

Visalia City Council Agenda

For the regular meeting of: TUESDAY, September 8, 2009

Location: City Hall Council Chambers, 707 W. Acequia, Visalia CA 93291

Mayor: Jesus J. Gamboa
Vice Mayor: Bob Link
Council Member: Greg Collins
Council Member: Donald K. Landers
Council Member: Amy Shuklian

All items listed under the Consent Calendar are considered to be routine and will be enacted by one motion. If anyone desires discussion on any item on the Consent Calendar, please contact the City Clerk who will then request that Council make the item part of the regular agenda.

WORK SESSION AND ACTION ITEMS (as described)

4:00 p.m.

Public Comment on Work Session and Closed Session Items -

- 4:00 p.m. 1. Presentation of the Visalia Economic Development Corporation (VEDC) annual report for FY 2008-09 by Phil Mirwald, Chair of the VEDC Board.
- 4:15 p.m. 2. Review of the draft 2008/2009 Consolidated Annual Performance Evaluation Report (CAPER); and review the 1st Amendment to the 2008/09 Action Plan and the 3rd Amendment to the 2007-08 Action Plan reprogramming CDBG funds, prior to the Public Hearing scheduled on September 21, 2009.
- 4:45 p.m. 3. Review of Provost & Pritchard's recommendations concerning reuse of the Water Conservation Plant effluent, and authorization to begin negotiating the framework of a water exchange agreement with Tulare Irrigation District.

The time listed for each work session item is an estimate of the time the Council will address that portion of the agenda. Members of the public should be aware that the estimated times may vary. Any items not completed prior to Closed Session may be continued to the evening session at the discretion of the Council.

ITEMS OF INTEREST

CLOSED SESSION

6:00 p.m. (Or, immediately following Work Session)

4. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9) - one potential case
5. Conference with Legal Counsel - Existing Litigation (Subdivision (a) of GC Section 54956.9)
Name of case: City of Visalia vs. Maksy (TCSC 08-229559)

6. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one potential case
7. Conference With Real Property Negotiators (G.C.§54956.8)
Property: APN #'s 078-110-006 and 078-110-021 (14 acres on east Riverway and Highway 63)
Under Negotiations: Price, terms and conditions of purchase
Negotiating Parties for City: Steve Salomon, Vince Elizondo, Paul Shepard
Negotiating Parties for Seller: Tom and Linda Stasio
8. Conference With Real Property Negotiators (G.C.§54956.8)
Property: APN #'s 094-190-005, 1134 E. Center St.
Under Negotiations: Price, terms and conditions of purchase
Negotiating Parties for City: Steve Salomon, Vince Elizondo, Ricardo Noguera, and Paul Shepard
Negotiating Parties for Seller: Viking Ready Mix Company, Inc.

REGULAR SESSION

7:00 p.m.

PLEDGE OF ALLEGIANCE

INVOCATION – Pastor Ron Story, Parkside Chapel

SPECIAL PRESENTATIONS/RECOGNITION

CITIZENS REQUESTS - This is the time for members of the public to comment on any matter within the jurisdiction of the Visalia City Council. This is also the public's opportunity to request that a Consent Calendar item be removed from that section and made a regular agenda item for discussion purposes. Comments related to Regular or Public Hearing Items listed on this agenda will be heard at the time the item is discussed or at the time the Public Hearing is opened for comment. The Council Members ask that you keep your comments brief and positive. Creative criticism, presented with appropriate courtesy, is welcome. The Council cannot legally discuss or take official action on citizen request items that are introduced tonight. In fairness to all who wish to speak tonight, each speaker from the public will be allowed three minutes (speaker timing lights mounted on the lectern will notify you with a flashing red light when your time has expired). Please begin your comments by stating and spelling your name and providing your street name and city.

9. INFORMATION ITEMS – (No action required)
 - a) Receive Planning Commission Action Agenda for the meeting of August 24, 2009.

CHANGES TO THE AGENDA/ITEMS TO BE PULLED FOR DISCUSSION

10. CONSENT CALENDAR - Consent Calendar items are considered routine and will be enacted by a single vote of the Council with no discussion. For a Consent Calendar item to be discussed, or voted upon individually, it must be removed at the request of the Council.
 - a) Authorization to read ordinances by title only.

- b) Authorization to award RFB # 08-09-53, Primary Clarifier No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$361,500
- c) Authorization to submit two grant applications in the amount of \$650,000 to the California Department of Transportation to fund the Regional Transit Call Center for two additional years. **Resolutions 2009-36 and 2009-37 required.**
- d) Second reading and adoption of Ordinance 2009-05 amending the Abandoned Vehicle Ordinance (Chapter 32 of Title 10 of the Municipal Code). **Ordinance 2009-05 required.**
- e) Replacement of a representative of the Historic Preservation Advisory Committee to the General Plan Update Review Committee.
- f) Authorization to enter into a five year lease for priority parking in the public parking lot at the southeast corner of Giddings and Center Streets with McCormick, Kabot, Jenner & Lew Law Firm.
- g) Authorization to file a Notice of Completion for Parcel Map 2008-03, located at the northeast corner of Neeley Street and Crowley Avenue.
- h) Authorize Engineering Staff to apply for Highway Safety Improvement Program (HSIP) 2009/2010 grant.
- i) Authorization to submit an application to the Department of Housing & Community Development (HCD) requesting an interest-free loan in an amount not to exceed \$7 million dollars to purchase, rehabilitate and manage foreclosed multi-family housing. **Resolution 2009-38 required.**
- j) Authorize the City Manager to approve a payment request for the amount of \$765,109.27 per "Riverwood Units #1" Subdivision Reimbursement agreement for Improvements made to a City Arterial Street "McAuliff", Mill Creek Riparian Setback and Storm Drain Master plan facilities; and authorize the City Manager to establish a 20-year General Fund Loan for the amount of \$237,453 to reimburse the developer for "pocket park" improvements. The project's developer is Centex Homes.
- k) Request to expand the required public noticing, pursuant to VMC section 5.66.100.C (Medical Marijuana Dispensaries) for an appeal of the City Planner's denial of a Medical Marijuana Business Permit at 1101 E. Center Avenue.

11. **PUBLIC HEARING :**

- a) Adoption of Mitigated Negative Declaration No. 2008-64 for General Plan Amendment No. 2008-02 and Change of Zone No. 2008-03. **Resolution 2009- 39 required.**
- b) General Plan Amendment No. 2008-02: A request by Paul Ridenour and Greg Nunley to amend the General Plan land use designations from RLD (Low Density Residential) and RHD (High Density Residential) to CSO (Shopping / Office Commercial), PAO (Professional/ Administrative Office), and RHD (Residential High Density) on 19.93 acres. The site is located generally on the southwest corner of Demaree St. and Houston Ave. APNs: 077-660-001,-002,-003,-018; 077-090-012,-015,-016 and -017. **Resolution 2009-40 required.**

c) Change of Zone No. 2008-03: A request by Paul Ridenour and Greg Nunley to change the zoning designations from R-1-6 (Single-Family Residence, 6,000 sq. ft. minimum lot size) and R-M-3 (Multi-family Residential; 1,500 sq. ft. minimum site area per unit) to P-C-SO (Planned Shopping/ Office Commercial), P-PA (Planned Professional/ Administrative Office), and R-M-3 (Multi-family residential zone, 1,500 sq. ft. minimum site area per unit) on 19.93 acres. The site is located generally on the southwest corner of Demaree St. and Houston Ave. APNs: 077-660-001,-002,-003,-018; 077-090-012,-015,-016 and -017. **Introduction of Ordinance 2009- 06 required.**

12. Authorization to award the Operations & Maintenance contract for Visalia Transit to MV Transportation, Inc. of Fairfield, CA for the term from October 1, 2009 to September 30, 2012 for \$14,261,523 with two three-year options, and authorize the City Manager to execute the necessary documents.

Convene jointly as the Redevelopment Agency and the Visalia City Council

13. RDA CONSENT CALENDAR

- a. Authorize the Executive Director of the Redevelopment Agency Board to approve a loan to Kaweah Management Company in an amount not to exceed \$480,000 for the acquisition, rehabilitation and rental of six (6) units (3 units in each in of two buildings) located at 632, 634, 636, 640, 642 and 644 Kaweah Avenue.

14. Budget Update and appropriate actions for FY 2009/10.

Adjourn as the Redevelopment Agency and the Visalia City Council and remain seated as the Visalia City Council.

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

REPORT OF CLOSED SESSION MATTERS FINALIZED BETWEEN COUNCIL MEETINGS

Upcoming Council Meetings

- Monday, September 21, 2009, 4:00 p.m. Work Session; Regular Meeting 7:00 p.m., Council Chambers 707 W. Acequia
- Tuesday, September 29, 2009; 4:00 p.m. Joint Meeting Visalia City Council and Visalia Planning Commission, Convention Center, 303 E. Acequia.
- Monday, October 5, 2009, 4:00 p.m. Work Session; Regular Meeting 7:00 p.m., Council Chambers 707 W. Acequia

Note: Meeting dates/times are subject to change, check posted agenda for correct details.

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing-Impaired - Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

Any written materials relating to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the Office of the City Clerk, 425 E. Oak Street, Visalia, CA 93291, during normal business hours.



Visalia Economic Development Corporation

REPORT TO THE CITY OF VISALIA Fiscal Year 2008-2009

FUNDING MATCH AND ACCOMPLISHMENTS

Member	Dues paid
Cal Bennett's	\$1,000
VF Corporation	\$2,500
The Gas Company	\$1,000
Zeeb Commercial Real Estate	\$500
MSJ Partners	\$500
Citizens Business Bank	\$500
Fox Theatre/Gary Walterscheid	\$500
Seals/Biehle General Contractors	\$2,500
Protection One Services	\$500
Infinite Hospitality	\$500
Kaweah Delta Health Care District	\$1,500
CM Construction Services	\$500
Visalia Community Bank	\$1,000
Buckman-Mitchell Insurance	\$1,000
Mangano Homes	\$500
Valley Business Bank	\$1,000
BJ Perch Construction	\$500
Grubb & Ellis Pearson Realty	\$500
County of Tulare	\$500
Diversified Development Group	\$1,000
The Lockwood Agency	\$500
California Water Services	\$1,000
Kawneer Company	\$1,500
Volt Services	\$500
San Joaquin Valley College	\$1,500
Visalia Times Delta	\$1,500
Paloma Development	\$500
Mangano Co.	\$4,000
Service Spring Corp.	\$500
Southern Cal. Edison	\$1,500
Jordan-Link	\$1,000
The Allen Group	\$500
Burr Commercial Real Estate	\$500
Whitlatch Realty	\$500

Member	Dues paid
Central Cal. Cartage Co.	\$500
Kaweah River Rock	\$1,000
McMillin Homes	\$1,000
Lane Engineers	\$1,000
Groppetti Automotive	\$2,500
Sunset Waste Paper	\$500
Forcum/Mackey Construction	\$1,000
Hyde Commercial Real Estate	\$500
Southern California Gas	\$2,000
MEMBERSHIP TOTAL	\$43,500

VEDC ACCOMPLISHMENTS

- Through the Industrial Roundtable, linked Josten's, which was preparing for seasonal layoffs, with VF Corporation, which was preparing for seasonal hiring. VF hired 10 Josten's employees who would have been unemployed.
- Worked closely with City staff and community organizations to develop a mutually acceptable formula for determining Developer Impact Fees.
- Worked with Tulare County EDC and City staff to provide information as needed for prospective new employers. Contacts included an ag co-operative; a carton manufacturer; an auto parts distributor; a trailer manufacturer; a food safety product manufacturer; and an ag chemical processor.
- Fostered ongoing communication with the Visalia Industrial Park through the Industrial Roundtable monthly meetings and through one-on-one visits with businesses.
- Continued and expanded upon efforts to more effectively link the education and business communities through VPIE (Visalia Partners in Education), including:
 - * Community Health Task Force (see below)
 - * Industry-specific field trips working with VUSD, with in-service days and tours of businesses, and development of an internship-job shadowing program with Groppetti Automotive

• Community Health Task Force

During the 2008-2009 fiscal year, the Community Health Task Force interacted with new physicians considering Visalia. There were 40 visits with prospects in the past year, and 13 physicians were recruited to set up their private practices in Visalia, with staff to be hired.

The Health Task Force introduces physicians and their families to the schools and to business people in the community and they meet one-on-one with community leaders and are assigned a mentor. A social was held at the home of Dr. Aditya Verma for all the new physicians and their mentors as well as the physicians in the community. Supporting the

event were the VEDC, the Chamber, VEDC and the Tulare County Medical Society Board. City dignitaries and hospital dignitaries were also among the 75 people in attendance.

Doc Band was held in April. 65 students, 15 from each high school, were invited to talk with 20 different medical professionals from the community. These students were chosen for their high grades and interest in pursuing a career in some aspect of medicine. These students are then tracked as they attend college and then move on in life. The school district is doing this tracking. This project is funded and supported by the Tulare County Office of Education, Kaweah Delta, Visalia Unified School District and the VEDC.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 08, 2009

Agenda Item Number (Assigned by City Clerk): 2

Agenda Item Wording: Review of the Draft 2008-2009 Program Year Consolidated Annual Performance and Evaluation Report (CAPER); and Review 1st Amendment to the 2008/09 Action Plan and 3rd Amendment to the 07/08 Action Plan, reprogramming CDBG funds, prior to the Public Hearing before City Council on September 21, 2009;

Deadline for Action: September 21, 2009

Submitting Department: Housing and Economic Development

Contact Name and Phone Number: Ricardo Noguera (4190);
Nancy Renovato (4462)

Department Recommendation:

1) That City Council reviews the Draft 08/09 CAPER and provides direction as appropriate. Action is not required for this meeting. The final CAPER and Amendments will be presented on September 21, 2009 as part of a Public Hearing.

2) Due to a significant lower budget from previously anticipated for installation of new lamps in the Washington School neighborhood, staff is requesting to re-direct the remaining funds to support improvements to Jefferson Park which is in the same neighborhood. The recommendation would re-direct \$50,000 from the 2008/2009 Action Plan and \$13,000 from the 2007/2008 Action Plan.

Summary/background:

1) CAPER 2008/2009 (DRAFT)

HUD Requirements:

The Consolidated Annual Performance Evaluation Report (CAPER) was prepared for the by the Housing and Economic Development Department in compliance with the U.S. Department of Housing and Urban Development (HUD) requirements. The CAPER is a federally mandated document that evaluates the City's overall progress and performance in meeting the priority activities identified in its Consolidated Plan. The document is a tool used by HUD and the City to

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For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):15

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

evaluate accomplishments and actions taken during the previous program year. This CAPER assesses the City of Visalia's fourth year of progress for the Consolidated Plan years 2005-2010 in completing activities identified in the 2008/2009 Action Plan for the period beginning July 1, 2008 through June 30, 2009, as well as any activities that were continued from prior program years.

National Objectives and Outcomes

The primary objective of the City's projects and programs is to develop viable communities through the provision of decent and affordable housing and a suitable living environment and expanding economic opportunities, principally for person of low and moderate income. To clearly identify Visalia's housing and community needs, the City will adhere to meeting HUD's three National Objectives; Provide Decent Affordable Housing, Provide a Suitable Living Environment and Create Economic Opportunities. The Outcomes of these Objectives are to improve availability or accessibility, Improve Affordability, and Improve Sustainability by promoting viable communities. [Attachment "A", Objectives and Outcomes of CDBG & HOME Funding Allocation](#)

Over the course of Fiscal Year 2008-2009, the Housing and Economic Development Department made great strides towards developing and expanding home ownership and housing opportunities.

Affordable Housing

- **Encina Project** – The Encina Project was approved by the City's Redevelopment Agency to assist with the acquisition and rehabilitation of a triplex in the Downtown, Historic area. Kaweah Management Company (KMC), a 501 (c) (3) nonprofit housing corporation acquired the triplex in a cooperative effort with the Central Valley Regional Center (CVRC). The rehabilitation of the units will be structured and utilized as "supportive housing" for persons with developmental disabilities. The design provides space, special features and equipment specific to their lifestyle and interests, minimizing risk of injuries. The project is a unique opportunity to develop a model program that can be replicated elsewhere. The complete renovation of the Encina Triplex project is progressing well and is approximately 60% completed. It is anticipated that the project will be finished by September 30, 2009, and tenants will be established before the end of October.
- **Paradise and Court Project** - The City of Visalia in partnership with Tulare County Housing Authority and non-profit partner; Kaweah Management Company are addressing the needs of the community through rehabilitation and construction of new affordable housing units. The City provided \$500,000 in HOME CHDO funds and \$500,000 in Redevelopment Low Mod funds to assist with the rehabilitation of eleven (11) units and construction of nine (9) units at the northeast corner of Paradise and Court Street.
- **Sierra Meadows Project** - The City of Visalia recognizes the need for all types of housing. Since 2004, the City has been working with Christian Church Homes to finance and develop



42 units of senior housing. The City played an instrumental role in the grant application process, which awarded the project a total of \$5,694,000 for construction as well as contributing \$2.5 million dollars in HOME funds toward land acquisition and pre-development activities. Christian Church Homes of Northern California, developer of the project originally planned on utilizing both the Low-Income Housing Tax Credit program and bond financing to raise the remaining funds needed to complete the project; however, due to the economic downturn was unsuccessful in landing housing tax credits. On April 20, 2009, the Council adopted and amended the 2006/2007 & 2008/2009 Action Plan budgets to redirect a total of \$300,000 to Sierra Meadows to address a project shortfall. It is anticipated that the project will start construction in early Fall of 2009.



- **Neighborhood Stabilization Program (NSP)** – On November 3, 2008, the City Council adopted the Substantial Action Plan Amendment, with the use of \$2.38 million dollars in Neighborhood Stabilization Program (NSP) funds as a special Community Development Block Grant (CDBG) allocation to address the foreclosure crisis. Under the NSP, the City will purchase and rehabilitate foreclosed properties and re-sell them to families with incomes ranging between 50 and 120 percent of the Area Median Income (AMI) and sell to homebuyers earning less than 50% AMI with the use of 25% of the NSP funds. In 2008/2009, the City purchased a total of 4 foreclosed homes for a total of \$360,066 including rehabilitation costs.



620 E. Harold Avenue – This house built in 1981, was purchased on May 1, 2009. The house is located in the NE section of Visalia and has approximately 1,238 sq. feet. Total acquisition including rehab \$83,865.10.



1829 W. Perez Avenue – This house was purchased on June 4, 2009. The house built in 1978, is located in the NW section of Visalia and has approximately 1,209 sq. feet. Total acquisition including rehab \$87,089.72.



2946 N. Willis Court – This two story house located in the NE section of Visalia was purchased on June 4, 2009. The house has 1,584 sq. feet, 5 bedrooms and 2 baths. Total acquisition including rehab \$98,631.05.



1932 W. Vine Avenue - The City purchased this home on June 12, 2009. The house built in 1977, is located in the NW section of Visalia and has approximately 1,238 sq. feet. Total acquisition including rehab \$93,390.29.

First Time Homebuyer Program:

- The First Time Homebuyer Programs, both HOME and CalHome have been successful. The HOME funded FTHB program assisted 6 families in the amount of \$136,448 and the CalHome funded FTHB assisted 10 families in the amount of \$379,877. Currently, the remainder of the CalHome funds have been frozen by the State due to the budget crisis; however, once funding resumes it is anticipated that the City will be able to assist approximately five more families to achieve the American Dream of homeownership. The FTHB programs are administered by Community Services Employment Training (CSET) who also provides home counseling to homebuyers.

Habitat for Humanity:

- The City continues to provide Redevelopment Low-Mod funds to Habitat for financial assistance in purchasing property. Habitat for Humanity then identifies a qualified family and provides an opportunity for homeownership by building homes with charitable community donations homeowner sweat equity. In 2008/2009, Habitat has completed 3 of the four units in the Summers Development Project. Habitat has also purchased three (3) foreclosed homes and rehabilitated them with the Redevelopment low/mod funds.



Economic Development:

In 2007, the City completed construction of the West Acequia Parking Structure which included a total of 690 parking spaces. The total cost of the parking structure was \$16.6 million dollars. The City utilized approximately \$2 million dollars in CDBG funds as part of the \$4.2 million dollar Section 108 Loan with HUD. The intent for constructing the parking garage is to serve as a catalyst for new development and expansion of businesses which in turn will create more jobs. On May 1, 2009, Kaweah Delta District Hospital, the largest downtown employer hosted its Grand Opening in honor of its North Wing Expansion. It is anticipated that several jobs will be created due to the expansion. City staff is coordinating efforts with hospital administration to survey and assess new jobs created. Staff will continue to monitor job creation on an annual basis.

Senior and Other Housing Assistance:

- Mobile Home Senior Home Repair (SHARP) – This program, administered by Self-Help Enterprises allows extremely low and low-income senior citizens to make minor repairs to their mobile home. In fiscal year 08/09, the City allocated a total of \$70,000 and \$60,000 that were re-directed from 07/08 administration funds through an Action Plan amendment for a total of \$130,000. In 08/09, the City assisted a total of 21 mobile homes for a total of \$126,437.
- Senior Home Repair Minor Repairs – This program, administered by Community Services and Employment Training (CSET) assists senior citizens by addressing minor

repairs to their home. In fiscal year 08/09, the City of Visalia allocated a total of \$91,000 and has expended \$79,836 to address 623 repairs.

Neighborhood Preservation

- **Code Enforcement** - The Neighborhood Preservation Division is responsible for the management of the Code Enforcement Program. The primary emphasis of the program is on Life Safety and non compliance code issues. Considerable efforts are focused on Health and Safety Code enforcement as it primarily relates to Housing standards. Some of the common violations include: substandard housing, unsafe structures, abandoned properties, contaminated and/ or unsecured swimming pools, construction without permits, and unlicensed vendors. In fiscal year 08/09, the City allocated a total of \$70,000 in CDBG funds and expended a total of \$63,325 to address 356 cases within CDBG target areas.

Public Improvements

- **ADA Compliance** - The City of Visalia has always been at the forefront of working to improve access for persons with disabilities. The City in partnership with the Disability Advocacy Committee will continue to support the disabled community by providing ADA compliant ramps and warning detection panels for the blind throughout the downtown area and the City’s CDBG target areas. In fiscal year 08/09, the City allocated a total of \$40,000 and redirected an additional \$10,000 from the 07/08 Action Plan for a total of \$50,000. In 2008/2009, the City’s ADA Compliance program provided 18 curb cuts and expended a total of \$46,781.

Table I Expenditures 2008-2009

This table identifies the HOME and CDBG Funds for the program year as they relate to meeting the National Objectives. Additional detailed data is provided and attached as Attachment “C: CAPER Expenditures”.

Table I

HOME fund expenditures were as follows:

- Affordable Housing: \$1,456,943

CDBG fund expenditures were as follows:

- Neighborhood Preservation \$123,730
- Public Improvements: \$58,139
- Economic Development/Public Parking Facility: \$190,515
- Public Parks/Public Facility: \$124,277
- Special Needs Services: \$179,284

Totals: \$2,132,888

Table II, HUD Housing Program Goal Achievement
2008-2009 Action Year Goals and Accomplishments

Table II

HUD Housing Program Goal Achievement

Program Unit/Services Goal	Unit Goal	Unit Completed	% of Goal
Code Enforcement (Provides code enforcement for the abatement of housing and building code violations in CDBG Target Areas.)	120	356	297
Fair Housing (Provides referral information and assistance to those complaining about possible housing discrimination.)	100	109	109
First Time Homebuyers (Provides 3% loans up to \$40,000 to low to moderate income individuals for home ownership.)	14	6	43
Senior Home Minor Repair Program (Provides minor home repairs to seniors)	600	623	104
**Senior Handicapped Assistance Repair Program (Provides grants of up to \$5,000 to low and extremely low income individuals to repair mobile homes.)	14	21	150
**Emergency Repair and Basic Need's (Provides home repair loans up to \$10,000 to mitigate health and safety problems.)	10	1	10
**Housing Rehabilitation Program (Provides 2% loans up to \$60,000 to rehabilitate homes of low to moderate income individuals.)	3	1	33

Although most of the programs and services exceeded expectations, some programs fell short of the desired goal. Notwithstanding the nationwide housing meltdown impacting all sectors of the economy, particularly the housing market, the City continues to strive and jump over these hurdles by making programs more attainable to families in need. City staff evaluated and made enhancements and revisions to the following programs over the course of the year.

1. **HOME Funded, Housing Rehabilitation Program (HRP)**, beginning with the 2009/10 funding and upon approval, revisions to legal documents and program guidelines the following:
 - a. Reduce the interest rate from 2% to 0%; and
 - b. Change payment schedule (monthly) to a deferred loan for thirty (30) years, repayment due upon transfer of title, refinance or sale of property; and
 - c. Change underwriting criteria, eliminating debt to income ratios; this is not necessary since the loan is deferred; and
 - d. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
 - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs.
2. **CDBG funded, Emergency Repair and Basic Needs Program (ERBN)**, beginning immediately upon approval, revisions to legal documents and program guidelines, including previous year funding the following:

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- a. Reduce the interest rate from 2% to 0%; and
 - b. Change underwriting criteria, eliminating debt to income ratios; and
 - c. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
 - d. Continue policy, if the home is refinanced, sold or a transfer of title occurs, the loan is due and payable; and
 - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs; and
 - f. Expedite delivery or disbursement of funds
3. **CDBG funded, Senior Handicap and Repair Program (SHARP)**, beginning immediately upon approval, revisions to legal documents and program guidelines the following:
- a. Rename program: Mobile Home Senior Handicap and Repair Program; to clarify the eligible participants; and
 - b. Continue City's procurement practice to solicit a minimum of three (3) contractor bids for the scope of work; and
 - c. If relocation is necessary, a maximum of \$1,000 per unit; and
 - d. If costs exceed the program maximum grant of \$5,000, may be considered on a case-by-case basis if the property warrants such improvements.

2.) Action Plan Amendments

Action Plan Third Amendment Fiscal Year 2007/2008:

On July 14 2008, Council approved a First Amendment to the 2007/2008 Action Plan to redirect \$25,000 from Administration funds to the Washington School Area for lighting improvements. The funding was reprogrammed to focus on increasing lighting in the neighborhood.

Proposed Re-allocation

Washington School Area (CDBG- \$13,000): Thus far, the City has installed a total of 47 new lamps throughout the Washington School neighborhood totaling approximately \$12,000. Staff is recommending that the remaining funds re-directed and utilized to address improvements to Jefferson Park.

Action Plan First Amendment Fiscal Year 2008/2009:

On April 21, 2008, Visalia City Council adopted and approved the 2008/2009 Action Plan and allocated a total of \$50,000 to the Washington School Area to complete lighting improvements in the Park.

Proposed Re-allocation:

Washington School Area (CDBG- \$50,000): Thus far, City Staff has focused on addressing: lighting, traffic, and graffiti removal. Traffic safety has also improved the area through installation of a 4-way stop sign and re-stripped crosswalks near Washington School. The allocation of \$50,000 remains unexpended and staff would like to redirect and utilize these funds for improvements to Jefferson Park, located within the Washington School Area.

Proposed Increases

Jefferson Park Improvements (CDBG-\$63,000): Staff is recommending that \$63,000 be re-directed to assist with improvements needed at Jefferson Park. The park is located at 700 S. Watson bounded by Watson/Myrtle/Encina and Cypress within the CDBG targeted area.

Jefferson Park Reconstruction: This infrastructure project achieves long term public benefit, improves the quality of life and improves the quality of the neighborhood facility for low income persons. The project involves a number of safety related issues which includes reconstruction/replacement of the existing 35 year old backstop, dugouts, and the foul line fencing in addition to lighting at the Jefferson Park basketball courts.

Prior Council/Board Actions: Adoption of the 2005/10 Consolidated Plan and adoption of the 2007-2008 Action Plan (May 07, 2008) and 1st & 2nd amendments (July 14, 2008 and September 15, 2008) and Action Plan 2008/2009 (April 21, 2008) and Neighborhood Stabilization Program (November 3, 2008)

Committee/Commission Review and Actions:

Alternatives: None recommended.

Attachments:

Attachment "A", Objectives and Outcomes of CDBG & HOME Funding Allocation

Attachment "B", Summary of 2008/2009 Action Plan

Attachment "C", CAPER Expenditures 2008/2009

Attachment "D", Distribution of Project Expenditures for CDBG, HOME and Redevelopment Low/Moderate Funds

Attachment "E", Jefferson Park Aerial

Appendix "A" **DRAFT** 2008-2009 Program Year Consolidated Annual Performance and Evaluation Report (CAPER).

Recommended Motion (and Alternative Motions if expected): No action is necessary. The final CAPER and Second Amendment will be brought back to Council at the September 21, 2009 meeting. Staff seeks Council direction as appropriate.

Environmental Assessment Status

CEQA Review: N/A

NEPA Review: N/A

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:



Fourth Program Year CAPER 2008/2009

The CPMP Fourth Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

This module is optional but encouraged. If you choose to complete it, provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the first year.

The Consolidated Annual Performance Evaluation Report (CAPER) was prepared for the City of Visalia by the Housing and Economic Development Department in compliance with the U.S. Department of Housing and Urban Development (HUD) requirements. The CAPER is a federally mandated document that evaluates the City's overall progress and performance in meeting the priority activities identified in its Consolidated Plan. The document is a tool used by HUD and the City to evaluate accomplishments and actions taken during the previous program year. This CAPER assesses the City of Visalia's fourth year of progress for the Consolidated Plan years 2005-2010 in completing activities identified in the 2008/2009 Action Plan for the period beginning July 1, 2008 through June 30, 2009, as well as any activities that were continued from prior program years.



Summary of the Consolidated Plan Process

The City of Visalia is the recipient of federal Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds from the United States Department of Housing and Urban Development (HUD). HUD annually provides these funds to the City to provide decent housing, provide a suitable living environment, and to expand economic opportunities benefiting low income persons and areas. As a recipient of these funds, the City is required to prepare a five year strategic plan called a Consolidated Plan. The Consolidated Plan identifies housing and community needs of

low income persons and areas within the City, prioritizes these needs, identifies resources to address needs, and establishes annual goals and objectives to meet the needs. As part of the Consolidated Plan process, the City is required to put together an Action Plan for each fiscal year of the Consolidated Plan. The Action Plan establishes goals to increase the availability of affordable housing and economic opportunities contained in the five-year Consolidated Plan. The Action Plan also identifies resources available within the community to meet Consolidated Plan goals; and describes a one-year plan and budget for the intended use of federal resources. At the end of the fiscal year, the City prepares a Consolidated Annual Performance and Evaluation Report (CAPER) that reports the City's progress in meeting overall five-year goals and priorities of the Consolidated Plan. Overall, the City of Visalia has done an excellent job in meeting the majority of its annual goals as identified in its Consolidated Plan.

Amendments

- On November 3, 2008, Visalia City Council adopted a Substantial Action Plan Amendment, in the use of \$2.38 million dollars in Neighborhood Stabilization Program (NSP) funds as a special Community Development Block Grant (CDBG) allocation to address the problem of abandoned and foreclosed homes.
- On April 20, 2009, Council adopted a 2nd Amendment to the 2006/2007 Action Plan and a 1st Amendment to the 2008/2009 Action Plan as follows:
 - Redirect \$30,000 of 2008/2009 CDBG Administration Funds for Consulting Services to prepare the 2010-2015 Consolidated Plan Strategic Plan, Market & Housing Analysis.
 - Redirect a total of \$300,000 in Home Investment Partnership Funds to Christian Church Homes of Northern California (CCH), to address program funding shortfalls for the "Sierra Meadows" Senior Housing Development since the developer was unsuccessful in landing housing tax credits due to the economic downturn. The \$300,000 was derived as follows: \$21,000 from 08/09 Program Income, \$60,000 from the 2006/2007 Housing Rehabilitation Program and \$218,790 from the 2008/2009 Housing Rehabilitation Program.
- On June 01, 2009, Council adopted a 3rd Substantial 08/09 Action Plan Amendment in the use of the Community Development Block Grant Recovery (CDBG-R) funds in the amount of \$322,067 as a special CDBG allocation to stimulate the economy through infrastructure, energy efficiency, expansion of education opportunities and access to health care.
- On July 13, 2009, Visalia City Council approved and adopted Alternative Requirements and Revisions applied by HUD to the use of Neighborhood Stabilization Program (NSP) funds.

- 1) Approved HUD’s authorization with Neighborhood Stabilization Program (NSP) funds to reduce the fifteen-percent (15%) purchase price below appraised market value discount to one-percent (1%); and
- 2) Authorized City Manager and/or Housing & Economic Development Director to implement HUD’s policies & procedural amendments without further Council review; and
- 3) Authorized City Manager and/or Housing & Economic Development Director to adjust program goals to maximize expenditure of NSP funds.

*More information on these Amendments is included within this report.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.

The City of Visalia strives to meet the goals of the community by increasing the availability of affordable housing and expanding economic opportunities for its residents. Notwithstanding the nationwide housing meltdown impacting all sectors of the economy, particularly the housing market, Visalia has had its share of challenges. City staff evaluated and proactively made enhancements and revisions to the City’s programs over the course of the year in the areas of: application process, qualifying guidelines, interest rates, and loan deferment.

This table offers a snapshot of the expenditures and units completed in Fiscal year 2008/2009.

