apply any other provisions of the map act or of the municipal code, including, for instance, the provisions which typically allow cities to condition the application to protect the health and welfare of residents and public.

In order to place the legal terrain in perspective it may be noted that virtually every piece of legislation related the economic rights of mobilehome park owners comes under legal challenge. In fact, even absent a moratorium, the City may be challenged based on the applicability of existing ordinances to current applications.

On October 14, 2007, the Governor vetoed the bill which would have broadened the scope of the hearing to provide broad discretion to the cities and would have subjected mobilehome-to-condominium conversions to the same type of review and conditioning as other tentative map applications. Given this veto, it seems that there will be no change to the State law in the foreseeable future unless an appellate court considers the interpretation of the applicable statutes in a court challenge. Park conversions have not been addressed in any appellate court decisions since the 2002 amendment to the state law.

Although it is possible and even desirable to enact a local ordinance regulating mobilehome to condominium conversions, the opportunity for imposing local conditions on these types of conversions continues to be severely restricted by Cal. Gov. Code §

66427.5

Nevertheless, a new ordinance could articulate the contents of the Conversion Report and provide guidelines for determining whether a conversion is "bona fide" through the Resident Survey of Support mentioned in 66427.5. The state law does not define the term bona fide or set forth what constitutes "a survey of support".

Also, a local ordinance could set for conversion impact reports addressing such issues as vacancy rates, the availability of mobile home spaces, an analysis of moving an existing mobile home to another site, relocation assistance, if necessary, and similar information. It would not be possible to avoid the conversion altogether, and it would not be possible to exact rent restrictions for this type of application. Depending on how far the ordinance goes, it may also be subject to legal challenge. Further study would be necessary to determine what requirements and conditions are permissible within the scope of the state law.

An October 23d trial court decision in a Sonoma County case, *Sequoia Park Associates v. County of Sonoma*, upheld the county's right to have an ordinance regulating mobilehome park conversions by ensuring that they are bone fide tenant conversions. Although this trial court decision is certainly a good sign in terms of the defensibility of such an ordinance, it does not mean the end of the road, as the applicant in that case is likely to appeal.

Requirements for a Moratorium

In order to adopt and extend a moratorium, this council needs to have sufficient facts regarding urgency so that the enactment of the moratorium is deemed necessary for preserving the public peace, health, welfare or safety and to avoid a current, immediate and direct threat to the health, safety, or welfare of the community. Some of these facts may be based on the potential displacement of senior citizens and other vulnerable residents. Additionally, the potential approval of maps which are not physically suitable, or which pose health and safety risks that would normally be addressed by our local ordinances or other provisions of the map act lend a sense of urgency to this issue. Should the Council find that these facts exist, it may adopt the urgency ordinance which is attached to the staff report. In the event that Council finds insufficient facts regarding urgency, Council may still direct staff to work on and bring back an ordinance which governs mobilehome conversions into condominiums.

Enacting a moratorium will almost certainly result in a legal challenge against the City, as it has resulted in Santa Cruz, Sonoma and Santa Rosa, following enactments of their moratoriums and their interim and/or permanent ordinances regulating these conversions.

Fiscal Impact

There would be no fiscal impact as a result of adopting the proposed ordinance. If the moratorium is legally challenged, however, there will be legal fees and costs that are difficult to quantify at this point. The short time span for this moratorium does mitigate any damages a potential plaintiff might have, but it is not failsafe.

RECOMMENDATION

Staff recommends adoption of the attached emergency ordinance extending the moratorium on the conversion of mobile home parks to resident ownership through October 23, 2008.

ENVIRONMENTAL REVIEW

Adoption and implementation of an urgency ordinance is exempt from the provisions of the California Environmental Quality Act pursuant to State CEQA Guidelines section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the ordinance or its implementation would have a significant effect on the environment.

PROPOSED ACTION

Adopt the proposed Ordinance, Attachment A.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment "A" – Ordinance

Attachment "B" – Proposed Workplan

Attachment "C" – Ordinance No. 1597 N.C. (2d)

Attachment "D" – Excerpted City Council Minutes, October 23, 2007

PREPARED BY/CONTACT:

Craig Whittom, Assistant City Manager/Community Development, (707) 648-4579, or cwhittom@ci.vallejo.ca.us

Don Hazen, Planning Manager, (707) 648-4328, or dhazen@ci.vallejo.ca.us

Claudia Quintana, Assistant City Attorney, (707) 648-4547 or cquintana@ci.vallejo.ca.us

K:/Public/AI/PL/Mobile Home Park/Moratoriumxtensionreportcq.doc

ORDINANCE NO.

**AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF VALLEJO
EXTENDING AND IMPOSING A TEMPORARY MORATORIUM ON THE
CONVERSION OF MOBILEHOME PARKS TO RESIDENT OWNERSHIP FOR A
PERIOD OF TEN (10) MONTHS AND 15 DAYS**

WHEREAS the City of Vallejo has an overriding interest in planning and regulating the use of property within the City, and implicit in any plan or regulation is the City's interest in maintaining the quality of urban life and the character of the City's neighborhoods; and

WHEREAS Without stable, well-planned neighborhoods, and sound housing policies for all sectors of the population, sections of the City can deteriorate with tragic consequences to social, environmental, and economic values and serious impacts to citizens whose living arrangement are predicated on access to safe, affordable housing; and

WHEREAS, the City Council has considered the contents of the staff report, as well as a presentation on the subject, and heard and read community testimony regarding the potential impacts of mobilehome park conversions into condominiums; and considered evidence at the duly noticed public hearings on October 23, 2007 and on November 27, 2007; and

WHEREAS, On October 23, 2007, the City Council enacted Ordinance No. 1597 N.C. (2d) declaring a temporary 45-day moratorium on mobile home park conversions pursuant to the City of Vallejo's police power, Sections 200 and 312 of the Charter of the City of Vallejo, Article XI of the California Constitution, and

WHEREAS, pursuant to Government Code section 65858 a city, including a charter city, to protect the public safety, health and welfare may extend an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan or zoning proposal that the legislative body is considering or intends to study within a reasonable time, and

WHEREAS, the City of Vallejo is a charter City and by virtue of Section 200 and 312 of the Chart of the City of Vallejo and Article XI of the California Constitution, the City of Vallejo may adopt any ordinance declared to be necessary as an emergency measure for preserving the public peace, health or safety and containing a statement of the reasons for its urgency,

WHEREAS, it is the City's intent to exercise its police power, to study and review neighboring cities' regulations and to possibly enact regulatory land use ordinances not in conflict with State law which regulate the conversion of mobilehome parks to condominiums; within the next ten (10) months and 15 days; and

WHEREAS, such a time as the City concludes its review and adopts new land use controls over such activity the community is in jeopardy that such unregulated conversions may occur ; and

WHEREAS, such mobilehome to condominium conversions may result in the displacement of mobilehome park residents due to unaffordability, and may result in the approval of projects which are not 'bona fide' conversions under California Government Code § 66427.5, or are otherwise out of compliance with a proposed local zoning plan, local ordinances and the remainder of the Subdivision Map Act,

NOW, THEREFORE, The Council of the City of Vallejo does ordain, find and determine as follows:

Section 1. The purpose of this ordinance is to prohibit the conversion of mobilehome parks to resident ownership within the City of Vallejo pending enactment of permanent regulations affecting such conversions. The purposes of the City's mobilehome rent review ordinance are set forth in Vallejo Municipal Code Chapter 5.64.020 and 5.46.025. The City Council finds that the statements and findings contained in those sections continue to be true and correct, and thus they are incorporated herein by this reference. The City of Vallejo additionally makes the following findings:

1. At present there are 11 mobilehome parks subject to rent control within Vallejo. These 11 parks contain approximately 1300 mobilehome spaces, housing an estimated 2400 residents.
2. In most instances, mobilehome residents own their mobilehomes and pay monthly rent for the land beneath. Annual rent increases for mobilehome spaces that have a lease of 12 months or less are regulated under Vallejo City Code Section 5.64.010 through 5.64.180.
3. State law permits a mobilehome park to be subdivided into separate lots, such that residents may own not only the mobilehome itself, but also the space beneath it. These subdivisions are known as "conversions to resident ownership." Upon such conversions to resident ownership, local rent control provisions are no longer applicable.
4. There is a growing movement by park owners themselves to initiate the conversion of mobilehome parks to resident ownership. Local experiences indicate that when local rent control is removed, rents are destabilized. Although state law provides some protection for some mobilehome park residents, the protections appear inadequate for other residents. Furthermore, a substantial portion of the residents in mobilehome parks cannot afford the costs of purchasing individual condominium lots within mobilehome parks. The residents who cannot afford to pay face eviction and possible homelessness.

5. Many park residents have few options when faced with an owner-initiated conversion of a mobilehome park. The purchase of the lot itself may be financially out of reach. Moving a mobilehome is cost-prohibitive for many, and even if a resident can afford to move his or her mobilehome, there are no parks in the region with space available to receive older mobilehomes. For resident seniors in particular, moving outside of the region may break important social ties and critical support networks. For seniors and other citizens on a fixed income, even small escalations on their rent may result in their inability to pay their rent, and this may result in eviction and possible homelessness.

6. While state law establishes parameters for the conversion of a mobilehome park to resident ownership under the Subdivision Map Act, it appears to permit some level of local regulation, specifically, ensuring that a mobilehome park conversion is, "bona fide". The Council finds that local regulation, in fact, may be essential to avoid the current and immediate loss of housing stock that is affordable to people of lower income households and to thereby protect the public health, safety and welfare.

7. It is in the interest of the City of Vallejo, of owners and residents of mobilehome parks, and of the community as a whole that the Council consider regulations to protect housing within mobilehome parks that is affordable to people of lower income households, while providing opportunities for resident ownership wherever feasible and appropriate. The moratorium is necessary at this time to provide staff sufficient time to study the issue and make recommendations on whether and how to regulate mobilehome park conversions at the local level.

8. City of Vallejo staff proposes to study zoning amendments and possible regulations not in conflict with state law that may govern and regulate mobile home park conversions. It would be destructive of any proposed future requirements and regulations if, during the period they are being studied and considered for adoption, parties seeking to avoid their operation and effect are permitted to convert existing mobilehome parks to resident ownership in a manner that might defeat in whole, or in part, the objectives of such requirements and regulations. As a result, it is necessary to establish a temporary moratorium on the conversion of mobilehome parks to resident ownership within the City of Vallejo pending the completion of the City's preparation and consideration of appropriate regulations.

9. In the absence of local regulation mobilehome park conversions under Cal. Gov. Code § 66427.5 may be approved in spite of not being a "bone fide" conversion by the tenants; Additionally, maps may be approved which are out of compliance with other more general local ordinances, or

the remainder of the subdivision map act. This may result in approval of maps which should otherwise be denied under the grounds set forth in Vallejo Municipal Code section 15.08.060 (e.g., because the design of the subdivision may cause serious public health problems, there is a violation of water quality standards, or it otherwise does not comply with the general plan, or the Subdivision Map Act).

