



CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY MEETING AGENDA

**January 19, 2017
6:00 PM**

The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.

Notice is hereby given that the City Council will hold a Regular Meeting, on January 19, 2017 in the City Council Chambers, 155 West Durian Avenue, Coalinga, CA. Persons with disabilities who may need assistance should contact the Deputy City Clerk at least 24 hours prior to the meeting at 935-1533 x113. The Meeting will begin at 6:00 p.m. and the Agenda will be as follows:

1. CALL TO ORDER

1. Pledge of Allegiance
2. Changes to the Agenda

2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)

3. CITIZEN COMMENTS

This section of the agenda allows members of the public to address the City Council on any item not otherwise on the agenda. Members of the public, when recognized by the Mayor, should come forward to the lectern, identify themselves and use the microphone. Comments are normally limited to three (3) minutes. In accordance with State Open Meeting Laws, no action will be taken by the City Council this evening and all items will be referred to staff for follow up and a report.

4. PUBLIC HEARINGS (NONE)

5. CONSENT CALENDAR

1. Rejection of Claim for Damages presented by Brigida Lopez
2. Authorize City Manager to sign a Letter of Support of Congressman David Valadao's House Resolution, The Grow Act H.R. 23, Guiding Responsibility on Water Act

3. Direct City Manager to Write a Letter to Kmart Corporation from City Council Requesting Reconsideration of Store Closure
4. Direct City Manager to Make Contact with Large Retailers regarding Kmart's Closure

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS

1. Adoption of Resolution No. 3753 Authorizing the Submission of a HOME Application to the State Department of Housing and Community Development and Identifying the 32 Unit Coalinga Senior Apartments Project as the Project Beneficiary if Awarded and Further Authorizing the City Manager to Enter into an Owner Participation Loan Agreement for the Deferral of Impact Fees.

Sean Brewer, Community Development Director

2. Discussion, Direction and Potential Action regarding Regulations and Location for Single Marijuana Dispensary

Marissa Trejo, City Manager

7. ANNOUNCEMENTS

1. City Manager's Announcements
2. Councilmembers' Announcements/Reports
3. Mayor's Announcements

8. FUTURE AGENDA ITEMS

9. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION. Steve Henry and Cal Minor v. City of Coalinga, et al. Fresno Superior Court Case No. 16CECG02009
2. REAL PROPERTY NEGOTIATIONS - Government Code Section 54956.8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS. PROPERTY: Juniper Ridge Industrial Park, Lot 1 (083-280-10ST) located in the City of Coalinga on Polk Street (Jayne Avenue) and Enterprise Parkway. CITY NEGOTIATORS: City Manager, Marissa Trejo and Assistant City Attorney, Mary Lerner. NEGOTIATING PARTIES: ADF Holdings, LLC. UNDER NEGOTIATION: Price and Terms of Payment
3. REAL PROPERTY NEGOTIATIONS - Government Code Section 54956.8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS. PROPERTY: Juniper Ridge Industrial Park, Lot 1 (083-280-10ST) located in the City of Coalinga on Polk Street (Jayne Avenue) and Enterprise Parkway. CITY NEGOTIATORS: City Manager, Marissa Trejo and Assistant City Attorney, Mary Lerner. NEGOTIATING PARTIES: M P Enterprises. UNDER NEGOTIATION: Price and Terms of Payment
4. CONFERENCE WITH LABOR NEGOTIATORS – Government Code 54957.6. CITY NEGOTIATORS: City Manager, Marissa Trejo; Assistant City Attorney, Mary Lerner. EMPLOYEE (ORGANIZATION): Coalinga's Police Officer's Association and International Association of Firefighters
5. Government Code Section 54957 PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT Title: City Attorney

10. ADJOURNMENT

Closed Session: A "Closed" or "Executive" Session of the City Council, Successor Agency, or Public Finance Authority may be held as required for items as follows: personnel matters; labor negotiations; security matters; providing instructions to real property negotiators; legal counsel regarding pending litigation; and protection of records exempt from public disclosure. Closed session will be held in the Administration Building at 155 W. Durian Avenue and any announcements or discussion will be held at the same location following Closed Session.

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Rejection of Claim for Damages presented by Brigida Lopez
Meeting Date: January 19, 2017
From: Marissa Trejo, City Manager
Prepared by: Mercedes Garcia, Senior Administrative Analyst

I. RECOMMENDATION:

Senior Administrative Analyst recommends City Council reject the claim for damages presented by Brigida Lopez.

II. BACKGROUND:

Ms. Lopez filed a claim for damages with the City of Coalinga on December 8, 2016. The claim was forwarded to George Hills Company for review. After review of the claim it was determined the City of Coalinga did not cause the damage to the fence. The damage may have been caused by the contractor working on the alley project or poor maintenance of the fence.

III. DISCUSSION:

George Hills Company advises we reject the claim presented due to no evidence the City of Coalinga caused the damage to Ms. Lopez's fence.

IV. ALTERNATIVES:

Accept the claim for the requested dollar amount (Staff does not recommend).

V. FISCAL IMPACT:

The fiscal impact to the General Fund will be determined by Council decision.

ATTACHMENTS:

| File Name | Description |
|---|----------------------------------|
| ❑ Lopez_Brigda_Claim_for_Damages.pdf | Lopez B Claim Form |
| ❑ Lopez__B_Photos-Claim_for_Damages.pdf | Lopez B Photos-Claim for Damages |



CITY OF COALINGA

LIABILITY CLAIM FOR DAMAGES TO PERSON OR PROPERTY

CITY CLERK'S DATE STAMP:

RECEIVED
DEC - 8 2016
BY: *[Signature]*

RETURN TO:

CITY OF COALINGA
OFFICE OF THE CITY CLERK
155 WEST DURIAN
COALINGA, CA. 92870

DISTRIBUTION:

- ☐ CITY ADMINISTRATOR
- ☐ CITY ATTORNEY
- ☐ FINANCE DEPARTMENT (Original/1)
- ☐ INSURANCE ADJUSTER
- ☐ DEPARTMENT: _____
- ☐ CITY CLERK'S LOG

1. Claims for death, injury to person, or to personal property must be filed not later than six (6) months after the occurrence (Gov. Code Sec. 911.2).
2. Claims for damages to real property must be filed not later than one (1) year after the occurrence (Gov. Code Sec. 911.2).
3. READ ENTIRE CLAIM FORM BEFORE FILING.
4. ATTACH SEPARATE SHEETS, IF NECESSARY, TO GIVE FULL DETAILS.