Attachment " " CAPER Expenditures					
Consolidated Annual Performance and Evaluation Report Expenditures					
		CDBG	HOME	TOTAL	UNITS
SOURCES OF REVENUE:					
1	Beginning Balance	883,798	1,668,423	2,552,221	
2	Annual Grant Amount	1,185,800	491,716	1,677,516	
3	HOME matching funds - RDA Low/Mod			-	
4	Program Income	123,649	533,157	656,806	
6	TOTAL REVENUE	2,193,247	2,693,296	4,886,543	
7					
EXPENDITURES:					
9	Administration	200,445	49,172	249,617	
13	Subtotal Admin and Operating	200,445	49,172	249,617	
14					
15	Net for Programs and Projects	1,992,802	2,644,124	4,636,926	
16					
AFFORDABLE HOUSING:					
18	<u>Homeownership</u>				
19	Homebuyers Assistance Program (Contract w/CSET)		136,448	136,448	6
20	Property Acquisition (CHDO)		-	-	
21	Housing Rehabilitation (contract w/SHE)		97,806	97,806	1
22	<u>Neighborhood Preservation/ Services</u>				
23	Emergency Repairs and Basic Needs (contract w/SHE)	25,905		25,905	1
24	Code Enforcement- Target Areas	63,325		63,325	356
25	Fairhousing Hotline (contract w/TCHA)	34,500		34,500	109
26	Loan Recapture Program (CHDO)		-	-	
27	HOMELESSNESS				
28	<u>Special Needs Facilities</u>				
29	COMMUNITY DEVELOPMENT				
30	<u>Public Improvements</u>				
31	ADA Compliance Projects	46,781		46,781	18
32	Washington Residential Area Public Improvements	11,358		11,358	1
33	<u>Economic Development Public Parking Facilities</u>				
34	West Parking Structure Loan Payment (Section 108 Loan)	190,515		190,515	1
36	<u>Public Park /Public Facilities</u>				
37	Oval Park improvements			-	1
	Village Park	124,277			1
38	NON HOMELESS SPECIAL NEEDS HOUSING				
39	<u>Special Needs Services</u>				
40	Senior Home Minor Repairs (contract w/CSET)	79,836		79,836	623
41	Senior Repair and Handicapped Access (contract w/SHE)	99,448		99,448	17
	Paradise & Court Rehab		375,427		1
	Sierra Meadows Senior Housing		847,262		1
42					
43	Subtotal Programs & Projects	675,944	1,456,943	2,132,887	
44					
45	TOTAL EXPENDITURES	876,389	1,506,115	2,382,504	
46					
47	REVENUE LESS EXPENDITURES				
48	Remaining to Carry Forward	1,316,858	1,187,181	2,504,039	

- b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

Appendix _____			
Objectives and Outcomes			
CDBG and HOME Funding Allocation			
HOME Investment Partnership Funds (HOME) - Objective and expected Outcome	2008-2009 Expenditures	No. units/services or jobs created or completed	Priority
Affordable Housing- HOME Funds			
Objective 1: Provide Decent Affordable Housing			
1. Increase availability of affordable owner-occupied housing through (HAP)	\$ 136,448.00	6	H
2. Increase quality of owner-occupied housing through rehabilitation (HRP)	\$ 97,806.00	1	
3. Increase availability of affordable rental housing through acquisition, rehabilitation and partnership with CHDO & Non-Profit Agencies (Paradise & Court)	\$ 375,427.00	1	
Objective 2: Suitable Living Environment by Supporting Special Needs Services			
1. Increase availability of affordable rental housing through partnership with Christian Church Home:	\$ 847,262.00	1	
Total HOME Allocations			

Community Development Block Grant Funds (CDBG) -Objective and expected Outcome	2008-2009 Expenditures	No. units/services or jobs created or completed	Priority
Affordable Housing- CDBG Funds			
Objective 1: Suitable Living Environment through Neighborhood Preservation and Services			
1. Maintain quality housing by addressing substandard housing through (Code Enforcement Program)	\$ 63,325.00	356	H
2. Maintain quality of owner-occupied housing through rehabilitation of substandard housing (ERBN)	\$ 25,905.00	2	
3. Provide services for low-to -moderate income persons by providing (Fair Housing Education Program)	\$ 34,500.00	109	
Homelessness- CDBG Funds			
Objective 2: Suitable Living Environment by Supporting Special Needs Facilities			
Community Development- CDBG Funds			
Objective 3: Suitable Living Environment through Public Improvements			
1. Increase availability of handicapped access benefiting population with special needs (Streets AD/)	\$ 46,781.00	18	H
2. Improve quality and increase quality of public improvements that benefit low and moderate income	\$ 11,358.00	1	
Objective 4: Create Economic Development Opportunities and Community Development Opportunites (Parking Facilities)			
1. Demonstrate a commitment to long-term economic growth by promoting expansion and (job reter)	\$ 190,515.00	1	
Objective 5: Suitable Living Environment through Community Development Opportunites (Public Parks and Parking Facilities)			
1. Improve quality/increase availability of neighborhood facilities for low-income persons (Parks & R)	\$ 124,277.00	1	M
Objective 6: Suitable Living Environment through Community Development Opportunites (Public Services)			
1. Support non profit agencies with accessibility to public services			M
Non Homeless Special Needs Housing- CDBG Funds			
Objective 7: Suitable Living Environment by Supporting Special Needs Services			
1. Maintain quality of owner-occupied housing for elderly (Senior Home Repair Program)	\$ 79,836.00	623	H
2. Increase accessibility and range of housing options for person with special needs (SHARP)	\$ 99,448.00	21	
Total CDBG Allocations			

HOME Funded: Objective 1 and Accomplishments: Provide Decent Affordable Housing: The City of Visalia has always been pro-active and innovative on providing decent & affordable housing that benefits low and moderate income families and continues to support this through its affordable housing programs.

(Outcome Goal #1) Provide decent affordable housing by promoting homeownership opportunities for low-and moderate-income households earning less than 80 percent of the area median income.

- **First Time Homebuyer (FTHB) Program** – The City of Visalia continues to assist qualified First Time Homebuyers make their dream of homeownership a reality through the First Time Homebuyer Program. The program provides a qualified borrower a loan up to \$40,000 to assist with down payment assistance. The loan is provided as a second mortgage, at an interest rate of three-percent, deferred for five years. In Fiscal Year 08/09, the City allocated a total of \$575,000 to assist approximately 14 families. To date, the City has assisted and reserved/expended funds in the amount of \$136,448 to assist six families.



- **CalHome First Time Homebuyers Program (non federal funds)** – State CalHome funds in the amount of \$600,000 were awarded to the City in 2006. The CalHome FTHB program assists First Time Homebuyers with down payment assistance as a second mortgage up to \$38,000 at three percent interest. In Fiscal Year 08/09, the City assisted a total of 10 households in the amount of \$379,877. Currently, the remainder of the funds have been frozen by the State due to the budget crisis; however, once funding resumes it is anticipated that the City will be able to assist approximately five more families achieve the American Dream of homeownership.



- **Neighborhood Stabilization Program (NSP)** – On November 3, 2008, Council adopted the Substantial Action Plan Amendment, in the use of \$2.38 million dollars in Neighborhood Stabilization Program (NSP) funds as a special Community Development Block Grant (CDBG) allocation to address the foreclosure crisis. Under the NSP, the City will meet the CDBG National Objective by purchasing and rehabilitating foreclosed properties and re-selling them to families with incomes ranging between 50 and 120 percent of the Area Median Income (AMI) and sell to homebuyers earning less than 50% AMI with the use of 25% of the NSP funds. In 2008/2009, the City purchased a total of 4 foreclosed homes for a total of \$360,066 including rehabilitation costs. Seven more homes are expected to close escrow in the upcoming month.



1932 W. Vine Avenue - The City purchased this charming home on May 1, 2009. The house built in 1977, is located in the NW section of Visalia. The house is approximately 1,238 sq. feet, has 3 bedrooms and 1.75 bathrooms. Total acquisition including rehab \$93,390.29.



1829 W. Perez Avenue – This very well kept, clean and neat house was purchased on June 4, 2009. The house built in 1978, is located in the NW section of Visalia and has approximately 1,209 sq. feet, has 3 bedroom and 2 baths. Total acquisition including rehab \$87,089.72.



620 E. Harold Avenue – This house built in 1981, was purchased on May 1, 2009. The house is located in the NE section of Visalia and has approximately 1,238 sq. feet, with 3 bedrooms and 2 baths. Total acquisition including rehab \$83,865.10.



2946 N. Willis Court – This two story house located in the NE section of Visalia was purchased on June 4, 2009. The house has 1,584 sq. feet, 5 bedrooms and 2 baths. Total acquisition including rehab \$ 98,631.05.

Outcome Goal #2 - Provide decent affordable housing through rehabilitation of existing affordable housing units utilizing HOME Funds.

- **Housing Rehabilitation Program (HRP)** - This program, administered by Self-Help Enterprises, allows income qualified homeowners to make repairs that maintain and upgrade the quality of their home. The loan, formerly an amortized loan with two percent interest has been modified to be a deferred loan with no interest. The guideline was amended by City Council in April 2009, after staff evaluated the performance of the program. By changing the requirements of this program, it is anticipated that the Housing Rehabilitation Program will be able to assist more families in need as payments will not be due until the house is sold or refinanced. So far this year, the HRP program has assisted one family in the amount of \$60,000. A total of \$250,000 was allocated to the HRP in Action Plan year 09/10 and will be available in the early fall of 2009.



Outcome Goal #3 - Provide decent affordable housing by promoting homeownership financial opportunities through acquisition with Community Housing Development Organization (CHDO) funds, for low-and moderate-income households earning less than 80 percent of the area median family income.

- **Paradise and Court Project** - The City of Visalia in partnership with Tulare County Housing Authority and non-profit arm; Kaweah Management Company are addressing the needs of the community through rehabilitation and building of new affordable housing units. The City provided \$500,000 in HOME CHDO funds and \$500,000 in Redevelopment Low Mod funds to assist with the rehabilitation of eleven (11) units and construction of nine (9) units at the northeast corner of Paradise and Court Street.



Outcome Goal #4 - Provide decent affordable housing through acquisition, by increasing the supply to meet the demand from the large population of lower to poverty level income households.

- The City continues to provide Redevelopment Low-Mod funds to Habitat for financial assistance in purchasing property. Habitat for Humanity then identifies a qualified family and provides an opportunity for homeownership by building homes with charitable community donations homeowner



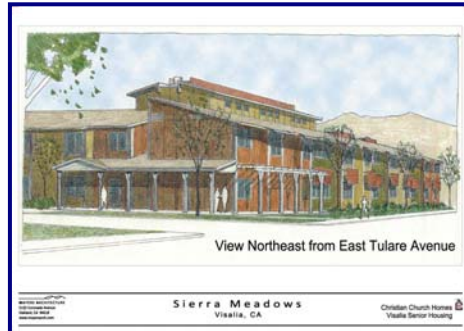
sweat equity. In 2008/2009 Habitat has completed 3 of the four units in the Summers Development Project.



HOME Funded: Objective 2 and Accomplishments: Increase availability of affordable rental housing through partnership with Christian Church Homes

(Outcome Goal #1) - To increase availability of decent affordable rental housing through partnerships with non-profit agencies.

- **Sierra Meadows Project** - The City of Visalia recognizes the need for all types of housing; however, one of the objectives of the Consolidated Plan identified “Special Needs Housing” as a high priority. Special Needs Housing expands the supply of affordable rental housing for the elderly. Since 2004, the City has been working with Christian Church Homes to finance and develop 42 units of senior housing along Tulare Avenue. The City played an instrumental role in the grant application process, which awarded the project a total of \$5, 694,000 for construction as well as contributing \$2.5 million dollars in HOME funds toward land acquisition and pre-development activities. The co-sponsor originally planned on utilizing both the Low-Income Housing Tax Credit program and bond financing to raise the remaining funds needed to complete the project; however, due to the economic downturn was unsuccessful in landing housing tax credits. On April 20, 2009, the Council adopted and amended the 2006/2007 & 2008/2009 Action Plan budgets to redirect a total of \$300,000 to the Sierra Meadows project to address a program shortfall. It is anticipated that the project will start in early fall of 2009.



CDBG Funded: Objective 1 and Accomplishments: Suitable Living Environment through Neighborhood Preservation:

(Outcome Goal #1) Maintain and preserve quality housing by addressing substandard housing.

Code Enforcement

- The Neighborhood Preservation Division is responsible for the management of the Code Enforcement Program. The primary emphasis of the program is on Life Safety and non compliance code issues. Considerable efforts are focused on Health and Safety Code enforcement as it primarily relates to Housing standards. Some of the common violations include: unsafe structures, abandoned properties, contaminated and/ or unsecured swimming pools, construction without permits, and unlicensed vendors. In fiscal year 08/09, the City allocated a total of \$70,000 in CDBG funds and expended a total of \$63,325. A total of 113 code cases were opened and 356 closed within CDBG target areas.



Outcome Goal # 2 – Maintain and preserve quality housing through rehabilitation of owner-occupied substandard housing.

- Emergency Repairs and Basic Needs Program (ERBN) – This program, administered by Self-Help Enterprises, allows income qualified homeowners address health & safety issues of their home. The loan, formerly an amortized loan with two percent interest has been modified to be a deferred loan with zero interest. The guideline was amended by City Council in April 2009, after staff evaluated the program’s performance. In fiscal year 08/09 the City allocated a total of \$110,202. So far this year, the ERBN program has assisted a total of two families for a total of \$21,500. Currently, Self-Help has a total of six applicants going through the application process.



Outcome Goal # 3 – To provide services to low-to-moderate income persons by providing Fair Housing Education

Action to Affirmatively Further Fair Housing

- Analysis of Impediments to Fair Housing Choice (AI) The City’s Analysis of Impediments to Fair Housing meets the requirements of 24 CFR 570.904(c)(1) for entitlement jurisdictions under the CDBG program administered by the U.S. Department of Housing and Urban Development (HUD). The Analysis of Impediments was updated in February 2008, and approved by City Council through the Action Plan of 2008/2009. Education through public services is one of the “High” priority needs identified in the 5-year Consolidated Plan. The City has placed a “High” priority on educating the general public on fair housing policies and procedures through its Fair Housing Program administered by Tulare County Housing Authority (TCHA). Throughout fiscal year 08/09, TCHA was present at many events distributing fair housing brochures, answering housing questions, and training on furthering Fair Housing:
 - July 15 & 16 Fair Housing Workshop Oakland
 - October 4, 2008 First Annual Visalia Affordable Homes Fair
 - October 30, 2009 Continuum of Care on Homelessness
 - February 6, 2009 Home and Garden Show
 - May 28, 2009 Northern California Regional Roundtable

In 2008/2009, the City allocated a total of \$34,500 for the administration of the Fair Housing Hotline and has assisted a total of 109 callers and distributed over 1000 Fair Housing Brochures.

Program Year 2008-2009:	Hotline Calls Received	Total referral services provided	Lawyer & Legal Referral Services	Fairhousing Brochures Provided	Tenant/Landlord Handbooks provided	WHITE	HISPANIC	BLACK	AMERICAN/ INDIAN	ASIAN PACIFIC
<i>July</i>	12	15	4	0	1	6	6	0	0	0
<i>August</i>	13	19	8	125	2	7	6	0	0	0
<i>September</i>	8	11	4	100	4	2	5	1	0	0
<i>October</i>	7	15	7	65	0	6	1	0	0	0
<i>November</i>	2	4	2	50	1	2	0	0	0	0
<i>December</i>	7	13	4	75	4	2	5	0	0	0
<i>January</i>	3	8	2	50	1	3	0	0	0	0
<i>February</i>	5	10	3	100	2	2	3	0	0	0
<i>March</i>	11	17	6	150	1	4	5	1	0	1
<i>April</i>	18	20	14	150	0	11	7	0	0	0
<i>May</i>	10	15	10	100	2	6	4	0	0	0
<i>June</i>	13	20	13	75	2	8	4	1	0	0
Total to Dat	109	167	77	1040	20	59	46	3	0	1

CDBG Funded: Objective 2 and Accomplishments: Suitable Living Environment by Supporting Special Needs Facilities:

(Outcome Goal #1) – To increase accessibility to support facilities to end chronic homelessness.

Continuum of Care - The City continues its partnership with the Kings/Tulare Continuum of Care to address issues of homelessness. The Continuum of Care (CoC) is a consortium of housing providers, service providers, and local government, that work



together to end homelessness in Kings and Tulare Counties. To strengthen

their capacity, the Continuum is currently pursuing a 501c3 status to competitively apply for foundation and corporate funding. The Continuum is focused on systematically implementing systems and programs that will help support existing homeless organizations and offer the resources that are needed locally to be successful. On April 10, 2009, the Kings/Tulare Continuum of Care announced that local agencies had been awarded approximately \$1.1 million in Continuum of Care



funding from the U.S. Department of Housing and Urban Development. Several agencies within Kings & Tulare Counties received the funding, allowing these agencies to continue offering successful programs like transitional housing for women and children and other family services. In November 2008, the Continuum of Care hosted its Annual Project Homeless Connect in which the City contributed \$5,000 to assist with the implementation of the project. Project Homeless Connect is a one-day, one-stop event designed to provide housing, services, and hospitality in a convenient forum directly to people experiencing homelessness. The Continuum will host its 2nd Annual Project Homeless Connect in November 2009.

CDBG Funded: Objective 3 and Accomplishments: Suitable Living Environment through Public Improvements:

(Outcome Goal #1) – To increase availability of handicap access benefiting population with special needs.

- **ADA Compliance** - The City of Visalia has always been at the forefront of working to improve access for persons with disabilities. The City in partnership with the Disability Advocacy Committee will continue to support the disabled

community by providing ADA compliant ramps and warning detection panels for the blind throughout the downtown area and the City's CDBG target areas. In fiscal year 08/09, the City allocated a total of \$40,000 and redirected an additional \$10,000 from the 07/08 Action Plan for a total of \$50,000. The City's ADA Compliance program provided 18 curb cuts and expended a total of \$46,781.

- **Encina Project** – The Encina Project was approved by City's Redevelopment Agency to assist with the acquisition and rehabilitation of a triplex in the Downtown Historic area. The Agency provided a total of \$340,000 to Kaweah Management Company (KMC), a 501 (c) (3) non-profit housing corporation who acquired the triplex in a cooperative effort with the Central Valley Regional Center (CVRC). The rehabilitation of the units will be structured and utilized as "supportive housing" for persons with developmental disabilities. The design provides space, special features and equipment specific to their lifestyle and interests, minimizing risk of injuries. The project is a unique opportunity to develop a model program that can be replicated elsewhere. The complete renovation of the Encina Triplex project is progressing well and is approximately 60% completed. It is anticipated that the project will be finished by September 30, 2009 and tenants will be moved in before the end of October.



(Outcome Goal #2) – Improve quality and increase quantity of public improvements that benefit low-and-moderate income residents.

- **Washington Residents Neighborhood -**
In 08/09, the Council directed staff to work with residents of the Washington Neighborhood to focus energies on adding new lighting, purchasing and rehabilitating foreclosed homes and improving Jefferson Park. In 08/09, the City allocated a total of \$50,000 for lighting improvements for this neighborhood and during the month of July 2009, a total of 47 new lights were added to areas with limited lighting.



CDBG Funded: Objective 4 and Accomplishments: Create Economic Opportunities (Job Creation) and community Development Opportunities; Parking Facilities:

(Outcome Goal #1) – To improve economic opportunities for low-income persons through Job Creation.

- **Job Creation** – The City may utilize CDBG funding when a specific company makes a request for assistance.



In order for the City to consider assistance, a business must



meet and maintain employment thresholds as outlined in their agreement. On May 1, 2009, Kaweah Delta Hospital hosted its Grand

Opening in honor of its North Wing Expansion. The expansion includes new maternity rooms and a Cardiac Services Program. It is anticipated that several jobs will be created due to the expansion. City staff are coordinating efforts with hospital communities to survey and assess new and part-time jobs created and will continue to monitor job creation.

(Outcome Goal #2) – Demonstrate a commitment to long-term economic growth by promoting expansion and job creation.

- **Parking Structure (West Acequia Parking Structure) - Section 108 Loan:** The City of Visalia is committed to providing adequate parking in the Downtown area to further promote jobs. In 2007, the City finalized construction of a second four story parking structure which supports the hospital's current expansion. Kaweah Delta Hospital, which employs a diverse group of employees in a variety of income groups, has just completed its North expansion. Staff will continue to monitor the number of jobs created on an annual basis. In fiscal year 08/09, the City made a Section 108 payment in the amount of \$190,515.



CDBG Funded: Objective 5 and Accomplishments: Suitable Living Environment through Community Development Opportunities; Public Parks:

(Outcome Goal #1) – Improve quality and increase availability of neighborhood facilities for low-income persons.

- **Lincoln Oval Park** - In 2008, the City Council directed staff to work with the residents and businesses from the Lincoln Oval Park neighborhood in order to foster revitalization efforts. The following departments have actively participated in these efforts: Housing & Economic Development, Building, Police, and Engineering, Public Works, Fire and Community Development Departments.



In addition to leveraging CDBG funds in 2008, the City received a Cal Trans Grant to analyze this area as it relates to traffic, safety and lighting.

On April 26, 2008, the City held a community meeting at the Oval Park to obtain community input. To date, three out of four community workshops have taken place to outline improvements to be made along Highway 63 and strategies to revitalize the Lincoln Oval Park and create a more family friendly environment. The City previously allocated \$80,000 to this project, and allocated an additional \$119,739 in the 2009/2010 Action Plan.

(Outcome Goal #2) – Improve quality and increase availability of neighborhood facilities for low-income persons.

- **Parks and Recreation:** The City continues to provide and improve park facilities and recreational opportunities in low and moderate income neighborhoods. In fiscal year 08/09 a total of \$124,277 in CDBG funds and a total of \$88,123 in State funds was expended for improvements to the Village Park/Wittman Project.

CDBG Funded: Objective 6 and Accomplishments: Suitable Living Environment by Supporting Special Needs Services:

(Outcome Goal #1) – To increase accessibility and range of housing options for persons with special needs. .

- Mobile Home Senior Home Repair (SHARP) – This program, administered by Self-Help Enterprises allows extremely low and low-income senior citizens to make minor repairs to their mobile home. Assistance may include; re-roofing, heating and cooling repairs, handicap access, electrical and plumbing issues. In fiscal year 08/09 the City allocated a total of \$70,000 and \$60,000 that were redirected from 07/08 administration funds through an Action Plan amendment for a total of \$130,000. This year thus far, the City has assisted a total of 16 units for a total of \$99,448. Additionally, funding has been reserved for 5 applicants in the amount of \$25,948.

(Outcome Goal #2) - To maintain quality owner-occupied housing for the elderly.

- Senior Home Repair Minor Repairs – This program, administered by Community Services and Employment Training (CSET) assists senior citizens by addressing minor repairs to their home. Repairs may include plumbing repairs, cooler/air conditioning repairs, roof repairs, door & window repairs, and electrical repairs, flooring and carpentry repairs. In fiscal year 08/09, the City of Visalia allocated a total of \$91,000 and has expended \$79,836 to address 623 repairs.



2. Describe the manner in which the recipient would change its program as a result of its experiences.

The City of Visalia takes a proactive approach and evaluates programs and activities to ensure programs are meeting targeted goals. In the 09/10 Action Plan, City staff made some recommendations to City Council to update guidelines to the Housing Rehabilitation Program, Emergency Repair & Basic Needs, and the Mobile Home Senior Handicap and Repair Program. The following changes have been made to the guidelines to make these programs more attainable to families in need.

1. **HOME Funded, Housing Rehabilitation Program (HRP)**, beginning with the 2009/10 funding and upon approval, revisions to legal documents and program guidelines the following:
 - a. Reduce the interest rate from 2% to 0%; and
 - b. Change payment schedule (monthly) to a deferred loan for thirty (30) years, repayment due upon transfer of title, refinance or sale of property; and
 - c. Change underwriting criteria, eliminating debt to income ratios; this is not necessary since the loan is deferred; and

- d. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
 - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs.
2. ***CDBG funded, Emergency Repair and Basic Needs Program (ERBN)***, beginning immediately upon approval, revisions to legal documents and program guidelines, including previous year funding the following:
 - a. Reduce the interest rate from 2% to 0%; and
 - b. Change underwriting criteria, eliminating debt to income ratios; and
 - c. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
 - d. Continue policy, if the home is refinanced, sold or a transfer of title occurs, the loan is due and payable; and
 - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs; and
 - f. Expedite delivery or disbursement of funds
 3. ***CDBG funded, Senior Handicap and Repair Program (SHARP)***, beginning immediately upon approval, revisions to legal documents and program guidelines the following:
 - a. Rename program: Mobile Home Senior Handicap and Repair Program; to clarify the eligible participants; and
 - b. Continue City's procurement practice to solicit a minimum of three (3) contractor bids for the scope of work; and
 - c. If relocation is necessary, a maximum of \$1,000 per unit; and
 - d. If costs exceed the program maximum grant of \$5,000, may be considered on a case-by-case if the property warrants such improvements.
3. **Affirmatively Furthering Fair Housing:**
 - a. Provide a summary of impediments to fair housing choice.

In February 2008, Tulare County Housing Authority (TCHA) assisted the City with updating the Analysis of Impediments (AI). TCHA held informal discussions and formal reviews with local agencies, nonprofit organizations, lending institutions and housing providers to gain insight into local fair housing issues.

Summary

Public Awareness & Education Issues – The AI identified that public education is key to identifying, assessing and solving fair housing and affordable housing issues. In the areas of overt and covert discrimination, lack of knowledge of fair housing rights and responsibilities may hinder the public and public agencies' ability to end discrimination. If discrimination is encountered, all involved need to be able to recognize the problem

and seek available remedies such as registering a formal complaint. Currently, some victims may not realize that the limitations encountered in pursuing housing or housing choice are based upon discriminatory practices. The prospective renter or owner may not look for, or understand, forms of discrimination, such as higher rent quotations or security deposits used to dissuade prospective tenants, specific lease terms not applied to other tenants, or information that no units are available, in response to inquiries, when vacancies do exist.

Unawareness of fair housing laws may cause unintended housing discrimination practices. It is for this reason that the City places a high priority on educating the general public on fair housing policies and procedures. This includes providing information on fair housing laws, and to advise individuals of rights and remedies available under state and federal laws. This education is provided to landlords and tenants alike.

Lack of awareness of the effects of affordable housing plans and projects may result in a “Not in My Back Yard”, or NIMBY reaction. These include unreasonable objections to many planning proposals for medium and high density land use entitlements in any part of a community, but especially in higher income areas. Objections are also heard regarding small lot subdivisions, apartment clusters, group homes, the use of density bonuses under the Zoning Code, transitional or homeless facilities, or simply the construction of single family residences for low income families. Community education needs to be provided that is designed to mitigate or eliminate irrational or unwarranted fears and bolster community support for needed housing plans and programs. The Tulare County Housing Authority recently constructed a 70-unit planned development for low and moderate income residents. They also presented information on the proposed development of another affordable housing project. A series of public awareness meetings were held to try to educate the public on the need for affordable housing.

Internally, City staff continue to seek training opportunities to keep up to date on new laws, and to effectively continue working with housing discrimination issues and resolution. The City of Visalia also has several agencies such as Central California Legal Services, Friends of the Homeless, VIAH, Self-Help Enterprises, CVC Housing, Tulare County Housing Authority, C-SET, Proteus, the Tulare/Kings County Continuum of Care that assist to educate the public in addressing Fair Housing Issues. Public education components are integrated into several action plans of the City.

Discrimination Issues - Based on feedback from housing providers, the City is optimistic that fair housing education and enforcement, literacy, job training and employment programs, increased employment opportunities, may be reducing the instances of overt discrimination. At a minimum, mediation, education, fear of enforcement actions and counseling appear to be positively affecting fair housing opportunities. However, it is the City’s position that continued education and enforcement must take place until all traces of discrimination are eliminated.

Rental Discrimination - Based on telephone calls to the Tulare County Housing Authority, and the City's former Housing Discrimination Hotline, the number of rental discrimination instances are decreasing. Most fall under the category of "tenant/landlord disputes" that revolve around property maintenance, return of security deposits, notices to vacate a property, and like issues. The City intends to continue to monitor the incidents of fair housing complaints with the Housing Authority.

Inadequate Infrastructure - Older neighborhoods with a large amount of affordable housing stock often have inadequate infrastructure; sidewalks, streets, sewer, drainage, and other physical facilities. This has created a deterrent to reinvestment in these neighborhoods by the private sector. The City has taken on the task of improving these neighborhoods through a comprehensive neighborhood improvement program.

Cultural/Immigration Issues - Impediments to fair housing can arise from cultural differences. Many immigrants are hindered in their search for adequate affordable and decent housing by language, income and skill barriers. To better serve these groups, the City has enlisted the cooperation of agencies, such as C-SET and Proteus to provide technical assistance to these groups to integrate them effectively into available housing and other community opportunities. Many of the housing providers in the City also have bilingual staff members who can translate available services and programs to those needing assistance.

Income and Housing Affordability - Low-income, particularly among immigrants and minorities, have prevented many families from obtaining adequate housing. Adequate income is the key to acquisition of affordable housing. A recent study performed by the California State University Fresno concludes that the typical and legal reason for refusing to rent or sell to a prospective tenant or buyer is economic. There is a need to increase the personal financial and financial management resources of area low-income residents so that more households can qualify for mortgage financing, manage adjustable mortgage increases, pay a reasonable rent and manage rent increases, as well as pay for other housing related expenses such as insurance and utilities. Without the skills to adequately manage cost of living increases, there is a stronger likelihood of increased numbers of foreclosures and evictions.

Housing Supply - According to the City's Housing Element, vacancy rates for multi-residential structures are approximately 6.4% which leads to higher rents in general, making housing less affordable and harder to find for lower income households. A recent article in the Visalia Times Delta indicated that rents are increasing as a result of the increase in housing prices in general. Average rents now exceed \$900 per month for the average family. This phenomenon may reduce housing choice and cause discriminatory practices to re-emerge.

Housing Element and Land Use Plan - An important goal of the updated Housing Element and Land Use Plan is to assure that a suitable supply of land is planned for single and multiple family housing. The Plans identify where the housing development

will occur in meeting the City's housing development requirements. The provision of density bonuses are designed to provide incentives for property owners to provide affordable housing for seniors, low income persons with disabilities and other low income groups. The City of Visalia submitted its Housing Element in compliance with the State HCD.

Funding Constraints and Opportunities - The City's housing supply needs are great with no easy solution. Substantial progress toward the provision of suitable housing for all residents has been made. However, identified five year funding needs for general housing, non-housing community development, and anti-poverty housing related needs contained in the City's Consolidated Plan were far in excess of the City's anticipated receipt of federal, state and local funds to meet those needs.

The City is utilizing local, state and federal resources to address funding needs. Non-profit groups within the City are also applying for funding through private foundations and other sources to expand the supply of affordable housing. The City is also providing financial support to a variety of private sector and nonprofit organizations who further fair housing goals, fill the service gap for the homeless, persons with disabilities, elderly and low income; and seeks to engage the public and businesses in support of fair housing and affordable housing in general.

The City must also comply with existing laws, such as Davis-Bacon, when constructing affordable housing. This increases the cost of the development, and adversely impacts the affordability of the housing being constructed. Lenders are less likely to fund projects in which the pro-forma results in marginal profits. This trend should be reversed in order to encourage more construction of affordable housing within the community.

City Policies and Plans - While preparing the Analysis of Impediments, and as a part of the General Plan update process, local policies, practices and procedures involving housing and housing-related activities have been reviewed. The City is in the process of updating City policies in a manner that will enhance the provision of fair housing to all segments of the population. Because the City is committed to the provision of affordable housing and fair housing choice for all who need housing, the City is being proactive in this area.

b. [Identify actions taken to overcome effects of impediments identified.](#)

As a result of the above issues, the City has identified the following major categories of impediments affecting the provision of fair housing in the City. Certain constraints are linked to several impediment areas rather than handled separately. This approach permits the City to include actions to overcome these underlying obstacles. The identified impediments and a general statement of the proposed action to mitigate or eliminate the impediment are provided below.

1. *Neighborhoods in need of revitalization.*

Action: Rehabilitate housing, upgrade infrastructure and improve services necessary to increase the supply of safe, decent and affordable housing for low income households.

- Neighborhood Stabilization Program (NSP) - The Neighborhood Stabilization Program (NSP) was established to stabilize communities suffering from foreclosures and abandonment. Under the NSP, the City of Visalia will purchase and rehabilitate foreclosed properties and then re-sell them to families with incomes ranging between 50 and 120 percent Area Median Income (AMI) and sell to homebuyers earning less than 50% AMI with use of 25% of the NSP funds.

2. *Inability of low-income households, including minority, those persons with disabilities, homeless and large-families, and seniors, to purchase adequate housing.*

Action: Increase the number of qualified home buyers, the number of loans approved for low-income individuals or households, and the number of homes purchased in low-income areas including increasing personal income through economic development activities.

- Sierra Meadows Project - The City of Visalia recognizes the need for all types of housing; however, one of the objectives of the Consolidated Plan identified “Special Needs Housing” as a high priority. Special Needs Housing expands the supply of affordable rental housing for the elderly. Since 2004, the City has been working with Christian Church Homes to finance and develop 42 units of senior housing. The City played an instrumental role in the grant application process, which awarded the project a total of \$5, 694,000 for construction as well as contributing \$2.5 million dollars in HOME funds toward land acquisition and pre-development activities.