Section 2. During the period this ordinance remains in effect, no permit or approval shall be issued for the conversion of a mobilehome park to resident ownership within the City of Vallejo. This ordinance shall apply where such conversion involves an application for a change of use, an expansion of use, or an entitlement for use including subdivisions, use permits, variances and building permits as described in section 3 of this ordinance and in California Government Code section 65858 (c). An application for additional spaces in a mobilehome park shall be considered an expansion of use which may be in conflict with a zoning proposal that the legislative body, planning commission or the planning department is considering, studying, or intends to consider or study.

Section 3. The City Council of the City of Vallejo finds that there is a current and immediate threat to the public health, safety, or welfare, and that the approval of additional subdivisions, use permits, variances, building permits, or any other applicable entitlement for use which is required in order to comply with a zoning ordinance would result in that threat to public health, safety or welfare as described in section one.

Section 4. This ordinance shall not apply to applications for mobilehome conversions which have been deemed complete prior to the effective date of this ordinance.

Section 5. This ordinance shall apply to applications for mobilehome conversions which have not been deemed complete prior to the effective date of this ordinance. As to those applications which have been submitted but not deemed complete, staff is directed to immediately apprise them of any new submittal requirements proposed under a new ordinance within a reasonable period of time after the effective date of this ordinance.

Section 6. For the purposes of this ordinance, “mobilehome park” shall mean a mobilehome park as defined in Vallejo Municipal Code section 5.64.030 The “conversion of a mobilehome park to resident ownership” shall mean a subdivision of a mobilehome park for purposes or sale, lease or finance of one or more mobilehome spaces or lots pursuant to Government Code section 66427.5 or 66428.1. “Subdivision” shall mean subdivision as defined in Government Code section 66424.

Section 7. Based on the facts and conditions set forth and described in Section 1 of this ordinance, and on all the preceding ‘Whereas’, which are hereby found to be true and correct, and hereby made a part of this Ordinance, the Council declares this ordinance is necessary as an urgency measure for preserving the public health, safety, and welfare as described in Section 1. The Council determines that the impending conversion of mobilehome parks to resident ownership without local regulation would result in a threat to the public health, safety, and welfare.

Section 8. During the period this ordinance remains in effect, the provisions of this ordinance shall govern. If there is any conflict between the provisions of this ordinance and any provision of the Vallejo Municipal Code, or any City ordinance, resolution, or policy, the provisions of this ordinance shall control.

Section 9. Environmental Determination. This ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15061(b)(3) in that it can be seen with certainty that there is no possibility that this ordinance or its implementation would have a significant effect on the environment. The Director of Community Development is directed to file a notice of exemption in accordance with CEQA and the State CEQA Guidelines.

Section 10. Severability. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

Section 11. Effective Date. The City Clerk shall certify to the passage and adoption of this Ordinance causing it to be published, as required by Vallejo Municipal Code Chapter 2.04 and it shall thereafter be in full force and effect. This Ordinance shall become effective immediately as an interim urgency ordinance, in order to protect the public health, safety and welfare.

Section 12. Duration. This ordinance shall remain in effect for 10 months and 15 days only through October 23, 2008, unless sooner terminated or extended. For the term of this Ordinance, the provisions of this Ordinance shall govern, to the extent there is any conflict between the provisions of this Ordinance and the provisions of any other City code, ordinance, resolution or policy, any and all such provisions shall be suspended.

Section 13. Petition for Relief from Moratorium. Any person who has applied or who seeks to apply to subdivide a mobilehome park into condominiums and who may be affected by this Moratorium, and who contends that the Moratorium as applied to him or her would be unlawful under Federal, State, or local law or regulation, may submit a written application to the Planning Director requesting relief from the Moratorium. The request for relief from Moratorium shall identify the name and address of the applicant, the affected application number, and shall state how the Moratorium as applied to him or her would be unlawful under Federal, State, or local law or regulation. Within fourteen (14) calendar days of receipt of the completed request for relief, the City Manager, or his designee, shall mail to the applicant a written determination accepting or rejecting the request for relief from Moratorium.

FIRST READ at a regular meeting of the Council of the City of Vallejo held on the of November 27, 2007, and finally passed and adopted at a regular meeting of the Council held the 27th day of November, 2007, by the following vote:

AYES:

ABSENT: None

ABSTENTIONS: None

Anthony J. Intontili, Jr., Mayor

ATTEST:

MARY ELLSWORTH, Acting City Clerk

K:/Public/AI/PL/Mobile Home Parks/moratoriumextensionordinancecq.doc

Attachment "B"

TENTATIVE MOBILE HOME PARK CONVERSION WORKPLAN

- November 27, 2007: Request Council approval to extend moratorium to October 23, 2008
- January 2008: Form MHP Conversion Task Force [Planning Manager, Housing Manager, one member each from MHRRB and PC; legal advisor-Claudia Quintana].
- January 2008: Solicit volunteers from MHRRB and PC to serve on Task Force.
- February 2008: Task Force meets to identify areas where City has policy discretion based on City Attorney legal advice.
- March 2008: Conduct first Public Meeting to brief public on issues, legal constraints, and areas having policy discretion. Receive input.
- April 2008: Task Force meets to analyze public feedback and draft proposed ordinance.
- May 2008: Conduct second Public Meeting to present draft ordinance and receive input.
- June 2008: Task Force meets to analyze public feedback and draft proposed ordinance. Prepare staff reports
- July 2008: MHRRB to conduct public hearing and make recommendation to CC.
- August 2008: PC to adopt Reso of Intention
- September 2008: PC to conduct public hearing and make recommendation to CC.
- October 2008: City Council public hearing on Conversion Ordinance.

K:/PUBLIC/AI/PL/Mobile Home Parks/MOBILE HOME PARK CONVERSION WORKPLAN.doc

ORDINANCE NO. 1597 N.C. (2d)

**AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF VALLEJO
ADOPTING AND IMPOSING A TEMPORARY MORATORIUM ON THE
CONVERSION OF MOBILEHOME PARKS TO RESIDENT OWNERSHIP**

WHEREAS the City of Vallejo has an overriding interest in planning and regulating the use of property within the City, and implicit in any plan or regulation is the City's interest in maintaining the quality of urban life and the character of the City's neighborhoods; and

WHEREAS Without stable, well-planned neighborhoods, and sound housing policies for all sectors of the population, sections of the City can deteriorate with tragic consequences to social, environmental, and economic values and serious impacts to citizens whose living arrangement are predicated on access to safe, affordable housing; and

WHEREAS, the City Council has considered the contents of the staff report, as well as a presentation on the subject, and heard and read community testimony regarding the potential impacts of mobilehome park conversions into condominiums; and considered evidence at the duly noticed public hearing on October 23, 2007; and

WHEREAS, this Ordinance is enacted pursuant to the City of Vallejo's police power, Sections 200 and 312 of the Charter of the City of Vallejo, Article XI of the California Constitution, and

WHEREAS, pursuant to Government Code section 65858 a city, including a charter city, to protect the public safety, health and welfare may adopt an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan or zoning proposal that the legislative body is considering or intends to study within a reasonable time, and

WHEREAS, it is the City's intent to exercise its police power, to study and review neighboring cities' regulations and to possibly enact regulatory land use ordinances not in conflict with State law which regulate the conversion of mobilehome parks to condominiums; within the next 45 days and

WHEREAS, such a time as the City concludes its review and adopts new land use controls over such activity the community is in jeopardy that such unregulated conversions may occur ; and

WHEREAS, such mobilehome to condominium conversions may result in the displacement of mobilehome park residents due to unaffordability, and may result in the approval of projects which are not 'bona fide' conversions under California Government Code § 66427.5, or are otherwise out of compliance with local ordinances and the remainder of the Subdivision Map Act,

NOW, THEREFORE, The Council of the City of Vallejo does ordain, find and determine as follows:

Section 1. The purpose of this ordinance is to prohibit the conversion of mobilehome parks to resident ownership within the City of Vallejo pending enactment of permanent regulations affecting such conversions. The purposes of the City's mobilehome rent review ordinance are set forth in Vallejo Municipal Code Chapter 5.64.020 and 5.46.025. The City Council finds that the statements and findings contained in those sections continue to be true and correct, and thus they are incorporated herein by this reference. The City of Vallejo additionally makes the following findings:

- 1. At present there are 11 mobilehome parks subject to rent control within Vallejo. These 11 parks contain approximately 1300 mobilehome spaces, housing an estimated 2400 residents.**
- 2. In most instances, mobilehome residents own their mobilehomes and pay monthly rent for the land beneath. Annual rent increases for mobilehome spaces that have a lease of 12 months or less are regulated under Vallejo City Code Section 5.64.010 through 5.64.180.**
- 3. State law permits a mobilehome park to be subdivided into separate lots, such that residents may own not only the mobilehome itself, but also the space beneath it. These subdivisions are known as "conversions to resident ownership." Upon such conversions to resident ownership, local rent control provisions are no longer applicable.**
- 4. There is a growing movement by park owners themselves to initiate the conversion of mobilehome parks to resident ownership. Local experiences indicate that when local rent control is removed, rents are destabilized. Although state law provides some protection for mobilehome park residents, the protections appear inadequate for other residents. Furthermore, a substantial portion of the residents in mobilehome parks cannot afford the costs of purchasing individual condominium lots within mobilehome parks. The residents who cannot afford to pay face eviction and possible homelessness.**
- 5. Many park residents have few options when faced with an owner-initiated conversion of a mobilehome park. The purchase of the lot itself may be financially out of reach. Moving a mobilehome is cost-prohibitive for many, and even if a resident can afford to move his or her mobilehome, there are no parks in the region with space available to receive older mobilehomes. For resident seniors in particular, moving outside of the region may break important social ties and critical support networks. For seniors and other citizens on a fixed income, even small escalations on their rent may result in their inability to pay their rent, and this may result in eviction and possible homelessness.**

6. While state law establishes parameters for the conversion of a mobilehome park to resident ownership under the Subdivision Map Act, it appears to permit some level of local regulation. The Council finds that local regulation, in fact, may be essential to avoid the current and immediate loss of housing stock that is affordable to people of lower income households and to thereby protect the public health, safety and welfare.

7. It is in the interest of the City of Vallejo, of owners and residents of mobilehome parks, and of the community as a whole that the Council consider regulations to protect housing within mobilehome parks that is affordable to people of lower income households, while providing opportunities for resident ownership wherever feasible and appropriate. The moratorium is necessary at this time to provide staff sufficient time to study the issue and make recommendations on whether and how to regulate mobilehome park conversions at the local level.