Brigda Lopez
NAME OF CLAIMANT
[REDACTED]
HOME ADDRESS OF CLAIMANT
[REDACTED] CITY/STATE/ZIP
[REDACTED]
DATE OF BIRTH OF CLAIMANT
[REDACTED]
HOME TELEPHONE NO.
[REDACTED]
BUSINESS ADDRESS OF CLAIMANT
[REDACTED] CITY/STATE/ZIP
[REDACTED]
BUSINESS TELEPHONE NO.

ADDRESS TO WHICH CLAIMANT DESIRES NOTICES OR COMMUNICATIONS SENT REGARDING THIS CLAIM (If different from home address):

WHEN DID DAMAGE OR INJURY OCCUR?

DATE: 10/03/16

TIME: 8:00 ☒ A.M. ☐ P.M.

PLACE OF ACCIDENT (OCCURRENCE) - BE SPECIFIC - Describe fully and (if applicable) locate on diagram on reverse side of this sheet. Where appropriate, give street names and addresses and measurements for landmarks.

Location - 357 Jackson St in Coalinga. Specifically in alley

HOW DID DAMAGE OR INJURY OCCUR?

See attached form.

WERE POLICE AT SCENE? ☐ YES ☒ NO

WERE PARAMEDICS AT SCENE? ☐ YES ☒ NO

WHAT PARTICULAR ACT OR OMISSION DO YOU CLAIM CAUSED THE INJURY OR DAMAGES? (Give name of City employee causing the injury or damage, if known.)
See attached Paper

GIVE TOTAL AMOUNT OF CLAIM: (Include estimate of amount of any prospective injury or damage) \$ _____

HOW WAS THE AMOUNT OF CLAIM COMPUTED? (Be specific, list doctor bills, repair estimates, etc.)

PLEASE ATTACH TWO (2) ESTIMATES.

DAMAGES INCURRED TO DATE:

| | | | | |
|--|-------------------------|----------------|---------|----------------|
| ITEM/DATE | <u>4x4s</u> | <u>10/3/16</u> | AMOUNT: | \$ _____ |
| ITEM/DATE | <u>2x4s</u> | <u>10/3/16</u> | AMOUNT: | \$ _____ |
| ITEM/DATE | <u>Cement 8" boards</u> | <u>10/3/16</u> | AMOUNT: | \$ _____ |
| ITEM/DATE | | <u>10/3/16</u> | AMOUNT: | \$ _____ |
| TOTAL AMOUNT CLAIMED AS OF PRESENTATION OF THIS CLAIM: | | | \$ | <u>700-800</u> |

ESTIMATED PROSPECTIVE DAMAGES AS FAR AS KNOWN:

| | | | |
|--------------------------------------|--------------------------|---------|-----------------|
| ITEM/DATE | <u>(12ea) 4x4s</u> | AMOUNT: | \$ _____ |
| ITEM/DATE | <u>(26ea) 2x4s</u> | AMOUNT: | \$ _____ |
| ITEM/DATE | <u>18 Bags of Cement</u> | AMOUNT: | \$ _____ |
| ITEM/DATE | <u>(110ea) 8" boards</u> | AMOUNT: | \$ _____ |
| TOTAL ESTIMATED PROSPECTIVE DAMAGES: | | | \$ <u>1,600</u> |

800 parts
800 Labor.

RECEIVED

DEC - 8 2016

BY: *[Signature]* Page 2

**CITY OF COALINGA
LIABILITY CLAIM FOR DAMAGES TO PERSON OR PROPERTY**

WITNESSES TO DAMAGE OR INJURY: (List all persons known to have information. (Use attachment if necessary.)

| | |
|----------------------|----------------------|
| NAME: _____ | NAME: _____ |
| ADDRESS: _____ | ADDRESS: _____ |
| TELEPHONE: () _____ | TELEPHONE: () _____ |

IF INJURY, GIVE NAME, ADDRESS, TELEPHONE, DATE & TIME OF DOCTOR(S) OR HOSPITAL(S) VISITED:

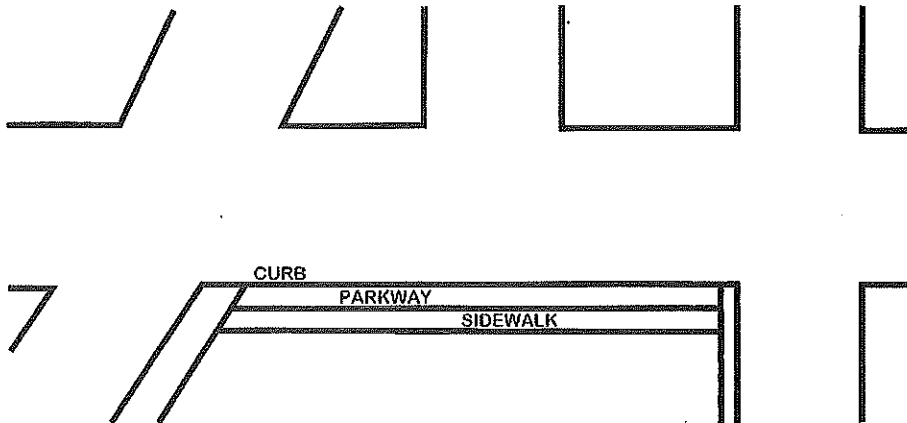
| | |
|-----------------|------------------|
| DOCTOR: _____ | TELEPHONE: _____ |
| ADDRESS: _____ | DATE/TIME: _____ |
| HOSPITAL: _____ | TELEPHONE: _____ |
| ADDRESS: _____ | DATE/TIME: _____ |

PLEASE READ THE FOLLOWING CAREFULLY:

For all vehicle accident claims, place on following diagram, the names of streets, including NORTH, EAST, SOUTH AND WEST directions. Indicate place of accident by "X" and by showing house numbers or distances to street corners.

If a City vehicle was involved, designate by letter "A" location of the City vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City vehicle; location of City vehicle at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X".

NOTE: IF A DIAGRAM BELOW DOES NOT FIT THE SITUATION, ATTACH A PROPER DIAGRAM SIGNED BY CLAIMANT.