3. *Insufficient participation of low-income and minority volunteers in housing planning, programs and decision-making processes.*

Action: Continue to promote diversity of composition on all appointed Boards, Committees, Task Forces and Commissions that reflects the cultural, social, racial, economic, sex, health, disabilities, age and other characteristics of the City; continue to promote volunteerism and participation in community activities affecting housing.

4. *Inability to maximize the potential for zoning, building and safety codes to positively impact housing supply and programs.*

Action: Follow policies outlined in the Housing Element update. Review City policies in a manner that: (a) enhances affordability, location choice, and accessibility, (b) reasonably accommodates all who seek housing and (c) decreases unnecessary housing costs or construction delays by streamlining administrative processes. Improve and step

up enforcement and permitting processes to assure that all required local, state and federal laws, including Title 24 and other construction regulations related to accessibility continue to be fully implemented, and that designers and builders of single family homes and remodels are aware of programs and advantages of including accessibility features in projects that are not required to include them.

5. *Difficult for local, state and federal programs to eliminate housing discrimination.*

Action: Continue to document, investigate and monitor registered complaints of housing discrimination. Increase community awareness and knowledge of fair housing rights and responsibilities. Implement programs for recognizing, monitoring and deterring discrimination. Continue to work with the Housing Authority to monitor complaints.

- Fair Housing Hotline – The Fair Housing Hotline is administered through the Tulare County Housing Authority (TCHA). Annual funding is provided to TCHA to cover costs associated with providing Fair Housing services to Visalia residents. Callers with complaints are assisted in completing official discrimination complaint forms, which are then forwarded to the Department of Fair Employment and Housing. TCHA staff is active in pursuing training, seminar, and conference opportunities in which they share the City’s Fair Housing Program and hand out brochures.

6. *Lack of sufficient housing and services for those who are homeless or threatened with homelessness including minority, persons with disabilities and large-family households.*

Action: Improve services and increase housing opportunities for the homeless and those threatened with homelessness.

7. *Inadequate financial resources for implementation of housing plans and programs.*

Action: The City will continue to (a) seek funding opportunities working with the community, nonprofit and private sector groups, other cities and counties, regional partners, legislative advocates and state and federal agencies, (b) leverage, and invest funding in neighborhoods with the greatest needs and potential for provision of affordable housing, (c) continue to streamline development processes to avoid duplication of efforts, and (d) take actions to stimulate economic development.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

The City continues to actively pursue grants that can assist with neighborhood revitalization, housing, infrastructure and other activities and improvements. Through the

Neighborhood Stabilization Program and the CDBG-R funds that the City was recently awarded, the City will be able to bring a significant change to our community.

5. Leveraging Resources

- a. Identify progress in obtaining “other” public and private resources to address needs.
 - The City obtained an Environmental Justice Context Sensitive Planning Grant from CalTrans in the amount of \$135,000 for evaluation of traffic and pedestrian conditions and recommendations for improvements in the Lincoln Oval Park area. On April 26, 2008, the City held a community meeting at the Oval Park to obtain community input. To date, four community workshops have taken place outlining the improvements needed to Highway 63 and strategies to revitalize the Lincoln Oval Park.
 - In 2006, the City was awarded CalHome State funds in the amount of \$600,000 for the First Time Homebuyers Program. In fiscal year 08/09 the City assisted ten families with down payment assistance. Currently the remainder of the funds has been frozen by the State due to the budget crisis; however, once funding resumes the City will be able to assist at least five more families achieve the American Dream of homeownership.
- b. How have Federal resources from HUD leveraged other public and private resources?

The City of Visalia continues to leverage federal funds for housing and community development needs with other public funds and private investment. In fiscal year 08/09, the City leveraged CDBG and HOME entitlement dollars with other resources as follows:

- Private Mortgage Financing: The First Time Homebuyer Program funds are leveraged an average of 2 to 1. That is, for every \$10,000 invested in loans for a household, other lenders (CHFA, FHA, VA or conventional financing) invest an average of \$20,000.
- Community Leveraging: The City continues to partner with local public and non-profit agencies to develop affordable housing. Collaboration continues with Community Services and Employment Training (CSET), Habitat for Humanity of Visalia, Visalians Interested In Affordable Housing (VIAH), Kaweah Management Company, Tulare County Housing Authority (TCHA) and Christian Church Homes/Visalia Senior Housing. This enables the City to leverage CDBG and HOME resources with those of other entities to expand opportunities for low and moderate-income families:
- Redevelopment Low/Mod Housing Set-Aside funds: Additional leveraging occurs through the use of Redevelopment Low/Moderate Set-Aside funds for owner-occupied and rental units, new construction, and homebuyer’s assistance.

Community leveraging is an important aspect in stretching public funds, and in creating a “stake” in the community from other private, non-profit and commercial sources. Visalia has done an excellent job in leveraging resources and maximizing participation through our partnership with non-profits and commercial lenders.

Sierra Meadows Project - Since 2004, the City of Visalia has been in partnership with Christian Church Homes to develop 42 units of senior housing, the project is called “Sierra Meadows”. The City played an instrumental role in the grant application process, which awarded the project a total of \$5,694,000 for construction as well as contributing \$2.5 million dollars in HOME funds toward land acquisition and pre-development activities. The co-sponsor originally planned on utilizing both the Low-Income Housing Tax Credit program and bond financing to raise the remaining funds needed to complete the project; however, due to the economic downturn was unsuccessful in landing housing tax credits. On April 20, 2009, the Council amended the 2006/2007 & 2008/2009 Action Plan budgets to redirect a total of \$300,000 to the Sierra Meadows project to keep the project moving forward.

The City works closely with the Housing Authority of Tulare County’s non profit “Kaweah Management Company” in addressing the needs of the community. The City provided \$500,000 in HOME CHDO funds and \$500,000 in Redevelopment Low Mod funds to assist with the rehabilitation of eleven (11) units and construction of nine (9) units at the northeast corner of Paradise and Court Street. Kaweah Management Company is submitting applications for both 4% and 9% tax credits for the Paradise and Court rental development project.

c. How matching requirements were satisfied.

The HOME program requires local or state matching funds. The Federal HOME funds must be matched by non-federal resources (Sec. 92.218-222). All HOME eligible activities require a match of 25% (one dollar of local or state resources for every four federal dollars spent) unless specific exemptions have been granted by HUD. Since 1998 HUD has reduced the matching requirement to 12.5% for the City. The City has chosen to provide the required matching local funds in the form of Redevelopment Low and Moderate Funds (L/M). In fiscal year 2008/2009, the City’s match contribution was a total of \$329,777. A HOME match report, form HUD-40107-A is attached to this report as **Appendix ___**.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

The City ensures compliance with programs and projects by incorporating accounting principles, conducting single audits, reviewing & updating guidelines & procedures,

monitoring, and following HUD requirements. Staff prepares a five year Consolidated Plan, a yearly Action Plan and CAPER for City Council and HUD approval.

All reports are made available to the public for review, community meetings are held, City Council Work sessions and public hearings are also held, which provide participation opportunities for community input. Public notices are published twice in three local newspapers, including El Sol, for the Spanish speaking community. Notices are posted at the City of Visalia's library, and three City Hall offices. The Action Plan and CAPER are also made available to the public via the City's Website and over the Counter at all three City Hall locations.

Citizen Participation

1. Provide a summary of citizen comments.

(Insert Table after Public Hearing Held)

The City of Visalia considers Citizen Participation an important part in improving the quality of life of our neighborhoods and, therefore, encourages residents to become involved. The following public notice has been posted at various locations throughout the City as well as being published in the Visalia Times Delta and El Sol newspapers.

NOTICE OF PUBLIC HEARING TO REVIEW THE CITY OF VISALIA 08/09 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) AND INTENT TO AMEND ACTION PLAN 07/08 (Third Amendment) INTENT TO AMEND ACTION PLAN 08/09 (First Amendment)

The City of Visalia receives an annual Community Development Block Grant (CDBG) and Home Investment Partnerships Grant (HOME) from the Federal Government through the Department of Housing and Urban Development (HUD). The City uses these grants to provide decent, clean, safe and affordable housing and a suitable living environment as well as expanding economic opportunities, principally for persons of low and moderate income. The City of Visalia's Consolidated Plan was previously reviewed and adopted by the City Council to meet these objectives. The City of Visalia must submit the Consolidated Annual Performance and Evaluation Report (CAPER) Annually.

The City of Visalia will conduct a public hearing on the 08/09 CAPER
And
Action Plan (Third Amendment) 07/08 Funds
Action Plan (First Amendment) 08/09 Funds

Citizens are welcome to attend this meeting to comment on these reports. If you want more information regarding the reports, contact Nancy Renovato at (559) 713-4462.

When: Monday, September 21, 2009 at 7:00 P.M.
Where: City Hall Council Chambers
707 West Acequia, Visalia, CA

The CAPER and Action Plan Amendments will be reviewed by the following committees:

- Washington Residents Committee on August 27, 2009, at 5:30 PM, at City Hall East 315 E. Acequia Avenue, Visalia
- Citizens Advisory Committee on September 3, 2009, at 5:30 PM, at the Convention Center, 303 East Acequia Avenue, Visalia.
- North Visalia Neighborhood Advisory Committee on September 10, 2009, at 5:30 PM at the Whitman Village Community Center, 315 W. Pearl Street, Visalia.
- Disability Advocacy Committee on September 14, 2009, at 5:00 PM, at City Hall East, 315 E. Acequia Avenue, Visalia.

The 2008/2009 Draft CAPER & Action Plan Amendments will be reviewed at the City Council Work Session on Tuesday, September 8, 2009, at 4:00 P.M. located at City Hall, 707 West Acequia, Visalia.

The CAPER & Action Plan Amendments will be available for public review and comment at City Hall East, 315 E. Acequia, Visalia, CA, 93291, beginning Friday, August 21, 2009, ending at 10:00 A.M. Monday, September 21, 2009. Written comments may be submitted to the above address by 10:00 AM, on September 21, 2009. All comments received will be included in the submission of the report to HUD.

2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

In addition to annual entitlement funds, the City continues to use program income from previously funded CDBG and HOME projects, and uncommitted carryover funds for projects.

The following two tables identify funding allocations and expenditures for fiscal year 08/09 by project/program.

Table II				
SUMMARY OF 2008/2009 ACTION PLAN				
	CDBG	HOME	TOTAL	
SOURCES OF REVENUE:				
1				Cash - Beginning Balance
2	1,185,800	491,716	1,677,516	Annual Grant Amount
3				HOME matching funds - RDA Low/Mod
4	200,000	425,000	625,000	Program Income
5				Interest Earnings/Investment Earnings
6	1,385,800	916,716	2,302,516	TOTAL REVENUE
7				
EXPENDITURES:				
9	69,065	7,902	76,367	Operating
10	131,482	25,778	157,260	Redevelopment Allocation
11	26,351	16,092	42,443	Direct Allocations
12	8,000	-	8,000	Loan Servicing
13	232,898	49,172	282,070	Subtotal Admin and Operating
14				
15	1,152,902	867,544	2,020,446	Net for Programs and Projects
16				
AFFORDABLE HOUSING:				
18				Homeownership
19		575,000	575,000	Homebuyers Assistance Program (Contract w/CSET)
20		73,754	73,754	Property Acquisition (CHDO)
21		218,790	218,790	Housing Rehabilitation (contract w/SHE)
22				Neighborhood Preservation/Services
23	110,202		110,202	Emergency Repairs and Basic Needs (contract w/SHE)
24	70,000		70,000	Code Enforcement- Target Areas
25	34,500		34,500	Fairhousing Hotline (contract w/TCHA)
26				Loan Recapture Program (CHDO)
27				HOMELESSNESS
28				Special Needs Facilities
COMMUNITY DEVELOPMENT				
30				Public Improvements
31	40,000		40,000	ADA Compliance Projects
32	50,000		50,000	Washington Residential Area Public Improvements
33				Economic Development/Public Parking Facilities
34	627,200		627,200	West Parking Structure Loan Payment (Section 108 Loan)
35				Job Creation/Retention
36				Public Park/Public Facilities
37	60,000		60,000	Oval Park Improvements
NON HOMELESS SPECIAL NEEDS HOUSING				
39				Special Needs Services
40	91,000		91,000	Senior Home Minor Repairs (contract w/CSET)
41	70,000		70,000	Senior Repair and Handicapped Access (contract w/SHE)
42				
43	1,152,902	867,544	2,020,446	Subtotal Programs & Projects
44				
45	1,385,800	916,716	2,302,516	TOTAL EXPENDITURES
46				
REVENUE LESS EXPENDITURES				
48				Remaining to Carry Forward

Attachment " " CAPER Expenditures					
Consolidated Annual Performance and Evaluation Report Expenditures					
	CDBG	HOME	TOTAL	UNITS	
SOURCES OF REVENUE:					
1	883,798	1,668,423	2,552,221		Beginning Balance
2	1,185,800	491,716	1,677,516		Annual Grant Amount
3					HOME matching funds - RDA Low/Mod
4	123,649	533,157	656,806		Program Income
6	2,193,247	2,693,296	4,886,543		TOTAL REVENUE
7					
EXPENDITURES:					
9	200,445	49,172	249,617		Administration
13	200,445	49,172	249,617		Subtotal Admin and Operating
14					
15	1,992,802	2,644,124	4,636,926		Net for Programs and Projects
16					
AFFORDABLE HOUSING:					
18					Homeownership
19		136,448	136,448	6	Homebuyers Assistance Program (Contract w/CSET)
20					Property Acquisition (CHDO)
21		97,806	97,806	1	Housing Rehabilitation (contract w/SHE)
22					Neighborhood Preservation/Services
23	25,905		25,905	1	Emergency Repairs and Basic Needs (contract w/SHE)
24	63,325		63,325	356	Code Enforcement- Target Areas
25	34,500		34,500	109	Fairhousing Hotline (contract w/TCHA)
26					Loan Recapture Program (CHDO)
HOMELESSNESS					
28					Special Needs Facilities
COMMUNITY DEVELOPMENT					
30					Public Improvements
31	46,781		46,781	18	ADA Compliance Projects
32	11,358		11,358	1	Washington Residential Area Public Improvements
33					Economic Development/Public Parking Facilities
34	190,515		190,515	1	West Parking Structure Loan Payment (Section 108 Loan)
36					Public Park/Public Facilities
37	124,277			1	Oval Park Improvements
38					NON HOMELESS SPECIAL NEEDS HOUSING
39					Special Needs Services
40	79,836		79,836	623	Senior Home Minor Repairs (contract w/CSET)
41	99,448		99,448	17	Senior Repair and Handicapped Access (contract w/SHE)
		375,427		1	Paradise & Court Rehab
		847,262		1	Sierra Meadows Senior Housing
42					
43	675,944	1,456,943	2,132,887		Subtotal Programs & Projects
44					
45	876,389	1,506,115	2,382,504		TOTAL EXPENDITURES
46					
REVENUE LESS EXPENDITURES					
48	1,316,858	1,187,181	2,504,039		Remaining to Carry Forward

Additionally, the table below identifies, by program, how many people were assisted and the geographical, by census tract, which were served.

CENSUS TRACT	19.02	13.01	20.02	20.03	18	10.03.02	8	19.02.04	17.03.	10.04	13.02	17.01	19.01.01	20.09	10.05	20.07	19.01	23.01
MOBILE HOME SENIOR HOME REPAIR												1	1	2	8	4	3	2
EMERGENCY REPAIRS & BASIC NEEDS												2						
HOUSING REHAB PROGRAM				1									1					
HOME FIRST TIME HOMEBUYER PROGRAM	1	1	2	1	1													
STATE CALHOME FIRST TIME HOMEBUYER PROGRAM		1	1	1		1	1	1	2	1	1							

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

As a result of being awarded the NSP and CDBG-R funds, the Housing & Economic Development Department has hired additional staff to absorb the demands of running these programs. In addition to the Department Director, Housing Specialist, Financial Analyst, Senior Administrative Analyst, the Department added to its institutional structure, two, 1,000 hour housing technicians, and one part-time inspector.

Additionally, the City continues a strong partnership with other agencies to help serve its housing and community development needs. Self-Help Enterprises, CSET, Tulare County Housing Authority, and Habitat for Humanity, have played an important role in the City’s institutional structure.

Neighborhood Preservation is a division under the Housing & Economic Development Department and is also an integral part of the institutional structure. Neighborhood Preservation works closely with other City departments and with the community to develop programs, projects and activities that improve the City’s neighborhoods.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

The City utilizes AmeriNational Community Services for mortgage services. AmeriNational monitors the City’s loans on a monthly basis for conformity with loan payments, taxes & insurance, and delinquencies. Additionally, on a yearly basis, AmeriNational conducts property condition inspections, and affidavits of ownership. This assists the City in maintaining participant compliance with each program.

Staff also conducts yearly on-site monitoring visits with program administrators to ensure that guidelines are being followed and to ensure good positive performance.

In fiscal year 08/09, City staff conducted on-site monitoring visits in 2009 as follows:

- Community Services & Employment Training – Administrator of the City’s First Time Homebuyer and Minor Senior Home Repair Program was monitored on July 2, 2009.
- Self-Help Enterprises – Administrator of the City’s Housing Rehabilitation Program, Emergency Repairs and Basic Needs Program and Mobile Home Senior Handicap and Repair Program was monitored on June 19, 2009.
- Tulare County Housing Authority – Administrator of the City’s Fair Housing Hotline was monitored on June 17, 2009.
- Code Enforcement division staffs a code enforcement technician who strictly works within CDBG Targeted Areas. Code Enforcement handles code compliance, substandard housing issues.
- Park Improvement projects are managed by the Park and Recreation Department.
- ADA compliance construction is managed by the City’s Engineering Department, which conducts interviews with the construction crew, reviews certified payroll and oversees the construction process.
- CDBG funded projects are monitored by various City departments who work closely with the Housing & Economic Development Department.

2. Describe the results of your monitoring including any improvements.

- A monitoring visit to CSET was conducted on July 2, 2009. CSET administers the City’s First Time Homebuyers & Senior Home Repair program. The visit included, random sampling of files & financial records as well as drive by inspections of participating homes. Results of the monitoring visit showed that CSET is in compliance with all guidelines & regulations prescribed by the federal government and the City of Visalia.
- A monitoring visit to Self-Help Enterprises was conducted on June 19, 2009. Self-Help administers the City’s Rehabilitation Programs. The visit included, random sampling of files & financial records as well as drive by inspections of participating homes. Results of the monitoring visit showed that Self-Help is in compliance with all guidelines & regulations as prescribed by the federal government and the City of Visalia.
- A monitoring visit to Tulare County Housing Authority (TCHA) was conducted on June 17, 2009. TCHA administers the City’s Fair Housing Hotline. The visit included a tour of the facility and desk which operates hotline.

The City will continue to update Policy and Procedure manuals to reflect the most recent Building Code, City Policies, Monitoring Policies and CDBG/HOME Regulations, as well as continue to prepare detailed agreements with sub-recipients and/or construction managers that outline federal regulations and performance standards.

3. Self Evaluation

- a. Describe the effect programs have in solving neighborhood and community problems.

The City of Visalia strives to meet the needs of the community through the goals established in the Consolidated Plan. The projects and activities that the City provides to Visalia residents would not be possible without the federal assistance it receives from the US Department of Housing and Urban Development (HUD). By providing programs such as the First Time Homebuyers Program, Home Rehabilitation Programs, and Code Enforcement, the City along with its non-profit partners, provide low-income people with affordable housing, improve neighborhoods, and provide economic opportunities.

This past year has been a very challenging year on all levels, but as many homeowners were struggling to stay in their homes, the City of Visalia strived to make it easier for first-time homebuyers to purchase an affordable home. The City of Visalia allocated a total of \$575,000 to assist families with the American Dream of owning a home.

The City believes that the benefits of homeownership extend beyond property lines and into the community. For a family, home ownership creates wealth, self esteem and pride. For communities homeownership increases the tax base, attracts commercial and public investment, reduces crime, and improves the physical condition of the neighborhood. Homeownership strengthens families which in turn strengthens communities.

In addition to the affordable housing programs that the City offers, our Code Enforcement division is also a crucial component in solving neighborhood and community problems. Code Enforcement is a collaborative effort between members of the community, Police Department and various other departments. Working together, the City can identify problems of crime and disorder and involves all elements of the community in the search for solutions to these challenges. The primary emphasis of the Code Enforcement Program is Life Safety non compliance. Considerable efforts are focused on Health and Safety Code enforcement as it primarily relates to Housing standards. Some of the common violations include: unsafe structures, abandoned properties, contaminated and/ or unsecured swimming pools, construction without permits, and unlicensed vendors. In 2008/2009, the City allocated a total of \$70,000 to address at least 120 code cases within the CDBG targeted areas.

The following programs help create a positive change in the community:

- First Time Homebuyers Program – This program offers a “second mortgage” up to \$40,000 to low-income families.
- Accessibility funds provide accessibility improvements throughout the City’s CDBG Targeted Areas.
- Mobile Home Senior Handicap and Repair Program (SHARP), provides assistance for repairs to low-income, disabled senior citizens who own a mobile home.

- Senior Home Repair Program, administered through CSET provides CDBG funding to low-income seniors to make minor repairs to owner-occupied homes, while providing job training skills for CSET students.
 - Code Enforcement Program addresses the needs and concerns of the community in blighted and distressed neighborhoods within CDBG targeted areas.
 - Tulare County Housing Authority (TCHA) administers the fair housing program, ensuring fair housing for residents of the community.
 - The West Acequia parking structure will maintain hospital jobs in the downtown area, having a ripple effect in supporting local businesses and retail jobs.
- b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

The City's goal is to continue addressing the priority needs and specific objectives of the Consolidated Plan. In February 2008, a random survey was mailed to homes within the City's CDBG targeted areas. The results of the survey identified the following as "High" priority needs of the community:

- Affordable Housing
- Suitable Living Environment
- Support of Special Needs Facilities
- Public Improvements
- Economic & Community Opportunities
- Support of Special Needs Services

Through the use of CDBG, HOME, Redevelopment and State funds, the City makes every effort to meet the priority needs of the community through the provision of many programs:

- Sierra Meadows Project - The City of Visalia recognizes the need for all types of housing; however, one of the objectives of the Consolidated Plan identified "Special Needs Housing" as a high priority. Special Needs Housing expands the supply of affordable rental housing for the elderly. Since 2004, the City of Visalia has been in partnership with Christian Church Homes to develop 42 units of senior housing, the project is called "Sierra Meadows". It is estimated that the project will start in early fall of 2009.
- Encina Project - The Encina Project was approved by the City to assist with the acquisition and rehabilitation of a triplex in the downtown, historic area. Kaweah Management Company (KMC), acquired the triplex in a cooperative effort with the Central Valley Regional Center (CVRC). The rehabilitation of the units will be structured and utilized as "supportive housing" for persons with developmental disabilities. It is anticipated that the project will be finished by September 30, 2009 and tenants will be moved in before the end of October.

- Paradise and Court Project - The City of Visalia in partnership with Tulare County Housing Authority are addressing the needs of the community through rehabilitation and building of new affordable housing units. The City provided \$500,000 in HOME CHDO funds and \$500,000 in Redevelopment Low Mod funds to assist with the rehabilitation of eleven (11) units and construction of nine (9) units at the northeast corner of Paradise and Court Street.
- Mobile Home Senior Home Repair (SHARP) – This program allows extremely low and low-income senior citizens to make minor repairs to their mobile home. Assistance may include; re-roofing, heating and cooling repairs, handicap access, electrical and plumbing issues.
- Emergency Repairs and Basic Needs Program (ERBN) – This program, allows income qualified homeowners to address health & safety issues in their home.
- Housing Rehabilitation Program (HRP) - This program, allows income qualified homeowners to make repairs that maintain and upgrade the quality of their home.
- First Time Homebuyer (FTHB) Program – The City of Visalia continues to assist qualified First Time Homebuyers make their dream of homeownership a reality through the First Time Homebuyer Program. The program provides a qualified borrower a loan up to \$40,000 to assist with down payment assistance.
- Neighborhood Stabilization Program (NSP) - The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the NSP, the City will purchase and redevelop foreclosed and abandoned homes. Once rehabbed, homes will be resold to families with incomes ranging between 50 and 120 percent Area Median Income (AMI) and 25% of the funds will be reserved for homebuyers at or below 50% AMI.
- CalHome First Time Homebuyers Program (non federal funds) – In 2008, the City assisted a total of ten families with down payment assistance through the State of California CalHome funds.
- ADA Compliance - The City of Visalia has always been at the forefront of working to improve access for persons with disabilities. The City in partnership with a Disability Advocacy Committee will continue to support the disabled community by providing ADA compliant ramps and warning detection panels for the blind throughout the area of downtown and the City’s CDBG target areas. In fiscal year 08/09, the City allocated a total of \$40,000 and has provided a total of 18 curb cuts.
- Washington Residents Neighborhood – In 08/09, City Council directed staff to work with residents of the Washington Neighborhood to primarily focus on

increasing lighting in unlit areas and to pursue acquisition of foreclosed homes. Thus far, the City has installed a total of 47 new light lamps and is considering utilizing the remaining resources to improve Jefferson Park.

- Oval Park Improvements: Since 2007/2008 City staff has coordinated numerous community meetings as part of the process to complete a Caltrans Traffic & pedestrian study.
 - The City continues its partnership with the Continuum of Care to address issues of homelessness. The Continuum of Care (CoC) is a consortium of housing providers, service providers, and local government, that work together to end homelessness in Kings and Tulare Counties. To strengthen their capacity, the Continuum is currently pursuing a 501c3 status to competitively apply for foundation and corporate funding. The Continuum is focused on systematically implementing systems and programs that will help support existing homeless organizations and offer the resources that are needed locally to be successful.
 - The City of Visalia is committed to providing adequate parking in the Downtown area to further promote jobs. In 2007, the City finalized construction of a second four story parking structure which supports the hospital's current expansion. Staff will continue to monitor the number of jobs created on an annual basis.
- c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

The Objectives and Outcomes Table on page 4 of this report details how the 2008/2009 expenditures targeted goals and the outcome results. This table reflects how funds were expended to provide suitable living environments, Economic Opportunities, and Affordable Housing in the City of Visalia.

- d. Indicate any activities falling behind schedule.

Notwithstanding the nationwide housing meltdown impacting all sectors of the economy, particularly the housing market, Visalia has had its share of challenges. City staff evaluated and made enhancements and revisions to some of the City's programs over the course of the year to make programs more attainable to families in need:

4. **HOME Funded, Housing Rehabilitation Program (HRP)**, beginning with the 2009/10 funding and upon approval, revisions to legal documents and program guidelines the following:
 - a. Reduce the interest rate from 2% to 0%; and
 - b. Change payment schedule (monthly) to a deferred loan for thirty (30) years, repayment due upon transfer of title, refinance or sale of property; and

- c. Change underwriting criteria, eliminating debt to income ratios; this is not necessary since the loan is deferred; and
 - d. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
 - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs.
5. ***CDBG funded, Emergency Repair and Basic Needs Program (ERBN)***, beginning immediately upon approval, revisions to legal documents and program guidelines, including previous year funding the following:
- a. Reduce the interest rate from 2% to 0%; and
 - b. Change underwriting criteria, eliminating debt to income ratios; and
 - c. SHE will evaluate borrower's credit (payment) history to confirm that they are being and have been responsible with making payments during the last 12 months and that the property is not in foreclosure; and
 - d. Continue policy, if the home is refinanced, sold or a transfer of title occurs, the loan is due and payable; and
 - e. If relocation is necessary, a maximum of \$3,000 per unit added to the loan to allow for temporary relocation costs; and
 - f. Expedite delivery or disbursement of funds
6. ***CDBG funded, Senior Handicap and Repair Program (SHARP)***, beginning immediately upon approval, revisions to legal documents and program guidelines the following:
- a. Rename program: Mobile Home Senior Handicap and Repair Program; to clarify the eligible participants; and
 - b. Continue City's procurement practice to solicit a minimum of three (3) contractor bids for the scope of work; and
 - c. If relocation is necessary, a maximum of \$1,000 per unit; and
 - d. If costs exceed the program maximum grant of \$5,000, may be considered on a case-by-case if the property warrants such improvements.
- **First Time Homebuyer Program (FTHB)** - This past year has been a very challenging year on all levels, but as many homeowners were struggling to stay in their homes, the City of Visalia strived to make it easier for first-time homebuyers to purchase an affordable home; nonetheless, the City's First Time Homebuyer program has not been as successful as in past years. CSET, the City's administrator of the FTHB has done an excellent job with the marketing of this program. CSET has made numerous presentations around town and distributed flyers and brochures to many organizations. CSET also provides Homebuyer Counseling as well as Foreclosure Counseling. To date the City has assisted a total of 6 six families and anticipates to help approximately 8 families more.
- e. Describe how activities and strategies made an impact on identified needs.

All of the above mentioned activities and programs have made a significant impact identified/community needs.

- Our homeowner rehabilitation programs provide both incentives and financial assistance to homeowners to maintain and improve existing homes, thereby contributing to the neighborhood's positive image.
- The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the NSP, the City will purchase and redevelop foreclosed and abandoned homes and resell them to moderate and low-income families.
- There are many benefits to homeownership, for a family, homeownership creates wealth, self esteem and pride. For communities homeownership increases the tax base, attracts commercial and public investment, reduces crime, and improves the physical condition of the neighborhood.
- Additionally, in 2008, the City Council directed staff to work with the residents and businesses from the Washington School and Oval Park neighborhoods in order to foster revitalization. The following departments have actively participated in these efforts: Housing & Economic Development, Building, Police, and Engineering, Public Works, Fire and Community Development Departments.

f. Identify indicators that would best describe the results.

The indicators that describe the results of the City's progress, programs, and activities are shown on the following table. The City continues to move forward to meet the goals of the Consolidated Plan and address the needs of the community through the national objectives set forth by HUD. The indicators show that the Code Enforcement Program and Fair Housing Hotline are both very successful programs as both programs exceeded the expected outcome over a five year period. Nonetheless, all projects and programs continue moving forward successfully.

Table I CDBG and HOME 5 year goal/accomplishments			
HOME Investment Partnership Funds (HOME) - Objective and expected Outcome	5 Yr Unit Goal	# Units completed to date	% of 5 Yr goal
Affordable Housing- HOME Funds			
Objective 1: Provide Decent Affordable Housing	152	78	51%
1. Promote availability of affordable owner-occupied housing through (HAP)	77	51	66%
2. Increase availability of affordable owner-occupied housing through acquisition (CHDO)	1	1	100%
3. Increase availability of affordable owner-occupied housing through acquisition (Encina Development, Other Property Acquired)	4	3	75%
4. Increase quality of owner-occupied housing through rehabilitation (HRP)	30	9	30%
5. Maintain quality of owner-occupied housing through rehabilitation of substandard housing (ERBN)	30	4	13%
6. Increase availability of affordable rental housing through partnership with Non-Profit Agencies (TCHA- Robinwood Project)	10	10	100%
Affordable Housing- HOME Funds			
Objective 2: Suitable Living Environment through Neighborhood Preservation and Services	2	0	0%
1. Increase availability of affordable owner-occupied housing through Loan Recapture Program (CHDO)	2	0	0%
Community Development Block Grant Funds (CDBG) -Objective and expected Outcome			
Affordable Housing- CDBG Funds			
Objective 1: Suitable Living Environment through Neighborhood Preservation and Services	1,145	1,812	158%
1. Maintain quality housing by addressing substandard housing through (Code Enforcement Program)	600	991	165%
2. Maintain quality of owner-occupied housing through rehabilitation of substandard housing (ERBN)	45	5	11%
3. Provide services for low-to -moderate income persons by providing (Fair Housing Education Program)	500	816	163%
Homelessness- CDBG Funds			
Objective 2: Suitable Living Environment by Supporting Special Needs Facilities	2	3	150%
1. Increase accessibility to support facilities to end chronic homelessness (Continuum of Care/Homeless Project)	2	3	150%
Community Development- CDBG Funds			
Objective 3: Suitable Living Environment through Public Improvements	75	63	84%
1. Increase availability of handicapped access benefiting population with special needs (Streets ADA Compliance)	75	63	84%
Objective 4: Create Economic Development Opportunities and Community Development Opportinites (Parking Facilities)	1,157	499	43%
1. Improve economic opportunities for low-income persons through (job creation)	500	365	73%
2. Demonstrate a commitment to long-term economic growth by promoting expansion and (job creation) - Section 108 Loan- East Acequia Parking S	455	93	20%
3. Demonstrate a commitment to long-term economic growth by promoting expansion and (job creation) - Construction of the West Acequia Parking	2	2	100%
4. Demonstrate a commitment to long-term economic growth by promoting expansion and (job creation) - Section 108 Loan- West Acequia Parking :	200	39	20%
Objective 5: Suitable Living Environment through Community Development Opportunities (Public Parks and Parking Facilities)	16	5	31%
1. Improve quality/increase availability of neighborhood facilities for low-income persons (Parks & Recreation)	14	3	21%
2. Improve quality/increase availability of neighborhood facilities for low-income persons (Community Campus Project)	2	2	100%
Objective 6: Suitable Living Environment through Community Development Opportunities (Public Services)			
1. Support non-profit agencies with accessibility to public services			
Non Homeless Special Needs Housing- CDBG Funds			
Objective 7: Suitable Living Environment by Supporting Special Needs Services	3,070	2,683	87%
1. Maintain quality of owner-occupied housing for elderly (Senior Home Repair Program)	3,000	2,635	88%
2. Increase accessibility and range of housing options for person with special needs (SHARP)	70	48	69%
3. Increase availability of affordable rental housing through partnership with Non-Profit Agencies (Christian Church Homes/Visalia Senior Housing	42	In progress	0%

g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

The foreclosure crisis has definitely had a negative impact on the City of Visalia and its residents. Vacant houses have decreased surrounding property values, diminished equity and assets of neighboring homeowners and have become magnets for vandalism and criminal activity. Vacant properties have put an increased strain on the Code Enforcement Program, as well as the Fire and Police services. The City of Visalia will continue revitalizing efforts through the Neighborhood Stabilization Program, which is intended to acquire and rehabilitate foreclosed houses and re-sell them to low-income families.