8. City of Vallejo staff proposes to study zoning amendments and possible regulations not in conflict with state law that may govern and regulate mobile home park conversions. It would be destructive of any proposed future requirements and regulations if, during the period they are being studied and considered for adoption, parties seeking to avoid their operation and effect are permitted to convert existing mobilehome parks to resident ownership in a manner that might defeat in whole, or in part, the objectives of such requirements and regulations. As a result, it is necessary to establish a temporary moratorium on the conversion of mobilehome parks to resident ownership within the City of Vallejo pending the completion of the City's preparation and consideration of appropriate regulations.

9. In the absence of local regulation mobilehome park conversions under Cal. Gov. Code § 66427.5 may be approved in spite of not being a "bone fide" conversion by the tenants; Additionally, maps may be approved which are out of compliance with other more general local ordinances, or the remainder of the subdivision map act. This may result in approval of maps which should otherwise be denied under the grounds set forth in Vallejo Municipal Code section 15.08.060 (e.g., because the design of the subdivision may cause serious public health problems, there is a violation of water quality standards, or it otherwise does not comply with the general plan, or the Subdivision Map Act).

Section 2. During the period this ordinance remains in effect, no permit or approval shall be issued for the conversion of a mobilehome park to resident ownership within the City of Vallejo. Applications, however shall continue to be received.

Section 3. For the purposes of this ordinance, "mobilehome park" shall mean a mobilehome park as defined in Vallejo Municipal Code section 5.64.030 The "conversion of a mobilehome park to resident ownership" shall mean a subdivision of a mobilehome park for purposes or sale, lease or finance of one or more mobilehome spaces or lots pursuant to Government Code section 66427.5 or 66428.1. "Subdivision" shall mean subdivision as defined in Government Code section 66424.

Section 4. Based on the facts and conditions set forth and described in Section 1 of this ordinance, and on all the preceding 'Whereas', which are hereby found to be true and correct, and hereby made a part of this Ordinance, the Council declares this ordinance is necessary as an urgency measure for preserving the public health, safety, and welfare as described in Section 1. The Council determines that the impending conversion of mobilehome parks to resident ownership without local regulation would result in a threat to the public health, safety, and welfare.

Section 5. During the period this ordinance remains in effect, the provisions of this ordinance shall govern. If there is any conflict between the provisions of this ordinance and any provision of the Vallejo Municipal Code, or any City ordinance, resolution, or policy, the provisions of this ordinance shall control.

Section 6. Environmental Determination. This ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines section 15061(b)(3) in that it can be seen with certainty that there is no possibility that this ordinance or its implementation would have a significant effect on the environment. The Director of Community Development is directed to file a notice of exemption in accordance with CEQA and the State CEQA Guidelines.

Section 7. Severability. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

Section 8. Effective Date. The City Clerk shall certify to the passage and adoption of this Ordinance causing it to be published, as required by Vallejo Municipal Code Chapter 2.04 and it shall thereafter be in full force and effect. This Ordinance shall become effective immediately as an interim urgency ordinance, in order to protect the public health, safety and welfare.

Section 9. Duration. This ordinance shall remain in effect for 45 days only through December 7, 2007, unless sooner terminated or extended. For the term of this Ordinance, the provisions of this Ordinance shall govern, to the extent there is any conflict between the provisions of this Ordinance and the provisions of any other City code, ordinance, resolution or policy, any and all such provisions shall be suspended.

Section 10. Petition for Relief from Moratorium. Any person who has applied or who seeks to apply to subdivide a mobilehome park into condominiums and who may be affected by this Moratorium, and who contends that the Moratorium as applied to him or her would be unlawful under Federal, State, or local law or regulation, may submit a written application to the Planning Director requesting relief from the Moratorium. The request for relief from Moratorium shall identify the name and address of the applicant, the affected application number, and shall state how the Moratorium as applied to him or her would be unlawful under Federal, State, or local law or regulation. Within fourteen (14) calendar days of receipt of the completed request for relief, the City Manager, or his designee, shall mail to the applicant a written determination accepting or rejecting the request for relief from Moratorium.

FIRST READ at a regular meeting of the Council of the City of Vallejo held on the of October 23, 2007, and finally passed and adopted at a regular meeting of the Council held the 23rd day of October, 2007, by the following vote:

AYES: Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Bartee,
Gomes, Pearsall, and Sunga
NOES: Councilmember Davis
ABSENT: None
ABSTENTIONS: None



ANTHONY J. INTINTOLI, JR., Mayor

ATTEST:



MARY ELLSWORTH, Acting City Clerk

EXCERPT FROM THE MINUTES OF THE CITY COUNCIL MEETING OF OCTOBER 23, 2007

POLICY ITEMS

- A. **CONSIDERATION OF AN INTERIM ORDINANCE ADOPTED AS AN URGENCY MEASURE PURSUANT TO CALIFORNIA GOVERNMENT CODE §65858, INSTITUTING A MORATORIUM ON THE CONVERSION OF MOBILEHOME PARKS TO CONDOMINIUM OWNERSHIP UNTIL DECEMBER 7, 2007**

Mobile home parks are a significant source of affordable housing in Vallejo, comprising almost 3 percent of the housing stock. A majority of mobile home park residents are estimated to be in the low or very low income categories. Under current state law, when a mobile home park converts to resident ownership, the City of Vallejo is very limited in its ability to condition approvals or to protect low-income tenants through rent control. The number of park conversions has recently increased throughout the State, in part, to circumvent local rent control ordinances. Vallejo's largest park has submitted an application to convert to ownership. The adoption of the proposed ordinance will provide staff the time to prepare a mobile home park conversion ordinance or other policy alternatives for the City Council's consideration.

Mr. Whittom introduced staff, Laura Simpson, Housing Manager, Don Hazen, Planning Manager, Claudia Quintana, Assistant City Attorney, and Kenneth Baar.

Ms. Simpson gave a PowerPoint presentation on the background, impact of conversion, the limits on City regulations, moratorium on conversions, legal analysis, and requirements for a moratorium. Ms. Simpson explained that the proposed ordinance would establish a temporary moratorium on mobile home park condominium conversions and would allow staff to prepare alternatives for Council consideration. She stated that the City currently has no mobile home park conversion ordinance and under state law, the City has limited control over park conversion. She noted that mobile homes are a source of affordable housing for many families. There are 11 parks in Vallejo -1,300 spaces, or three percent of the housing stock. This houses an estimated 2,400 persons. The rents range from \$244 to \$500 a month. The majority of mobile home residents are estimated to be low (\$47,000 for two) or very low income (\$30,000 for two). A recent survey showed 40 percent very low in one park.

Ms. Simpson reported that if a park converts, it is exempted from Vallejo rent control. Pursuant to state law, rents for low-income tenants are limited to CPI increase. There is no limit on rent charged when a unit is sold, and the owner may lose equity in the home. As well, after four years, no limits on rents are charged to moderate income tenants. As an example, American Canyon rents went from \$500 to \$1,300 a month in four years.

The limits on City regulations include approval of subdivision map, review Impact report of conversion, review tenant survey for resident support and the developer is required to limit rent increases to low-income and offer tenants an option to buy but are not required to make prices affordable.

The moratorium on conversion will protect tenants from equity loss; will allow the City to consider policies such as a specific mobile home conversion policy, or a mobile home overlay zone (process would include public input meeting, Mobile Home Rent

Board, and Planning Commission review). The moratorium may be extended by Council from 45 days up to two years.

The legal analysis is that there is no current Vallejo ordinance regulating mobile home conversion. State law under California Code 66427.5 limits local control. Applicants take position that cities may not apply other provisions of the map act. Cities have been challenged, but no resolution has been reached. The new ordinance can provide criteria for determining a "bona fide" conversion, and better assess and control the impact.

The requirements for establishing the moratorium are to make a finding that it is necessary to preserve peace, health, welfare or safety and avoid direct threat to health, safety or welfare of the public, based on economic and physical impacts to health, safety and welfare of the residents in mobile home parks. The ordinance must be approved by a 5/7 vote and is effective for 45 days unless extended. If the ordinance is approved, the next steps would be to bring back a draft policy or ordinance in November or December and have it reviewed at a public workshop in early December; present the ordinance to the Mobile Home Rent Review Board in December or January, and to the Planning Commission and the City Council in January.

Speakers: The following people spoke in support of the moratorium: Lou Delgado, Tenant Representative, Mobile Home Rent Review Board; Richard Hofmann; Kent Peterman, Chairman, Mobile Home Rent Review Board, Dagmar M. Riddle, Tall Trees/ Broadway Mobile Home Park Tenants Association; Matt King, Joanne Schivley.

Richard Close, Attorney for Vallejo Mobile Estates, addressed the legal aspects of the moratorium stating that the section of the Code that the City is using does not apply to this type of action and therefore the moratorium cannot be adopted by the City. He addressed the issues involved with the moratorium as it applies to the Vallejo Mobile Estates application, including the flooding problem in the park, the lack of understanding of the process for conversion including the effect on current tenants. He stated that the application is complete and therefore the moratorium, if adopted, would not apply.

Don Hazen, Planning Manager, referred to the comment by Mr. Close concerning the Vallejo Mobile Estates application and stated that this application is not complete.

Councilmember Pearsall questioned the discrepancy between the statement in the staff report which says the conversion must be bona fide and a resident survey support must be done and the statement that the State of California does not define the term bona fide nor what constitutes a survey of support. He stated that moving a mobile home is expensive and low income individuals would not be able to afford to move. With those questions unanswered, he will support the moratorium.

Councilmember Gomes stated that many people who live in mobile home parks are on limited incomes and if we allow conversion it will be a loss to those people. There must be a mixture of use in the City and mobile home parks provide an important part of the mix. The moratorium gives staff and the public an opportunity to review and address it. She thanked staff for bringing it forward. She supports the moratorium.

Councilmember Davis asked the City Attorney about the legal challenges contained in the letter from Mr. Close. Ms. Quintana replied that she believes it is legal for the City Council to consider the moratorium. She stated that the City is acting under the state law which allows for urgency ordinances, but we also have separate power as a Charter City to do so. Ms. Quintana said she does not agree with Mr. Close that we are pre-empted. Although the legislature has enacted some statutes, specifically the statutes that Mr. Close is relying on which is a portion of the Subdivision Map Act, where we have limited discretion with regard to whether or not we can mitigate the economic displacement of the residents of the mobile home park, there is still room to act. She believes that Mr. Close will mount a legal challenge but it is whether or not Council is willing to act to protect the residents' interest. Ultimately, there is a risk of legal action but she believes the City would prevail.

Councilmember Davis stated that several cities are engaged in a legal challenge and he does not believe Vallejo needs another law suit. He has some concerns about this and suggested waiting until we see how the other cities prevail. He stated that it is his understanding that there is a provision for low income individuals to continue renting.

In response to a question of Councilmember Bartee concerning litigation in other jurisdictions, Ms. Quintana stated that she has been in contact with the counties of Sonoma and Santa Cruz and a decision is expected on that issue within the next two-three weeks.