I HAVE READ THE FOREGOING CLAIM AND KNOW THE CONTENTS THEREOF; AND CERTIFY THAT THE SAME IS TRUE OF MY OWN KNOWLEDGE EXCEPT AS TO THOSE MATTERS WHICH ARE HEREIN STATED UPON MY INFORMATION AND BELIEF; AND AS TO THOSE MATTERS I BELIEVE THEM TO BE TRUE.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

| | | |
|--|--------------------|---------|
| <i>Brigida Lopez</i> | Brigida Lopez | 12/6/16 |
| SIGNATURE OF CLAIMANT OR AGENT ACTING ON BEHALF OF CLAIMANT | TYPE OR PRINT NAME | DATE |

RELATIONSHIP TO CLAIMANT

NOTE: PRESENTATION OF A FALSE CLAIM IS A FELONY
(CALIFORNIA PENAL CODE 72)

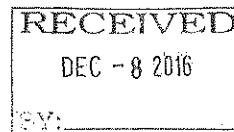
To: City of Coalinga CA

From: Orlando Lopez (son of claimant)

Date: 12/02/2016

Subject: 357 Jackson St. fence knocked over

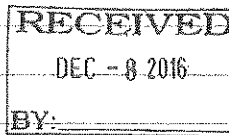
On the morning of October 3, 2016 my mother (Brigida Lopez) discovered her back fence was knocked down. Upon inspection of the fence she discovered that the City of Coalinga had a contractor working in the alley, where the fence was knocked down. She was aware that the contractor had been working in the area for the past week. After I (Orlando Lopez) arrived to my mother's address I attempted to speak with the contractor supervisor to find out what happened to the fence, but he was not on site. Currently the fence is being supported by leaning on a shed that is located next to the fence (as shown in the pictures that were submitted with the claim). At the end, my mother and I believe that the fence was knocked down due to the contractor removing a significant amount of dirt which helped that fence be supported. We also believe they may have hit the fence which caused the fence to fail. Unfortunately we did not witness anyone hit the fence. All we know is that the fence was standing upright prior to the city conducting any work in the alley. Thank you.



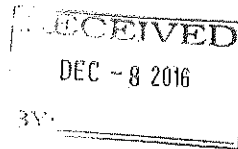
Roberto Solorio (559) 448-6097
ESTIMATE
FOR 357 Jackson St.

8" BOARDS (100)
(12) 2x4s
(14) 4x4s
CEMENT 18 bags.