- h. Identify whether major goals are on target and discuss reasons for those that are not on target.

Although the City has made significant progress in meeting goals in 08/09, some programs have been slow in taking off due to the economic downturn; however, the above table indicates that all programs and projects continue moving forward. Additionally, the table on page 4 of this report shows the objectives vs. outcomes.

- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

Although the Housing & Economic Development Department operates with limited staffing, it continues to move forward under the direction of the Housing & Economic Development Director. To achieve more with less, the department conducts weekly meetings to discuss calendars, strategize, and streamline processes. The use of a project table to keep projects moving towards desired goals is also used.

Additionally, because the City has received both NSP and CDBG-R funding the department has recently hired two housing technicians to help absorb the demands of running these programs.

Program enhancements were recently made to Rehabilitation programs to make them more attainable to families in need.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Lead-based paint hazards are addressed in all housing rehabilitation and homebuyer assistance projects. For all of our housing programs, applicants are informed of the danger of lead-based paint through a brochure and part of the application process. Additionally, city building inspectors are alert to signs of this hazard as they perform their substandard housing inspections. All housing owners and occupants with whom the City interacts through its various programs are required to abate this hazard as a condition of assistance from the City based upon the HUD requirements and allocation of funding. Asbestos evaluations are also performed on those houses where the City assists in relocation or restoration. The City is currently evaluating the costs to train current staff member(s) as Certified Lead Based Paint Inspector(s).

Tulare County Health Services has a Lead Poisoning Program that investigates cases of lead poisoning when testing reveals that a child has elevated levels of lead in their blood. Specially trained and certified staff conducts lead investigations in the child's home. Tulare County Health is also contacted in properties within the City limits.

HOUSING

Housing Needs

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe Actions taken during the last year to foster and maintain affordable housing.

The City continues to foster and maintain affordable housing through the following programs:

- Sierra Meadows Project - The City of Visalia recognizes the need for all types of housing; however, one of the objectives of the Consolidated Plan identified “Special Needs Housing” as a high priority. Special Needs Housing expands the supply of affordable rental housing for the elderly. Since 2004 the City of Visalia has been in partnership with Christian Church Homes to develop 42 units of senior housing, the project is called “Sierra Meadows”. It is estimated that the project will start in early fall of 2009.
- Paradise and Court Project - The City of Visalia in partnership with Tulare County Housing Authority are addressing the needs of the community through rehabilitation and building of new affordable housing units. The City provided \$500,000 in HOME CHDO funds and \$500,000 in Redevelopment Low Mod funds to assist with the rehabilitation of eleven (11) units and construction of nine (9) units at the northeast corner of Paradise and Court Street.
- First Time Homebuyer (FTHB) Program – The City of Visalia continues to assist qualified First Time Homebuyers make their dream of homeownership a reality through the First Time Homebuyer Program. The program provides a qualified borrower a loan up to \$40,000 to assist with down payment assistance. The loan is provided as a second mortgage, at an interest rate of three-percent, deferred for five years.
- Neighborhood Stabilization Program (NSP) - The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the NSP, the City of Visalia will purchase and redevelop foreclosed and abandoned homes and re-sell them to families with incomes ranging between 50 and 120 percent Area Median Income (AMI) and to borrowers at or below 50% AMI.
- CalHome First Time Homebuyers Program (non federal funds) – In Fiscal Year 08/09, the City assisted a total of 10 households in the amount of \$379,877 in State CalHome loans.

Specific Housing Objectives

1. Evaluate progress in meeting specific objectives of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

The City of Visalia continues making progress towards meeting the goals and objectives of the Consolidated Plan. The table below identifies the number of people/units and income levels of the assistance offered through HOME, CDBG and State Funding.

2008/2009 PROGRAM YEAR AFFORDABLE HOUSING PROGRAMS						
Priority Need Category	CDBG	HOME	STATE	REDEV	TOTAL	
Total People Assisted	459	8	10		477	
Total Household Units Assisted	867	8	10		885	
Total Femal Head of Household	13	2	5		20	
Total Disabled	24	0	0		24	
Ethnicity						
Non-Hispanic	283	4	6		293	
Hispanic	123	6	12		141	
White	288	9	16		313	
Black/African American	16	1	2		19	
Asian	4				4	
Native American					0	
Other	4				4	
Renters						
0-30% of MFI		3		3	6	
31-50 of MFI		4		7	11	
51-80 of MFI		3		8	11	
TOTAL		10		18	28	
Owners						
0-30% of MFI	147				147	
31-50 of MFI	153	2			155	
51-80 of MFI	49	6	10		65	
TOTAL	349	8	10		367	

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

The City of Visalia’s First Time Homebuyers Program guidelines meet Section 215 definition of affordable housing as follows:

- a. The program mortgage maximum coincides with the FHA 203(b) mortgage maximum. The purchase price may not exceed 95% of the median purchase price for the area, which is currently \$211,722.
- b. The home is the principal residence of the qualifying family.
- c. The home is subject to the HOME Recapture provisions.

3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

Worst-case housing needs are defined as low-income renter households who pay more than half their income for rent, live in seriously substandard housing (including homeless people) or have been involuntarily displaced.

The City of Visalia continues to review and analyze how it can better meet the needs of the under-served and address “worst case” housing needs through its affordable housing programs, supportive services, Continuum of Care and the efforts of the City’s Fair Housing Administrator. The City allocates both CDBG and HOME funds to affordable housing programs, such as the First Time Homebuyer Program, the Housing Rehabilitation Program, Senior Rental Housing and Senior Repair Programs. Additionally, the City works closely with the Tulare County Housing authority and it’s Section 8 Rental Assistance Program. Tulare County Housing Authority also administers the City’s Fair Housing Hotline. The City also works closely with the Disability Advocacy Committee to address the needs of the disabled community and works closely with the Code Enforcement Division to minimize substandard housing.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

Public Housing and Section 8: Assistance is available from the Tulare County Housing Authority which administers the Section 8 voucher program. Currently there are 1,148 households receiving rental assistance and over 3,505 on the waiting list. The Tulare County Housing Authority has a “Moving to Work” program that limits participation in the Section 8 voucher to a maximum of five years or until the family income exceeds 120% of median income, thus encouraging families to save money, become self-sufficient and hopefully be in a better position to buy a house. It also ensures that the assisted housing is made available to other needy families.

The City of Visalia, in partnership with Tulare County Housing Authority, completed the 70 unit Mill Creek Parkway project in April 2007 and the Robinwood Project, a 10-unit affordable housing project. Additionally, Tulare County Housing Authority, through its non-profit, Kaweah Management is currently working on the Paradise & Court project to develop 9 new affordable rental housing units and rehabbing of 11 existing units.

Tulare County Housing Authority has established a solid reputation for providing safe, affordable housing to low-income persons.

The current Housing Market Analysis displays the number of public housing units within the City of Visalia, city limits owned and managed by Tulare County Housing Authority.

Housing Market Analysis		<i>Complete cells in blue.</i>					
Housing Stock Inventory		Vacancy Rate	0 & 1 Bedroom	2 Bedrooms	3+ Bedroom	Total	Substandard Units
Affordability Mismatch							
Occupied Units: Renter			3234	4879	3400	11513	192
Occupied Units: Owner			1108	2919	15405	19432	342
Vacant Units: For Rent		8%	121	630	180	931	21
Vacant Units: For Sale		2%	4	89	305	398	4
Total Units Occupied & Vacant			4467	8517	19290	32274	559
Rents: Applicable FMRs (in \$s)			481	538	625		
Rent Affordable at 30% of 50% of MFI (in \$s)			476	571	660		
Public Housing Units							
Occupied Units			21	70	88	179	0
Vacant Units			0	0	0	0	0
Total Units Occupied & Vacant			21	70	88	179	0
Rehabilitation Needs (in \$s)						0	

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

As detailed in the City’s 2005-2010 Consolidated Plan and Housing Element, the following policies are designed to assist with barriers to affordable housing:

General Policies

- The City, in a leadership role, shall continue to utilize all available funds to subsidize the development of affordable housing.
- The City shall continue to provide a wide range of incentive programs to encourage affordable housing.
- The City shall ensure that information on available housing programs continues to be made available and is accessible to the public.

Specific Policy Implementations

- The Visalia Zoning Ordinance will grant a 25% density bonus over the housing unit density allowed by existing zoning if the developer agrees to meet one of the following conditions:
 - At least 10% of the units are for very low income households
 - At least 20% of the units are for lower income households
 - At least 50% of the units are for seniors
- The Visalia Zoning Ordinance permits manufactured housing parks in three residential zones with a Conditional use permit.
- The City has no policies that would put constraints on the development of farm worker housing.
- On January 8, 2004, the City adopted a second dwelling unit ordinance that follows the requirements of State law.
- The Visalia Zoning Ordinance permits group homes in four residential zones
- The City has approved three emergency shelters through the use of the CUP process in the last decade and will continue to do this on a case by case basis.

- Brochures regarding housing programs are regularly distributed to the public via the Redevelopment Agency, Code Enforcement Division, the Tulare County Regional Center, the Police and the sub-recipients of our housing grants.

HOME/ American Dream Down Payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

The results of objectives, outcomes and goals are shown in the General Questions 1a as a table on page four of this report.

2. HOME Match Report
 - a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.

The HOME Match Report, HUD -40107-A is attached at Appendix “__”.

3. HOME MBE and WBE Report
 - a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women’s Business Enterprises (WBEs).

A Minority Business Enterprise and Women’s Business Enterprise Report has been prepared on form HUD-40107 and is attached to this CAPER as Appendix “__”.

4. Assessments
 - a. Detail results of on-site inspections of rental housing.

Currently, the City does not fund a Rental Rehabilitation Program. Existing funding toward rental housing will be monitored through Kaweah Management Company for the Robinwood HOME funded project, Mill Creek Parkway Redevelopment funded project and upon completion of rehabilitation and construction of the new Paradise and Court Project. The City of Visalia contracted with AmeriNational Community Services, Inc. in monitoring on-site inspections, owner affidavits, taxes and insurance for its First Time Homebuyer Program, Housing Rehabilitation Programs, and Habitat acquired properties.

- b. Describe the HOME jurisdiction’s affirmative marketing actions.

Attached is the City’s Affirmative Marketing Plan (Attachment __)

- c. Describe outreach to minority and women owned businesses.

Because California is governed by proposition 209, the City may no longer make distinctions based on race, sex, or ethnicity; however, the City provides opportunities to

local and minority companies when soliciting bids for contracts. For example, the City has contracted with Sierra Range Construction on many projects, including the installation of curb cuts for the disabled community. Additionally, CM Construction has worked with the City on project such as the Transit Center and the Rawhide Stadium. Both Sierra Range and CM Construction are local, minority based companies.

HOMELESS

Homeless Needs

1. Identify actions taken to address needs of homeless persons.

The City continues its partnership with the Continuum of Care of Kings-Tulare County to address issues of homelessness. Through the CoC, the City continues to move forward to accomplished goals of combating homelessness. The Point in Time Survey of 2009 showed that even with the nation's current recession there are fewer homeless people in Tulare and Kings Counties this year. The Continuum of Care administers an annual "Point in Time" survey every year in the late winter during a week designated by HUD. Volunteers throughout the surrounding cities pick specific locations to target the homeless. In exchange for an "incentive bag" containing basic necessities such as toothbrushes, lotion, socks, etc., volunteers gather information of the homeless by asking questions such as age, language, how long they have been homeless, employment, number of children etc. The results of this year's survey shows that in Tulare and Kings Counties, there were a total of 966 homeless people in January 2009 and 1,055 the same month in 2008, a drop of 8.44 percent. The survey also shows that both counties had a total of 315 homeless children in 2008, and 238 were homeless in 2009, a decrease of about 24 percent. (Attachment O)

With the completion of this survey, the Continuum of Care can better gauge its progress in its effort to combat homelessness and also improve the allocation of funding. With the data, the continuum also fulfills reporting requirements to the U.S. Department of Housing and Urban Development (HUD).

To strengthen their capacity, the Continuum is currently pursuing a 501c3 status to competitively apply for foundation and corporate funding. The Continuum is focused on systematically implementing systems and programs that will help support existing homeless organizations and offer the resources that are needed locally to be successful.

2. Identify actions to help homeless persons make the transition to permanent housing and independent living.

The City of Visalia has many non-profit and religious shelters that offer successful programs ranging from emergency shelter to transitional housing. Transitional housing organizations help men, women, & women with children transition from living on the streets to becoming self-sufficient through offering meals housing, and the gospel. In

most cases, persons need to complete a program in preparation to re-enter the community and search for full time employment.

- **Visalia Rescue Mission** - a faith based recovery program has a 42 bed men's shelter and can accommodate 60 men as part of their overnight emergency services. Additionally, the Visalia Rescue Mission has one apartment; the Alpha House which is designated as transitional housing, accommodating 7 men. The Rescue Mission also has a short term women's shelter; Shelter of Hope. Here they offer emergency and transitional services for homeless single women and women with children. This rescue program is designated to help women and women with children transition from living on the streets to becoming self-sufficient through offering meals, housing, and the gospel.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

The City of Visalia did not receive funding from the Homeless SuperNOFA; however, On October 27, 2008, the Continuum of Care submitted an application for federal assistance under the 2008 SuperNOFA and was awarded a total of \$1,147,292. The much needed funding went to five different agencies within Tulare/Kings Counties.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

The City continues a strong partnership with the Continuum of Care. For a full report on how the City takes action to prevent homelessness, see page 10 & 11.

Emergency Shelter Grants (ESG) N/A

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).
2. Assessment of Relationship of ESG Funds to Goals and Objectives
 - a. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.
 - b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.
3. Matching Resources
 - a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff

salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

4. State Method of Distribution

- a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.

5. Activity and Beneficiary Data

- a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.
- b. Homeless Discharge Coordination
 - i. As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.
- c. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

CAPER ESG response: The City does not currently receive Emergency Shelter Grants

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Assessment of Relationship of CDBG Funds to Goals and Objectives

- a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.
- b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.
- c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.

All CDBG funds were used to benefit very-low, low- and moderate-income persons or to aid in the elimination of slum and blight. The City of Visalia spent 77.13 percent of its CDBG funds to benefit low- and moderate-income individuals (minimum 70 percent is required).

Appendix " "					
2008-2009 Program Year: CDBG and HOME Goals/Units Accomplished					
HOME Investment Partnership Funds (HOME) - Objective and expected Outcome	**Carried forward goals 05-06, 06-07, 07-08	1 yr goal 08-09	# Units Completed 08-09	% of Annual Goal	Priority
Affordable Housing- HOME Funds					
Objective 1: Provide Decent Affordable Housing		31	20	65%	H
1. Increase availability of affordable owner-occupied housing through (HAP)	0	14	6	43%	
3. Increase availability of affordable housing; Remaining monies from Encina Development (Summ	4	4	3	75%	
4. Increase quality of owner-occupied housing through rehabilitation (HRP)	3	3	1	33%	
5. Increase availability of affordable rental housing through acquisition, rehabilitaiton and partnersh	11 rehab/9 new	0	20 units in progress	0%	
6. Increase availability of affordable rental housing through partnership with Non-Profit Agencies (TCHA- Robinwoo		10	10	100%	
Affordable Housing- HOME Funds					
Objective 2: Suitable Living Environment by Supporting Special Needs Services		0	2 units in progr	#VALUE!	H
1. Increase availability of affordable rental housing through partnership with Christian Church Home:	42	0	42 units in progree	0%	
Community Development Block Grant Funds (CDBG) -Objective and expected Outcome					
Affordable Housing- CDBG Funds					
Objective 1: Suitable Living Environment through Neighborhood Preservation and Services	0	230	467	203%	H
1. Maintain quality housing by addressing substandard housing through (Code Enforcement Progra	0	120	356	297%	
2. Maintain quality of owner-occupied housing through rehabilitation of substandard housing (ERBN	9	10	2	20%	
3. Provide services for low-to -moderate income persons by providing (Fair Housing Education Prog	0	100	109	109%	
Community Development- CDBG Funds					
Objective 3: Suitable Living Environment through Public Improvements	0	15	18	120%	H
1. Increase availability of handicapped access benefiting population with special needs (Streets AD	0	15	18	120%	
2. Improve quality and increase quality of public improvements that benefit low and moderate incom	0	2	1	50%	
Objective 4: Create Economic Development Opportunities and Community Development Oppor	0	1	1	100%	H
2. Demonstrate a commitment to long-term economic growth by promoting expansion and (job crea	0	1	1	100%	
Objective 5: Suitable Living Environment through Community Development Opportunities (Pub	0	1	1	100%	M
1. Improve quality/increase availability of neighborhood facilities for low-income persons (Parks & R	0	1	1	100%	
Objective 6: Suitable Living Environment through Community Development Opportunities (Public Services)		n/a	n/a	n/a	M
1. Support non profit agencies with accessibility to public services					
Non Homeless Special Needs Housing- CDBG Funds					
Objective 7: Suitable Living Environment by Supporting Special Needs Services	50	614	644	105%	H
1. Maintain quality of owner-occupied housing for elderly (Senior Home Repair Program)	36	600	623	104%	
2. Increase accessibility and range of housing options for person with special needs (SHARP)	14	14	21	150%	
3. Increase availability of affordable rental housing through partnership with Non-Profit Agencies (C	*42	0	42 units in progress	0%	

2. Changes in Program Objectives

- a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

The City of Visalia has not changed of the CDBG program and continues to use CDBG funds to provide affordable housing, a safe, suitable living environment and economic and community development opportunities. There is always an ongoing need for CDBG funds to fulfill objectives hence no changes are recommended based on the City's experience.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.

The City of Visalia pursued all potential resources as indicated in the Consolidated Plan by working with developers, non-profits and other agencies to leverage a variety of funds

for the construction and rehabilitation of affordable housing projects and programs, opportunities for low- and moderate-income people to become homeowners, assistance with rehabilitation, and through neighborhood preservation services.

- b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

The City considers all requests submitted in writing. Requests are evaluated and taken into consideration within the guidelines of the Consolidated Plan. The City of Visalia certifies that it is administering the CDBG/HOME program in compliance with its Consolidated Plan and rules, regulations, and certifications required by HUD of its grantees.

- c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

No actions were taken to limit the implementation of the Consolidated Plan.

4. For Funds Not Used for National Objectives

- a. Indicate how use of CDBG funds did not meet national objectives.

All CDBG funds utilized, met the CDBG National Objective.

- b. Indicate how did not comply with overall benefit certification.

CDBG funded activities met all requirements providing overall benefit to low- and moderate income persons.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property

- a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

While several of the City's affordable housing programs utilized CDBG funds for acquisition and rehabilitation, no permanent displacement occurred under any of these programs. The City did not utilize CDBG funds for demolish.

- b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

Not Applicable

- c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

Not Applicable

- 6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
 - a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.

Not Applicable

- b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

Not Applicable

- c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

Not Applicable

- 7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit
 - a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

Activities that do not fall within a category of presumed limited clientele requires Census Tract data demonstrating that it benefits a limited clientele at least 51% of whom are low- and moderate-income individuals.

- 8. Program income received
 - a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

The following table identifies Program Income by funding source not by activity.

Attachment " " CAPER Expenditures					
Consolidated Annual Performance and Evaluation Report Expenditures					
		CDBG	HOME	TOTAL	UNITS
SOURCES OF REVENUE:					
1	Beginning Balance	883,798	1,668,423	2,552,221	
2	Annual Grant Amount	1,185,800	491,716	1,677,516	
3	HOME matching funds - RDA Low/Mod			-	
4	Program Income	123,649	533,157	656,806	
6	TOTAL REVENUE	2,193,247	2,693,296	4,886,543	
7					

b. Detail the amount repaid on each float-funded activity.

The City does not have any float-funded activities.

Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other. **Not Applicable**

c. Detail the amount of income received from the sale of property by parcel.

Not Applicable

9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:

a. The activity name and number as shown in IDIS; **Not Applicable**

b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported; **Not Applicable**

c. The amount returned to line-of-credit or program account; and

Not Applicable

d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

Not Applicable

10. Loans and other receivables

a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.

There were no-float-funded activities.

b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.

Below is the number and balance of Housing Rehabilitation, Rental Rehabilitation and Homebuyers Assistance Loans in their amortized and deferred status as of June 2009.

Loan Portfolio						
<i>Month: June 09</i>						
	Amortized		Deferred		Totals	
	\$	#	\$	#	\$	#
HOUSING REHABILITATION (HRP, ERBN)	771,987	32	1,471,508	91	2,243,495	123
RENTAL REHABILITATION (RRP)	123,085	7	-	-	123,085	7
HOMEBUYER'S ASSISTANCE (HAP) deferred for the first 5 years	873,130	50	3,951,361	79	4,824,491	129
Total	1,768,202	89	5,422,869	170	7,191,071	259

- c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.

Loan terms vary from 20 to 30 years and/or until the property is sold or the passing of an owner(s). The following table shows all the number of outstanding loans that are deferred, principal balance owed as of the end of the reporting period, June 30, 2009.

OUTSTANDING HOUSING LOAN BALANCES		
	Jun-09	
	DEFERRED	
	\$	#
HOUSING REHABILITATION		
CDBG (961)	1,173,780	81
HOME (449)	265,267	9
EAST L/M (446)	32,461	1
MOONEY L/M (448)		
SUBTOTAL	1,471,508	91
HOMEBUYER'S ASSISTANCE		
CDBG (963)	-	-
HOME VIAH (988)	2,372,693	40
HOME FTHB (486)	97,940	8
HOME FTHB (1156)	807,252	13
HABITAT (1320)	410,016	11
CAL HOME FTHB (1293)	263,460	7
SUBTOTAL	3,951,361	79
GRAND TOTAL	5,422,869	170

- d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.

This table shows the total number and amount of loans made with CDBG funds currently in default. Typically, loans that are under three payments behind are monitored but are given the opportunity to work toward bringing their account current.

OUTSTANDING HOUSING LOAN BALANCES				
	Jun-09			
	TOTAL		DELINQUENT	
	\$	#	\$	#
HOUSING REHABILITATION				
CDBG (961)	1,392,387	91	52,856	2
SUBTOTAL	1,392,387	91	52,856	2
RENTAL REHABILITATION				
CDBG (962)	33,334	5	167	1
SUBTOTAL	33,334	5	167	1
HOMEBUYER'S ASSISTANCE				
CDBG (963)	18,297	3	-	-
SUBTOTAL	18,297	3	-	-
GRAND TOTAL	1,444,018	99	53,023	3

- e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.

No CDBG funds were utilized to purchase property during the program year.

11. Lump sum agreements (Not Applicable)

- a. Provide the name of the financial institution.
- b. Provide the date the funds were deposited.
- c. Provide the date the use of funds commenced.
- d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year

- a. Identify the type of program and number of projects/units completed for each program.
- b. Provide the total CDBG funds involved in the program.
- c. Detail other public and private funds involved in the project.

- Emergency Repairs and Basic Needs Program (CDBG) – This program, administered by Self-Help Enterprises, allows income qualified homeowners address health & safety issues of their home. The loan, formerly an amortized loan with two percent interest has been modified to be a deferred loan with zero interest. The guideline was amended by City Council in April 2009, after staff evaluated the program’s performance. In fiscal year 08/09 the City allocated a total of \$110,202. So far this year, the ERBN program has assisted a total of two families for a total of \$21,500. Currently, Self-Help has a total of six applicants going through the application process.

- Senior Home Repair Minor Repairs (CDBG) – This program, administered by Community Services and Employment Training (CSET) assists senior citizens by addressing minor repairs to their home. Repairs may include plumbing repairs,

cooler/air conditioning repairs, roof repairs, door & window repairs, and electrical repairs, flooring and carpentry repairs. In fiscal year 08/09, the City of Visalia allocated a total of \$91,000 and has expended \$79,836 to address 623 repairs.

- Housing Rehabilitation Program (HOME) - This program, administered by Self-Help Enterprises, allows income qualified homeowners to make repairs that maintain and upgrade the quality of their home. The loan, formerly an amortized loan with two percent interest has been modified to be a deferred loan with no interest. The guideline was amended by City Council in April 2009, after staff evaluated the performance of the program. By changing the requirements of this program, it is anticipated that the Housing Rehabilitation Program will be able to assist more families in need as payments will not be due until the house is sold or refinanced. So far this year, the HRP program has assisted one family in the amount of \$60,000. A total of \$250,000 was allocated to the HRP in Action Plan year 09/10 and will be available in the early fall of 2009.
- Mobile Home Senior Home Repair (CDBG) – This program, administered by Self-Help Enterprises allows extremely low and low-income senior citizens to make minor repairs to their mobile home. Assistance may include; re-roofing, heating and cooling repairs, handicap access, electrical and plumbing issues. In fiscal year 08/09 the City allocated a total of \$70,000 and \$60,000 that were redirected from 07/08 administration funds through an Action Plan amendment for a total of \$130,000. This year thus far, the City has assisted a total of 16 units for a total of \$99,448. Additionally, funding has been reserved for 5 applicants in the amount of \$25,948.

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies

- a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

Not Applicable

Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Consolidated Plan Goal

Due to the need to address physical and social deterioration and related issues, the City, as part of a countywide effort, will continue to:

- Promote development of new jobs in skilled positions,
- Provide incentives to businesses to expand including job training and placement services,

- Support to the Continuum of Care for services to the homeless and people "at risk" of becoming homeless.

The State of California, Labor Market Information Center released June 2009, shows that the Visalia-Porterville Metropolitan Statistical Area unemployment Rate is currently at 14.7%, which is a 4.9% increase from last year on this month. The City of Visalia continues to make unemployment a priority as it continues to increase its efforts to improve the economic development and expansion opportunities city-wide. Included in these efforts is assistance to those businesses which will provide job retention and creation opportunities. This will be done in conjunction with current City and private efforts as part of a community consolidated process. A retail development, known as Orchard Walk, located at Dinuba and Riggan has been completed and is now open for business. The development consists of various stores among which Target and Ross for Less have already created many job opportunities for residents of Visalia.

The City of Visalia believes that three of the greatest assets to meeting the needs of the underserved population are education, coordination of services and availability of resources. The City continues to address all of these areas by forging cooperative efforts with public and private organizations sharing a common mission of improving the quality of life for individuals eligible for HUD assistance. Agencies with whom we will continue to collaborate on housing, social services, employment and skills training, neighborhood revitalization and economic development include:

- | | |
|---|---|
| City of Visalia - Citizens Advisory Committee | City of Visalia Council |
| Community Services & Employment Training (CSET) | Continuum of Care |
| Family Services of Tulare County | Kings/Tulare Hispanic Chamber of Commerce |
| Habitat for Humanity | Kaweah Delta Health Care District |
| Manuel Hernandez Community Center | North Visalia Neighborhood Advisory Committee |
| Proteus, Inc. | Pro-Youth/Hearth Visalia |
| Real Alternative for Youth Organization (RAYO) | Salvation Army |
| Self-Help Enterprise | Tulare County Resource Management Agency |
| Tulare County Health & Human Services Agency | Tulare County Mental Health Association |
| Tulare County Association of Realtors | Visalia Chamber of Commerce |
| Valley Regional Center | Visalia Economic Development Corporation |
| Visalia Rescue Mission | Visalia Unified School District |
| Visalia Emergency Aid Council | Wittman Village Community Center |
| YWCA and YMCA | |

The City will continue to pool its resources with these and other organizations to provide a continuum of services addressing the full range of needs of low and moderate-income families of Visalia. The City will continue working to obtain additional funds from State and Federal sources for housing and community development projects.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

The City has adopted a program designed to improve access for persons with disabilities. The program, known as the “Visit-able Home Program”, was adopted in cooperation with the South Valley Center for Independent Living, the Building Industry Association of Tulare-Kings Counties, and the City’s Building division. This program requires minimal changes to construction standards for new single family homes, adding only minor costs that will enable any home to be easily modified for accessibility.

Additionally, the City provided Redevelopment Low Mod Set Aside Funds as a loan in the amount of \$342,687 to Kaweah Management Company to acquire and then rehabilitate the property located at Encina and Oak referred to as the “Encina Triplex” project. The triplex was acquired for the purpose of creating affordable housing to be utilized as “supportive housing” for person with developmental disabilities. Kaweah Management Company is undertaking this project cooperatively with the Central Valley Regional Center (CVRC), who will place qualified tenants once the project is complete. The complete renovation of the Encina Triplex project is progressing well and is approximately 60% completed as of June 30, 2009. It is anticipated that the project will be finished by September 30, 2009 and tenants will move in before the end of October

Specific HOPWA Objectives

Not Applicable

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives
Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
 - a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;
 - b. That community-wide HIV/AIDS housing strategies are meeting HUD’s national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;
 - c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;

- d. That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
 - e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
 - f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.
2. This should be accomplished by providing an executive summary (1-5 pages) that includes:
- a. Grantee Narrative
 - i. Grantee and Community Overview
 - (1) A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services
 - (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected
 - (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS
 - (4) A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body
 - (5) What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations
 - (6) Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.
 - ii. Project Accomplishment Overview
 - (1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences
 - (2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds
 - (3) A brief description of any unique supportive service or other service delivery models or efforts
 - (4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are

not operational.

- iii. Barriers or Trends Overview
 - (1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement
 - (2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and
 - (3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years
- b. Accomplishment Data
 - i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).
 - ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).

CAPER Specific HOPWA Objectives response:

Not Applicable

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

City of Visalia Agenda Item Transmittal

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 3

Agenda Item Wording: Approval of Provost & Prichard's recommendations concerning reuse of the Water Conservation Plant effluent, and authorization to begin negotiating the framework of a water exchange agreement with Tulare Irrigation District.

Deadline for Action:

Submitting Department: Public Works

Contact Name and Phone Number: Andrew Benelli, Public Works Director, 713-4340; Jim Ross, Public Works Manager, 713-4466.

Department Recommendation:

Staff recommends that Council approve, in concept, the effluent reuse recommendations made by Provost & Prichard which includes irrigation of Plaza Park, Valley Oaks Golf Course, and agricultural areas near the airport as well as implementation of a water exchange agreement with Tulare Irrigation District. Staff further recommends that Council authorize staff to begin negotiations with Tulare Irrigation District on a water exchange agreement.

Summary/background:

In September 2006, the Visalia Water Conservation Plant (WCP) was issued a new wastewater discharge permit by the Regional Water Quality Control Board (RWQCB). The permit is designed to protect ground water and surface waters around and downstream of the treatment plant by placing limits on what can and cannot be discharged from the plant, and in what concentrations.

In addition to a carry-over of most of the old permit requirements, the new permit contains discharge conditions that are significantly more restrictive than the previous permit. In addition, it requires the City to prepare a Treatment Plant Master Plan (MP) to identify the method by which the City would comply with the various permit requirements. The MP was completed in June 2008 and, after a RFP process, Parsons was selected to design the needed upgrades.

During this same time frame, a study by Fugro West, Inc. showed that the current groundwater overdraft within Visalia to be approximately 2,225 acre feet per year. In recognition of the fact that the WCP discharges over 14,000 acre feet annually, Council authorized Provost & Prichard (P&P) to conduct an effluent reuse study parallel to the WCP upgrade project which would

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 30

Review:

Dept. Head AB 8/31/09
(Initials & date required)

Finance
City Atty AP 9/1/09
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

develop a more comprehensive plan for reuse of the treated effluent. This plan would be used to form the basis of the WCP upgrade project being designed by Parsons.

P&P is now at a point in their effort where an update to Council is appropriate.

The major points of the recommended effluent reuse plan are briefly described below.

- Upgrade to full disinfected tertiary treatment.
The current WCP produces a high quality disinfected secondary effluent which can be utilized for the irrigation of fodder and fiber crops such as alfalfa, silage corn and cotton. Upgrading the plant to disinfected tertiary treatment will produce an effluent that is essentially unrestricted in its use (except for domestic water supply). Production of this very high quality water will allow greater flexibility in its reuse now and in the future.
- Irrigation of Plaza Park and Valley Oaks golf course.
Tertiary treated effluent can replace approximately 3.2 million gallons per day (mgd) of groundwater at the golf course and another 1.0 mgd at Plaza Park.