Councilmember Bartee stated that in the conversion, the city ordinance would no longer apply and he asked if for low income individuals the annual increase would be based on the CPI, and asked if that would be lower than what they are faced with now. Ms. Simpson replied that it could be lower. Mr. Baar stated that the big difference is not the annual increase, but the impact on the mobile home owner if they want to sell.

Councilmember Bartee asked if there is a program for a three percent loan as implied by Mr. Close. Ms. Simpson replied she is not aware of any. Councilmember Bartee further asked if there would be an HOA fee imposed on each tenant. Ms. Simpson replied yes. Councilmember Bartee confirmed that even if the CPI restrictions were cheaper than the City ordinance, with HOA would be more expensive.

Councilmember Bartee stated that he felt it was worth the legal risk. He asked Mr. Barr if he had anything further to add. Mr. Barr stated that there will be a trial court decision, from that it will be appealed to the Court of Appeals. This litigation will not be resolved right away. He went on to say that in reality mobile homes cannot be moved—no park will take a mobile home that is more than a few years old.

Councilmember Sunga stated that one area we can be legally challenged in Court is the urgency of the moratorium. Ms. Quintana explained that it will be up to Council to decide if they have enough facts to support a finding of an urgency. Staff has attempted to provide information that the urgency comes from the fact that there would be an economic displacement of residents; to the extent that not regulating the conversion of the mobile home parks will result in ultimate homelessness for certain residents. Another position that staff has adopted is the applicant has said that there position is they don't have to comply with other land use entitlements, etc. To the extent that that promotes subdivision use that maybe counter to the public health in that they don't show proper easement, drainage issues, etc. that would constitute

some public safety issues. She stated that she believes she can defend any challenge that may come forward.

Councilmember Sunga stated that he will support the moratorium because the Councilmembers should stand up for the citizens we serve and it is beneficial to the residents of the mobile home parks.

Councilmember Davis asked if a tenant who is low income chooses to rent, can they continue renting and would the increases be the CPI. Mr. Whittom replied yes they could continue to rent and the increases would be the CPI. The critical point is that when the tenant chooses to move, or dies, the subsequent tenant is not subject to any control. Any of the existing low income tenants would enjoy it, noting that there is a four-year limit. Ms. Simpson stated that the four-year limit applies to those tenants who are above low income. Councilmember Davis stated that the existing low-income tenants are covered and protected and he questioned why we are going into a mine field of legal issues when the current tenants are protected.

ORDINANCE NO. 1597 N.C. (2d) offered by Vice Mayor Cloutier adopting an interim ordinance as an urgency measure pursuant to California Government Code Section 65858, instituting a moratorium on the conversion of mobile home parks to condominium ownership until December 7, 2007.

The Ordinance was adopted by the following vote:

AYES:	Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Barteo, Gomes, Pearsall and Sunga
NOES:	Councilmember Davis
ABSENT:	None
ABSTAINING:	None




ADMIN C

Agenda Item No. _____

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director 

SUBJECT: CONSIDERATION OF A RESOLUTION ACCEPTING QUARTERLY RIDGECREST REPORT

BACKGROUND AND DISCUSSION

Pursuant to the settlement agreement in *Ridgecrest Homeowners Association v. City of Vallejo*, it was agreed that the City General Fund would reimburse the LMD program for inspection services provided to non-LMD areas of the City.

Outside inspection services provided by employees of the LMD program are normally associated with new development of neighborhoods that are located within an established LMD. Eventually the neighborhood will fall under the LMD program. However, until the neighborhood is accepted and LMD assessments can be collected, it is appropriate to charge an inspection cost for these "outside" activities and reimburse the LMD program. A developer fee is collected to pay for costs associated with the development prior to final acceptance, which would include costs for LMD inspectors' services. Also, periodically an emergency will require that an LMD inspector fill in temporarily for a non-LMD employee.

When time is spent on non-LMD services, it has been agreed that the appropriate fund will be charged and the LMD program account will be reimbursed. The Public Works Department maintains project based time sheets for all non-management employees including LMD inspectors. On a quarterly basis, non-LMD costs are tabulated and reimbursed using a Public Works/Engineering account which was set up as part of the annual budget process.

Under the settlement agreement, a quarterly report accounting for non-LMD related activity must be prepared and considered as an administrative item, at the Council's next regularly scheduled Council meeting following issuance of the report. Supporting documentation must include a printout of the revenue detail reports and general ledger detail reports for the LMD Administration Fund which documents that the required fund transfers have been made, timesheets for City personnel being paid with LMD funds, and a memorandum describing how those calculations were made.



A copy of this report, and its attachments, has been provided to the plaintiff and plaintiff's counsel.

The following is a list of the positions in the Landscape Maintenance Division and the proportion of their salaries that are paid from LMD funds:

<u>Position</u>	<u>Percentage of LMD Funding</u>
Deputy Maintenance Superintendent	10%
Asst. Maint. Superintendent	50%
Landscape Maintenance Manager	50%
Senior Landscape Inspector	100%
Landscape Inspector	100%
Landscape Inspector	100%
Landscape Inspector	100%

The reimbursement calculations for landscape inspectors include wages, benefits, vehicle costs and other overhead charges.

The cost as described above for the quarter ending September 30, 2007 is \$14,730.06 which has been transferred from the General Fund into the Landscape Maintenance Fund.

By approving this report and through the execution of the attached affidavit, the Finance Director has verified that the required fund transfers for the subject quarter have occurred.

Fiscal Impact

The reimbursement to the LMD program for the quarter ending September 30, 2007 is \$14,730.06 and is the cost for inspection services for non-LMD areas. A total of \$14,730.06 will be paid for by Public Works/Engineering (number 001-2502-431.20-47), a General Fund account.

RECOMMENDATION

Adopt a resolution which accepts the report documenting the reimbursement to the Landscape Maintenance District Program for the period of July 1, 2007 through September 30, 2007, for inspection services provided by the LMD program in the amount of \$14,730.06 which has been transferred from the General Fund into the Landscape Maintenance Fund.



ALTERNATIVES CONSIDERED

No alternatives are considered because the City is court-ordered to provide this documentation per the settlement agreement in *Ridgecrest Homeowners Association v. City of Vallejo*.

ENVIRONMENTAL REVIEW

No environmental review is necessary for the Council to take this action.

DOCUMENTS AVAILABLE FOR REVIEW

- a. A resolution which accepts the report documenting the reimbursement to the Landscape Maintenance District Program for the period of July 1, 2007 through September 30, 2007, for inspection services provided by the LMD program in the amount of \$14,730.06 which has been transferred from the General Fund into the Landscape Maintenance Fund.
- b. Memorandum regarding quarterly personnel charges and supporting time sheets.
- c. Printout of the revenue detail reports and general ledger detail reports for the LMD Administration Fund.
- d. Journal entry form – FY 2007/08.
- e. Summary of LMD Staff Time to Non-LMD Projects.
- f. Affidavit of Finance Director.

CONTACT PERSON

Gary A. Leach, Public Works Director
(707) 648-4316
GARYL@ci.vallejo.ca.us

NOVEMBER 27, 2007
J:\PUBLIC\AI\PW\2007\Engineering\PWSR4202.doc

RESOLUTION NO. 07-_____ N.C.

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, following the settlement in the matter of *Ridgecrest Homeowners Association v. City of Vallejo* it has been agreed that, on a quarterly basis, the City General Fund would reimburse the Landscape Maintenance District program account (LMD account) for inspection services spent on projects outside official landscape maintenance district areas; and

WHEREAS, said reimbursement shall include inspection wages and benefits, overhead, and related expenses; and

WHEREAS; on a quarterly basis, a report must be prepared and presented at a regularly scheduled Council meeting accompanied by documentation confirming the transfer of funds pursuant to the settlement agreement; and

WHEREAS, total reimbursement for the quarter ending September 30, 2007 is \$14,730.06 which has been transferred from the General Fund into the Landscape Maintenance Fund.

NOW, THEREFORE, BE IT RESOLVED that the Quarterly Ridgecrest Report documenting the reimbursement transfers for the first quarter of Fiscal Year 2007/08 is hereby accepted by the City Council.

NOVEMBER 27, 2007

J:\PUBLIC\AI\PW\2007\Engineering\PWSR4202.doc

DEPARTMENT OF PUBLIC WORKS
LANDSCAPE MAINTENANCE DIVISION
CITY OF VALLEJO

NOVEMBER 13, 2007

TO: Robert V. Stout, Finance Director
FROM: Gary A. Leach, Public Works Director
SUBJECT: Quarterly Personnel Charges - General Fund

The following personnel charges for the period July 1, 2007 through September 30, 2007 should be transferred from the General Fund (001) to the Landscape Maintenance District Fund as follows:

NORTH ASCOT MEDIANS (001):

Hours	10	
Labor		374.30
Overhead		193.18
Vehicle		<u>15.00</u>
		\$ 582.48

CURTOLA PARKWAY (001):

Hours	10.5	
Labor		\$433.80
Overhead		223.88
Vehicle		<u>15.75</u>
		\$ 673.43

THE SUMMIT (001):

Hours	3	
Labor		\$ 112.29
Overhead		57.95
Vehicle		<u>4.50</u>
		\$174.74

THE ORCHARDS (001):

Hours	18	
Labor		\$ 673.73
Overhead		347.71
Vehicle		<u>27.00</u>
		\$ 1,048.44

SOMERSET/COLUMBUS PKWY (001):

Hours	26	
Labor		\$969.69
Overhead		500.46
Vehicle		<u>39.00</u>
		\$1,509.15

TO: Robert V. Stout, Finance Director
SUBJECT: Personnel Charges - General Fund
November 13, 2007

MARE ISLAND – MARKETING CORRIDOR
(001):

Hours	2	
Labor		\$ 74.86
Overhead		38.64
Vehicle		<u>3.00</u>
		\$116.50

MARE ISLAND – FLAGSHIP DR.
(001):

Hours	2	
Labor		\$74.86
Overhead		38.64
Vehicle		<u>3.00</u>
		\$116.50

MARE ISLAND – FARRAGUT VILLAGE
UNIT 4 – 6B (001):

Hours	22	
Labor		\$823.45
Overhead		424.98
Vehicle		<u>33.00</u>
		\$1,281.43

MARE ISLAND NEIGHBORHOOD 8D (001):

Hours	11	
Labor		\$415.61
Overhead		214.50
Vehicle		<u>16.50</u>
		\$646.61

MARE ISLAND – FARRAGUT VILLAGE
UNIT 4 – 6A (001):

Hours	31	
Labor		\$1,160.32
Overhead		598.84
Vehicle		<u>46.50</u>
		\$1,805.66

TO: Robert V. Stout, Finance Director
SUBJECT: Personnel Charges - General Fund
November 13, 2007

MARE ISLAND NEIGHBORHOOD 8C (001):

Hours	26	
Labor		\$977.05
Overhead		504.26
Vehicle		<u>39.00</u>
		\$1,520.31

MARE ISLAND FARRAGUT UNIT 4 (6B) (001):