Parts = \$850.00
Labor = \$1000.00
TOTAL = \$1900.00



Teno Guerra
(559) 381-5456



1. ON DAMAGES INCURRED: YOU

POT DATE OR HOW LONG WHEN THE
DAMAGE HAPPENED

2. ON ESTIMATED PROSPECTIVE DAMAGES
AS FAR AS KNOWN.

YOU PUT DOWN ALL THE
PARTS THAT ARE GOING TO BE
NEEDED

HERE'S THE THE
LIST OF PARTS YOU NEEDED

1. 12 EH. 4x4's
2. 24 EH. 2x4's
3. 16 BAGS OF CEMENT
4. 100 EH 8" BOARDS

AMOUNT FOR PARTS

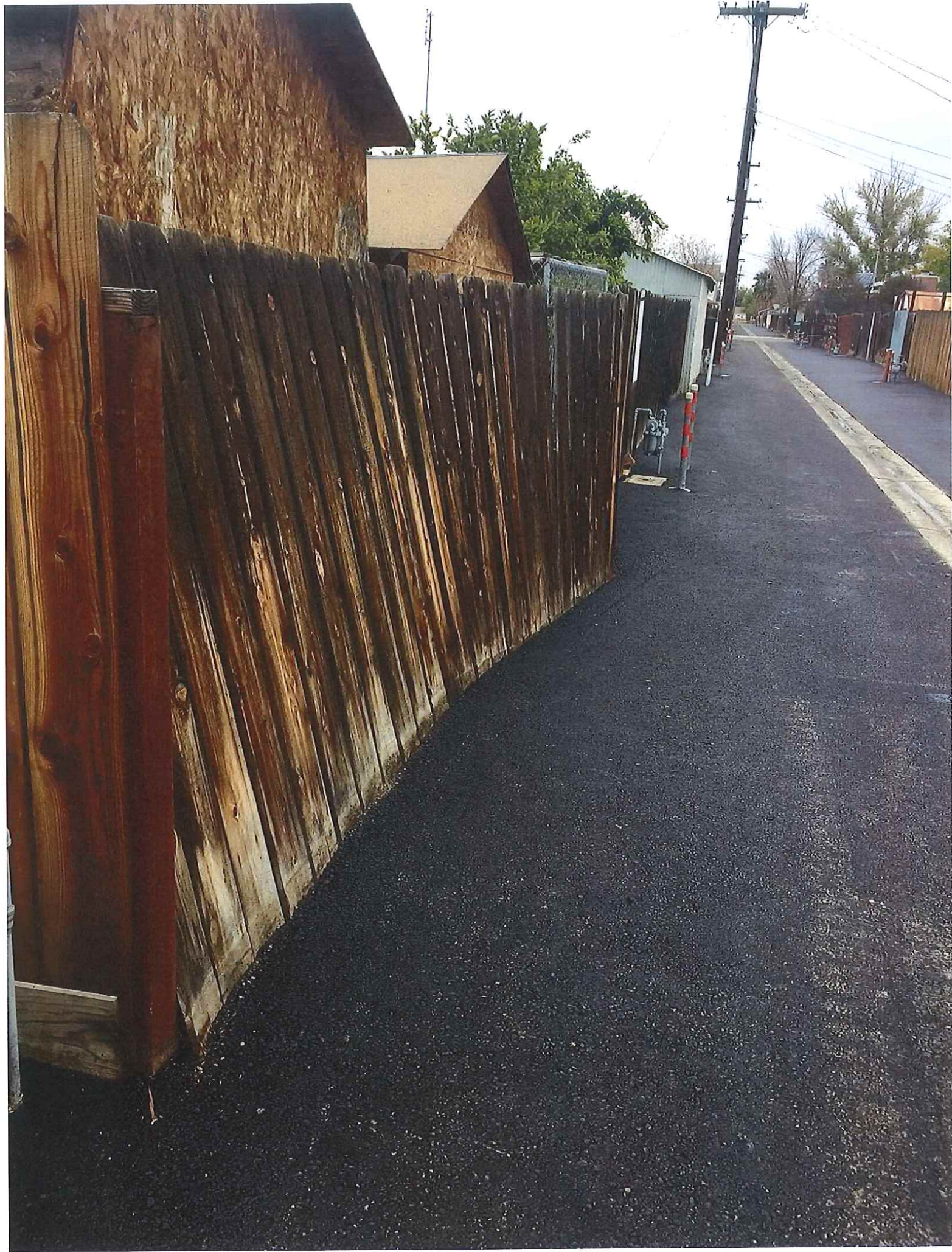
700,-800 Dollars

LABOR

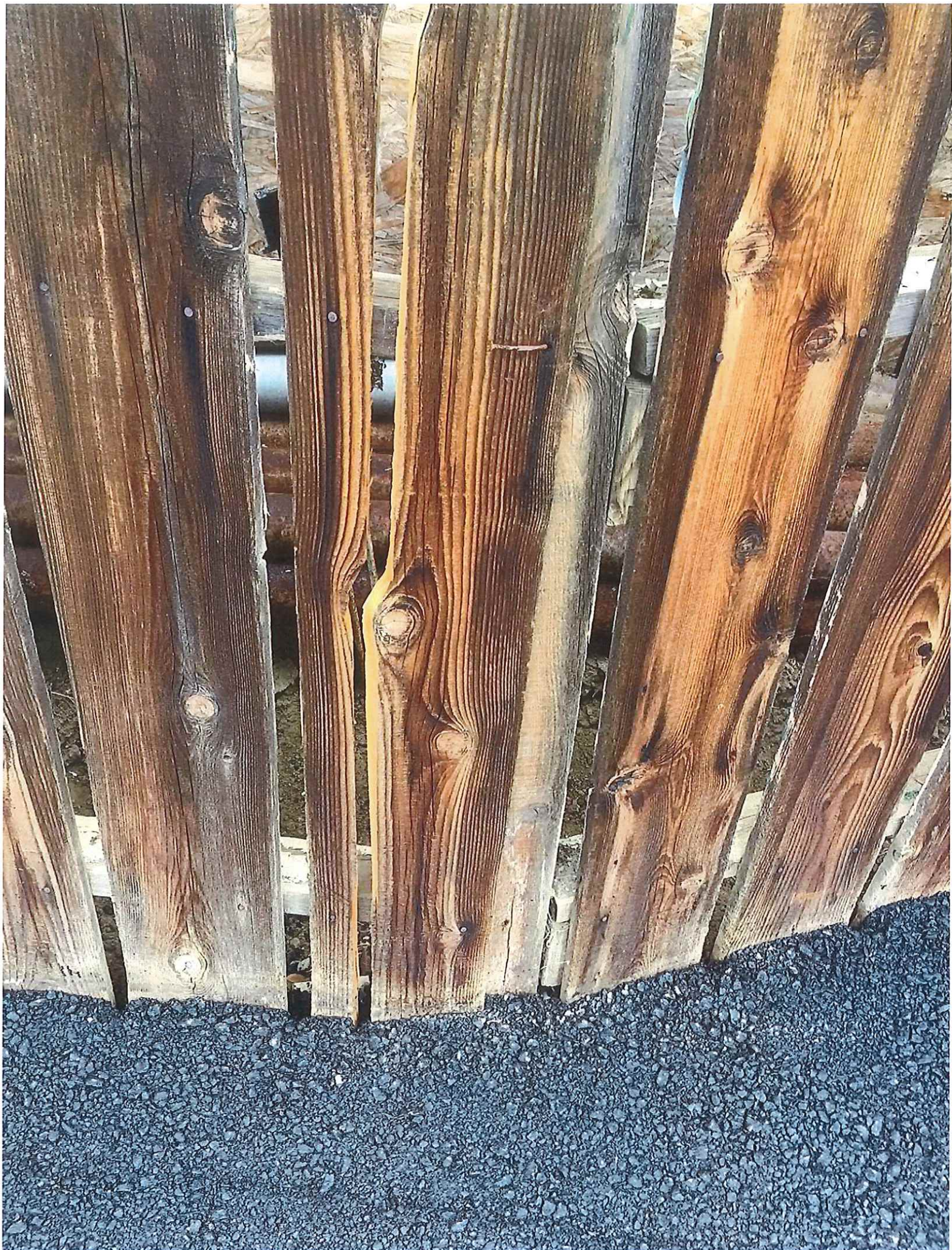
800.⁰⁰

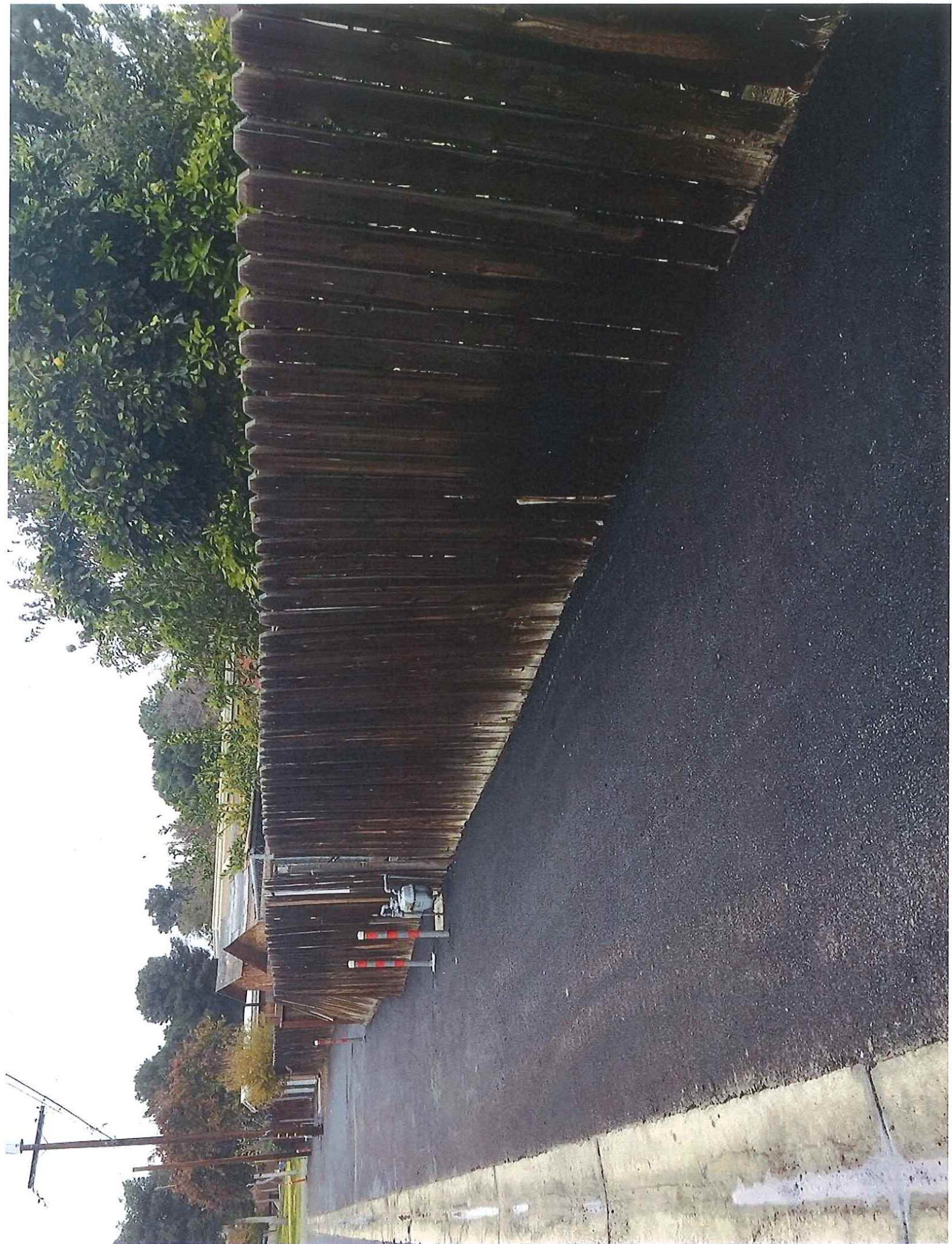
ALL TOGETHER

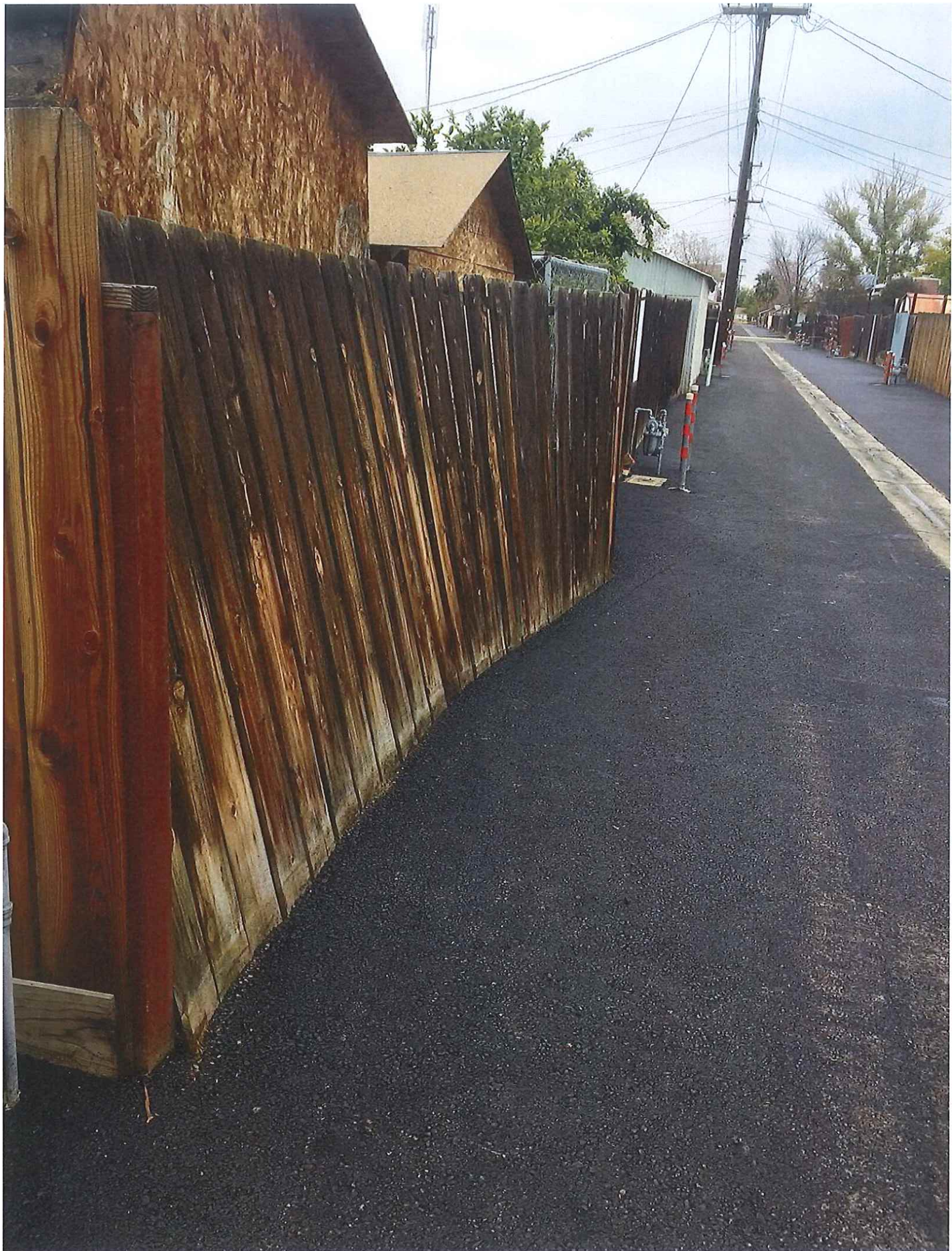
\$ 1,600.⁰⁰











STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Authorize City Manager to sign a Letter of Support of Congressman David Valadao's House Resolution, The Grow Act H.R. 23, Guiding Responsibility on Water Act

Meeting Date: January 19, 2017

From: Marissa Trejo, City Manager

Prepared by: Marissa Trejo, City Manager

I. RECOMMENDATION:

II. BACKGROUND:

III. DISCUSSION:

IV. ALTERNATIVES:

V. FISCAL IMPACT:

ATTACHMENTS:

| File Name | Description |
|---|---------------------------------|
| ❑ H.R._The_GROW_Act_-_Guiding_Responsibility_on_Water_Act.pdf | About Grow Act, H.R. 23 |
| ❑ H.R._23_-_GROW_Act_Sample_Letter_of_Support.pdf | Grow Act, H.R. 23_Sample Letter |

UNITED STATES CONGRESSMAN

DAVID G. VALADAO

The GROW Act

H.R. 23, Guiding Responsibility on Water Act

Complex and inconsistent system of laws, court decisions, and regulations at the state and federal levels is resulting in the mismanagement of critical water resources throughout the West. The current regulatory framework governing movement and storage of water is based upon outdated science and illogical regulations and is resulting in the misallocation of precious water resources and a lack of adequate water storage. These shortcomings negatively impact local economies across the West, pose an increasing threat to America's food security, and place undue burdens on our environment.