A meeting between the various interests has already taken place and it appears that there are no major technical or regulatory obstacles to utilizing treated effluent at these locations. No significant changes will be needed to the ongoing irrigation project at the golf course. Disinfected tertiary effluent will be pumped to the existing irrigation ponds and will replace groundwater as the primary source of irrigation water. Water quality in these ponds is expected to improve as a result of increased circulation.

- Irrigation of farmland at and near the airport.
The City owns several hundred acres of farmland at and near the airport. This land can be irrigated with recycled water. Because the water will be disinfected tertiary treatment, there will be no restrictions on the types of crops that can be grown.
- Water exchange agreement with Tulare Irrigation District.
A conceptual agreement has been made between the City and TID. While the details have not been worked out, the arrangement would function thusly. Tertiary treated effluent from the WCP would be discharged into one of the district's irrigation channels. The district would then sell this water to its customers or utilize it for groundwater recharge within its district boundaries. In exchange, the City would receive a proportional allotment of water upstream of the City to utilize for groundwater recharge.

To further this effort, Staff is seeking Council's authorization to negotiate the framework of the water exchange agreement.

- Expandability
In order to facilitate expanded use of recycled water in the future, the recycled water pipeline and pump system will be designed to handle 100% of future flows.

It is estimated that the recommendations described above would cost approximately \$6 million, excluding the required upgrades at the WCP to produce tertiary water. Parsons has followed the development of the above plan closely, and agrees with the recommendations thereof. They have begun evaluating the construction cost of upgrading the WCP from secondary to tertiary treatment in order to implement the recommended reuse projects. Their findings will be presented at an upcoming Council meeting at which time the scope of the project can be adjusted as deemed appropriate by Council.

Although not recommended at this time, several options exist for future expansion of the recycled water system, including

- A crossing of Highway 198 to facilitate reuse projects in the northern portion of the City.
- Irrigation system at the 99 / 198 interchange,
- Extend system eastward, including a northern pipeline to service the Riverway Sports Park area, a southern pipeline to serve Mooney Grove Park, and a pipeline to serve the Highway 198 corridor.
- Installation of storage ponds and extraction wells near the WCP to allow greater flexibility and the ability to deliver more valuable, high demand water to TID during the irrigation season.

Following the reuse plan as outlined above will allow 100% of the WCP effluent to be recycled for direct reuse or exchanged for groundwater recharge water up gradient of and throughout the City.

This is significant in light of how this process began.

The Regional Board issued a discharge permit that required a major upgrade to the WCP in order to continue discharging as it had for more than 40 years. The cost was estimated at \$70-80 million. The alternative was to do a smaller “bare bones” project that would cut the cost to \$50-60 million. With either option, the capacity of the WCP would not increase, the uses of the effluent would not expand, and the City’s groundwater level would continue to decline.

The project as now envisioned will

- allow for irrigation of the golf course and Plaza Park with plenty left over for any other irrigation project the City cares to undertake,
- strengthen the regional water and groundwater partnership between the City of Visalia and Tulare Irrigation District,
- give farmers in the TID service area access to a year-round source of surface water, helping to protect the economic interests of the region, and
- make upwards of 14,000 acre feet of water available every year to the City for groundwater recharge, more than offsetting the estimated 2,500 acre feet of annual overdraft.

This project that began as a state mandate with no benefit to the City now has a very real opportunity to become a project that contributes significantly to reversing Visalia’s groundwater overdraft problem.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: Provost & Prichard Executive Summary Report

Recommended Motion (and Alternative Motions if expected):

Move to approve, in concept, the effluent reuse recommendations made by Provost & Prichard which includes irrigation of Plaza Park, Valley Oaks Golf Course, and agricultural areas near the airport.

Further move to authorize staff to begin negotiations with Tulare Irrigation District on a water exchange agreement.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

EXECUTIVE SUMMARY

INTRODUCTION

An **Effluent Reuse Study (Study)** of the **City of Visalia Water Conservation Plant (WCP)** is currently being prepared for the **City of Visalia (City)** by Provost & Pritchard Consulting Group. The Study details a multi-faceted, multi-phased project (**Project**) in which the City is exploring the feasibility of maximizing its recycling of tertiary treated municipal effluent. Some potential uses for this treated effluent include: landscape irrigation throughout the City's parks, recreational areas, roadways, school athletic fields, and other green spaces, replenishing area groundwater, water exchange agreements with **Tulare Irrigation District (TID)** or other entities with up-gradient water entitlements, and/or supplying irrigation water for City owned agricultural properties and crops located adjacent to the Visalia Airport and WCP. Ultimately, the City's objective is to protect against potential groundwater degradation, and to maximize the beneficial uses of a valuable resource.

The City of Visalia is currently in the process of upgrading the WCP operations to improve effluent quality, and to comply with the California Regional Water Quality Control Board's, Central Valley Region (**Regional Board**) Waste Discharge Requirements (**WDR's**) for the WCP. As stated in the 2006 WDR's, the Regional Board has advised that the City discontinue discharging secondary treated effluent to Mill Creek by March 2011. Discontinuing secondary treated effluent discharges to Mill Creek will eliminate the current requirement for the WCP to maintain a National Pollutant Discharge Elimination System (**NPDES**) permit.

The City's most recent Water Conservation Master Plan indicates the need to dispose of or reuse 22 million gallons per day (**MGD**) of treated effluent. Modifications currently planned for the WCP include conversion of the existing treatment processes from secondary to tertiary level treatment. Once the planned modifications to the WCP are complete, the entire 22 MGD of tertiary treated effluent could be discharged into Mill Creek. However this discharge option provides limited flexibility for the City to capture any benefits associated with providing the advanced level of treatment. Continuing to discharge entirely to Mill Creek only provides for the delivery of the tertiary treated effluent to a limited group of downstream users. This option provides limited opportunity for improvement to long term groundwater overdraft conditions in the City of Visalia, and limits any fiscal benefits associated with being able to exchange irrigation water with City owned and controlled tertiary treated effluent.

PROJECT CRITERIA

Multiple alternatives were evaluated to supplement the planned treatment plant upgrades and expansion. Alternatives considered, at a minimum, the capital costs, the operation and

maintenance costs and the short-term and long-term regulatory implications (where regulations are likely to head and the best way to assure sustainable solutions).

Ultimately, after numerous iterations and variables were considered, it was determined that a combination of alternatives, developed concurrently, would best address the City's needs for short and long term handling of the treated effluent. This combination of alternatives constitutes the proposed Project, and allows for:

- Use of tertiary treated effluent to irrigate City owned facilities.
- Use of tertiary treated effluent to irrigate other public spaces.
- The City to exchange water with TID. Tertiary effluent for crop irrigation and storage/recharge purposes. City use of exchanged TID water for recharge and NE City irrigation without the need for costly recycled water delivery infrastructure.
- Provides the WCP with reliable reuse methods, without relying on continued discharge into Mill Creek.
- Provides future points of connection for installation of reclaimed effluent pipelines within the City (Purple Pipe).

RECOMMENDED PROJECT

The recommended Project consists of the following three (3) major components.

- **IRRIGATION DISTRICT WATER EXCHANGE**
- **DISCHARGE TO CITY OWNED BASIN 4**
- **CITY OWNED TREATED EFFLUENT IRRIGATION PROJECT**

An important concept and basis for this recommendation is to create options and flexibility to maintain future potential re-use alternatives, not tying the City necessarily to one single alternative that would compromise the ability to adjust to changing regulatory or economic conditions.

These components (further described below) constitute the core of the recommended Project at this time. This combination provides the opportunity to beneficially use the total current WCP effluent volume of 13 MGD, with the capacity for utilizing the anticipated effluent volume of 22 MGD.

IRRIGATION DISTRICT WATER EXCHANGE

- Construct a new 48-inch diameter conveyance pipeline extending from the WCP along Road 68 to a point south of Avenue 272, approximately 1.8 miles to the south.
- The purpose of this 48-inch pipeline would be to convey tertiary treated effluent from the WCP and to discharge into Evan's Ditch (from which point it would be managed by TID) and surrounding agricultural properties.

Description:

This portion of the Project involves construction of a new 48-inch reuse pipeline from the WCP to a discharge point of connection to Evan's Ditch. The new 48-inch pipeline will be designed to carry the WCP capacity of 22 MGD. From the connection point at Evan's Ditch, the treated effluent can be conveyed to TID Basin No. 3, without connecting to Mill Creek. At this connection point the water becomes managed by TID. Having the ability to convey water in Evan's ditch and storing it in Basin 3, allows for much greater flexibility in the City's ability to exchange water with TID.

The City currently has an agreement with TID to address regional groundwater issues by coordinating the use of funds paid by the City to TID in recognition of the value of the water supplies they import to the region. An agreement is proposed which would expand upon that cooperation to include TID's use of tertiary treated effluent from the WCP in exchange for water supplies that TID would purposefully recharge within and upgradient of the City to directly address groundwater overdraft and serve the City's constituents.

DISCHARGE TO CITY OWNED BASIN 4

- Construct a new 48-inch diameter discharge pipeline to convey tertiary treated effluent from the WCP to the west to City owned Basin No. 4. Basin No. 4 provides a long-term, failsafe effluent disposal option and may be a required short-term option during WCP expansion and construction activities.
- The Basin 4 pipeline would extend approximately 0.5 miles west, bypassing Mill Creek, and then discharging into the existing City controlled canal that is connected to Basin No. 4.

Description:

It is unlikely that upgrades planned for the WCP will be entirely completed by March 2011. Tertiary treatment of 100% of the WCP effluent would have to be in place in order to continue discharging to Mill Creek. It is therefore necessary to provide for an alternative discharge option as a minimum requirement for the proposed Project.

This portion of the Project consists of constructing a new 48-inch effluent disposal pipeline. This new pipeline would bypass Mill Creek, and convey up to 22 MGD of treated effluent from the WCP to a City controlled canal, then to Basin No. 4. It is necessary to maintain a failsafe backup method for disposing of the entire ultimate WCP design capacity of 22 MGD. The new 48-inch pipeline will allow tertiary treated effluent to bypass Mill Creek, in compliance with the RWQCB order to eliminate discharge to Mill Creek by 2011, while maintaining the discharge capacity offered by the connection to Basin 4. Secondary and/or tertiary effluent can be discharged to Basin 4, if required.

CITY OWNED TREATED EFFLUENT IRRIGATION PROJECT

- Construct a new 36-inch diameter discharge pipeline which would extend from the WCP to the east.
- The immediate purpose of the 36-inch pipeline is to provide tertiary treated effluent for use as irrigation water at Plaza Park, Valley Oaks Golf Course, portions of Highway 99 and Highway 198, and City owned agricultural properties.
- The 36-inch pipeline would extend east, underneath Highway 99, then wrap around the airport property to the north and south.
- From the northerly extension, an additional 30-inch segment of pipeline that would extend further north underneath Highway 198 would be constructed, and then be capped at the intersection of Neeley Street and Camp Drive, for future use.
- The southerly extension of the 36-inch pipeline would be capped at the intersection of Plaza drive and Walnut Avenue for future use.
- The northerly and southerly extensions of the 36-inch pipeline (capped) will provide for future greater utilization of the treated effluent for irrigation and groundwater recharge throughout Visalia.

Description:

This part of the Project requires constructing a new 36-inch tertiary effluent pipeline east from the WCP, within an existing pipeline easement/conduit under State Highway 99. The new 36-inch pipeline would deliver tertiary treated irrigation water to the City owned Airport, Golf Course and agricultural properties located east of Hwy 99. The tertiary treated effluent will be suitable for use as irrigation water on these areas. The new 36-inch pipeline would extend north along the west side of the Airport (east of Hwy 99), then turn easterly at the intersection Plaza Drive and the southerly alignment of Neeley Street, located south of Hwy 198. The new 36-inch pipeline would also extend south around the southerly portion of the Airport, then east along the alignment of Watson Ditch, then terminate at the intersection of Walnut Avenue and Plaza Drive.

The alignment of the 36-inch pipeline was selected to provide points of connection to irrigate the HWY 198/HWY 99 Interchange and a portion Hwy 99 lying south of the interchange, along the Visalia Airport frontage. Additionally, the 36-inch pipeline was sized to provide sufficient capacity for future connections to irrigate areas in North, Central and South Visalia, as well as providing for future "Purple Pipe", and landscape irrigation for residential and industrial developments throughout the City. Constructing the new 36-inch pipeline would provide for the beneficial use of tertiary effluent as irrigation water, thereby reducing the City's reliance on groundwater pumping.

Several areas identified for use of the treated effluent for irrigation are described in the following sections.

Neeley Street Connection

A point of connection for future industrial, commercial and residential developments in north Visalia will provide long-term flexibility and options for the City's planned reuse of the tertiary treated effluent. The 30-inch pipeline will be stubbed out and capped at the intersection of Neeley Street and Camp Drive for future use. This alternative requires the crossing of Hwy 198 within an existing City of Visalia pipeline easement. The 30-inch pipeline capacity would be about 14 MGD, and would be the primary source for extension of future Purple Pipe and irrigation needs in North Visalia.

Plaza Park

This proposed 18-inch pipeline would supply irrigation water for Plaza Park. Currently, irrigation water for Plaza Park is groundwater supplied through a pipeline connection to the Valley Oaks Golf Course. The new 18-inch pipeline would be connected to the 36-inch effluent pipeline and provide for direct discharge of irrigation water into the Plaza Park pond. Water would then be pumped from the pond to irrigate the rest of the Park.

Valley Oaks Golf Course (North)

An 18-inch pipeline is proposed to supply irrigation water for the original 18-hole configuration of Valley Oaks Golf Course. The 18-inch pipeline would be an extension of the 18-inch Plaza Park pipeline, and would provide enough water to irrigate the Golf Course. The 18-inch pipeline would discharge directly into one of the Golf Course ponds, then be pumped into the existing irrigation system, in-lieu of pumping groundwater.

Valley Oaks Golf Course (South)

This portion of the project involves constructing a 12-inch irrigation pipeline from the southerly portion of the 36-inch treated effluent pipeline to provide irrigation water for the 9-hole "Lakes" portion of Valley Oaks Golf Course. Irrigation water for the Lakes is currently provided by pumping groundwater. The new 12-inch pipeline would discharge directly into an existing pond located on the eastern edge of the Golf Course, then pumped into the existing irrigation supply network.

Visalia Airport

The new 36-inch treated effluent pipeline would also provide irrigation water for the Visalia Municipal Airport. The 200± acres Airport property requires water for cropland and green space irrigation during the summer months. Extension of an irrigation supply network, connected to the 36-inch effluent pipeline will eliminate

the requirement for pumped groundwater for the Airport's irrigation water supply needs.

Highway 99 & Highway 198 Interchange

Providing a treated effluent irrigation supply pipeline to irrigate the Hwy 99/198 Interchange and the westerly portion of Visalia's scenic corridor will help beautify Visalia's Scenic Corridor. New landscaping on the 140 acre portion of Hwy 198 and Hwy 99 can be irrigated directly from the 36-inch recycled effluent pipeline.

City Owned Agricultural Properties

This portion of the Project would provide irrigation water to supply City owned and potentially other agricultural operations located east of Hwy 99 and southerly of the Airport. The total area of the City owned crop land lying east of Hwy 99 is approximately 293 acres. The City owned crop land located south of the WCP and east of the City owned walnut orchard is approximately 250 acres, and could receive treated effluent for irrigation through a new pipeline, or reconnection to the existing irrigation system.

Table A provides a summary of the recommended Project. Please see Figure 1, "Treated Effluent Lines & Areas", for a depiction of the proposed pipeline alignments and distribution areas.

FUTURE IMPROVEMENT OPTIONS

Construction and implementation of the overall Project, as described in the preceding sections, will allow the City great flexibility to expand treated effluent distribution opportunities in the future. Several potential *supplemental projects* are described below, for your consideration.

New Storage Basin(s) and Extraction Wells

Additional storage basin(s) may be utilized in the future to increase short-term surface storage capacity and long-term groundwater storage of treated effluent. This option consists of the following components:

- Construct new storage basins, to be located south of the existing WCP, on land currently owned by the City (and farmed for the production of walnuts).
- Install irrigation groundwater extraction wells and monitoring wells, to be located approximately 600 feet south of the proposed new storage basin.

- Install storage tanks and disinfection equipment (if required, based on initial testing), and approximately 2.8 miles of new 30-inch pipeline to connect the storage tanks to the new 48-inch and 36-inch reuse pipelines (to be constructed with the overall Project, described above).

Installation of storage ponds and extraction wells, will allow the City to supply groundwater to TID with greater flexibility and to deliver more valuable high demand water during the irrigation season. This supplemental project is recommended to start as a small scale pilot project, in order to determine the overall effectiveness of this alternative before committing larger scale resources to the concept. With this alternative, reclaimed effluent will be available when needed and allow the City to utilize the underground water reservoir through low demand winter months. Subsequent to successful completion of the pilot project, additional storage ponds (372 acres ultimately), and extraction wells could be added incrementally as the WCP reaches ultimate capacity.

The current effluent flow into the WCP is 13± MGD. We recommend the pilot project consist of 120 acres of additional storage. The new basins would be constructed to a depth of approximately 3.5 feet, with an additional 1.5 feet of available free board. At this depth, the available volume for storage would be about 135 million gallons. The basins would also be connected to the 36-inch recycled effluent distribution pipeline. Initially the WCP could divert 6 MGD of tertiary treated effluent into the basins. At a pumping rate of 6 MGD, the basins would hold an additional three week supply of water for high demand requests from TID or to meet peak demands for irrigation water on City owned property.

Extend Discharge Pipeline to Roeben Basin

Build a 12-inch extension from the east end of the new proposed 36-inch pipeline, extending east along Walnut Avenue to Roeben Basin, located west of the intersection of Walnut Avenue and Roeben Street. This point of connection makes use of an existing storage basin, and provides for the ability to dispose of additional effluent during times of low irrigation demand, while maintaining the benefit of storing water within the City, rather than disposing of it downstream.

Extend North Visalia Treated Effluent Pipeline

Construct a new 30-inch pipeline from HWY 198, north along Neeley Street to Crowley Avenue, then east on Crowley to Kelsey Street, and then north to Riggins. The Riggins Pipeline would be extended east, terminating at a point along the St. John's River.

The northerly alignment along Riggins will provide an opportunity to deliver water directly to the St. John's River Parkway, Riverway Sport's Park and several other City owned/controlled areas. This alignment also allows for future reclaimed water pipelines for irrigation of schools, parks and future developments.

Extend Central Visalia Treated Effluent Pipeline

Construct a new 30-inch pipeline along the alignment of HWY 198 to the east, through the City of Visalia, terminating at a discharge point at a City recharge basin, Mill Creek or Packwood Creek. The HWY 198 alignment also allows for the extension of lateral lines for irrigation purposes, but also provides access to the City storage basin, located in East Visalia, and direct access to discharge waters east and upstream of Visalia.

Extend South Visalia Treated Effluent Pipeline

This potential future project includes construction of a new 24-inch pipeline along a southerly alignment (Ave 272) to Mooney's Grove Park, then beyond to a termination point designed to serve southeast Visalia and possible future landscaping of the Santa Fe Trail. The proposed new southerly alignment would allow for irrigation of Mooney Grove Park (if the County has an interest), multiple alternatives for irrigation of City owned parks, other facilities and School athletic fields in south Visalia.

ACTION

PLANNING COMMISSION AGENDA

CHAIRPERSON:
Lawrence Segrue



VICE CHAIRPERSON:
Adam Peck

COMMISSIONERS PRESENT: Lawrence Segrue, Terese Lane, Vincent Salinas, Roland Soltesz

MONDAY AUGUST 24, 2009; 7:00 P.M., CITY HALL WEST, 707 WEST ACEQUIA, VISALIA CA

- 7:00 TO 7:01 1. THE PLEDGE OF ALLEGIANCE
- 7:01 TO 7:01 2. CITIZEN'S REQUESTS - The Commission requests that a 5-minute time limit be observed for requests. Please note that issues raised under Citizen's Requests are informational only and the Commission will not take action at this time.
- No one spoke
- 7:01 TO 7:01 3. CITY PLANNER AGENDA COMMENTS – No comments
- 7:01 TO 7:01 4. CHANGES TO THE AGENDA – No changes
- 7:01 TO 7:01 5. CONSENT CALENDAR - All items under the consent calendar are to be considered routine and will be enacted by one motion. For any discussion of an item on the consent calendar, it will be removed at the request of the Commission and made a part of the regular agenda.
- No Items on Consent Calendar
- 7:01 TO 7:20 6. PUBLIC HEARING– Andy Chamberlain
- Approve as recommended (Lane, Salinas) 4-0 Peck absent
- Open: 7:08
Close: 7:18
Spoke:
1. Nick Bruno
- a. Conditional Use Permit No. 2009-30: a request by Visalia/Noble Associates LLC to allow a 25, 872 square foot specialized educational facility for University of Phoenix in the PA (Professional Administrative Office) Zone. The site is located at 4045 W. Noble Avenue (APN: 087-080-038, 039, 040, 041)
- b. Variance No. 2009-08: a request by Visalia/Noble Associates LLC to allow approximately 288 to 360 square feet of building signage for the University of Phoenix in the PA (Professional Administrative Office) Zone. The site is located at 4045 W. Noble Avenue (APN: 087-080-038, 039, 040, and 041)
- 7:20 TO 7:46 7. PUBLIC HEARING – Andy Chamberlain
- Approve as recommended (Salinas, Soltesz) 4-0 Peck absent
- Open: 7:29
Close: 7:41
Spoke:
- Conditional Use Permit No. 2009-35: A request by Family Health Care Network, to allow the development of a 14, 740 sq. ft. two story medical clinic, in the C-DT (Planned Central Business District Retail) zone. The site is located on the northwest corner of Santa Fe and Oak Street. (APN: 094-284-006)

1. Lyle Munch
2. Ricardo Noguera

7:46 TO 8:05

8. PUBLIC HEARING – Brandon Smith

Approve as recommended with the clarifications of the addendum to the CEQA guidelines (Lane, Soltesz) 4-0 Peck absent

Tentative Parcel Map No. 2009-03: A request by Vargas / MSJ Development, LLC, to divide 151.72 acres into seven parcels in the I-H (Heavy Industrial) Zone. The site is located on the northeast corner of Plaza Drive and Riggan Avenue. (APN 077-120-014).

Open: 7:56
Close: 7:59

Spoke:
1. Patrick Daniels

Break:
8:05 TO 8:15

8:15 TO 8:28

9. PUBLIC HEARING –Brandon Smith

Approve as recommended (Salinas, Lane) 4-0 Peck absent

Conditional Use Permit No. 2009-34: A request by Dr. Steven Serrins, April Filak, and Mike Fistolera (property owners), to allow an 8,706 sq. ft. office development with up to 4,530 sq. ft of medical office space on a 1.16-acre parcel in the C-N (Neighborhood Commercial) zone. The site is located on the northeast corner of Caldwell Avenue and Stover Street. (APN: 126-700-042)

Open: 8:20
Close: 8:27

Spoke:
1. Ed Canvasser
2. Martin Meier

8:28 TO 8:30

10. DIRECTOR'S REPORT/PLANNING COMMISSION DISCUSSION:

1. Interviews for the GPA update are September 9, 2009.
2. Appeal for Grace Community Church was upheld.
3. Planning Commission/City Council Meeting to be held on September 29, 2009.
4. GPA/COZ for Derrels Mini Storage to City Council September 8, 2009.

The Planning Commission meeting may end no later than 11:00 P.M. Any unfinished business may be continued to a future date and time to be determined by the Commission at this meeting. The Planning Commission routinely visits the project sites listed on the agenda.

For the hearing impaired, if signing is desired, please call (559) 713-4359 twenty-four (24) hours in advance of the scheduled meeting time to request these services. For the visually impaired, if enlarged print or Braille copy is desired, please call (559) 713-4359 for this assistance in advance of the meeting and such services will be provided as soon as possible following the meeting.

**THE NEXT REGULAR MEETING WILL BE HELD ON MONDAY, SEPTEMBER 14, 2009
CITY HALL COUNCIL CHAMBERS, 707 WEST ACEQUIA**

8:30 TO 8:30
Motion to Adjourn (Segrue, Salinas) 4-0 Peck absent

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 08, 2009

Agenda Item Number (Assigned by City Clerk): 10b

Agenda Item Wording: Authorization to award RFB # 08-09-53, Primary Clarifier No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$361,500.

Deadline for Action: none

Submitting Department: Public Works

Contact Name and Phone Number: Jim Ross, Public Works Manager, 713-4466

Department Recommendation: Staff recommends that Council authorize staff to award RFB # 08-09-53, Primary Clarifier No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$361,500.

Summary/background:

Primary clarifier No. 3 is a 336,000 gallon rectangular concrete structure that was constructed in the late 1960s. Due to the corrosive nature of wastewater, the concrete and metal surfaces of the structure have deteriorated. These surfaces need to be cleaned of contaminants and coated with a protective coating to rehabilitate the structure and prevent future deterioration.

The material to be applied to primary clarifier No. 3 is a 100% solids elastomeric polyurethane coating system by EnduraFlex. It is specifically formulated to withstand the harsh environmental conditions normally found at wastewater treatment plants. It is highly chemical resistant, corrosion resistant, abrasion resistant, and can flex with the expansion, contraction, and movement of the structure. In 2005, this coating system was installed on another of the facility's clarifiers and annual inspections indicate that the coating is performing flawlessly. In May 2009, the coating system was installed on one of the plant's anaerobic digesters and it is expected that several other structures will be coated over the next few years.

Successful use of this product is highly dependent upon proper surface preparation and application technique. Proper surface preparation includes high pressure washing and abrasive blasting to remove embedded containments which would interfere with the product's adherence to the structure. Because the product must be applied when ambient temperature and humidity

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):__1__

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

fall within a specific range, the structure will be fully enclosed to allow for a more stable environment. A National Association of Corrosion Engineers Certified Inspector will be on sight throughout the entire coating procedure to monitor environmental conditions and to inspect and perform various tests on the coating.

Bids for the primary clarifier No. 3 coating project (RFB 08-09-53) were opened on August 14, 2009. Two bids were received:

Jeffco Painting & Coating	Vallejo, CA	\$361,500
Redwood Painting Co.	Pittsburg, CA	\$367,820

Jeffco has been in business for almost 20 years, and has done projects of this size for numerous wastewater agencies, including the City of Visalia, the Suisun Sewer District, Marin Water District, Tahoe/Truckee Sanitation District, Union Sanitary District, and the Department of Water Resources. Jeffco installed the coating on primary clarifier No. 2 in 2005 and anaerobic digester No. 3 in May 2009. Because of its exceptionally durable properties, this coating system will be used as the standard coating system applied to structures located at the water conservation plant.

The product manufacturer, EnduraFlex, has certified Jeffco to install the product and is confident in their ability to perform the work, as is city staff.

The funds for this Capital Improvement Project were approved by the City Council. There is currently \$1.26 million set aside for the rehabilitation of the primary clarifiers.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments:

Recommended Motion (and Alternative Motions if expected):

Move to authorize staff to award RFB # 08-09-53, Primary Clarifier No. 3 Coating Project, to Jeffco Painting & Coating in the amount of \$361,500.

Environmental Assessment Status

CEQA Review: N/A

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

City of Visalia Agenda Item Transmittal

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10c

Agenda Item Wording: Authorization to submit two grant applications in the amount of \$650,000 to the California Department of Transportation to fund the Regional Transit Call Center for two additional years. **JARC Resolution No. 2009-36 required; New Freedom Resolution No. 2009-37 required.**

Deadline for Action: September 8, 2009.

Submitting Department: Administration – Transit Division

Contact Name and Phone Number:
Monty Cox 713-4591

Department Recommendation: Authorization to submit two grant applications in the amount of \$650,000 to the California Department of Transportation to fund the Regional Transit Call Center for two additional years.

Summary/background: The Transit Division is requesting authorization to submit two grant applications to the California Department of Transportation (Caltrans) through the Job Access and Reverse Commute (JARC) and the New Freedoms (NF) grant programs. These grant programs are part of the federal transportation funding programs authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and administered through Caltrans. The City of Visalia's allocation is \$650,000 for two fiscal years and must be expended within three years after award.

The City of Visalia was awarded two years of funding in fiscal year 2008 to implement a Call Center designed to provide information Countywide regarding all transit systems and how to use them, including how to use multiple systems to reach a destination. The Call Center, which has been branded The Green Line, began operating in May 2009. This project is a cooperative effort with all Tulare County Transit agencies. The match from this project will be coming from those agencies that are benefiting from this program. The Call Center will continue to provide increased access to transit information to the general public with specific focus on added time to assist the elderly & disabled bus riders. Since the call center began in June, there have been an increasing number of calls requesting information about multiple transit services. The number of calls in June were 244 and in July 936. It is projected that over 1,200 calls will be answered in the month of August. The intent of this project is to be a one stop shop for countywide transit questions.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 1

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

The overall purpose of the City of Visalia's transit program is to increase mobility opportunities for all citizens of the greater Visalia Urbanized Area, aid in improving air quality in the region, and reduce traffic congestion. The transit program provides a level of intracity service that meets the needs of the transit dependent in Visalia and provides service to and from important destination points, which encourages transit use as a viable commute alternative.

Visalia Transit serves Visalia, Goshen, Farmersville, Exeter and the Tulare City transit center; and, currently provides over 1,600,000 trips annually using eleven fixed standard transit routes, three downtown trolley routes, an ADA demand response service, a special youth center route, and three seasonal routes to and within the Sequoia Kings Canyon National Park.

If awarded the grant funds will be used to continue operating the Regional Transit Call Center. Currently there are two full time staff members dedicated to the call center. Public outreach throughout Tulare County has been provided and will continue to be provided in order to increase awareness and maximize the use of the call center.

Prior Council/Board Actions: None

Committee/Commission Review and Actions: None

Alternatives: None

Attachments: JARC Resolution No. 2009-36; New Freedom Resolution No.2009-37.

City Manager Recommendation:

Recommended Motion (and Alternative Motions if expected): I move that the City Council authorize staff to submit two grant applications in the amount of \$650,000 to the California Department of Transportation to fund the Call Center two additional years. **JARC Resolution No. 2009-36 required; New Freedom Resolution No. 2009-37 required.**

<i>Financial Impact</i>			
Funding Source:			
Account Number:			
Budget Recap:			
Total Estimated cost:	\$ 0	New Revenue:	\$650,000
Amount Budgeted:	\$ 0	Lost Revenue:	\$
New funding required:	\$ 0	New Personnel:	\$
Council Policy Change:	Yes_____	No	<u>X</u>

Environmental Assessment Status

CEQA Review:

Required? No
Review and Action: Prior:
Require:

NEPA Review:

Required? No
Review and Action: Prior:
Require:

Tracking Information: *Record a Notice of Completion with the County Recorder*

Copies of this report have been provided to:

JARC Authorizing Resolution

RESOLUTION NO. 2009-36

RESOLUTION AUTHORIZING THE FEDERAL FUNDING UNDER FTA SECTION 5316 (49 U.S.C. SECTION 5316) WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support capital projects for non-urbanized public transportation systems under Section 5316 of the Federal Transit Act (**FTA C 9050.1**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5316 grants for transportation projects for the welfare recipients and eligible low income individuals; and

WHEREAS, The City of Visalia desires to apply for said financial assistance to permit operation of paratransit service in Tulare County; and

WHEREAS, The City of Visalia has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that The City of Visalia does hereby authorize the City Manager and/or his Designee to file and execute applications on behalf of The City of Visalia with the Department to aid in the financing of capital/operating assistance/mobility management projects pursuant to Section 5316 of the Federal Transit Act (**FTA C 9050.1**), as amended.

That the City Manager and/or his Designee is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.

That the City Manager and/or his Designee is authorized to provide additional information as the Department may require in connection with the application for the Section 5316 projects.

That the City Manager and/or Designee is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5316 project/s.

PASSED AND ADOPTED by the City of Visalia, County of Tulare, State of California, at a regular City Council meeting held on the 8 of September, 2009 by the following vote:

AYES:

NOES:

ABSENT:

<<Insert ANY/ALL Pertinent Signatures (as applicable),

Titles and Dates>>

New Freedom Authorizing Resolution

RESOLUTION NO. 2009-37

RESOLUTION AUTHORIZING THE FEDERAL FUNDING UNDER FTA SECTION 5317 (49 U.S.C. SECTION 5317) WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support capital projects for non-urbanized public transportation systems under Section 5317 of the Federal Transit Act (**FTA C 9045.1**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5317 grants for transportation projects for the individuals with disabilities; and

WHEREAS, The City of Visalia desires to apply for said financial assistance to permit operation of paratransit service in Tulare County; and

WHEREAS, The City of Visalia has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that The City of Visalia does hereby authorize the City Manager and/or his Designee, to file and execute applications on behalf of The City of Visalia with the Department to aid in the financing of capital/operating assistance/mobility management projects pursuant to Section 5317 of the Federal Transit Act (**FTA C 9045.1**), as amended.

That the City Manager and/or his Designee is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.

That the City Manager and/or his Designee is authorized to provide additional information as the Department may require in connection with the application for the Section 5317 projects.

That the City Manager and/or his Designee is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5317 project/s.

PASSED AND ADOPTED by the City of Visalia, County of Tulare, State of California, at a regular City Council meeting held on the 8 of September, 2009 by the following vote:

AYES:

NOES:

ABSENT:

<<Insert ANY/ALL Pertinent Signatures (as applicable),

Titles and Dates>>

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10d

Agenda Item Wording: Second Reading and Adoption of Ordinance 2009-05; Amending the Abandoned Vehicle Ordinance (Chapter 32 of Title 10 of the Municipal Code).