Hours	19	
Labor		\$715.04
Overhead		369.03
Vehicle		<u>28.50</u>
		\$1,112.57

MARE ISLAND NEIGHBORHOOD 6B NORTH (001):

Hours	3	
Labor		\$112.29
Overhead		57.95
Vehicle		<u>4.50</u>
		\$174.74

MARE ISLAND NEIGHBORHOOD 6B SOUTH (001):

Hours	2	
Labor		\$74.86
Overhead		38.64
Vehicle		<u>3.00</u>
		\$116.50

MARE ISLAND – CLUB DRIVE
(001):

Hours	9	
Labor		\$371.83
Overhead		191.90
Vehicle		<u>13.50</u>
		\$577.23

TO: Robert V. Stout, Finance Director
SUBJECT: Personnel Charges - General Fund
November 13, 2007

MARE ISLAND E STREET – BLDG 543
(001):

Hours	2	
Labor		\$71.29
Overhead		36.79
Vehicle		<u>3.00</u>
		\$111.08

COLUMBUS PARKWAY PHASE II (001):

Hours	10	
Labor		\$413.15
Overhead		213.23
Vehicle		<u>15.00</u>
		\$641.38

WILSON AVENUE (001):

Hours	23	
Labor		\$868.65
Overhead		448.31
Vehicle		<u>34.50</u>
		\$1,351.46

CURTOLA PARKWAY WIDENING (001):

Hours	5	
Labor		\$198.80
Overhead		102.61
Vehicle		<u>7.50</u>
		\$ 308.91

CITY HALL PROJECTS (001):

Hours	15.50	
Labor		\$552.53
Overhead		285.16
Vehicle		<u>23.25</u>
		\$860.94

GRAND TOTAL **\$14,730.06**

PREPARED 10/16/2007, 11:37:03

ACCOUNT ACTIVITY LISTING

PROGRAM GM360L

FISCAL YEAR: 2008

ACCOUNT NUMBER SELECTION

FROM: 161-0000-000.00-00 TO: 161-9999-999.99-99

TYPE: R (O-ONLY, R-RANGE, S-SELECTIVE)

TRANSACTION SELECTION

TYPES... AJ X CR X BA X TF X EN X AP X

DATE RANGE...FROM: 0/00/0000 TO: 99/99/9999

PERIOD...FROM: 03 TO: 03

POSTING DATE RANGE...FROM: 0/00/0000 TO: 99/99/9999

SUPPRESS PRINTING OF ACCOUNTS WITHOUT TRANSACTIONS (N/Y): Y

PRINT DEBIT/CREDIT COLUMNS, SUPPRESS BUDGET (N/Y): Y

PRINT ENCUMBRANCE (N/Y): Y

PAGE BREAK BY FUND: N

PAGE BREAK BY ACCOUNT: N

PAGE BREAK BY DPT/DIV: N

USE CURRENT BUDGET FOR ESTIM/APPROP TOTAL: Y

GROUP NBR	PO NBR	ACCTG PER.	CD	TRANSACTION- DATE	NUMBER	DESCRIPTION	YTD/CURRENT ENCUMBRANCE	DEBITS	CREDITS	CURRENT BALANCE
FUND 161 LANDSCAPE MAINT DIST-ADM										
161-0000-101	01-00	CASH HELD BY CITY /		CASH ACCOUNTS						
1374		03/08 AJ	09/30/07	10 - CCV	1ST QTR ENDING					
1074		03/08 AJ	09/26/07	**OFFSET**	JOURNAL SUMMARY			14,730.06		
1079		03/08 AJ	09/25/07	PI	AP DISBURSEMENT	01074			802.80	
					FUND BAL					
					092507 -	092507			55.28	
1036		03/08 AJ	09/24/07	PI	FUND BAL					
					092107 -	092407			.14	
964		03/08 AJ	09/21/07	PRO921	PAYROLL SUMMARY				29,861.43	
857		03/08 AJ	09/12/07	**OFFSET**	JOURNAL SUMMARY				489.21	
742		03/08 AJ	09/07/07	PRO907	AP DISBURSEMENT	00857				30,301.68
747		03/08 AJ	09/06/07	**OFFSET**	JOURNAL SUMMARY				60.58	
					AP DISBURSEMENT	00747				
ACCOUNT TOTAL							.00	14,730.06	61,571.12	46,841.06-
161-0000-202.00-00 CURRENT LIABILITIES / ACCOUNTS/VOUCHERS PAYABLE										
1074		03/08 AJ	09/26/07	**OFFSET**	JOURNAL SUMMARY					
					AP DISBURSEMENT	01074			802.80	
1052		03/08 AJ	09/25/07	**OFFSET**	CORPARD NEXTEL					
					BATCH TYPE	AP 01052			571.20	
999		03/08 AJ	09/21/07	**OFFSET**	MAINTENANCE DIV				145.00	
					BATCH TYPE	AP 00999				
994		03/08 AJ	09/21/07	**OFFSET**	MAINTENANCE DIV				86.60	
					BATCH TYPE	AP 00994				
857		03/08 AJ	09/13/07	**OFFSET**	JOURNAL SUMMARY					
					AP DISBURSEMENT	00857			295.00	
796		03/08 AJ	09/10/07	**OFFSET**	ALUCERO/LMD					
					BATCH TYPE	AP 00796			60.58	
747		03/08 AJ	09/06/07	**OFFSET**	JOURNAL SUMMARY					
					AP DISBURSEMENT	00747			24.21	
751		03/08 AJ	09/06/07	**OFFSET**	WATER MAINTENAN					
					BATCH TYPE	AP 00751				
ACCOUNT TOTAL							.00	1,352.59	1,122.01	230.58
161-0000-242.00-00 SYSTEM OFFSET / EXPENDITURES										
1374		03/08 AJ	09/30/07	**OFFSET**	RIDGECREST 1ST					
					BATCH TYPE	AJ 01374			55.28	
1079		03/08 AJ	09/26/07	**OFFSET**	PI ISSUES					
					BATCH TYPE	AJ 01079			571.20	
1052		03/08 AJ	09/25/07	**OFFSET**	CORPARD NEXTEL				.14	
					BATCH TYPE	AP 01052				
1036		03/08 AJ	09/24/07	**OFFSET**	PI ISSUES					
					BATCH TYPE	AJ 01036			145.00	
999		03/08 AJ	09/21/07	**OFFSET**	MAINTENANCE DIV					
					BATCH TYPE	AP 00999				

ACCOUNT ACTIVITY LISTING

GROUP NBR	PO NBR	ACCTG PER	CD	TRANSACTION DATE	NUMBER	DESCRIPTION	YTD/CURRENT ENCUMBRANCE	DEBITS	CREDITS	CURRENT BALANCE
--------------	-----------	--------------	----	---------------------	--------	-------------	----------------------------	--------	---------	--------------------

FUND 161 LANDSCAPE MAINT DIST-ADM
 161-0000-242.00-00 SYSTEM OFFSET / EXPENDITURES
 994 03/08 AJ 09/21/07 **OFFSET** MAINTENANCE DIV

continued

964		03/08	AJ	09/20/07	**OFFSET**	PR AJ BATCH BATCH TYPE AP 00394		86.60		
796		03/08	AJ	09/10/07	**OFFSET**	ALUCERO/LMD BATCH TYPE AJ 00364		29,861.43		
742		03/08	AJ	09/06/07	**OFFSET**	PR AJ BATCH BATCH TYPE AP 00796		295.00		
751		03/08	AJ	09/06/07	**OFFSET**	WATER MAINTENAN BATCH TYPE AJ 00742 BATCH TYPE AP 00751		30,301.68		
						ACCOUNT TOTAL	.00	61,340.54	14,730.06	46,610.48

161-2606-431.01-02 WAGES & SALARIES / SALARIES-1BEM
 964 03/08 AJ 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AJ 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

						ACCOUNT TOTAL	.00	7,341.37	.00	7,341.37
--	--	--	--	--	--	---------------	-----	----------	-----	----------

161-2606-431.02-01 OVERTIME / OVERTIME
 964 03/08 AJ 09/21/07 PR0921 PAYROLL SUMMARY

ACCOUNT TOTAL

						ACCOUNT TOTAL	.00	64.19	.00	64.19
--	--	--	--	--	--	---------------	-----	-------	-----	-------

161-2606-431.03-01 OTHER PAY / SHIFT DIFFERENTIAL
 742 03/08 AJ 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

						ACCOUNT TOTAL	.00	39.48	.00	39.48
--	--	--	--	--	--	---------------	-----	-------	-----	-------

161-2606-431.03-04 OTHER PAY / OTHER PAY
 964 03/08 AJ 09/21/07 PR0921 PAYROLL SUMMARY

ACCOUNT TOTAL

						ACCOUNT TOTAL	.00	278.15	.00	278.15
--	--	--	--	--	--	---------------	-----	--------	-----	--------

161-2606-431.03-15 OTHER PAY / MEDICAL FLEX
 964 03/08 AJ 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AJ 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

						ACCOUNT TOTAL	.00	44.50	.00	44.50
--	--	--	--	--	--	---------------	-----	-------	-----	-------

161-2606-431.04-01 COMPENSATED ABSENCES / VACATION LEAVE
 964 03/08 AJ 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AJ 09/07/07 PR0907 PAYROLL SUMMARY

						ACCOUNT TOTAL	.00	776.65	250.35	250.35
--	--	--	--	--	--	---------------	-----	--------	--------	--------

GROUP NBR	PO NBR	ACCTG PER.	CD	TRANSACTION DATE	NUMBER	DESCRIPTION	YTD/CURRENT ENCUMBRANCE	DEBITS	CREDITS	CURRENT BALANCE
-----------	--------	------------	----	------------------	--------	-------------	-------------------------	--------	---------	-----------------

FUND 161 LANDSCAPE MAINT DIST-ADM
 161-2606-431.04-01 COMPENSATED ABSENCES / VACATION LEAVE

ACCOUNT TOTAL

.00 776.65 250.35 526.30

161-2606-431.04-02 COMPENSATED ABSENCES / SICK LEAVE
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AD 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 912.92 .00 912.92

161-2606-431.04-03 COMPENSATED ABSENCES / HOLIDAY PAY
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 462.14 .00 462.14

161-2606-431.05-01 PAYROLL BENEFITS / PAYROLL BENEFITS
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AD 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 739.68 .00 739.68

161-2606-431.05-02 PAYROLL BENEFITS / PERS BENEFITS
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AD 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 1,580.57 .00 1,580.57

161-2606-431.05-04 PAYROLL BENEFITS / HEALTH INSURANCE BENEFIT
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AD 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 1,231.56 .00 1,231.56

161-2606-431.05-05 PAYROLL BENEFITS / DENTAL INSURANCE BENEFIT
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AD 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 226.12 .00 226.12