H.R. 23, the *Guiding Responsibility on Water* (GROW) Act addresses the underlying policy failures that contribute to increasingly severe drought conditions in communities across the West.

- ❖ **Bay-Delta Improvements:** Restores water deliveries to the Central Valley communities by codifying the Bay-Delta Accord. Affirms that if the State Water Project and the Central Valley Project are operated consistent with the Bay-Delta Accord, they are in compliance with the requirements of the Endangered Species Act.
- ❖ **Water Reliability:** Updates the Central Valley Project Improvement Act (CVPIA) to ensure water resources are reliable, predictable, and available to fulfill supply promises.
- ❖ **Expanding Infrastructure:** Enacts "one-stop-shop" permitting reforms aimed at building infrastructure to capture more water.
- ❖ **Expanding Storage:** Requires the federal government to expedite and complete consideration of feasibility studies for water storage projects that have been languishing in bureaucratic purgatory for over ten years.
- ❖ **Water Rights Protection:** Prevents federal agencies from requiring certain entities to relinquish their water rights to the United States in order to use public lands.

Based on previous legislative efforts that were initially developed on a bipartisan and bicameral basis, the *GROW Act* is a balanced and thoughtful solution to address America's water resource needs.

For more information, please contact Congressman Valadao's Office at (202) 225-4695.

www.Valadao.house.gov

January , 2017

The Honorable David G. Valadao
1728 Longworth Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Valadao,

California's Central Valley, which provides the majority of fruits and vegetables for the country, has been suffering from a drought, which has been made worse by federal regulations. As a result, over 300 billion gallons of water have been diverted away from the region in an effort to protect the Delta Smelt. Today, citizens and farmers in the Central Valley are receiving less water, if any at all, than they previously contracted for and purchased. The water system that established California as a beacon of ingenuity has been pushed to the wayside for a bait fish and has had devastating consequences for farmers, as they now fallow thousands of acres of farmland. In addition, many communities in the Central Valley have run completely dry, and have resorted to relying solely on trucks to deliver potable water to residents.

For years, you have fought to bring water back to the valley; this year is no different. We support your introduction of H.R. 23, the Gaining Responsibility On Water (GROW) Act of 2017. This legislation would ensure reliable water deliveries for our valley, secure private property and senior water rights, and save millions of dollars by ending wasteful protectionist plans. To ensure water reliability in the future, the bill obligates the federal government to complete feasibility studies for multiple water storage projects in California and increases the scope of investigation for dam safety throughout the West, including expansion.

Now is the time to enact long term, meaningful solutions to California's water supply issues and we are hopeful this legislation is the next step in addressing the challenges we face. We look forward to working with you on advancing H.R. 23, the GROW Act, this Congress.

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Direct City Manager to Write a Letter to Kmart Corporation from City Council
Requesting Reconsideration of Store Closure

Meeting Date: Thursday, January 19, 2017

From: Marissa Trejo, City Manager

Prepared by: Marissa Trejo, City Manager

I. RECOMMENDATION:

There is no staff recommendation. This was requested as a Future Agenda Item by Councilman Ramsey and Mayor Vosburg.

II. BACKGROUND:

III. DISCUSSION:

IV. ALTERNATIVES:

V. FISCAL IMPACT:

There is minimal cost associated with time sent writing the letter and postage for mailing the letter. However, Kmart's closure will have a negative General Fund impact of approximately \$82,000.

ATTACHMENTS:

| File Name | Description |
|--------------------------|-------------|
| No Attachments Available | |

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Direct City Manager to Make Contact with Large Retailers regarding Kmart's Closure
Meeting Date: Thursday, January 19, 2016
From: Marissa Trejo, City Manager
Prepared by: Marissa Trejo, City Manager

I. RECOMMENDATION:

There is no staff recommendation. This was requested as a Future Agenda Item.

II. BACKGROUND:

III. DISCUSSION:

IV. ALTERNATIVES:

V. FISCAL IMPACT:

ATTACHMENTS:

File Name

Description

No Attachments Available

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Adoption of Resolution No. 3753 Authorizing the Submission of a HOME Application to the State Department of Housing and Community Development and Identifying the 32 Unit Coalinga Senior Apartments Project as the Project Beneficiary if Awarded and Further Authorizing the City Manager to Enter into an Owner Participation Loan Agreement for the Deferral of Impact Fees.

Meeting Date: January 19, 2017

From: Marissa Trejo, City Manager

Prepared by: Sean Brewer, Community Development Director

I. RECOMMENDATION:

Adoption of Resolution No. 3753 authorizing the submission of a HOME application in the amount not to exceed 4.6 Million to the State Department of Housing and Community Development and identifying the 32 Unit Coalinga Senior Apartments project as the project beneficiary if awarded, and further authorizing the City Manager to enter into an Owner Participation Loan Agreement for the Deferral of Impact Fees in the amount of \$380,328.00.

II. BACKGROUND:

On January 10, 2017 the Planning Commission approved and supported the Coalinga Senior Apartments project, a 32-unit affordable housing project to be located at othe corner of Elm Ave and Walnut, that will accommodate affordable housing for income qualified seniors 55 years of age and older. In order for this project to be financially feasible, AMG & Associates ("Developer") is requesting the following from the City Council to consider:

1. Designate the Coalinga Senior Apartment Project as the project beneficiary of HOME funding should the City of Coalinga receive an award. This action would be completed by the adoption of Resolution No. 3753. There is no cost to the City to apply for HOME project funds as the developer will bear all costs associated with the application preparation.
2. Deferral of Development Impact Fees in the amount of \$380,328.00 which will be paid back through residual receipts beginning in year 16.

III. DISCUSSION:

The developer's request of the City Council has two components and this report will discuss both. Staff will begin with background on HOME Investment Partnerships Program and then will discuss the anticipated terms of the deferred impact fee loan agreement.