Deadline for Action: None

Submitting Department: Housing and Economic Development Department (HEDD)

Contact Name and Phone Number:

Ricardo Noguera, Director HEDD, 713-4190
Tracy Robertshaw, Code Enforcement Technician, 713-4187

Department Recommendation: Staff recommends the City Council conduct the second reading and adoption of Ordinance 2009-05 amending the Abandoned Vehicle Ordinance (Chapter 32 of Title 10 of the Municipal Code) transferring the private property vehicle abatement program from the Fire Department to the Housing and Economic Development Department.

Summary/background:

On August 17, 2009, Council was presented with changes to the Abandoned Vehicle Program transferring the program from the Fire Department to the Housing and Economic Development Department. The Council, by unanimous vote, introduced Ordinance No. 2009-05.

On September 8, 2009, Council is requested to adopt Ordinance No. 2009-05 amending the Abandoned Vehicle Ordinance transferring the program from the Fire Department to the Housing and Economic Development Department.

Prior Council/Board Actions: None

Committee/Commission Review and Actions: None

Alternatives: N/A

Attachments:

- Ordinance 2009-05

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 10 minutes

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Recommended Motion (and Alternative Motions if expected): Move to adopt Ordinance 2009-5.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

ORDINANCE NUMBER 2009 -- 05

**AMENDING OF THE VISALIA MUNICIPAL CODE LISTING
THE CITY EMPLOYEE RESPONSIBLE FOR ENFORCING
CITY REQUIREMENTS CONCERNING ABANDONED VEHICLES**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

Section 1: Consistent with its control over municipal affairs and the powers vested in the City of Visalia through the California Constitution, the City of Visalia is authorized to secure and promote the public health, comfort, safety and welfare of its citizenry by requiring the maintenance of property or premises within the City. Therefore, the City Council of the City of Visalia recommends the following revisions to the Municipal Code.

Section 2: Section 10.32.060 of the Visalia Municipal Code is hereby repealed and replaced with the following amended Section 10.32.060 as follows:

10.32.060 Enforcement.

Except as otherwise provided herein, the provisions of the chapter shall be administered and enforced by the housing and economic development director or his or her designee, hereinafter referred to as "enforcement officer." In the enforcement of this chapter such enforcement officer and his or her deputies may enter upon private or public property to examine a vehicle or parts thereof, or obtain information as to the identity of a vehicle and to remove or cause the removal of a vehicle or part thereof declared to be a nuisance pursuant to this chapter.

Section 3: Section 10.32.080 of the Visalia Municipal Code is hereby repealed and replaced with the following amended Section 10.32.080:

10.32.080 Administrative Costs.

The enforcement officer shall keep an accounting of the costs of abating any such nuisance. Such costs may be recovered as administrative costs under this chapter and, together with the costs incurred for the removal of the vehicle or parts thereof, may become a special assessment against the parcel of said land pursuant to Section 22660 of the California Vehicle Code and Section 38773.5 of the California Government Code. In the event a civil lawsuit is filed to enforce these provisions, then the prevailing party shall be entitled to recover reasonable attorney's fees and all costs.

Section 4: Section 10.32.090 of the Visalia Municipal Code is hereby repealed and replaced with the following amended Section 10.32.090:

10.32.090 Notice of Intention.

A. Upon discovering the existence of an inoperative, abandoned, wrecked or dismantled vehicle, or part thereof, on private property or public property within the city, the enforcement officer shall have the authority to cause the abatement and removal thereof in accordance with the procedure described herein. A ten day notice of intention to abate and remove the vehicle, or part thereof, as a public nuisance shall be mailed by registered or certified mail to the owner of the land and to the owner of the vehicle, unless the vehicle is in such condition that identification numbers are not available to determine ownership.

B. The ten day notice of intention to abate or remove shall contain a statement of the hearing rights of the owner of the land and owner of the vehicle, including the right of the owner of the land to appear in person at a hearing on the question of abatement and removal, or to submit a sworn, written statement denying responsibility for the presence of the vehicle on the land, with his reasons for such denial in lieu of appearing.

Section 5: Section 10.32.100 of the Visalia Municipal Code is hereby repealed and replaced with the following amended Section 10.32.100:

10.32.100 Notice of Hearing.

A. Upon request by the owner of the vehicle or owner of the land, either received by the enforcement officer within ten days after the mailing of the notices of intention to abate and remove are made at the time of signing a release waiving any interest in the vehicle, or parts thereof, a public hearing shall be held before an administrative hearing officer appointed pursuant to Visalia Municipal Code Chapter 1.13. Requests for appeal by the owner of the vehicle or the owner of land shall be made pursuant to Visalia Municipal Code Section 1.13.080. The hearing shall decide issues related to whether sufficient grounds under this Chapter, 10.32, existed to abate and remove the vehicle, or part thereof, as an inoperative, abandoned, wrecked or dismantled vehicle, and the assessment of the administrative costs and the cost of the removal of the vehicle or part thereof against the property on which it is located.

B. If the owner of the land submits a sworn written statement denying responsibility for the presence of the vehicle on his land within such ten day period, such statement shall be construed as a request for a hearing within such ten day period which does not require his presence. Notice of the hearing shall be mailed, by registered mail, at least ten days before the hearing to the owner of the land and to the owner of the vehicle; unless the vehicle is in such condition that identification numbers are not available to determine ownership. If such a request for a hearing is not received within ten days after mailing of the notice of intention to abate and remove, the city shall have the authority to abate and remove the vehicle or part thereof as a public nuisance without holding a public hearing.

Section 6: Visalia Municipal Code Section 10.32.110 is hereby repealed and replaced with the following amended Section 10.32.110:

10.32.110 Public Hearing.

A. All hearings under this chapter shall be held before the hearing officer appointed pursuant to Visalia Municipal Code Chapter 1.13. The hearing officer shall hear all facts and testimony he or she deems pertinent. Said facts and testimony may include testimony on the condition that the vehicle or part thereof and the circumstances concerning its location on the said private property or public property. The hearing officer shall not be limited by the technical rules of evidence. The owner of the land on which the vehicle or part thereof is located may appear in person at the hearing or present a sworn written statement in time for consideration at the hearing, and deny responsibility for the presence of the vehicle on the land with his or her reasons for such denial.

B. The hearing officer may impose such conditions and take such other action as he or she deems appropriate under the circumstances to carry out the purpose of this chapter. He or she may delay the time for removal of the vehicle or part thereof if, in his or her opinion, the circumstances justify it. At the conclusion of the public hearing the hearing officer may find that a vehicle or a part thereof is inoperative, abandoned, wrecked or dismantled on private or public property and order the same removed from the property as a public nuisance and disposed of as hereinafter provided and determine that the administrative costs and the costs of removal be charged against the owner of the land on which the vehicle or part thereof is located. The order requiring removal shall include a description of the vehicle or part thereof and the correct identification number and vehicle number of the vehicle, if available, at the site.

C. If it is determined at the hearing that the vehicle was placed on the land without the consent of the landowner and he has not subsequently acquiesced in its presence, the hearing officer shall not assess costs of administration or removal of the vehicle against the property upon which the vehicle is located or otherwise attempt to collect such costs from such landowner.

Section 7: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstances, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not effect the validity or enforceability of the remaining sections, subsections, subdivision, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Visalia hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 8: Construction. The City Council intends this Ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this Ordinance shall be construed in light of that intent.

Section 9: Effective Date. This Ordinance shall take effect thirty days after its adoption.

Section 10: Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted according to law.

PASSED AND ADOPTED:

Jesus Gamboa, Mayor

ATTEST:

Steven M. Salomon, City Clerk

APPROVED AS TO FORM
BY CITY ATTORNEY:

Alex M. Peltzer, City Attorney

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10e

Agenda Item Wording: Replacement of a representative of the Historic Preservation Advisory Committee to the General Plan Update Review Committee.

Deadline for Action: None

Submitting Department: Community Development – Planning Division

Contact Name and Phone Number:

Brandon Smith, AICP, Senior Planner 713-4636
Paul Scheibel, AICP, Planning Services Manager 713-4369

Department Recommendation: It is recommended that the Visalia City Council affirm Historic Preservation Advisory Committee (HPAC) member Virginia Strawser to serve on the General Plan Update Review Committee, and that HPAC alternate member Matthew Owdom be affirmed as alternate member on the General Plan Update Review Committee.

Background / Prior Council Actions: In November 2008, the City Council directed the formation of a General Plan Update Review Committee, and expanded the Committee's composition to include representation from several key stakeholders. The Committee has met five times since March 2009. During the meetings, the Committee has prepared a Scope of Work and issues for use with the Comprehensive General Plan Update, and has participated in discussion on current Planning topics. Certain members are also participating in consultant selection. The Historic Preservation Advisory Committee (HPAC) has one representative serving on the General Plan Update Review Committee.

Discussion: The Historic Preservation Advisory Committee (HPAC) lost its representative to the General Plan Update Review Committee when its designated representative Tim Burns accepted an out-of-state job last month. On August 26, 2009, HPAC met and chose committee member Virginia Strawser as the replacement representative, and alternate member Matthew Owdom as an alternate representative.

Ms. Strawser has been an active member with the HPAC since November 2008; her first term would expire on December 2010.

Mr. Owdon is a City Council appointed alternate HPAC member who has been regularly attending meetings in 2009. On January 2010, he will be eligible to become a full HPAC member, replacing a termed-out HPAC member.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):__1__

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Committee/Commission Review and Actions: N/A

Alternatives: None

Attachments: Exhibit "A" – General Plan Update Review Committee Roster

Recommended Motion (and Alternative Motions if expected):

I move to authorize Virginia Strawser to serve on the General Plan Update Review Committee and Matthew Owdom to serve as an alternate, representing the Historic Preservation Advisory Committee.

Environmental Assessment Status

CEQA Review: NA

NEPA Review: NA

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Exhibit "A"
General Plan Update Review Committee
Committee Roster - August 2009

<u>AUTHORIZED GROUP</u>	<u>DESIGNATED REPRESENTATIVE</u>
Visalia City Council	Bob Link (Committee Chair)
Visalia City Council	Greg Collins
Visalia Planning Commission	Larry Segrue (Committee Vice Chair)
Visalia Planning Commission	Vincent Salinas
Parks & Recreation Commission	Carla Calhoun
Parks & Recreation Commission	<i>(vacant)</i>
Bicycle, Pedestrian, Waterways Trails Committee	Bob Brown
Citizens Advisory Committee	Dirk Holkeboer
Environmental Committee	Dean Mann
Historic Preservation Advisory Committee	<i>(vacant)</i>
North Visalia Neighborhood Advisory Committee	Bill Huott
College of the Sequoias	Eric Mittlestead
Hispanic Chamber of Commerce	Raymond Macareno
Kaweah Delta Hospital	Dena Cochran
Tulare / Kings Home Builders Association	Josh McDonnell
Tulare County Affordable Housing	Ken Kugler
Tulare County Board of Realtors	Brian Icenhower
Tulare County Farm Bureau	Brian Blain
Visalia Chamber of Commerce	Mike Knopf
Visalia Community Forum	Darlene Mata
Visalia Economic Development Council	Jim Robinson
Visalia Unified School District	Randy Groom

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10f

Agenda Item Wording:

Authorization to enter into a five year lease for priority parking in the public parking lot at the southeast corner of Giddings and Center Streets with McCormick, Kabot, Jenner & Lew Law Firm

Deadline for Action: NONE

Submitting Department: Administration, Community Development

Contact Name and Phone Number:

Mike Olmos, Assistant City Manager: 713-4332
Chris Tavaréz, Management Analyst: 713-4540

Department Recommendation:

Staff recommends that City Council authorize the City Manager to sign a five year lease agreement with three five year extensions for the west portion of the parking lot at the southeast corner of Giddings and Center streets with McCormick, Kabot, Jenner & Lew Law Firm (MKJL).

Background and Discussion:

The City had a 20 year lease agreement signed in February of 1988 with MKJL that expired in January of 2008 and has moved to a month to month lease at a rate of \$260.31 per month.

MKJL has requested that the lease be renewed with an initial five year agreement with three options to renew in five year increments. Each party will have the option to terminate the lease upon 60 days written notice prior to expiration of each term. Currently there are no plans by the City to develop the parking lot into any other use. The firm does not plan to leave in the near future and would like to secure reliable parking for their clients and employees at 1220 Main Street on priority basis Monday through Friday 8am – 5pm. The parking lot is not gated, so the public may enter the area for pedestrian traffic and may park on priority basis at all other times. There are 21 spaces of diagonal parking available and will be maintained at that number unless prior authorization from the City is obtained.

A renewal lease would include a rate increase to \$342.73 per month based on changes in Consumer Price Index (CPI) since the last rate change. Future annual changes to the rate would be annually adjusted based on the CPI as shown by the Bureau of Labor Statistics of the U.S. Department of Labor. Maintenance shall be provided by the tenant to the lot including landscaping. Comprehensive public liability insurance coverage of \$1 million is required to be

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 1

Review:

Dept. Head _____
(Initials & date required)

Finance 8/19/09
City Atty 8/20/09
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

maintained during the term of the lease by MKJL to cover against loss or liability caused by or connected with the use and occupation of the lot

Prior Council/Board Actions: None.

Attachments:

1. Draft Lease Agreement
2. Map of Subject Parking Lot

Recommended Motion (and Alternative Motions if expected):

I move to:

1. Authorize the City Manager to enter into a five year lease agreement with McCormick, Kabot, Jenner and Lew, tenant at 1220 Main Street, with three five year options for renewal, for the west portion of the parking lot at the southeast corner of Center and Giddings Streets.

Environmental Assessment Status

N/A

LEASE AGREEMENT

This Lease Agreement (hereinafter referred to as "Agreement" of "Lease") is entered into **October 1, 2009**, between **City of Visalia**, a municipal corporation and charter law city (hereinafter referred to as "Landlord" or "Lessor"), and **McCormick, Kabot, Jenner & Lew** (hereinafter referred to as "Tenant" or "Lessee").

THIS AGREEMENT IS ENTERED INTO WITH RESPECT TO THE FOLLOWING FACTS:

1. Lessor owns that certain real property identified as Parking Lot at the corner of Center and Giddings Streets, in the City of Visalia (hereinafter referred to as the "Real Property")

2. Lessee desires to lease the Parking Lot at the corner of Center and Giddings Streets more particularly described as follows: west portion of Lot 5 in Block 4 of the Parkside Tract in the City of Visalia, County of Tulare, State of California, as per map recorded in Book 8, Page 82, of Maps in the office of the County Recorder of said Tulare County (hereinafter referred to as the "Premises").

IT IS THEREFORE AGREED AS FOLLOWS:

3. Term of Lease. The term of this Lease will commence on October 1, 2009, and will continue for a five (5) year term concluding on September 30, 2014. Tenant shall have the options to renew this lease for three (3) successive five (5) year terms by providing Landlord with written confirmation of its desire to exercise each renewal option within 30 days upon termination of each five (5) year term. Prior to the expiration of the initial term or subsequent terms, either party may terminate this Lease by providing the other party with notice of its intent to terminate the Lease at least sixty (60) days prior to the end of the then-current lease term. Tenant expressly recognizes that City may exercise its right to terminate the lease at the end of the initial or subsequent terms at its sole and absolute discretion, and that the termination of this Lease by Landlord pursuant to the terms of this Lease shall not give rise to any claim for relocation assistance under state or federal law regardless of whether the Landlord intends to pursue a public project upon vacation of the Premises by Tenant.

4. Rental Rate. Tenant agrees to pay to Landlord for the use and occupancy of the Premises the monthly sum of **\$342.73**. On an annual basis rent shall be adjusted in proportion to the change in Consumer Price Index (CPI) for the national average (all urban consumers – all items) promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor or any replacement Index thereto.

5. Condition of Premises. Tenant accepts the Premises, as well as the improvements located thereon, in their present condition and represents to Landlord that the Premises and improvements thereon are in a good, clean, safe and tenantable condition as of the date of this Lease. Tenant agrees that it shall be solely responsible any additional improvements to the Premises Tenant will require. Tenant agrees that it shall provide written plans and drawings any improvements that it will make, and further agrees that it will obtain site plan review committee approval from the City of Visalia site plan review committee, and shall comply with all laws, codes, etc. If needed, all improvements shall be removed by Tenant at Tenant's cost prior to termination of the Lease. Tenant represents to Landlord that Tenant has inspected the Premises and been assured by means independent of Landlord or any agent of Landlord of the truth of all facts material to this Lease, and that the Premises are being

leased by Tenant as a result of this inspection and investigation and not as a result of any representations made by Landlord or its agents.

6. Use of Premises. The Premises shall be used only by Tenant for parking purposes by employees and guests of the offices located at 1220 Main Street on priority basis from 8:00 a.m. to 5:00 p.m., Monday through Friday. The City of Visalia retains the right for any of its employees, agents, guests or members of the general public to use the above-described parking lot for vehicular parking and pedestrian ingress and egress, as space may be available during the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, and on a priority basis at all other times. Tenant shall have right to post notice to the public of above priorities.

7. Compliance with Law. Tenant shall, at Tenant's own cost and expense, comply with all laws and regulations, whether federal, state or local, relating to Tenant's use and occupancy of the Premises, whether such laws and regulations are now in force or hereinafter enacted.

8. Utilities. Landlord shall provide water, sewer, gas and electricity to the Premises. The cost of such utilities shall be paid by Landlord and Landlord shall not pass such cost on to Tenant. The cost of any additional utility, including but not limited to telephone and refuse service, shall be the responsibility of Tenant.

9. Maintenance by Landlord. Landlord shall promptly be reimbursed by Tenant for the full cost of any repairs made pursuant to this paragraph that become necessary because of the negligence or any fault, other than normal and proper use, of Tenant, its agents, employees or sub-lessees.

10. Maintenance by Tenant. Tenant shall at its own cost and expense keep and maintain the leased Premises in good order and repair and in as safe and clean a condition as they were when received by Tenant from Landlord, reasonable wear and tear excepted.

Tenant shall clean and maintain in good order, condition, and repair (and replace when necessary) the following: (1) parking lot (2) landscaping, and shall keep them in good condition through regular inspection and servicing.

Any repairs required by Tenant shall be promptly made with new materials of like kind and quality.

11. Personal and Peal Property Taxes. Tenant shall pay before they become delinquent all taxes, assessments, or other charges levied or imposed by any government entity on the furniture, trade fixtures, equipment and other personal property placed by Tenant in or about the Premises. All real property taxes and assessments levied or assessed against the premises by any governmental entity shall be paid, before they become delinquent, by Landlord.

12. Alterations and Liens. Tenant shall not make or permit any other person to make any alterations to the Premises or any improvements located thereon without first obtaining the written consent of Landlord. Tenant shall keep the Premises free and clear from any and all liens, claims and demands for work performed, materials furnished, or operations conducted on the Premises at the request of Tenant.

13. Inspection by Landlord. Tenant shall permit the representatives of Landlord to

enter the Premises at reasonable times for the purpose of inspecting the Premises and doing other lawful acts that may be necessary to protect Landlord's interest in the Premises or to perform its duties under this Lease.

14. Surrender of Premises. On expiration or sooner termination of this Lease, Tenant shall promptly surrender and deliver the Premises to Landlord in as good condition as they are at the date of this Lease, reasonable wear and tear excepted.

15. Indemnity. Tenant agrees to indemnify and hold Landlord and the property of Landlord, including the Premises, free and harmless from any and all claims, liability, loss, damage or expenses resulting from Tenant's use and occupation of the Premises, including, without limitation, any claim, liability, loss or damage arising by reason of:

- (a) The death or injury of any person or persons, including the employees, agents, licensees, or invitees of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or its employees, agents, licensees, or invitees, and caused or allegedly caused by some act or omission of Tenant or of some agent, contractor, employee, licensee, invitee, or sub-lessee of Tenant on the Premises;
- (b) Any work performed on the Premises or materials furnished to the Premises at the request of Tenant or its agents;
- (c) Tenant's failure to perform any provision of this Lease or to comply with any legal duty or any requirement imposed on Tenant or the Premises by any duly authorized government agency or political subdivision.

Upon the written request of Landlord, Tenant shall assume the defense of any suit or action brought against Landlord, its agents or employees, alleging any claim for loss or damage under the terms of this paragraph, and Tenant shall pay all expenses, including attorneys fees, incurred by Landlord in defending and settling all claims and liabilities against which Tenant indemnifies Landlord herein.

16. Liability Insurance. Tenant shall, at its own cost and expense, maintain during the entire term of this Lease a broad-form comprehensive coverage policy of public liability insurance, issued by an insurance company authorized to conduct business in the State of California, insuring Tenant and Landlord against loss or liability caused by or connected with Tenant's use and occupation of the Premises in amounts not less than one million dollars (\$1,000,000.00).

The policy of insurance described herein shall be primary and noncontributory with any policies carried by Landlord. Tenant shall furnish to Landlord a certificate of insurance evidencing the maintenance of the public liability insurance policy described herein. This certificate of insurance shall provide that Tenant's coverage cannot be canceled or materially changed unless at least 30 days' prior written notice of cancellation or change shall have been mailed by the insurance company to Landlord at the address set forth herein.

17. Duty to Restore/Fire Insurance. Should at any time during the term of this Lease the parking lot or landscape described above be destroyed in whole or in part by fire, theft, the elements, or any other cause, not the fault of the City of Visalia, this Lease shall continue in full force and effect and Tenant, shall, at own cost and expense, and at no cost and expense to the City of Visalia, repair and restore the damaged parking lot and/or landscape to

the original plan.

Tenant shall have no obligation to insure the real property improvements located upon the Premises against destruction by fire, theft or the elements. Tenant shall, however, maintain at its own cost and expense an insurance policy or policies issued by an insurance company authorized to conduct business in the State of California, insuring for their full replacement value all fixtures, equipment, tenant improvements to the Premises, inventory and other personal property owned by Tenant, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief and special extended perils (i.e. "all risk" as such term is used in the insurance industry). This insurance policy shall be maintained during the term of this Lease. In no event shall Landlord be deemed to have an obligation to insure the personal property of Tenant, including the inventory maintained by Tenant on the Premises, against damage or destruction by fire, theft or the elements.

18. Insurance Hazards. Tenant shall not use or permit the use of the Premises in any manner that will increase the existing rates or cause the cancellation of any fire, liability, or other insurance policy insuring the Premises or the improvements on the Premises. Tenant shall, at Tenant's own cost and expense, comply with any and all requirements of Landlord's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on the Premises and the improvements on the Premises. In the event that the activities of Tenant cause an increase in the existing insurance rates paid by Landlord, Tenant agrees to pay the cost of this increase.

19. Waiver of Subrogation. The parties to this Agreement release each other, and their respective agents and employees, from any claims for damage to any person, the Premises and improvements located thereon, and to the fixtures, inventory and personal property of Tenant located on the Premises, that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time any such damage is incurred. The parties shall, upon obtaining the policies of insurance required under the terms of this Lease, give notice to their respective insurance carriers that the foregoing mutual waiver of subrogation is contained in this Agreement.

20. Assignment and Subleasing. Tenant shall not encumber, assign or otherwise transfer this Lease or any interest in this Lease without first obtaining the written consent of Landlord. Any assignment, subletting, occupancy, or use of the Premises without the prior written consent of Landlord shall be void and shall constitute a default under the terms of this Lease. Tenant specifically understands and agrees that Tenant shall have no right to assign or sublet Tenant's interest in this Lease, and Landlord shall have no obligation to approve any such assignment or subletting, if Tenant attempts an assignment or subletting while in default.

21. Default by Tenant. The occurrence of any of the following events shall constitute a default by Tenant under the terms of this Agreement:

- (a) Failure to pay rent when due, if this failure continues for three days after Landlord's service of a notice to pay rent or quit;
- (b) Failure to abate a nuisance on the Premises, or to discontinue or prevent any activity by Tenant or Tenant's agents or invitees which creates a nuisance; or
- (c) Failure to perform any other provision of this Lease, if the failure to perform is not cured within 30 days after written notice has been served upon Tenant. If the default cannot be reasonably cured within 30 days, Tenant shall not be in

default of this Lease if it commences to cure the default within the 30 day period and diligently and in good faith continues in its efforts to cure the default.

Should Tenant default in the performance of any of the covenants and conditions contained in this Agreement, Landlord may, in addition to the remedy specified in the preceding paragraph, reenter and regain possession of the Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

22. Cumulative Remedies. The remedies given to Landlord in this Lease shall not be exclusive but shall be in addition to all remedies now or hereafter allowed by law.

23. Waiver of Breach. The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or another provision of this Lease.

24. Attorney's Fees. Should any litigation be commenced between the parties to this Agreement concerning the Premises, this Agreement, or the rights and duties of either in relation to this Agreement, the prevailing party in such litigation shall be entitled, in addition to any other relief to which it may be entitled, to a reasonable sum as and for its attorney's fees in such litigation.

25. Notices. Any and all notices or other communications required or permitted by this Lease to be served on either party hereto, shall be in writing and shall be deemed duly served when personally delivered to an authorized representative of the party to whom the notice is directed, or in lieu of such personal service when deposited in the United States mail, registered or certified mail, postage prepaid, addressed as follows:

Landlord;	City of Visalia	Tenant:	McCormick, Kabot, Jenner & Lew
	Attn: City Manager		1220 West Main
	425 East Oak		Visalia, CA 93291
	Visalia, CA 93291		

Either party may change its address for the purpose of this section by giving written notice of such change to the other party in the manner provided herein.

26. Binding on Successors. This Lease shall be binding on and shall inure to the benefit of the heirs, personal representatives, successors or assigns of the parties hereto, but nothing in this section shall be construed as a consent by Landlord to any assignment of this Lease.

27. Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect.

28. Time of Essence. Time is expressly declared to be the essence of this Lease.

29. Captions. The headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof. This instrument contains all of the Agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by an Agreement in writing signed by all of the parties hereto or their respective successors in interest.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date below their signature.

LANDLORD
City of Visalia

TENANT
McCormick, Kabot, Jenner & Lew

By _____
City Manager

By _____
S.L. Kabot

Date: _____

Date: _____

By _____

Date: _____

Approved as to form:

By _____
City Risk Manager



McCormick Et Al Parking Lot Lease

EXHIBIT 2



Notes

Parking Lot has 21 parking spaces

1: 385



Map By :
C Tavarez
8/25/2009
@ City of Visalia

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10g

Agenda Item Wording: Request authorization to file a Notice of Completion for Parcel Map 2008-03, located at the northeast corner of Neeley Street and Crowley Avenue.

Deadline for Action: None

Submitting Department: Community Development Department/
Engineering Division

Contact Name and Phone Number:

Chris Young, Assistant Community Dev. Director - 713-4392
Adrian Rubalcaba, Associate Engineer - 713-4271

Department Recommendation: City staff recommends that City Council give authorization to file a Notice of Completion for Parcel Map No. 2008-03. All the necessary improvements for Parcel Map No. 2008-03 have been completed and are ready for acceptance by the City of Visalia. The Parcel Map No. 2008-03 was developed by Fresno Pacific University (FPU). FPU has submitted a maintenance bond in the amount of \$ 25,215.49 as required by the Subdivision Map Act to guarantee the improvements against defects for one year. The completed improvements include landscaping which will be maintained, for the most part, by the private development. Maintenance of local street trees, street lights, and street pavement will be maintained by the City thru Landscape and Lighting District No. 08-04.

Summary/background: N/A

Prior Council/Board Actions: Final Map recording was approved at Council meeting of May 5, 2008.

Committee/Commission Review and Actions: The tentative Parcel Map 2008-03 was approved by Planning Commission on February 28, 2008.

Alternatives: N/A

Attachments: Location sketch/vicinity map.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 1 Min.

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required
or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Recommended Motion (and Alternative Motions if expected):

I motion to authorize filing a Notice of Completion for Parcel Map 2008-03.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

City of Visalia Agenda Item Transmittal

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10h

Agenda Item Wording: Authorize Engineering Staff to apply for Highway Safety Improvement Program (HSIP) 2009/2010 grant

Deadline for Action: October 8, 2009

Submitting Department: Community Development Department/
Engineering Division

Contact Name and Phone Number:

Adam Ennis, Engineering Services Manager, 713-4323
Chris Tavarez, Management Analyst, 713-4540;
Chris Young, City Engineer, 713-4392
Eric Bons, Senior Civil Engineer, 713-4350

Department Recommendation: Authorize Engineering Staff to apply for 2009/2010 HSIP grant for 1) Mooney/Goshen New Signal and Rail Signal Improvements 2) Lovers Lane/Walnut Signal upgrade and intersection improvements and 3) Court/Whitendale New Signal and designate the City Engineer to sign any required forms.

Department Discussion:

On July 21, 2009, Caltrans announced a call for HSIP projects based upon anticipated federal safety funding out of the SAFETEA-LU program in the 2009/2010 federal fiscal year. Caltrans expects \$50 million to be apportioned to local agencies throughout the state. The intent of HSIP is to focus on publicly-owned roadway, bicycle/pedestrian pathway, or trail projects that improve the safety of users. Projects ready to be constructed "expeditiously" are the intended projects of this grant. These federal grants have a 90% project cost funding capacity and require a 10% local match. The maximum eligible cost for a single project is \$900,000 (a total project cost of \$1 million). Grant applications are due to Caltrans by October 8, 2009.

The Engineering Department has compiled a potential list of projects that fit the specific guidelines of the HSIP and focus on improving safety for vehicles, bicyclists and pedestrians. Due to the limited amount of funding available, it is recommended that only three "priority project" applications are submitted. The projects listed below have gone through the preliminary design process and staff believes that each could meet the timeline criteria set forth by the HSIP. Letters of support will be sought from community groups, elected officials and other supportive parties. Staff has ranked these projects considering their potential safety index

For action by:

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.): 5 Min.

Review:

Dept. Head CY 9/1/09
(Initials & date required)

Finance MM 8/21
City Atty N/A
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

calculation, project delivery schedule and perceived importance. Department Staff seeks concurrence from Council on the list of projects to be submitted.

1. **Mooney/Goshen New Signal & Rail signal improvements – estimated project costs \$350,000**
2. **Lovers Lane/Walnut Signal upgrade and intersection improvements – estimated project costs \$750,000**
3. **Court/Whitendale new signal – estimated project costs \$250,000**

Staff requests that if a project is awarded, an appropriation for the local match portion be authorized from the Measure R Local Fund (1131), unless a prior allocation for the project is already in place at the time of award. Any amount to be appropriated would be 10% of the project's total cost as required for acceptance of grant funding.