161-2606-431.05-07 PAYROLL BENEFITS / EMPLOYEE ASSISTANCE
 964 03/08 AD 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AD 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00 8.24 .00 8.24

continued

ACCOUNT ACTIVITY LISTING

GROUP	PO	ACCTG	CD	DATE	NUMBER	DESCRIPTION	YTD/CURRENT ENCUMBRANCE	DEBITS	CREDITS	CURRENT BALANCE
FUND 161 LANDSCAPE MAINT DIST-ADM										
161-2606-431.05-10						PAYROLL BENEFITS / LIFE INSURANCE				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		7.38		
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		7.38		
						ACCOUNT TOTAL	.00	14.76	.00	14.76
161-2606-431.05-11						PAYROLL BENEFITS / ACC DEATH & DISMEMBERMENT				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		1.48		
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		1.48		
						ACCOUNT TOTAL	.00	2.96	.00	2.96
161-2606-431.05-12						PAYROLL BENEFITS / LONG TERM DISABILITY				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		28.65		
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		28.65		
						ACCOUNT TOTAL	.00	57.30	.00	57.30
161-2606-431.05-14						PAYROLL BENEFITS / WORKER'S COMPENSATION				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		372.34		
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		351.23		
						ACCOUNT TOTAL	.00	723.57	.00	723.57
161-3302-431.01-01						WAGES & SALARIES / SALARIES-EXEMPT				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		2,169.95		
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		559.66		
						ACCOUNT TOTAL	.00	2,729.61	.00	2,729.61
161-3302-431.01-02						WAGES & SALARIES / SALARIES-IBEM				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		10,503.56		
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		12,589.25		
						ACCOUNT TOTAL	.00	23,092.81	.00	23,092.81
161-3302-431.02-01						OVERTIME / OVERTIME				
742				03/08	AJ 09/07/07 PR0907	PAYROLL SUMMARY		320.82		
						ACCOUNT TOTAL	.00	320.82	.00	320.82
161-3302-431.03-02						OTHER PAY / ACTING PAY				
964				03/08	AJ 09/21/07 PR0921	PAYROLL SUMMARY		186.92		

ACCOUNT ACTIVITY LISTING

GROUP NBR	PO NBR	ACCTG PER	CD	TRANSACTION DATE	NUMBER	DESCRIPTION	YTD/CURRENT ENCUMBRANCE	DEBITS	CREDITS	CURRENT BALANCE
FUND 161 LANDSCAPE MAINT DIST-ADM										
161-3302-431				03/08	AJ 09/07/07	PR0907		529.22		
								continued		
								716.14	.00	716.14
ACCOUNT TOTAL										
								.00	.00	.00
161-3302-431				03/08	AJ 09/21/07	PR0921		22.89		
964								22.89		
742				03/08	AJ 09/07/07	PR0907		8.65		
								8.66		
ACCOUNT TOTAL										
								.00	.00	.00
161-3302-431				03/08	AJ 09/21/07	PR0921		204.70		
964								204.70		
742				03/08	AJ 09/07/07	PR0907		1,851.39		
ACCOUNT TOTAL										
								.00	.00	.00
161-3302-431				03/08	AJ 09/21/07	PR0921		1,785.21		
964								1,785.21		
ACCOUNT TOTAL										
								.00	.00	.00
161-3302-431				03/08	AJ 09/21/07	PR0921		336.87		
964								336.87		
742				03/08	AJ 09/07/07	PR0907		1,174.36		
								1,225.10		
ACCOUNT TOTAL										
								.00	.00	.00
161-3302-431				03/08	AJ 09/21/07	PR0921		2,610.12		
964								2,668.42		
742				03/08	AJ 09/07/07	PR0907		5,278.54		
ACCOUNT TOTAL										
								.00	.00	.00

GROUP	PO	ACCTG	CD	DATE	TRANSACTION	NUMBER	DESCRIPTION	YTD/CURRENT	DEBITS	CREDITS	CURRENT
NBR	NBR	PER.			----			ENCUMBRANCE			BALANCE

FUND 161 LANDSCAPE MAINT DIST-ADM

161-3302-431.05-04							HEALTH INSURANCE BENEFIT				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		2,637.71		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		2,637.72		
ACCOUNT TOTAL								.00	5,275.43	.00	5,275.43

161-3302-431.05-05							DENTAL INSURANCE BENEFIT				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		282.65		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		282.64		
ACCOUNT TOTAL								.00	565.29	.00	565.29

161-3302-431.05-07							EMPLOYEE ASSISTANCE				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		10.20		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		10.20		
ACCOUNT TOTAL								.00	20.40	.00	20.40

161-3302-431.05-08							MANAGEMENT BENEFIT				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		132.48		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		132.48		
ACCOUNT TOTAL								.00	264.96	.00	264.96

161-3302-431.05-10							LIFE INSURANCE				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		18.29		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		18.26		
ACCOUNT TOTAL								.00	36.55	.00	36.55

161-3302-431.05-11							ACC DEATH & DISMEMBERMENT				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		3.66		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		3.66		
ACCOUNT TOTAL								.00	7.32	.00	7.32

161-3302-431.05-12							LONG TERM DISABILITY				
964		03/08	AJ	09/21/07	PR0921		PAYROLL SUMMARY		92.31		
742		03/08	AJ	09/07/07	PR0907		PAYROLL SUMMARY		92.29		
ACCOUNT TOTAL								.00	184.60	.00	184.60

161-3302-431.05-14 PAYROLL BENEFITS / WORKER'S COMPENSATION

ACCOUNT ACTIVITY LISTING

GROUP PO ACCTG CD DATE NUMBER DESCRIPTION YTD/CURRENT ENCUMBRANCE DEBITS CREDITS CURRENT BALANCE

-----TRANSACTION-----
 NBR NBR PER. DATE NUMBER DESCRIPTION YTD/CURRENT ENCUMBRANCE DEBITS CREDITS CURRENT BALANCE

ACCOUNT TOTAL

continued
 383.78
 392.33

776.11

FUND 161 LANDSCAPE MAINT DIST-ADM
 161-3302-431.05-14 PAYROLL BENEFITS / WORKER'S COMPENSATION
 964 03/08 AJ 09/21/07 PR0921 PAYROLL SUMMARY
 742 03/08 AJ 09/07/07 PR0907 PAYROLL SUMMARY

ACCOUNT TOTAL

.00

776.11

.00

776.11

161-3302-431.09-01 DUES & PUBLICATIONS / DUES & PUBLICATIONS
 999 03/08 AP 09/21/07 0667162 ISA (INTERNATIO
 RICHARD PACHECO ISA & CHAPTER DUES
 796 03/08 AP 09/10/07 0666771 ISA (INTERNATIO
 YEARLY ISA MEMBERSHIP

ACCOUNT TOTAL

.00

145.00
 145.00

.00

290.00

161-3302-431.14-20 MATERIALS, SUPP & SERV / OTHER SUPPLIES
 1052 03/08 AP 09/25/07 0667236 NEXTEL COMMUNIC
 NEXTEL EQUIPMENT LMD
 1036 03/08 AJ 09/24/07 PI CY ISSUES
 1079 03/08 AJ 09/24/07 PI CY ISSUES
 092407 - 092407
 092407 - 092407
 994 03/08 AP 09/21/07 0667083 DENNIS MC CARTY
 DENNIS MC CARTY SAFETY SHOES 2007/2008
 796 03/08 AP 09/11/07 0666692 D & H LANDSCAPE
 MEETING TO REFINIE IRR SPECS FOR THE CITY
 751 03/08 AP 09/10/07 0666954 YES OF COURSE,
 NEXTEL ACCESSORIES

ACCOUNT TOTAL

.00

247.70
 .14
 55.28
 86.60
 150.00
 24.21

.00

563.93

161-3302-431.16-02 UTILITIES / TELEPHONE & TELEGRAPH
 1052 03/08 AP 09/25/07 0667236 NEXTEL COMMUNIC
 NEXTEL SERVICES LMD

ACCOUNT TOTAL

.00

323.50

.00

323.50

161-3302-431.20-47 INDIRECT COST / LANDSCAPE DEV PLAN RVM-RCT
 1374 03/08 AJ 09/30/07 10 - CCV 1ST QTR ENDING

ACCOUNT TOTAL

.00

.00

14,730.06

14,730.06-

FUND TOTAL

.00

139,014.08

92,403.60

46,610.48

PREPARED 10/16/2007, 11:37:03
 PROGRAM GW360L
 City of Vallejo, California

ACCOUNT ACTIVITY LISTING

ACCOUNTING PERIOD 01/2008
 PAGE 8

GROUP NBR	PO NBR	ACCTG PER.	CD	TRANSACTION DATE	NUMBER	DESCRIPTION	YTD/CURRENT ENCUMBRANCE	DEBITS	CREDITS	CURRENT BALANCE
GRAND TOTAL										
							.00	139,014.08	92,403.60	46,610.48

CITY OF VALLEJO
JOURNAL ENTRY CONTROL FORM - FISCAL YEAR 2007/08

PERIOD: 3

JV NO. 10

GROUP # 1374

#	Account Number	Description	Debit	Credit
1	161-0000-101.01-00	Cash Account	14,730.06	
2	161.3302.431.20.47	Landscape dev plan-Ridgecrest		14,730.06
3	001.2502.431.20.47	Landscape dev plan-Ridgecrest	14,730.06	
4	001-0000-101.01-00	Cash Account		14,730.06
5				
First quarter ending September 30, 2007 for Ridgecrest per report submitted by PW.				
Total			29,460.12	29,460.12
NOTES AND OTHER SUPPORTING INFORMATION				

PRD 3
JV # 10
GRP # 1374

Prepared by:

Approved By:

Posting Date:


 Connie Valentine


 Elena Adair

Journal Entry No:

Budget Analyst

Accounting Manager

Group No.