HOME Investments Partnerships Program

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or home ownership or providing

direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.
- HOME's requirement that participating jurisdictions match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

Types of Assistance

HOME funds are awarded annually as formula grants to participating jurisdictions. HUD establishes HOME Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.

Eligible Grantees

States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula (\$335,000 in years when Congress appropriates less than \$1.5 billion for HOME) also can receive an allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

Eligible Customers

The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90-percent of benefiting families must have incomes that are no more than 60-percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20-percent of the units must be occupied by families with incomes that do not exceed 50-percent of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80-percent of the area median. HOME income limits are published each year by HUD.

Eligible Activities

The PJ's may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new home-buyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. Up to 10-percent of the PJ's annual allocation may be used for program planning and administration.

Application

Program funds are allocated to units of general local government on the basis of a formula that considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors. Shortly after HOME funds become available each year, HUD informs eligible jurisdictions of the amounts earmarked for them. Participating jurisdictions must have a current and approved Consolidated Plan, which will include an action plan that describes how the jurisdiction will use its HOME funds. A newly eligible jurisdiction also must formally notify HUD of its intent to participate in the program.

As part of the application process, the State Department of Housing and Community Development (hereafter "HCD") requires a standard resolution be adopted by the applicant authorizing the submission of a project application as well as a project beneficiary for the funds.

Attached for the Council's consideration is Resolution No. 3753 authorizing staff to proceed with submitting an application for HOME project funds totaling \$4.6 Million (\$4.5 Million project, \$100,000 administrative/program), officially declaring a specific project beneficiary, and further authorizes the City Manager to sign all appropriate documents including standard agreements, pursuant the requirements of HCD, as they relate directly to the application and project beneficiary.

Staff is requesting utilizing the tool of HOME funding because the City does not have the capacity to fund a new construction projects without other resources and HOME funds are intended to be supplemental funding to more conventional funding (ie. tax credits). With the loss of Redevelopment Agency (RDA) there are limited funding opportunities for affordable housing projects in California since RDA's were a huge contributor to the diversifying housing in California.

If the Council chooses to select a project as the beneficiary of the HOME funds, staff will begin working with the Developer in preparation of the application and submission of said application by the deadline. If the Council takes this avenue there will be no cost to the City to prepare the application.

Deferred Impact Fee Loan Request

The developer has requested for an impact fee deferral to be loaned to their partnership with similar terms and conditions the City has previously approved for the Warthan Place Apartments project consisting of a residual receipts repayment from available cash flow with a term of 55 years, and a below market interest rate of 1-3%, secured by a Deed of Trust subordinate to senior regulatory agreements and financing, be repaid on a residual receipts basis commencing after repayment of deferred developer fee from available cash flow 30-50% to repay City Loans. This agreement would ensure repayment of fees beginning no later than year 16. By approving a deferred impact fee loan agreement, the City would not be responsible for paying back the impact fees as they are expected to be repaid but just deferred for a period of time negotiated. The proposed loan terms have been attached for the Council's review.

If the Council chooses to proceed with approving Resolution No. 3753 for the HOME beneficiary and further authorize the City Manager to enter into an Owner Participation Agreement for the HOME loan and deferred impact fees, staff will proceed immediately. With this financing mechanism, award of HOME funds would secure the financing needed to develop this project since the developer will be utilizing 4% tax credits which are non-competitive.

IV. ALTERNATIVES:

Do not direct staff to proceed with submission of an application for HOME funding and Owner Participation

Agreement – **Staff does not recommend.**

V. FISCAL IMPACT:

There is not direct fiscal impact to the City as the project beneficiary will bear all costs associated with submitting the Application to HOME and the deferred impact fee loan agreement will be on the City's books as a deferred receivable with no impact to the general fund or its reserve. The City, if awarded HOME funds, would be entitled to \$100,000 for administration of the grant. This would be accomplished by contracting with a non-profit affordable housing advocacy group to assist in all the reporting and administrative functions of HOME funds.

ATTACHMENTS:

| File Name | Description |
|--|--------------------------------------|
| ▣ Elm_Avenue_Impact_Fee_Deferral_Letter.pdf | Impact Fee Deferral Letter 1-9-2017 |
| ▣ Elm_Avenue_Impact_Fee_Loan_Term_Sheet.docx | Deferral Loan Term Sheet |
| ▣ Impact_fee_Deferral_Elm_Avenue.docx | Impact Fee Deferral Breakdown |
| ▣ RESO#3754_HOME_Application_Project_S.Brewer_011919.pdf | Resolution No. 3754_HOME Application |



16633 Ventura Blvd. Suite 1014
Encino, CA 91436



Date: January 9, 2017

Sean Brewer
Community Development Director
City of Coalinga
155 W. Durian Avenue
Coalinga, CA 93210

Re: Elm Avenue Senior Apartments
Request for Impact Fee Deferral

Dear Mr. Brewer,

AMG & Associate's respectfully request a deferral of all City of Coalinga Development Impact Fees ("Impact Fee Loan") to help facilitate the financing, development and construction of a 32 unit income-restricted senior apartment project located on Elm Avenue ("Project"). The Project will be financed utilizing a combination of HOME funds, 4% tax credits, tax exempt bond financing and the Impact Fee Loan. The project is subject to a 55 year tax credit regulatory agreement that ensures the Project remains affordable. The Project will be restricted to tenants who are 55 years or older and have income that are 30-60% of the Area Median Income. Rents for the Project are adjusted accordingly depending on what income brackets tenant falls under.

Attached please find an Impact Fee Deferral page which breaks down the amount for each of the development impact fees and also a Proposed Loan Terms page which outlines the proposed terms of the Impact Fee Loan.

Thank you for your consideration of this request. The impact fee loan is an extremely important part of the overall financing strategy for the project.

Should you have any questions, please do not hesitate to call.

Best regards,

A handwritten signature in blue ink, appearing to be "Cameron Johnson".

Cameron Johnson,
AMG & Associates, LLC

PROPOSED LOAN TERMS
January 9, 2017
AFFORDABLE SENIOR RENTAL HOUSING – ELM AVENUE SENIOR APARTMENTS
CITY OF COALINGA

1. BORROWER: The Borrower will be Coalinga Senior Associates, a California Limited Partnership, the managing partner or general partner of which shall be AMG & Associates or affiliate. The Loan may be assigned only to meet Project financing requirements and/or the Borrower's limited partnership agreement.
2. PROPERTY; PROJECT: The Loan shall be made in connection with the development of the Elm Avenue Senior Apartments to be constructed on property located at Elm Avenue & E. Walnut Avenue ("Property").