Prior Council/Board Actions: none

Committee/Commission Review and Actions: none

Alternatives: Not apply for HSIP grant

Attachments:

Exhibit 1: Mooney/Goshen, Exhibit 2: Lovers Lane/Walnut, Exhibit 3: Court Whitendale

Recommended Motion (and Alternative Motions if expected):

I move to:

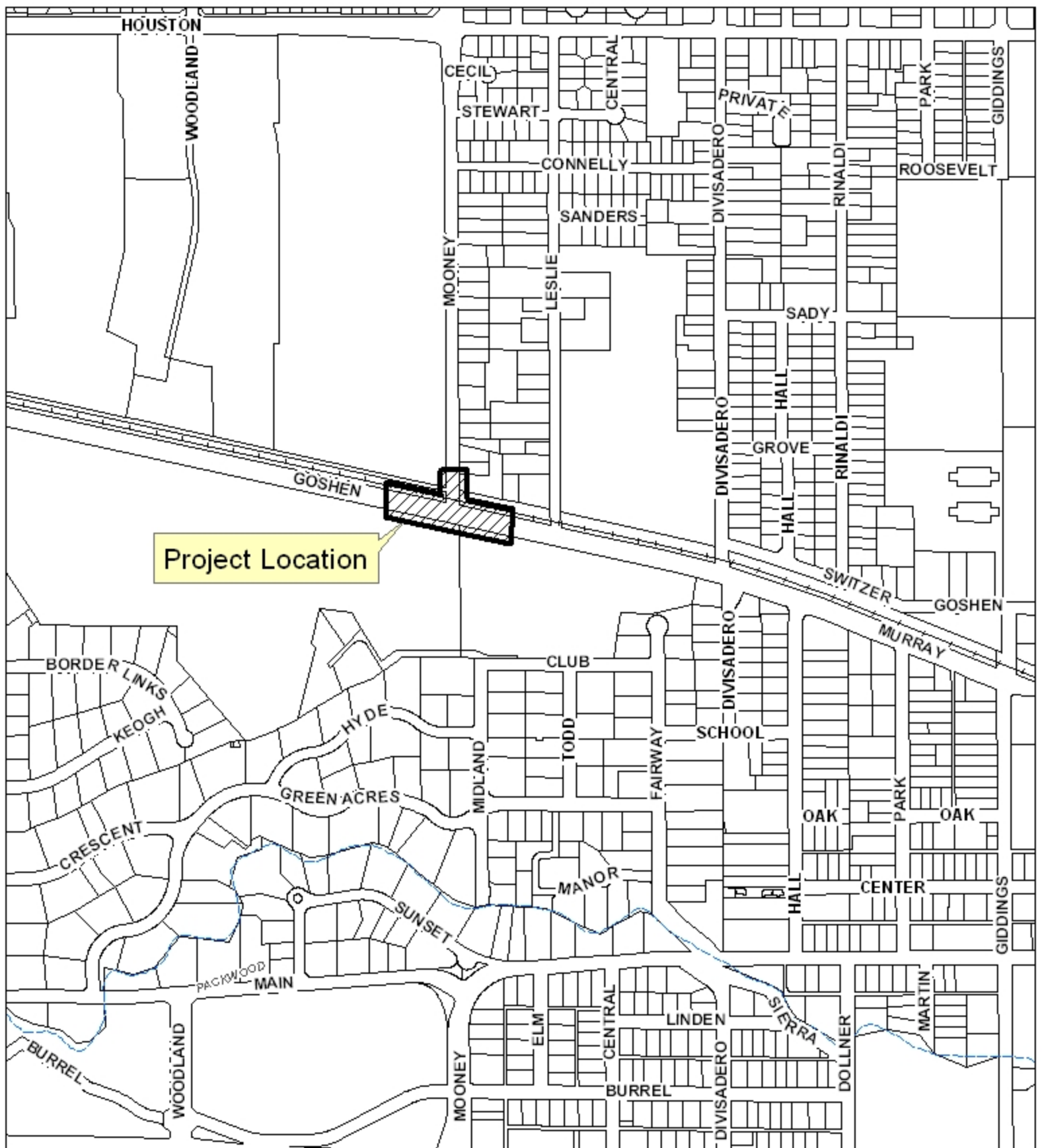
- support and authorize the Engineering Staff to apply for HSIP grants for 2009/2010 as recommended and
- authorize the City Engineer to sign all necessary forms and
- appropriate matching funds as requested if any project is awarded

Environmental Assessment Status

CEQA Review: n/a

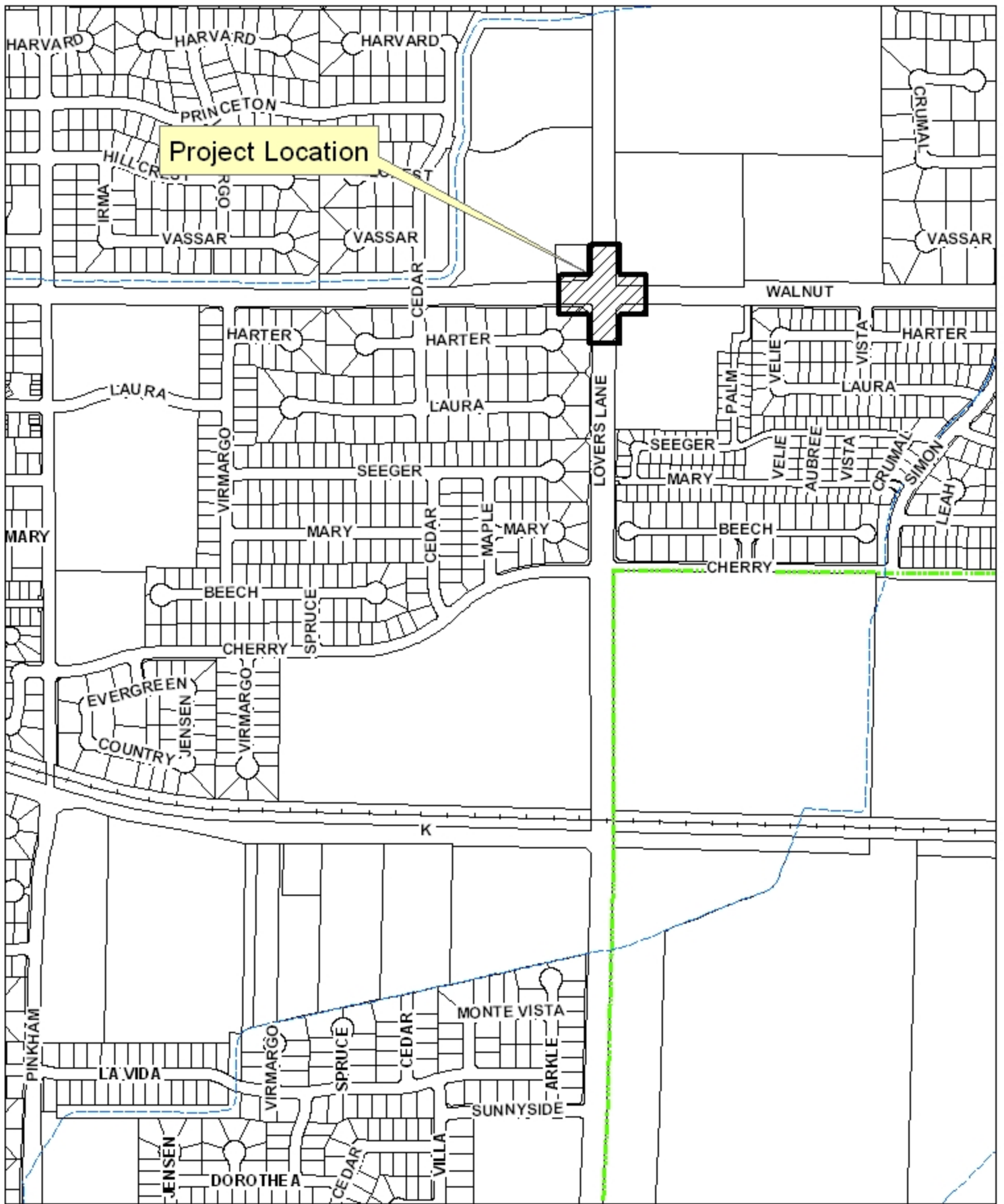
NEPA Review: To be completed for each project selected

Tracking Information: (*Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date*)

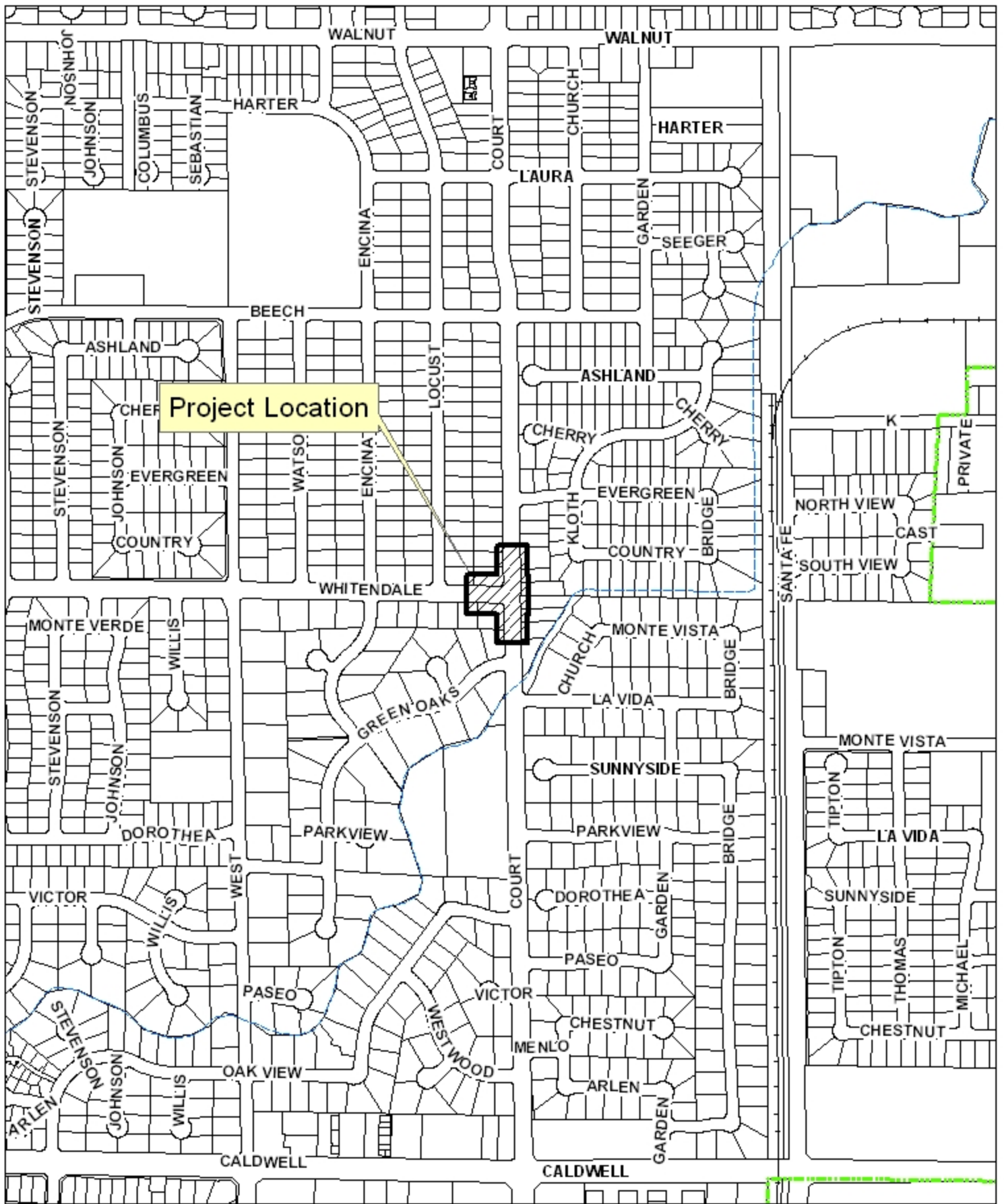


Mooney Blvd. at Goshen Ave. New Signal and Rail Signal Improvements





Lovers Lane and Walnut Ave Signal Upgrade



Court St and Whitendale Ave New Signal

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10i

Agenda Item Wording: Adopt Resolution 2009-38 authorizing submittal of an application to the State Department of Housing & Community Development (HCD) requesting an interest-free loan in an amount not to exceed \$7 million dollar to purchase, rehabilitate and manage foreclosed multi-family units.

Deadline for Action: September 21, 2009

Submitting Department: Housing & Economic Development Department

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director 713-4190; Nancy Renovato, Senior Administrative Analyst 713-4462

Department Recommendation: City Council authorizes the submission of an application to State HCD requesting an interest-free loan in an amount not to exceed \$7 million to purchase, rehabilitate and manage foreclosed multi-family dwellings.

Summary/background: Almost one year ago (September 2008), the U.S. Department of H.U.D. awarded the City of Visalia \$2.338 million to address the foreclosure crisis locally through the acquisition, rehabilitation and resale of bank-owned single-family homes. To date, Visalia has been very successful in acquiring a total of ten (10) homes; with two in escrow; one in escrow to be resold (by the end of September); and six undergoing rehabilitation. The rehabilitation process has also resulted in approximately 10-15 construction jobs being created per house; approximately \$25,000 in rehabilitation improvements including purchasing of materials from local retailers; and positive impacts on banking, real estate, appraisal and title companies.

Need to Address Multi-Family Foreclosures: While the City has focused its' energies on the stabilization of single-family neighborhoods, multi-family properties have not been immune from the foreclosure crisis. There are several multi-family properties which have fallen into foreclosure and the vast majority are located within the City's targeted revitalization areas "Washington School and Oval Park Neighborhoods". These properties have created significant

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

code enforcement challenges for the City with transients occupying some which lack utilities; drug and gang activities; loss of affordable housing; and an overall negative impact on the surrounding neighborhoods.

Arrival of State HCD NSP1 Affordable Rental Housing Program: In mid-August 2009, State HCD released the NSP1 Tier III Affordable Rental Housing Program to assist communities to acquire, rehabilitate and rent multi-family dwellings. The maximum available per unit is \$186,000 (includes acquisition, construction, or rehabilitation). This is a twenty-five (25) year loan with no interest. There will be a 20-year "Use Period", beginning the date of project completion. During this period, the units must remain affordable to households earning at or below fifty percent of the area median income. The last five years of ongoing affordability, the loan balance shall be reduced by 20 percent.

Seventy-five (75) percent of all funds must be used/obligated within nine months of the executed contract. One hundred percent of funds must be used/obligated within twelve (12) months of the Department's executed contract.

Visalia's Plan to Use the Funds: Five to seven 4-plexes and 6-plexes have been identified by Neighborhood Preservation staff in the Oval Park, Washington School and East Douglas neighborhoods as foreclosed, abandoned and with serious substandard and code violations. They are deemed a public nuisance drawing transients and drug/gang activity.

The City proposes to utilize the State NSP funds to acquire five to seven properties; rehabilitate and partner with Kaweah Property Management Company (non-profit partner of Tulare County Housing Authority) to manage the properties. Over the past few years, the City has maintained an effective partnership with Kaweah Property Management Company in the acquisition, construction, rehabilitation and management of several properties including: Robinwood Estates (10 units); Millcreek Parkway Apartments (71 units); Paradise & Court Apartments (20 units); and Encina Triplex. Kaweah has a proven track record of providing proficient management services with a few hundred units in Visalia alone.

The acquisition, rehabilitation and property management will convert dilapidated bank-owned properties to well maintained and managed units with minimal code enforcement challenges. This program shall enable both police and code enforcement staff to place their energies in more challenged neighborhoods alleviating resources to support areas with long-term neglect. The City can also reserve the excess rental income beyond property management services to address ongoing improvements to the properties.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives: No action.

Attachments:

- Resolution

Recommended Motion (and Alternative Motions if expected): Adopt Resolution 2009-__ authorizing submission of an application to the State Department of Housing & Community Development (HCD) requesting a loan not to exceed \$7 million dollar for the acquisition and rehabilitation of foreclosed multi-family housing units.

Environmental Assessment Status

CEQA Review: Yes

NEPA Review: Yes

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

RESOLUTION NO. 2009- 38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA

TO AUTHORIZE THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM (AFFORDABLE RENTAL HOUSING); TO AUTHORIZE THE EXECUTION OF STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND TO AUTHORIZE THE EXECUTION OF ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE NSP LOAN PROGRAM

WHEREAS: the City of Visalia, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the NSP Affordable Rental Housing Program; and

WHEREAS, The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the Neighborhood Stabilization Program (Affordable Rental Housing) established under the Housing and Economic Recovery Act of 2008 (HERA) Regulations. Pursuant to the statue, HCD is authorized to approve funding allocations utilizing monies made available by the Federal Government, subject to the terms and conditions of Housing and Economic Recovery Act of 2008 (HERA) Regulations; and

WHEREAS, the City of Visalia wishes to submit an application to obtain from HCD an allocation of the NSP Affordable Rental Housing Program funds in the amount not to exceed \$5 million dollars.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. City staff is authorized to submit to HCD an application to participate in the NSP Affordable Rental Housing Program in response to the NOFA issued on July 23, 2009 which will request a funding allocation in the amount of \$5 million dollars.
2. The application to HCD is authorized by the City Council in order to seek funding for the following activities:
 - a. The City of Visalia has identified five to seven 4-plexes and 6-plexes in the Oval Park, Washington School and East Douglas neighborhoods as foreclosed, abandoned and with serious substandard and code violations. They are deemed a public nuisance drawing transients and drug/gang activity.
 - b. The City proposes to utilize the State NSP funds to acquire some or all of the aforementioned properties in order to rehabilitate them, and then will seek partnerships with a local non-profit property management firms to manage the properties.

- c. The acquisition, rehabilitation and property management is intended to convert dilapidated bank-owned properties to well maintained and managed units.

3. If the application for funding is approved, the City of Visalia hereby agrees to use the NSP Program funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with Guidelines cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the NSP Loan Program.

I, Steve Salomon, City Manager/City Clerk of the City of Visalia, hereby certify that the foregoing Resolution No. _____ was duly and regularly passed and adopted by the City Council of the City of Visalia at a meeting thereof held on September 8, 2009, and that the foregoing is a full and correct copy of said resolution.

City Manager/City Clerk

PASSED AND ADOPTED this 8th day of September, 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jesus Gamboa, Mayor

ATTEST:

Steve Salomon, City Manager/City Clerk

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8th, 2009

Agenda Item Number (Assigned by City Clerk): 10j

Agenda Item Wording: Authorize the City Manager to approve a payment request for the amount of \$765,109.27 per the "Riverwood Unit #1" Subdivision Reimbursement Agreement for improvements made to a city arterial street (McAuliff Street), Mill Creek riparian setback and storm drain master plan facilities; and authorize the City Manager to establish a 20-year general fund loan for the amount of \$237,453 to reimburse the developer for "pocket park" improvements; and authorize the City Manager to appropriate \$68,000 from Gas Tax Funds to Project # 1111/9207 to cover city share of the local street improvements. The project's developer was Centex Homes.

Deadline for Action: None.

Submitting Department: Community Development Department/
Engineering Division

Contact Name and Phone Number:

Chris Young, Assistant Community Dev. Director - 713-4392
Peter Spiro, Associate Engineer - 713-4256

Department Recommendation:

That the City Council authorize the City Manager to approve a payment request for the amount of \$765,109.27 per "Riverwood Unit #1" Subdivision Reimbursement Agreement for improvements made to a City arterial street (McAuliff Street), Mill Creek riparian setback, and storm drain master plan facilities. Staff also requests that the Council authorize the City Manager to establish a 20-year general fund loan for the amount of \$237,453 to reimburse the developer for "pocket park" improvements. The project's developer was Centex Homes.

Summary/background:

City Council approved the final subdivision map of Riverwood Unit #1 on September 6th, 2005. The subdivision improvement agreement called for specific reimbursable improvements to be made. As per City policy that existed at that time, the City Manager executed a Subdivision Reimbursement Agreement for this project on May 4th, 2007 (Exhibit "C").

The offsite improvements made with Riverwood Unit #1 Subdivision are essentially divided into four different categories as described as follow:

- 1- Improvements made to McAuliff Street includes the pavement, curb and gutter. Reimbursements for these improvements will be paid through Local Transportation Impact Fees Fund. No Impact Fee credits were given at the time of issuing the 167

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 2

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

building permits of the subdivision. The development has paid approximately \$1,100,000 in Transportation Impact Fees. (*Payment amount for this item is \$248,606*).

- 2- Improvements made to master planned drainage facilities include the City basin street frontage, trail around the basin, fencing, pipelines and other drainage devices. Reimbursements for these improvements will be paid through Local Storm Drainage Impact Fees Fund. (*Payment amount for this item is \$117,632*).
- 3- Improvements made to Mill Creek riparian setback areas include irrigation lines and controllers, and an 8-foot sidewalk/trail. Tree planting for the riparian setback was administered by the Parks and Recreation Department and Urban Trees Foundation. (*Payment amount for this item is \$94,575*).
- 4- Improvements made to a neighborhood Pocket Park “follow” the Council adopted Pocket Park Policy. Per this policy, the City will establish a 20-year General Fund Loan in order to reimburse the developer for the improvements made to a 0.85 acre Pocket Park. The City will be collecting, through a special Landscape and Lighting District, an annual property tax roll payment to cover the loan annual payment amount plus interest. (*Payment amount for this item is \$237,453*).
- 5- Improvements made to Local Streets: portions of Murray Avenue and Sol Street that are adjacent to City owned properties including ½-width of Murray Avenue at the Mill Creek riparian setback, ½-width of Sol Street adjacent to the City Basin, and full-width of Murray Avenue between the basin and the riparian setback (*Payment amount for this item is \$66,844 out of the Gas Tax Fund*).

The total reimbursement amount requested is \$765,109.2. The estimated cost of improvements as outlined in the original reimbursement amount was \$890,004. The City’s Development Reimbursement Review Committee has reviewed the developer’s submittals and concurred with this reimbursement request.

Finances Summary:

Fund/Account Number	Reimbursement Amount	Notes
Local Transportation Impact Fee Program (1241/9130)	\$ 248,606	
Storm Drainage Master Plan (1221/9229)	\$ 117,632	
Waterways Acquisition Fees (1251/9100)	\$ 94,575	
Gas Tax Funds (1111/9207)	\$ 66,844	(City share of local streets’ Improvements)
Pocket Park Special Loan (1513/8010)	\$ 237,453	(Loan to be paid back through an active special L&LD)

Prior Council/Board Actions:

- City Council approved Pocket Park Policy on February 7th, 2005.
- City Council approved recording the Final Subdivision Map on September 6th, 2005.
- City Council approved filing a Notice of Completion of the project on April 7th, 2008.

Committee/Commission Review and Actions:

- The Tentative Subdivision Map for both units of Riverwood subdivision was approved by the Planning Commission on November 22nd, 2004.
- Developer Reimbursement Review Committee conceptually approved the reimbursement request on July 22, 2009 based on effective policies in place at the time of executing the reimbursement agreement.

Alternatives: None.

Attachments: Exhibit A - Location Map
Exhibit B – Construction Costs/ Reimbursement Summary
Exhibit C - Subdivision Reimbursement Agreement
Exhibit D – Pocket Park Policy
Exhibit E - Developer Disclosure Form

Recommended Motion (and Alternative Motions if expected): I motion to give the City Manager authorization to approve a payment request for the amount of \$765,109.27 per the “Riverwood Unit #1” Subdivision Reimbursement Agreement for improvements made to a City arterial (McAuliff Street), Mill Creek riparian setback and storm drain master plan facilities; and authorize the City Manager to establish a 20-year General Fund Loan for the amount of \$237,453 to reimburse the developer for the pocket park improvement.

Environmental Assessment Status

CEQA Review: Environmental finding completed for tentative subdivision map.

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

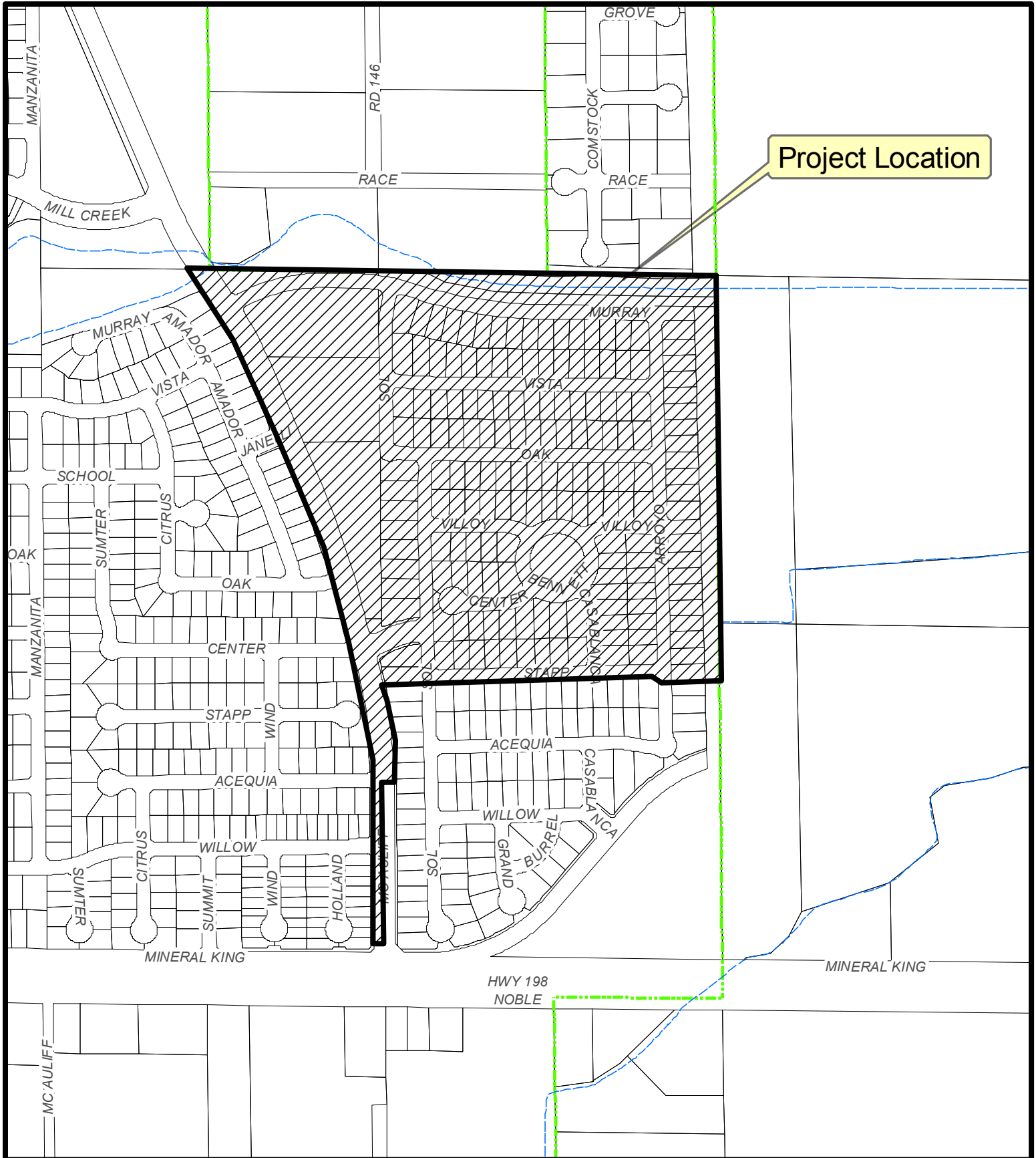


EXHIBIT "A"

RIVERWOOD UNIT #1 VICINITY MAP



Scale: 1"=500'

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	ACTUAL UNIT COST	AMOUNT INVOICED
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Exhibit "B"

**Riverwood Unit #1 Offsite Reimbursable
Improvements . Summary Sheet**

Transportation Impact Fees Fund Related Items

Curb & Gutter (including grading)/McAuliff St.	1,280	LF	\$9.00	\$11,520.00
McAuliff St. Pavement (3.5" AC/6" AB)	40,960	SF	\$2.15	\$87,928.83
Subgrade Prep	91,794	SF	\$0.14	\$13,032.48
Street Lights - McAuliff Ave.	1	EA	\$709.81	\$709.81
Street Lights - Sol, Murray and McAuliff Ave.	3	EA	\$988.35	\$2,965.05
18" Dia. RCP lateral from manhole to DI (McAuliff)	85	EA	\$29.20	\$2,482.00
Partial Pipe Installation in Murray Ave. - 60"	100	LF	\$59,680.00	\$59,680.00
2 DI, D-7 located on McAuliff Ave.	2	EA	\$800.00	\$1,600.00
McAuliff Steet dedication	40,066	SF	\$1.24	\$49,609.72
			Total	\$248,606.00

Storm Drain Master Plan Facilities Related items

Curb & Gutter (including grading)/Murray Ave.	600	LF	\$9.00	\$5,400.00
Curb & Gutter (including grading)/Sol St.	660	LF	\$9.00	\$5,940.00
City Basin Perm. Fencing	3,000	LF	\$11.47	\$31,828.50
Storm Water Impr. (Acct # 1221-9229)				
Partial Pipe Installation in Murray Ave. - 24"	80	LF	\$10,100.00	\$10,100.00
Partial Pipe Installation in Murray Ave. - 36"	80	LF	\$17,115.00	\$17,115.00
Storm Sewer				
Street Lights - Sol St.	3	EA	\$709.81	\$2,129.42
5' Sidewalk around City Basin (includes grade/compact)	12,750	SF	\$2.70	\$34,425.00
			Total	\$117,632.00

City Share of Local Streets' Improvements

Murray St. Pavement (2" AC/4" AB) 1/2 width portion	18,640	SF	\$1.29	\$24,105.25
Murray St. Pavement (2" AC/4" AB) full width portion	18,000	SF	\$1.29	\$23,277.60
Sol St. Pavement (2" AC / 4.5" AB) 1/2 width portion	9,900	SF	\$1.35	\$13,378.86
			Total	\$66,844.00

Riparian Setback / Waterways Fund Related Items

Curb (including grading)/Murray Ave. @ Mill Creek	1,754	LF	\$9.00	\$15,786.00
Riparian Setback				
8' Sidewalk in Riparian setback of Mill Creek (includes grade/compact)	14,544	SF	\$2.70	\$39,268.80
Riparian Setback				
Riparian Setback Irrigation Installation	1	LS	\$24,299.00	\$24,299.00
Riparian street crossing conduit to serve area	1	LS	\$2,975.00	\$2,975.00
Riparian Tesco meter panel on north side of Murray	1	LS	\$3,650.00	\$3,650.00
			Total	\$94,575.00

Pocket Park Fund Related Items

Play Ground Equipment	1	LS	\$89,464.25	\$89,464.25
Concrete	1	LS	\$10,500.00	\$10,500.00
Landscape	1	LS	\$37,800.00	\$37,800.00
Irrigation	1	LS	\$45,516.60	\$45,516.60
	1	LS	\$18,458.50	\$18,458.50
Wood Industries Company	1	LS	\$6,258.66	\$6,258.66
Irrigation Misc	1	LS	\$6,100.00	\$6,100.00
West Coast Arborists, Inc.	1	LS	\$1,650.00	\$1,650.00
City of Visalia	1	LS	\$60.59	\$60.59
City of Visalia	1	LS	\$60.59	\$60.59
Special L&LD, 20-year loan				
			Total	\$237,453

***All totals shown include 10% construction management costs *TOTAL IN CASH \$765,109.27**

REIMBURSEMENT AGREEMENT FOR SUPPLEMENTAL IMPROVEMENTS

Riverwood Unit #1 SUBDIVISION

THIS REIMBURSEMENT AGREEMENT FOR SUPPLEMENTAL IMPROVEMENTS (hereafter "Agreement"), entered into this 4th day of May, 2007, by and between the **CITY OF VISALIA**, hereinafter referred to and the "CITY", and **Centex Homes** hereinafter referred to as "SUBDIVIDER".

WITNESSETH:

WHEREAS, said SUBDIVIDER has agreed to install supplemental size, capacity, number, or length of improvements and/or excessive right of way as required by the city as a condition of development or extension of facilities for **Riverwood Unit #1** Subdivision; and

WHEREAS, the provisions of Chapter 16.36.210 of Chapter 16 of the Municipal Code of the City of Visalia requires that the City enter into an agreement for reimbursement to the SUBDIVIDER for the cost to install improvements which contain supplemental size, capacity or number for the benefit of property not within the subdivision; and

WHEREAS, reimbursements shall be based on the actual cost of constructing the improvements. In addition, reimbursements involving additional pipe size and/or depth shall be limited to the additional material and equipment costs. Reimbursement for design and construction management shall be established at a fixed percentage of the actual cost of constructing the improvements, excluding the cost of additional pipe size and/or depth. Reimbursement for excessive right of way dedications shall be based on the zoning in effect at the time of dedication and the "middle of value range" per the city wide land value study done by the CITY, in effect at the time of dedication; and

NOW, THEREFORE, be it agreed, by the CITY and SUBDIVIDER as follows:

- I. Reimbursements from the CITY for supplemental improvements installed and/or right of way dedicated by the SUBDIVIDER shall be made through impact fee credits and cash payment. The split between fee credits and cash payment are detailed in the following tables:

	ITEM	QUANTITY	UNITS	UNIT COST	AMOUNT
A. FRONTAGE STREET IMPROVEMENTS					
1	Curb & Gutter (including grading)/McAuliff St	1,280	LF	\$ 10.50	\$ 13,440.00
2	Curb & Gutter (including grading)/Murray Ave	600	LF	\$ 10.50	\$ 6,300.00
3	Curb & Gutter (including grading)/Sol St	660	LF	\$ 10.50	\$ 6,930.00
4	Curb (including grading)/Murray Ave@(Mill Creek)	1,754	LF	\$ 8.50	\$ 14,909.00
5	McAuliff St Pavement (3.5"AC / 6"AB)	40,960	SF	\$ 2.80	\$ 114,688.00
6	Murray Ave Pavement (2"AC / 4"AB)(Full width portion)	18,000	SF	\$ 1.50	\$ 27,000.00
7	Murray Ave Pavement (2"AC / 4"AB)(1/2 width portion)	18,640	SF	\$ 1.50	\$ 27,960.00
8	Sol St Pavement (2"AC / 4.5"AB)	9,900	SF	\$ 1.65	\$ 16,335.00
9	Street lights	3	EA	\$ 2,500.00	\$ 7,500.00
10	5' Sidewalk around city basin	12750	S.F.	\$ 3.00	\$ 38,250.00
11	8' Sidewalk in the riparian setback of Mill creek	14544	S.F.	\$ 3.00	\$ 43,632.00
12	2 DI, D-7	2	EA	\$ 2,400.00	\$ 4,800.00
13	18" RCP	85	L.F.	\$ 31.00	\$ 2,635.00
14	Partial Pipe installation in Murray Ave -24"	80	L.F.	\$ 38.00	\$ 3,040.00
15	Partial Pipe installation in Murray Ave -60"	100	L.F.	\$ 110.00	\$ 11,000.00
15	Partial Pipe installation in Murray Ave -36"	80	L.F.	\$ 70.00	\$ 5,600.00
16	City Basin Landscaping	1	L.S.	\$ 200,000.00	\$ 200,000.00
16	Riparian Setback irrigation installation	1	L.S.	\$ 25,000.00	\$ 25,000.00
17	City Basin Perm. Fencing	3000	L.F.	\$ 11.00	\$ 33,000.00
18	City Basin Excavation (In Exchange for Soil Material)	48,000	C.Y	\$ -	\$ -
19	Pocket Park Construction Costs	1	LS	\$ 238,464.00	\$ 238,464.00
	Total Cost of Frontage Street Improvements				\$ 840,483.00
	Design & Construction Management (10% of Total Cost less Oversize Cost)				\$ 84,048.30
	McAuliff street dedication(per seperate document)	40,066	SF	\$ 4.13	\$ 165,472.58
	TOTAL (Due in Cash)				\$ 1,090,003.88
					\$ -
					\$ -

II. The principal due in cash for the supplemental improvements shall be payable to the SUBDIVIDER from the CITY no sooner than thirty days after City Council's approval of the Notice of Completion for the subdivision improvements. The CITY shall process payment to the SUBDIVIDER within forty five days of all necessary invoices being submitted to the CITY by the SUBDIVIDER.