J:\FY 07-08\Special Revenue\LMD\Ridgecrest Reports & JV\1st Qtr Ridgecrest Report Calculation 10-07.xls]1st Qtr

10/16/2007 10:20

U:\041306 old desktop\Lmda My Document\Folder\LMD\1st CR Ridgecrest Report Calculation 10-07.xls\1st CR
 1/16/2007 11:40

Project	Labor	Overhead	Vehicle	Total	EXTERIOR			BUILDING			MECHANICAL			ELECTRICAL			Total per Area	
					Hours	Labor	Overhead	Vehicle	Hours	Labor	Overhead	Vehicle	Hours	Labor	Overhead	Vehicle		Hours
N. Ascot Medians	48	374.30	183.18	15.00	682.48	10.50	439.80	223.98	15.00	10.00	374.30	183.18	15.00	682.48				682.48
Curtola Parkway	83	433.80	223.88	15.75	873.43				3.00	433.80	223.88	15.75	873.43					873.43
The Summit	101	112.28	67.95	4.50	174.74				18.00	112.28	67.95	4.50	174.74					174.74
Sommersville/Columbus Pkwy	121	873.73	347.71	27.00	1,048.44				25.00	873.73	347.71	27.00	1,048.44					1,048.44
M.L. Marketing Corridor	124	888.88	500.48	39.00	1,508.16				2.00	888.88	500.48	39.00	1,508.16					1,508.16
M.L. Fireguard	1206	74.88	38.64	3.00	116.50				2.00	74.88	38.64	3.00	116.50					116.50
M.L. Fireguard: Unit 4 (8B)	1213	823.45	424.88	33.00	1,281.43				10.00	823.45	424.88	33.00	1,281.43					1,281.43
M.L. Neighborhood 3D	1223	415.61	214.50	18.50	648.61				10.00	415.61	214.50	18.50	648.61					648.61
M.L. Fireguard: Unit 4 (8A)	1232	1,180.32	598.84	46.50	1,805.88				10.00	1,180.32	598.84	46.50	1,805.88					1,805.88
M.L. Neighborhood 3C	1234	977.05	504.28	39.00	1,520.31				18.00	977.05	504.28	39.00	1,520.31					1,520.31
M.L. Fireguard Unit 4 (8E)	1282	715.04	389.03	28.50	1,122.57				2.00	715.04	389.03	28.50	1,122.57					1,122.57
M.L. Neighborhood 8B North	1288	112.28	67.95	4.50	174.74				18.00	112.28	67.95	4.50	174.74					174.74
M.L. Neighborhood 8B South	1288	112.28	67.95	4.50	174.74				2.00	112.28	67.95	4.50	174.74					174.74
M.L. CUD Drive	1276	74.88	38.64	3.00	116.50				3.00	74.88	38.64	3.00	116.50					116.50
M.L. E Street - Bldg 543	1286	371.83	191.50	13.50	577.23				2.00	371.83	191.50	13.50	577.23					577.23
Columbus Pkwy/PH 2	1282	71.29	36.79	3.00	111.08					71.29	36.79	3.00	111.08					111.08
Wilson Avenue Project	8874	413.15	213.23	15.00	641.38					413.15	213.23	15.00	641.38					641.38
Columbus Pkwy Widening	8939	868.85	448.31	34.50	1,351.48					868.85	448.31	34.50	1,351.48					1,351.48
City Hall Projects	8937	9837	102.61	7.50	308.81					9837	102.61	7.50	308.81					308.81
	8937	552.53	285.18	23.25	890.94					552.53	285.18	23.25	890.94					890.94
Subtotal:		9,488.40	4,888.86	375.00	14,730.06	37.50	1,548.28	799.59	56.25	1,548.28	799.59	56.25	1,548.28	33.95	17.82	1.50	14,730.06	

U:\041306 old desktop\Lmda My Document\Folder\LMD\1st CR Ridgecrest Report Calculation 10-07.xls\1st CR
 1/16/2007 11:40

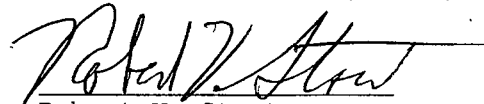
DECLARATION OF ROBERT V. STOUT

1
2 1. I, Robert V. Stout, declare that I am the Finance Director for the City
3 of Vallejo, and have been so at all relevant times for the purposes of this
4 Declaration.

5 2. In my capacity as Finance Director, I am responsible, among other
6 things, for overseeing that the City's Landscape Maintenance Administration
7 Fund is reimbursed on an ongoing basis, presently quarterly, from the General
8 Fund for expenses the LMD Fund "advanced" the General Fund in the form of LMD
9 inspector work that did not benefit the LMD program.

10 3. On October 16, 2007, my Department caused a transfer from the General
11 Fund of \$14,730.06 to the LMD Fund. The purpose of this was to make the
12 reimbursement described above. Further evidence of this transfer is contained
13 in the documentation that will be placed before the City Council on November
14 13, 2007, referring to the transfer, and giving background as to how it was
15 calculated. I am informed and believe that this amount reflects the time,
16 overhead and related expenses of the City's LMD inspectors during the
17 previous quarter working on all projects other than those that contribute to
18 the LMD Administrative Account.

19 Under penalty of perjury, I declare that the foregoing is true and
20 Correct and that this Declaration was executed on November 15, 2007, in
21 Vallejo, California.


Robert V. Stout
Finance Director
City of Vallejo



ADMIN D

Agenda Item No.

COUNCIL COMMUNICATION

Date: November 27, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Joseph M. Tanner, City Manager
Robert V. Stout, Finance Director

SUBJECT: GENERAL FUND BUDGET UPDATE AND CONSIDERATION OF A RESOLUTION AMENDING THE FISCAL YEAR 2007-2008 BUDGET.

BACKGROUND & DISCUSSION

On November 13, 2007, City Council heard a General Fund budget update and passed a resolution of intention to amend the 2007-2008 budget. This report is presented again as the second step of the two-step budget amendment process.

The purpose of this report is three fold:

- It will briefly discuss staff's preliminary estimate of the financial results of the General Fund for Fiscal Year 2006 – 2007.
- As promised last June, this report updates Council on our analysis of the year-to-date revenue and expenditure trends to enable Council to make a determination of whether or not to increase the allocations made to the various community based organizations (CBOs) requests for operating funds for Fiscal Year 2007 – 2008.
- Finally, given the results of the review discussed above and addition of the costs necessitated by the ruling of the arbitrator on the issue of firefighter staffing levels, staff is proposing a number of amendments to the General Fund Budget for Fiscal Year 2007 – 2008. These recommendations, unfortunately, do not include increases to CBO budgets. Worse, these recommendations do not begin to resolve the severe financial issues facing the City of Vallejo caused not only by the costs associated with arbitration ruling but by the rapid changes in the local economy due to the housing credit issues.

General Fund Year Ended June 30, 2007

The City has a preliminary estimate of the General Fund operating results for the year ended June 30, 2007 as detailed on **Appendix A**. We are now estimating that the General Fund will end the year with \$4,242,249 in available fund balance versus the estimated \$3,870,634 that was presented during the budget adoption process.



General Fund revenues were approximately \$1,625,000 less than projected last May, when we presented the budget to you. The significant changes in revenues are as follows:

Property taxes	\$ + 204,172
Sales taxes	- 396,495
Utility user taxes	- 394,542
Development Services	- 667,199
Fire department	+ 188,672
Police department	- 224,474

Helping to offset these losses were expenditures that were also \$1,348,384 less than originally projected and as one would expect, over \$1.2 million of that was related to salaries and benefits due mostly to departments holding vacancies open.

We should stress that our books are still open. These numbers are not audited and therefore are subject to change. In addition, we have not completed the analysis of all other funds. Until we do so, we cannot be sure that activities in those funds may not have some impact on General Fund resources.

General Fund Fiscal Year 2007 – 2008 Projection

As staff promised when the Council adopted the budget last June, we have reviewed the activity of the first three months of the current fiscal year, and prepared new estimates for the rest of the year. In addition, our projections include the increases necessary due to the ruling of the arbitrator relative to firefighter staffing issues. Council had hoped this review could indicate the possibility of increase funding for various community based organizations whose allocations had been reduced. The results of our review are not encouraging and are shown in the two right hand columns of **Appendix A**.

To briefly summarize the results of that review, our current projections for the General Fund for Fiscal Year 2007 – 2008 are:

Revenues:	\$82,854,654
Expenditures:	<u>88,164,691</u>
Operating results:	<u>(5,310,037)</u>
Beginning available balance:	<u>4,242,249</u>
Ending available fund balance:	\$(1,067,788)

Let me be clear on the meaning of this chart. We believe that without further increases in revenues or reductions in expenditures, the General Fund will run out of funds before the end of this fiscal year. The detailed changes to both revenues and expenditures are shown



in **Appendix B**. **Appendix C** lists the recommended changes in Full Time Equivalents (FTE). To help you place these numbers in context, **Appendix A** compares FY05-06, to FY 06-07, to the adopted FY 07-08, to the projected FY 07-08. A quick summary of the major items are listed below:

Revenues

Property tax	\$ -	500,000	
Sales tax	-	1,100,000	
MVLF	+	287,160	
Excise tax	-	500,000	
Franchise/UUT	-	163,000	
Property transfer tax	-	1,000,000	
Marine World JPA	-	185,000	
Transfers	+	430,000	
Other	+	25,000	
Development services	-	816,395	<u>\$-3,522,235</u>

Directed departmental changes:

Police	+	318,749	
Fire	+	269,000	<u>\$ 587,749</u>

Expenditures

Increase in public safety COLA (8.5% to 10.0%)	\$	835,072	
Cost of arbitration (24 to 28)		4,256,710	
Labor negotiation costs		100,000	
Transfer to Transportation (Ferry Issues)		100,000	<u>\$ 5,291,782</u>

Directed departmental changes:

Administration	\$ -	200,748	
Community Development	-	142,000	
Police	-	721,987	
Fire	-	1,471,496	
Public Works	-	380,000	<u>\$ -2,916,234</u>

Other Issues

Unfortunately, there other issues that could further impact our projections. There may be further reductions in our revenue estimates as the year progresses. We believe that as much as another \$1.0 million may be at risk but we do not have enough information at this



time to make a reliable estimate.

We are still awaiting the results of minimum staffing arbitration with the Vallejo Police Officers Association. An adverse ruling on this issue could have further severe negative impacts on our financial condition.

The Transportation Division has recently submitted a projection that indicates a deficit in excess of \$500,000 is possible for this year. This projection was completed prior to the recent rapid increases in fuel prices. At these new levels, our fuel costs are exceeding our budget by approximately \$10,000 a week so the projected deficit is growing. As should be clear from the analysis above, the General Fund no longer has the ability to subsidize the Transportation System. The Transportation staff is working on a plan to overcome this deficit.

Needless to say, it appears very unlikely that we will be able to address in any meaningful way the liability associated with the City's promises to its employees related to retiree medical benefits. But, the liability associated with those promises is growing and will continue to grow if not addressed.

Other Funds

We are also recommending minor budget amendments to four (4) other Funds:

1. Transportation Fund (#420)
\$100,000 to recognize the transfer from the General Fund and to increase professional services by the same amount
2. Police Cadet Fund (#152)
\$50,000 to recognize donation revenue and increase the budget by a like amount
3. Mare Island Lease Fund (#107)
\$70,000 to recognize developer reimbursement of wetlands program costs
4. State Lands Commission Fund (#134)
\$200,000 to recognize developer reimbursement for legal analysis related to the General Mills property

Next Steps

Obviously, we have a lot of work to do. Trying to make \$5.3 million of budget adjustments in Vallejo after years of reductions is an almost impossible task. Staff does not believe it is possible without major reductions in services. But we will appoint a budget "team" and



assign it the task of pursue a strategy with three main components:

1. Immediately open dialogue with our employee groups to once again pursue the possibility of contract changes,
2. Evaluate the options associated with insolvency and the long and short term implications of that course of action, and
3. Based on the results of the first two tasks, prepare a comprehensive set of budget changes with the objective of a long term fix to our budget issues. The goal would be to return to Council with these proposals on February 12th.