The proposed project will consist of 31 affordable senior housing rental units targeting very low and low income seniors and 1 market rate manager's unit ("Project").

3. LOAN AMOUNT: The City of Coalinga ("Lender") will provide a loan to Borrower in the amount of \$382,016, which is the total of all City of Coalinga development impact fees ("Fee Deferral Loan").
4. INTEREST RATE: The outstanding principal balance of the Fee Deferral Loan shall bear no interest (0%) from disbursement through and including the construction loan closing until the earlier of (i) the permanent loan conversion or (ii) the third (3rd) anniversary of the Project's construction loan closing; thereafter, the outstanding principal balance of the Loan shall bear interest at a simple rate not to exceed three percent (3%) per year, with the Executive Director of the Lender authorized to set the rate, prior to the construction loan closing, from 0% to 3%, as reasonably necessary to make the Project financially feasible.
5. MATURITY DATE: The Fee Deferral Loan shall mature fifty-five (55) years from the date the Certificate of Occupancy or its equivalent is issued by the City of Coalinga; provided, however that the Fee Deferral Loan is due and payable upon refinancing of the Project upon the expiration of the tax credit loan.
6. USES OF LOAN PROCEEDS: The Loan proceeds will used to finance a portion of the predevelopment, development, and construction costs of the Project. Construction costs will include the cost of all fees necessary for the issuance of building permits, notwithstanding the fact that the Loan proceeds shall be disbursed so that the building permits can be issued prior to the Project's construction loan closing.
7. REPAYMENT LIMITED TO RESIDUAL RECEIPTS: Annual installments to repay the Fee Deferral Loan are limited to 20% of Residual Receipts generated by the

Project. Lenders' Share of the Residual Receipts will be used to repay the Fee Deferral Loan on a prorata basis based on the respective loan amount.

The definition of Residual Receipts is still subject to negotiation and will need to be narrowly defined to ensure that there will be cash flow to repay the Loan. This should be substantially similar to what the affordable housing industry uses, which has been pretty well standardized.

8. SECURITY: The Fee Deferral Loan will be secured by a Deed of Trust naming the Lender as the beneficiary. In the event any Loan proceeds are disbursed prior to the recording of the Deed of Trust, the Loan shall be secured by an Assignment of Agreements, Plans and Specifications.
9. NONRECOURSE: Repayment of principal and interest will be nonrecourse to the Borrower and its partners; recourse shall be limited to the property and any other security (such as the plans, specifications and other Project-related documents) given by Borrower. The loan documents will include the standard nonrecourse provision.
10. SUBORDINATION: Lender will agree to subordinate Deed of Trust and Regulatory Agreement shall be subordinate to all construction lender and Tax Credit lender permanent deeds of trust and senior loan regulatory agreements. The Lender will agree to enter into an inter-creditor agreement with any other subordinate lenders to ensure parity of distribution of Residual Receipts.

IMPACT FEE DEFERRAL

- AMG is requesting a deferral of the City of Coalinga Development Impact Fees. Deferred fees are highlighted in the table below. Total fee deferral would be **\$382,016**.
- Fee deferral will help assist with the financing and development of a 32 unit income-restricted senior apartment project.
- Proposed terms are on the attached Term Sheet.

| TYPE OF FEES TO BE PAID | AMOUNT OF FEE |
|--|------------------|
| Community Development Fees | \$ |
| Drainage Facilities | \$18,400 |
| Facilities Assessment | \$ |
| Fire Facilities | \$15,648 |
| General Facilities | \$10,528 |
| Governmental/Environmental | \$ |
| Law Enforcement Facilities | \$15,520 |
| Library Facilities | \$ |
| Parks & Recreation | \$37,664 |
| Public Facilities | \$ |
| Schools | \$11,254 |
| Streets & Signals | \$33,888 |
| Traffic Fees | \$ |
| Waste Water Collection | \$ |
| Waste Water Treatment | \$182,816 |
| Water Facilities | \$67,552 |
| Other (specify): Transportation | \$19,392 |
| Other (specify): County Parks Fee | \$29,952 |
| Other (specify): | \$ |
| Other (specify): | \$ |
| Other (specify): | \$ |
| Total Local Development Impact Fees | \$442,614 |

RESOLUTION NO. 3754

A RESOLUTION OF THE CITY OF COALINGA CITY COUNCIL AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM AND IF SELECTED, THE EXECUTION OF A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIPS PROGRAM

WHEREAS, The California Department of Housing and Community Development (the “Department”) is authorized to allocate HOME Investment Partnerships Program (“HOME”) funds made available from the U.S. Department of Housing and Urban Development (“HUD”). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200.

WHEREAS, On December 6, 2016 the Department issued a 2016 Notice of Funding Availability announcing the availability of funds under the HOME program (the “NOFA”).

WHEREAS, In response to the 2016 NOFA, The City of Coalinga, a municipal corporation (the “Applicant”), wishes to apply to the Department for, and receive an allocation of, HOME funds.

IT IS NOW THEREFORE RESOLVED THAT: In response to the 2016 NOFA, the Applicant shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed \$4.6 Million and 00/100 Dollars (\$4,600,000.00) for the following activities and/or programs:

New Construction of a 32-unit affordable Senior Apartment Project to be located in Coalinga, CA.

If the application for funding is approved, then the Applicant hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statutes and regulations cited above. The Applicant may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents).

The applicant authorizes the City Manager or his/her designee(s) to execute, in the name of the applicant, the required documents.

PASSED AND ADOPTED, by the City of Coalinga City Council at a regularly scheduled meeting held on the 19th day of January 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

City of Coalinga Mayor

ATTEST:

City Clerk/Deputy City Clerk

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Discussion, Direction and Potential Action regarding Regulations and Location for Single Marijuana Dispensary
Meeting Date: Thursday, January 19, 2017
From: Marissa Trejo, City Manager
Prepared by: Marissa Trejo, City Manager

I. RECOMMENDATION:

There is no staff recommendation. The intent of this item is to open discussion regarding regulations and location for a single marijuana dispensary, allow Council to direct staff regarding these matters, and potentially make a decision regarding location.

II. BACKGROUND:

III. DISCUSSION:

IV. ALTERNATIVES:

V. FISCAL IMPACT:

ATTACHMENTS:

File Name

Description

No Attachments Available