FISCAL IMPACT

The proposed amendments to the Fiscal Year 2007-2008 General Fund budget, as noted on **Appendix B**, will decrease General Fund revenues by \$2.934 million and increase expenditures by \$2.376 million, for a net negative fund balance impact of \$5.310 million. The net impact of the recommendations on all other funds will be to increase revenues and expenditures by \$0.420 million.

PROPOSED ACTION

Staff proposes that the Council adopt a Resolution amending the City's budget for Fiscal Year 2007- 2008 as set for in **Appendix B** and staffing changes listed in **Appendix C**.

ENVIRONMENTAL REVIEW

The adoption of this resolution is not a project as defined by the California Environmental Quality Act (CEQA) pursuant to section 15378 (b)(4) of Title 14 of the California code of Regulations and is not subject to CEQA review.

DOCUMENTS ATTACHED

1. Attachment 1. - Resolution amending the City's budget for Fiscal Year 2007-2008
2. Appendix A. - General Fund Balance Projections
3. Appendix B. - Proposed Budget Amendments
4. Appendix C. – Fire Department Personnel Summary, Proposed Changes to FTEs

PREPARED BY:

Susan Mayer, Assistant Finance Director (707) 648-4486

CONTACT:

Robert V. Stout, Finance Director (707) 648-4592

RESOLUTION NO. _____ N.C.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO AMENDING THE FISCAL YEAR 2007-2008 BUDGET

BE IT RESOLVED by the Council of the City of Vallejo as follows:

WHEREAS, in June 2007, the City Council did adopt a budget for the Fiscal Year 2007-2008; and

WHEREAS, on November 13, 2007, the City Council adopted a resolution of intention to amend the Fiscal Year 2007-2008 budget,

WHEREAS, staff is proposing amendments to the revenue and expenditure changes of the various funds listed in detail in **Appendix B** of the attached staff report; and

WHEREAS, the staff is proposing to amend the approved staffing levels consistent with the monetary recommendations and listed in detail in **Appendix C**; and

WHEREAS, the Council has considered the recommendations of the City Manager for Fiscal Year 2007-2008 and has determined that the recommendations are both necessary and appropriate; now, therefore:

NOW, THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF VALLEJO, CALIFORNIA: pursuant to Charter Section 703, hereby approves amendments to the City's budget as set forth in **Appendix B** and the staffing changes in **Appendix C** to this Staff Report and by this reference incorporated herein.

General Fund Fund Balance Projection

	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	
	<u>Actual</u>	<u>Unaudited as of 11-7-07</u>	<u>Original Budget</u>	<u>Midyear as of 11-13-07</u>
Beginning Available Balance	<u>9,878,065</u>	<u>7,751,823</u>	<u>3,870,634</u>	<u>4,242,249</u>
Annual Operating Activity:				
Revenues	<u>81,109,551</u>	<u>82,507,578</u>	<u>85,789,140</u>	<u>82,854,654</u>
Expenditures				
Salaries and benefits	66,758,700	72,553,936	74,602,435	77,819,233
Service and supplies	16,014,687	17,196,891	19,731,065	18,750,335
Encumbrances	214,779	339,682	-	
Interfund allocations	(5,869,412)	(6,585,663)	(10,358,002)	(10,318,519)
Transfers	7,205,248	3,177,690	1,813,642	1,913,642
	<u>84,324,002</u>	<u>86,682,536</u>	<u>85,789,140</u>	<u>88,164,691</u>
Annual Operating Results	(3,214,451)	(4,174,958)	-	(5,310,037)
Reserve Transactions	<u>1,088,209</u>	<u>665,384</u>		-
Net Annual Change	<u>(2,126,242)</u>	<u>(3,509,574)</u>	-	<u>(5,310,037)</u>
Ending Available Balance	<u>7,751,823</u>	<u>4,242,249</u>	<u>3,870,634</u>	(1,067,788)
% annual expenditures	9%	5%	5%	-1%
Days of Operation	34	18	16	(4)

**07-08 Midyear Budget Review
Proposed Budget Adjustments
November 13, 2007**

<u>General Fund</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Net</u>
<u>General Tax Revenues</u>			
To update FY 07-08 projections for current trends:			
Property Taxes	(500,000)		
Sales Tax	(1,100,000)		
Motor Vehicle License Fee	287,160		
Excise Tax	(500,000)		
Franchise/Utility User Tax	(163,000)		
Property Transfer Tax	(1,000,000)		
Marine World/Six Flags Revenue Sharing	(185,000)		
Transfers In	430,000		
Development Fees	(816,395)		
Other	25,000		
	<u>(3,522,235)</u>	<u>-</u>	
<u>Program costs</u>			
To increase public safety budget COLA from 8.5% to 10%:			
Police		383,785	
Fire		451,287	
To restore salary/benefit budget for Arbitration results:			
Fire		4,256,710	
To augment budget for labor negotiations:			
City Attorney		100,000	
Transfer to Transportation Fund to fund State Ferry negotiations			
		100,000	
	<u>-</u>	<u>5,291,782</u>	
Subtotal, revenue loss and cost increases	<u>(3,522,235)</u>	<u>5,291,782</u>	<u>(8,814,017)</u>
<u>Budget Reductions/Mitigation Plan</u>			
<u>Police</u>			
New grant revenues	318,749		
Salary and operation reductions		(146,987)	
Overtime reductions		(500,000)	
Operating service/supplies		25,000	
Interfund grant reimbursements		(100,000)	
	<u>318,749</u>	<u>(721,987)</u>	<u>1,040,736</u>
<u>Fire</u>			
Updated revenue projections	269,000		
Employee reductions		(874,467)	
Operating service/supplies		(86,175)	
Reduction in vehicle maintenance and replacement		(510,854)	
	<u>269,000</u>	<u>(1,471,496)</u>	<u>1,740,496</u>
<u>Public Works</u>			
Salary savings - Engineering vacancies		(227,560)	
Maintenance - operating service/supplies		(141,700)	
Interfund CIP overhead allocations		(10,740)	
	<u>-</u>	<u>(380,000)</u>	<u>380,000</u>
<u>Community Development</u>			
Salary/benefit savings		(117,000)	
Operating service/supplies		(25,000)	
	<u>-</u>	<u>(142,000)</u>	<u>142,000</u>
<u>Administration</u>			
Salary/benefit savings		(32,970)	
Operating service/supplies		(318,000)	
Reduction in interfund cost allocation		150,222	
	<u>-</u>	<u>(200,748)</u>	<u>200,748</u>
Subtotal, budget reduction/mitigation plans	<u>587,749</u>	<u>(2,916,231)</u>	<u>3,503,980</u>
Subtotal, general fund adjustments	<u>(2,934,486)</u>	<u>2,375,551</u>	<u>(5,310,037)</u>

**07-08 Midyear Budget Review
Proposed Budget Adjustments
November 13, 2007**

<u>Other Funds</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Net</u>
<u>Transportation Fund #420</u>			
To fund State Ferry negotiations:			
Transfer In from General Fund	100,000		
Professional Services		100,000	
	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<u>Police Cadet Fund #152</u>			
To appropriate donations received in support of program:			
Donations revenue	50,000		
Operating service/supplies		50,000	
	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<u>Mare Island Lease Fund #107</u>			
To increase revenue and expenditures for developer reimbursement of wetlands program costs			
Charges for Services	70,000		
Professional Services		70,000	
	<u>70,000</u>	<u>70,000</u>	<u>-</u>
<u>State Lands Commission Fund #134</u>			
To increase revenue and expenditures for developer reimbursement of General Mills property legal costs			
Charges for Services	200,000		
Professional Services		200,000	
	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<u>Total, All Funds</u>	<u>(2,514,486)</u>	<u>2,795,551</u>	<u>(5,310,037)</u>

FIRE DEPARTMENT
PERSONNEL SUMMARY

	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	Proposed Budget November 13, 2007		
	Approved	Approved	Approved	Approved	Adopted	Arbitration Impact	Reductions	Proposed
GENERAL FUND:								
ADMINISTRATION								
Fire Chief	1.0	1.0	1.0	1.0	1.0	-	-	1.0
Deputy Fire Chief	2.0	2.0	2.0	2.0	2.0	-	(1.0)	1.0
Administrative Analyst II	1.0	1.0	1.0	1.0	1.0	-	(1.0)	- (a)
Executive Secretary	1.0	1.0	1.0	1.0	1.0	-	(1.0)	-
Administrative Clerk II	1.0	-	-	-	-	-	-	-
	6.0	5.0	5.0	5.0	5.0	-	(3.0)	2.0
SUPPRESSION								
Assistant Fire Chief	3.0	3.0	3.0	3.0	3.0	-	-	3.0
Fire Captains	27.0	28.0	28.0	27.0	25.0	2.0	-	27.0
Fire Engineers	27.0	27.0	27.0	27.0	24.0	3.0	-	27.0
Firefighters	45.0	42.0	38.0	37.0	26.0	7.0	(4.0)	29.0
	102.0	100.0	96.0	94.0	78.0	12.0	(4.0)	86.0
PREVENTION								
Assistant Fire Chief (Fire Marshal)	1.0	1.0	1.0	1.0	-	-	-	-
Fire Prevention Inspector	3.0	2.0	2.0	3.0	2.0	-	-	2.0
Secretary	1.0	1.0	1.0	1.0	1.0	-	-	1.0
Administrative Clerk II	1.0	-	-	-	-	-	-	-
	6.0	4.0	4.0	5.0	3.0	-	-	3.0
TRAINING								
Assistant Fire Chief	1.0	1.0	1.0	1.0	1.0	-	-	1.0
Fire Captain	2.0	1.0	1.0	2.0	1.0	1.0	-	2.0
Secretary	1.0	-	-	-	-	-	-	-
	4.0	2.0	2.0	3.0	2.0	1.0	-	3.0
WEED ABATEMENT								
Senior Code Enforcement Officer	1.0	1.0	1.0	1.0	1.0	-	(1.0)	-
PARAMEDIC								
Emergency Medical Coordinator	1.0	1.0	1.0	1.0	-	1.0	-	1.0
Administrative Clerk II	0.5	0.5	0.5	1.0	1.0	-	(1.0)	-
	1.5	1.5	1.5	2.0	1.0	1.0	(1.0)	1.0
EMERGENCY SERVICES								
Emergency Preparedness Manager	1.0	-	-	-	-	-	-	-
Administrative Clerk II	0.5	0.5	0.5	-	-	-	-	-
	1.5	0.5	0.5	-	-	-	-	-
TOTAL DEPARTMENT	122.0	114.0	110.0	110.0	90.0	14.0	(9.0)	95.0

(a) Administrative Analyst II position is transferred to Finance Department