III. The SUBDIVIDER and CITY agree that the quantities and amounts presented in this agreement are the anticipated amounts; final pay amount will be based on SUBDIVIDER'S actual cost.

IV. Reimbursements are to be made to the SUBDIVIDER at the following address:

Centex Homes
801 S. Akers Street
Visalia, CA 93277

V. The SUBDIVIDER shall not transfer the rights to reimbursements without the express written consent of the CITY after having submitted a signed and notarized written request for said transfer to the City Engineer.

VII. This Agreement represents the entire understanding of the CITY and the SUBDIVIDER as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the CITY and the SUBDIVIDER.

VIII. If any section, subsection, paragraph, sentence, clause, or phrase of this Agreement is held to be unconstitutional or invalid or ineffective by any Court for tribunal of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Agreement, or any part thereof.

IN WITNESS WHEREOF, this Agreement is executed on the date and year first above written.

"SUBDIVIDER"



Signature 3/30/07 Date

Print Name

Company Name

Title

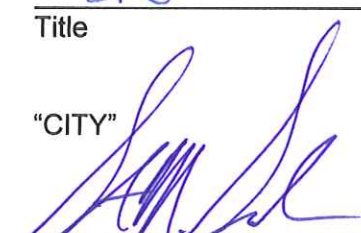
Signature Date

Print Name

Company Name

Title

"CITY"



Steven M. Salomon
City Manager/City Clerk 5/4/07 Date

ATTEST:

Chief 
Deputy City Clerk 5/4/07 Date

POCKET PARK DEVELOPMENT STANDARD

Adopted by Visalia City Council on February 7, 2005

Definition: A pocket park is the smallest park classification within the City and should be considered as a way to provide recreation or open space needs distinctive from other types of park needs such as regional, community or neighborhood parks. The primary purpose of a pocket park is to offer a small open-space/recreational venue of a more passive or intimate nature, internal to a specific residential development(s), whether single-family or multiple-family. Pocket parks are not intended to serve residents city-wide, as would a neighborhood or community park offering more formalized active play areas or sport fields or courts. Instead, pocket parks, due to their small size are intended to be more liberally sprinkled throughout the community and serve residents within or adjacent to a planned residential development. In a pocket park scheme, shade is important, as well as easy visibility from residences or other uses across adjoining streets to assure a more secure environment. Pocket parks should provide a strong emphasis on quiet, passive use, such as picnic and sitting areas, and should therefore be easily accessible by foot or bicycle and spaced much closer together than say neighborhood parks. Pocket parks may be considered as an alternative to or replacement of a neighborhood park only where providing a typical neighborhood park is impractical or not achievable.

Size: ½ to 1 acre, except where a smaller “niche” park for protection or preservation of an oak tree or other natural feature may be desirable

Service Area: Approximately ¼ mile radius.

Population Served: Resident population of approximately 500-1000 persons

Location/Orientation:

- Centrally located *within* the residential/mixed-use development and/or easily accessed by residents or workers, without the use of vehicles, generally within 5 -10 minutes
- Frontage required on one, but preferred on two or more local streets
- Visible from residents/businesses *facing* or *siding*, but not *backing to*, the park
- Minimum street frontage of 100 feet
- Consideration given in residential areas to use by and interests of the young children and the elderly
- In business or commercial areas, corners or vacant lots may be desirable; unique situations involving road or railroad abandonments or rights-of-way reductions may present other opportunities

Access: By foot or bicycle; should not require parking. Must be ADA accessible

Parking: None required or desired

Minimum Development Features):

- Turf and landscape plantings to promote shade over at least 25% of area*
- Support amenities such as benches (in shade and sun), bike racks, trash receptacles

Optional Features:

- Gazebos or similar shade structures (*may substitute for some plantings)
- Small playground and/or small scale tot-lot equipment
- Decorative architectural features, statues or water fountains (if in a residential area, should be maintained by residents)
- Picnic tables
- Minimal signage and security lighting

Financing:

If the developer desires to include a pocket park as an aesthetic or passive open space amenity within and for the benefit of the subdivision/development, then funding the costs of construction and maintenance of the pocket park will be reimbursed through the formation of a Lighting and Landscaping District over the project site.

Implementation Policies- Proposed

Land to be dedicated to the City for public park purpose by map.

Developer is responsible to design and construct the park. Design must meet City standards for park design and pocket park features.

A landscape, irrigation, utilities, and grading plan will be submitted for City review and approval prior to start of construction.

A detail cost estimate shall be submitted with the plan. Reimbursable costs include all park improvements including sidewalks, design costs, construction management, a contingency, City inspection at 3% of the estimated cost of park improvements and overhead (including bonding) as allowed by the City Engineer. Local street improvements across the pocket park frontages are not reimbursable.

A separate Landscape & Lighting District will be formed to finance the park improvements. The City will finance the park development over a 20 year term through a General Fund loan. Interest on the loan will be set at the prime rate. At the conclusion of the term the District will be dissolved. The City will provide an annual Lighting and Landscape District financial report for each District.

Reimbursement for development cost shall be on an actual cost basis and should not exceed the agreed upon cost estimate. Invoices with copies of check payment are acceptable proof for reimbursement. Payment will be made 6 months after notice of completion is issued.

Maintenance of the park shall be the responsibility of the developer for a six month period after the filing of a notice of completion for the subdivision.



CITY OF VISALIA Disclosure Development Project

**INCOMPLETE OR LATE SUBMISSION OF DISCLOSURE STATEMENT COULD RESULT IN
CONTINUANCE OR DELAY OF YOUR PROJECT.**

SITE:

Address or APN(s): Residential Subdivision at the northeast corner of McAuliff St. and Mineral King
Short Title or Name of proposed project: Riverwood Unit #1
Summary description of the proposed project: 167 lots residential subdivision

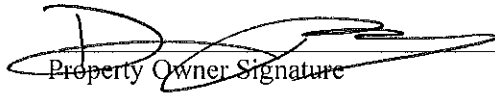
PROPERTY OWNER(S):

If more than two owners, please provide information and signature(s) on a separate sheet.

Name (print) Centex Homes Name (print) _____
Mailing Address 801 S. Akers Mailing Address _____
Visalia, CA. 93277
Phone 559-733-2717 Phone _____

Statement: I/We declare under penalty of perjury that I am/we are the legal owner(s) of the property involved in this application. I/We authorize the person named in this application as the Project Main Contact to act as my/our representative with City Staff regarding the processing of this application.

8/27/09
Date


Property Owner Signature
Darin Preisendorf VP of Land
Print Name & Title Development

Date

Property Owner Signature

Print Name & Title

OTHER INVOLVED PARTIES:

Fill in all that apply.
It is planned that the property will be sold to _____
(Write "none" if property owner(s) do not plan to sell property.)
Developer/Builder _____
Mailing Address _____
Phone _____ Fax _____

City of Visalia Agenda Item Transmittal

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 10k

Agenda Item Wording: Request to expand the required public noticing, pursuant to VMC section 5.66.100.C (Medical Marijuana Dispensaries) for an appeal of the City Planner's denial of a Medical Marijuana Business Permit at 1101 E. Center Avenue.

Deadline for Action: The deadline for public noticing action is September 28, 2009. If the City Council authorizes the expanded noticing as requested, this is the last date that the expanded noticing could be accomplished in accordance with the Medical Marijuana Dispensaries Ordinance (VMC Chapter 5.66). The item has been set on the agenda for the October 5, 2009, City Council meeting as a public hearing item.

Submitting Department: Community Development – Planning Division

Contact Name and Phone Number:

Fred Brusuelas, AICP, Assistant Community Development Director/City Planner 713-4636
Paul Scheibel, AICP, Planning Services Manager 713-4369

Department Recommendation: It is recommended that the City Council direct that the required public noticing for the Appeal of the City Planner's denial of the Central Cali Caregivers Medical Marijuana Business Permit be expanded to include mailed notice to property owners within 1,000 feet of the proposed business location at 1101 E. Center Suite C.

Background: On August 24, 2009, the City Planner denied the above-referenced Medical Marijuana Business Permit and on August 31, 2009 the applicant submitted an appeal pursuant to VMC section 5.66.100. The item is scheduled to be heard in a public hearing before the City Council on October 5, 2009.

Section 5.66.100 C of the Medical Marijuana Dispensaries Ordinance mandates that the notice of the public hearing for the Appeal must be posted at the proposed business premises and a notice sent to the applicant. There is no other requirement for public hearing noticing. However, section 5.66.100 C allows the City Council to give additional notice of the appeal hearing as it deems appropriate in a particular case.

Discussion: Staff recommends that the City Council direct staff to expand noticing to property owners within 1,000 feet of the subject property. This would be the same notification to the public that was provided when the application was processed, in accordance with section 5.66.070 of the Ordinance.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.):__1__

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

In staff's analysis, the proposed business is considered to be somewhat controversial, and this is the first medical marijuana business application that the City has processed to City Planner decision since the ordinance was adopted by the City Council in 2005. Staff advises that the expanded noticing to replicate the entities that were originally notified of the business permit application would be in the best interests of the City, the surrounding property owners, and would not be purposely detrimental to the due process being accorded to the appellant.

Committee/Commission Review and Actions: N/A

Alternatives: Besides adhering to the noticing requirement in the subject Ordinance, the City Council could direct that staff prepare a 300-foot radius mailing for the public hearing notice. This would be consistent with the standard noticing requirements for similar appeals of land use actions.

Attachments: None

Recommended Motion (and Alternative Motions if expected):

I move to direct that the noticing of the Appeal hearing for the denial of the Central Cali Caregivers Medical Marijuana Business Permit be expanded to property owners within 1,000 feet of the subject property.

Alternative Motion:

I move to direct that the noticing of the Appeal hearing for the denial of the Central Cali Caregivers Medical Marijuana Business Permit be expanded to include all property owners within 300 feet of the subject property.

or

I move to direct that the noticing of the Appeal hearing for the denial of the Central Cali Caregivers Medical Marijuana Business Permit be done pursuant to the Ordinance as written.

Environmental Assessment Status

CEQA Review: NA

NEPA Review: NA

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 11

Agenda Item Wording:

A. Adoption of Mitigated Negative Declaration No. 2008-64: For General Plan Amendment No. 2008-02 and Change of Zone No. 2008-03.

B. General Plan Amendment No. 2008-02: A request by Paul Ridenour and Greg Nunley to amend the General Plan land use designations from RLD (Low Density Residential) and RHD (High Density Residential) to CSO (Shopping / Office Commercial), PAO (Professional/ Administrative Office), and RHD (Residential High Density) on 19.93 acres. The site is located generally on the southwest corner of Demaree Street and Houston Ave. APNs: 077-660-001,-002,-003,-018; 077-090-012,-015,-016 and -017.

C. Introduction of Ordinance 2009-06 for Change of Zone No. 2008-03: A request by Paul Ridenour and Greg Nunley to change the zoning designations from R-1-6 (Single-Family Residence, 6,000 sq. ft. minimum lot size) and R-M-3 (Multi-family Residential; 1,500 sq. ft. minimum site area per unit) to P-C-SO (Planned Shopping/Office Commercial), P-PA (Planned Professional/Administrative Office), and R-M-3 (Multi-family residential zone, 1,500 sq. ft. minimum site area per unit) on 19.93 acres. The site is located generally on the southwest corner of Demaree Street and Houston Ave. APNs: 077-660-001,-002,-003,-018; 077-090-012,-015,-016 and -017.

Deadline for Action: None

Submitting Department: Community Development Department/
Planning and Engineering Divisions

Contact Name and Phone Number:

Paul Scheibel, AICP 713-4369
Fred Brusuelas, AICP 713-4364
Chris Young, City Engineer 713-4392

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

EStreet Time (Min.): 30

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

RECOMMENDATION AND BACKGROUND SUMMARY

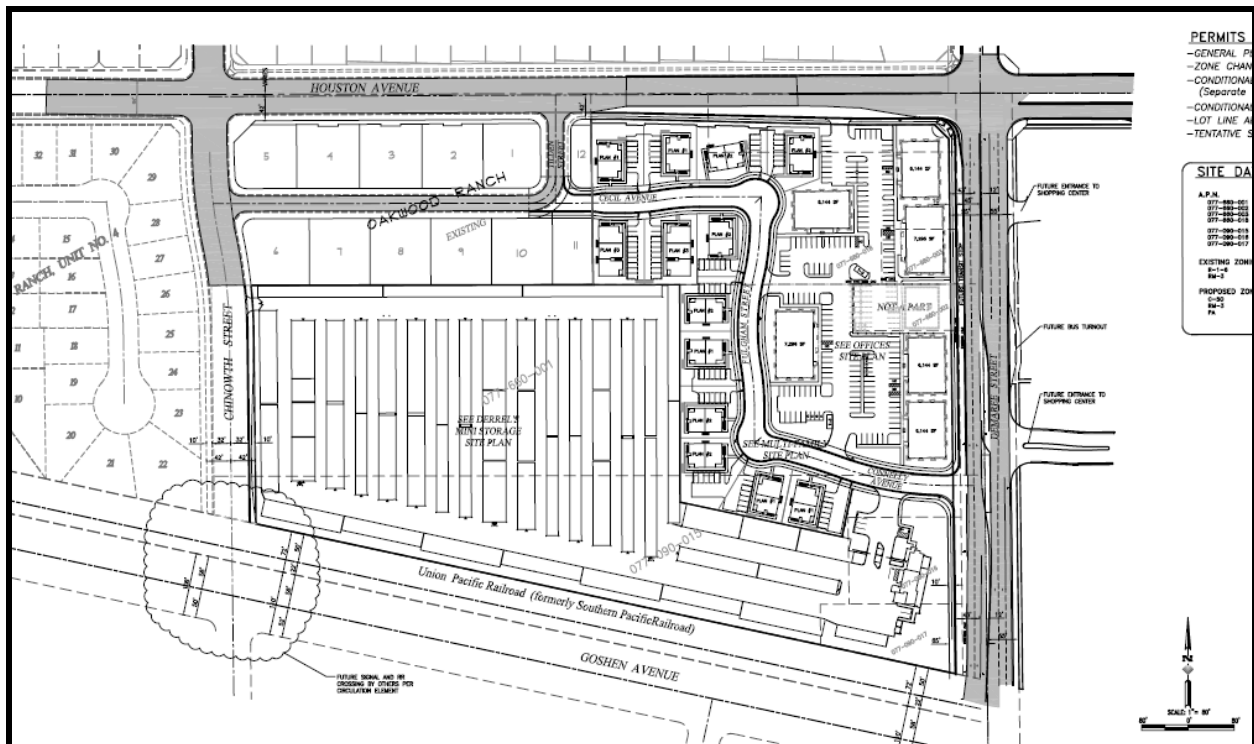
Recommendation: The Planning Commission recommends that the City Council adopt the Mitigated Negative Declaration for the project; and that it adopt the resolution approving General Plan Amendment (GPA) 2008-02; and that it introduce for first reading an ordinance approving Change of Zone 2008-03, and direct that a Conditional Zoning Agreement (CZA) be prepared.

Background: On August 10, 2009, the Planning Commission unanimously approved the project components associated with a proposed mixed-use development that includes a self-storage facility (Darell's), and a multi-family residential and office development for the 19.9-acre site generally located on the west side of Demaree Street, between Goshen and Houston Avenues. The Planning Commission further unanimously recommended approval of the quasi-legislative components of the project (GPA and CofZ). Details of each of the project components are contained in the Planning Commission staff report and supplement (Attachment 4 of this transmittal).

Summary: The GPA and CofZ are to amend approximately 11 acres of single-family residential zoning (R-1-6) and five acres of high density residential zoning (R-M-3). The R-3 zoned area would be compressed to four acres. 10.8 acres would be re-designated as C-S-O (Commercial Service/Office) for the self-storage component of the master-planned site. Approximately five acres would be re-designated as P-A-O zoning for office development. The development project and an associated subdivision map (TSM 5540) are proposed to be phased beginning with the self-storage facility. The precise boundaries of the GPA and CofZ will coincide with the reconfigured parcel and phased project boundaries as shown on the master development plan.

The Planning Commission determined that the project represents a viable master-planned development and use of a very constrained infill site. Further, the project would result in reduced traffic generation and the opportunity to expand the road infrastructure at this already deficient segment of Demaree Street. This represents a solution to an existing traffic circulation problem that would be exacerbated if the site were to be developed under the current General Plan designation. To this extent the Planning Commission determined the project is beneficial for the applicants, adjacent and nearby residents, and for the City as a whole.

Current Project - CUP 2008-18/ CUP 2008-19/TSM5540 Master Site Plan



Previous Council/Board Actions (Rite-Aid Pharmacy Project): On April 2, 2007, The City Council concurred with the Planning Commission's recommendation to deny GPA 2006-11 and

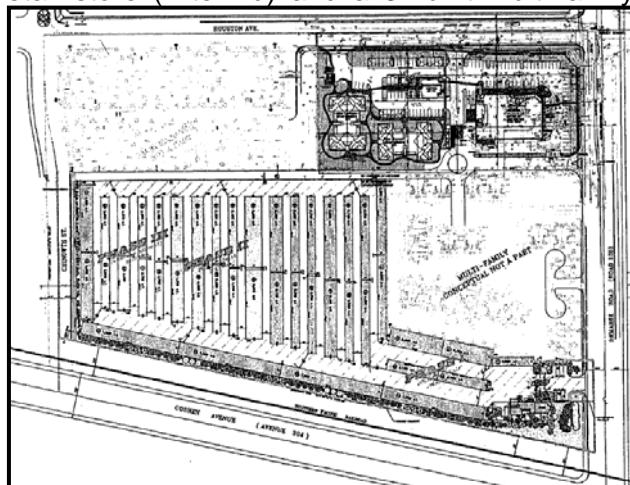
CofZ 2006-10 to re-designate 4.08 acres from RLD to R-M-2 and C-S-O at the southeast corner of Demaree Street and Houston Ave. The City Council also upheld the Planning Commission's denial of CUP 2006-62 for a mixed general retail store (Rite-Aid) and a 32-unit multi-family development.

The Rite-Aid CUP denial affirmed the City staff recommendation that the development would increase the traffic level of service (LOS) deficiency at the intersections of Houston/Demaree and Goshen/Demaree which are already approaching buildout capacities although the traffic collection field along Demaree Street is less than 70% built out.

Previous Rite-Aid Project

There are presently no viable General Plan Circulation Element improvements that would alleviate the problem. Under the General Plan Circulation and Land Use Element Policies, the City should not approve land use changes or projects that would adversely impact adjacent roadways where there is already an unaccounted for detrimental impact to nearby roads.

The City Council directed that any future project proposal in the area should be master planned and provide no more than a neutral impact to the traffic conditions on Demaree Street.



GENERAL PLAN AMENDMENT (GPA) AND CHANGE OF ZONE (CofZ) ANALYSIS

The Planning Commission endorsed the GPA and CofZ on the basis that it will facilitate a viable master-planned project for the area, and that the road and infrastructure dedications and improvements will enhance area circulation now and in the future. Further, the Planning Commission recommended that the CZA require completion of all Demaree Street improvements, including the Houston/Demaree intersection with the map recordation or with construction of Phase 1 of the Master Plan [presumably CUP 2008-182 (Darell's Self-Storage)]. The justifications for the Planning Commission's findings are as follows:

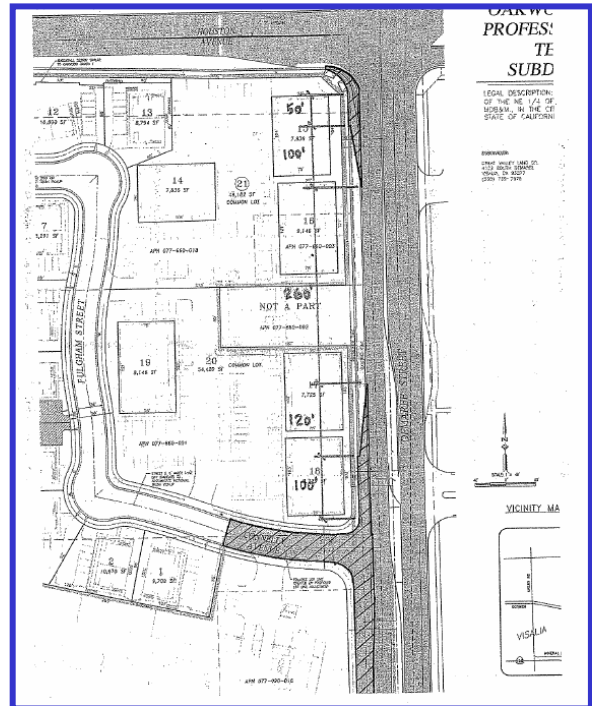
Area-wide Road and Infrastructure Improvements: The developer's and City's responsibilities to fund and construct street related improvements on Chinowth and Demaree are discussed in detail below. All street and utility construction on Demaree (from Houston to Goshen) will be done in a single phase prior to issuance of any certificate of occupancy. In general, the project would result in reduced traffic generation than would occur with area "buildout" under the current land use designations which will help alleviate the LOS deficiencies that are already noted along Demaree Street. The project will also eventually relinquish all but one access point onto Demaree Street because all future development will take access from a new local road (Fulgham/Connelly) that will transit thru the site, connecting Tilden Ave. in the north to Demaree Street in the south. The project will also dedicate right-of-way along Chinowth Street (see "Chinowth Street Improvements" section below) along the western edge of the project site to help facilitate a future railroad crossing. This will eventually provide another north/south collector road to ease the current reliance on Demaree Street for crossing the railroad tracks.

Zoning Condition to Construct Road and Infrastructure Improvements: The Planning Commission concurred with City staff's recommendation that construction activity on Demaree Street and the Houston/Demaree intersection should occur in a single phase at the developers'

primary expense (see “Demaree Street Improvements” section below). This requirement was determined to be a necessary exaction given the current deficient status of this road segment, and to minimize the further traffic disruption by completing the road improvements as a single road project at the earliest possible opportunity, and to be consistent with the City Council’s direction relative to the General Plan policies on land use changes. The CZA reinforces the project and map conditions that require all of the road improvements and utility relocations on the west side of Demaree Street to occur as the first step in development of the site, and that the improvements are to be completed in one phase. The “not-a-part” parcel owner is also a beneficiary of the GPA and CofZ and is therefore required to be a signatory to the CZA.

At the Planning Commission hearing, the applicants did not object to this recommendation, but had previously argued that this condition exceeds the City’s typical street improvement conditions for development projects. The applicants did agree to the CZA provision to limit the use of the C-S-O zone to a self-storage facility only.

Demaree Street Improvements: All of the improvements referenced below will be done with the first phase. A certificate of occupancy will not be issued until all first phase improvements are completed. The improvements will include construction of a continuous southbound deceleration lane (right-turn lane) along the Demaree Street frontage from Houston to Goshen Avenues including all of the “not-a-part” parcels (at the developer’s expense). The ‘widening’ of southbound Demaree Street will allow for the U-turn movement at the intersection of Demaree Street and Houston Avenue



First Phase Demaree Street Improvements

(northbound to southbound). The re-location of the traffic signal pole itself (southwest corner of Houston and Demaree) and any improvements to the southbound travel lanes will be reimbursable per the City’s Traffic Impact Fee Program. The Demaree Street improvements (first phase) will also include the following:

- The existing overhead power lines will be placed underground (all during the first phase). The existing AT&T box, at the southwest corner of Demaree Street and Houston Avenue, may need to be relocated at the developer’s expense.
- A bus stop and parkway/sidewalk improvements will be installed
- The City will evaluate the existing southbound travel lanes and determine if any improvements are required at this time (at the City’s expense per the TIF Program)

These improvements will “tie into” the City’s previously budgeted CIP project improvements to the Goshen Avenue and Demaree Street intersection. The City’s project, which will improve the intersection and railroad crossing itself, is scheduled to start construction in the fall of 2010. The developer’s project will “match up to” the City’s improvements on the north side of the railroad tracks.

Chinowth Street Improvements: Chinowth is designated as a collector street in the City’s Circulation Element of the General Plan. Ultimately, Chinowth will connect Houston to Goshen. As a part of this project, the developer will dedicate the right-of-way and install curb and gutter (from the north end of this project to the north railroad right-of-way line). This project will also

construct a paved fire-lane on Chinowth. A portion of the Chinowth construction (the paved travel lane) will be reimbursable per the City's Transportation Impact Fee Program. A future City Capital Improvement Program project will construct the Chinowth and Goshen intersection improvements. City funding of the intersection design (for phased improvements of the intersection) has been programmed for 2010. An interim "T" intersection improvement is planned for this intersection that will allow full access for northbound traffic onto Goshen.

Effect on Affordable Land Inventory and HDR minimum density requirements: The land use change would result in a loss of 5.7 acres of HDR land and up to 67 units from the Housing Element inventory of available land that is identified in Table G-1 (Development Potential for RLD, RMD, and RHD Vacant Sites) of the 2005 Housing Element. However, this can be allowed by virtue of the fact the City enjoys an unencumbered surplus of vacant developable land. Specifically, the City holds an unaccounted for surplus of 67 units as a result of COZ 2006-04 (Visalia Land Co.). The current project will provide for 56 units, with a net density of 19.33 units per acre. The loss of 67 units is still within the City's excess inventory as allowed by state housing law (CGC 65863).

The proposed project density of 19.33 units per acre is slightly less than 20 units per acre minimum density required by the HDR land use designation. However, this can be approved in that the multi-family site is constrained by a linear layout and oversized local street that will provide access to the site. Additionally, the project design is superior in that it provides for useable open space accessible to each unit, thus enhancing livability for future tenants.

The self-storage facility [CUP 2008-18 (Darell's Self-Storage)] and the office and multi-family components [CUP 2008-19 (Nunley 56-unit multi-family and 49,000sq.ft. office complex)] would be allowed if the GPA/CofZ are approved. All of the uses were determined to be beneficial to adjacent land uses because they would facilitate uses that are complimentary and supportive of the adjacent and nearby residential, commercial and office uses, while contributing to the needed road dedications and improvements in the area.

Committee/Commission Review and Actions:

On August 10, 2009, the Planning Commission unanimously approved the project components associated with a proposed mixed-use development, and it unanimously recommended approval of the quasi-legislative components of the project (GPA and CofZ).

Alternatives:

1. Approve the GPA and C of Z but amending or modifying the terms of the CZA.
2. Deny the GPA and C of Z.
3. Continue the item to a future date.

Attachments:

1. Resolution Adopting Mitigated Negative Declaration No. 2008-64
2. Resolution Approving GPA No. 2008-02
3. Ordinance for Change of Zone No. 2008-03.
4. Planning Commission Staff Reports
5. Involved Parties Information

Recommended Motion :

I move to approve the Resolution adopting Mitigated Negative Declaration No. 2008-64; and Resolution approving General Plan Amendment No. 2008-02; and introduce Ordinance No. 2009-06 for Change of Zone No. 2008-03 for first reading; and to direct that a Conditional Zoning Agreement be prepared as recommended by the Planning Commission.

Environmental Assessment Status

CEQA Review: An Initial Study was prepared for this project, consistent with the California Environmental Quality Act (CEQA). The Initial Study disclosed that environmental impacts are determined to be not significant, with the project mitigation measures incorporated into the project.

The Planning Commission adopted Mitigated Negative Declaration No. 2008-64 for this project. Traffic Mitigation Measure 1.1 was modified to reflect the new project analysis and conditions that full construction of Fulgham Street (Connelly Ave.) is not required to mitigate traffic to LOS D or better. The mitigation measure has been modified to require and allow the phased construction of this street coincidental with on site development. As such, construction of Connelly Ave. will occur along the mini-storage project frontage during the presumed Phase 1 of the project. The road will extend ultimately to Houston Ave. as the multi-family and office components develop in the future. This street development mitigation is considered to be minor and within the scope of the original environmental review and noticing for the project.

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

City Council Agenda of 9/08/09: Second Reading of the Ordinance and approval of the Conditional Zoning Agreement to be determined.

Copies of this report have been provided to: Planning Commission, Applicant

RESOLUTION NO. 2009-39

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA,

ADOPTING MITIGATED NEGATIVE DECLARATION NO. 2008-64, WHICH EVALUATES ENVIRONMENTAL IMPACTS FOR GENERAL PLAN AMENDMENT NO. 2008-02 AND CHANGE OF ZONE NO. 2008-03.

WHEREAS, Mitigated Negative Declaration No. 2008-64 pertains to a General Plan Amendment (GPA 2008-02), Change of Zone (CofZ 2008-03), Tentative Subdivision Map (TSM 5540), and Conditional Use Permits (CUP 2008-18 and 2008-19), herein after referred to as "Project", to change the General Plan land use and Zoning designations as described in the pertinent environmental Initial Study and staff reports pertaining to said Project; and

WHEREAS, the City Council of the City of Visalia, after duly published notice, held a public hearing before said Council on September 8, 2009 for the General Plan and Zoning amendment portions of said Project; and

WHEREAS, an Initial Study was prepared which disclosed that no significant environmental impacts would result from this Project, as mitigated; and

WHEREAS, on the basis of this Initial Study, a Mitigated Negative Declaration has been prepared for the Project pursuant to the California Environmental Quality Act of 1970 (CEQA), as amended; and

WHEREAS, the Initial Study and Mitigated Negative Declaration for the Project were prepared and noticed for review and comment; and

WHEREAS, any comments received during the advertised comment period were reviewed and considered in accordance with provisions of CEQA; and

WHEREAS, on August 10, 2009, the Planning Commission amended the Mitigation Monitoring Plan for said Project pursuant to a revision of the project, and determined that the project changes and resulting amendments to the Mitigation Monitoring Plan were minor and not requiring re-circulation of said environmental documents, pursuant to CEQA Guidelines section 15073.5; and

WHEREAS, The Initial Study prepared for this project, is consistent with the California Environmental Quality Act (CEQA). The Initial Study disclosed that environmental impacts are determined to be not significant with mitigation measures applied. Therefore, Mitigated Negative Declaration No. 2008-64 can be adopted for this project with Traffic Impact Mitigation Measure 1.1 amended to specify that Fulgham Street (Connelly Ave.) shall be constructed by phase to serve any portion of the project being developed.

WHEREAS, the City Council of the City of Visalia considered the Initial Study and the amended Mitigated Negative Declaration and found that the Initial Study and amended Mitigated Negative Declaration contain and reflect the independent judgment of the City of Visalia; and

WHEREAS, pursuant to AB 3158, Chapter 1706 of the Statute of 1990, the City Council of the City of Visalia hereby finds that no evidence has emerged as a result of said Initial Study

to indicate that the proposed project will have any potential, either individually or cumulatively, for adverse effect on wildlife resources.

NOW, THEREFORE, BE IT RESOLVED that an amended Mitigated Negative Declaration was prepared consistent with the California Environmental Quality Act (CEQA) and the City of Visalia Environmental Guidelines.

BE IT FURTHER RESOLVED that the City Council of the City of Visalia hereby finds, on the basis of the whole record before it, that there is no substantial evidence that the project will have a significant effect on the environment and hereby adopts Mitigated Negative Declaration No. 2008-64 which evaluates environmental impacts for General Plan Amendment No. 2008-02 and Change of Zone No. 2008-03. The documents and other material which constitute the record of the proceedings upon which the decisions based are located at the office of the City Planner, 315 E. Acequia Avenue, Visalia, California, 93291.

RESOLUTION NO. 2009-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA
APPROVING GENERAL PLAN AMENDMENT NO. 2008-02, A REQUEST
TO CHANGE THE GENERAL PLAN LAND USE DESIGNATION ON 19.93
ACRES GENERALLY LOCATED ON THE WEST SIDE OF DEMAREE
STREET, BETWEEN HOUSTON AVENUE AND GOSHEN AVENUE (APNS:
077-660-001,-002,-003,-018; 077-090-012,-015,-016 AND -017)

WHEREAS, General Plan Amendment No. 2008-02 is a request by Paul Ridenour and Greg Nunley to change the zoning designations from R-1-6 (Single-Family Residence, 6,000 sq. ft. minimum lot size) and R-M-3 (Multi-family Residential; 1,500 sq. ft. minimum site area per unit) to P-C-SO (Planned Shopping/Office Commercial), P-PA (Planned Professional/Administrative Office), and R-M-3 (Multi-family residential zone, 1,500 sq. ft. minimum site area per unit) on 19.93 acres.

WHEREAS, the Planning Commission of the City of Visalia, after twenty (20) days published notice, held a public hearing before said Commission on August 10, 2009, and

WHEREAS, the Planning Commission of the City of Visalia considered the General Plan amendment in accordance with Section 17.54.070 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing; and

WHEREAS, the City Council of the City of Visalia, after ten (10) days published notice held a public hearing before said Council on September 8, 2009; and

WHEREAS, the City Council of the City of Visalia finds the General Plan Amendment to be in accordance with Section 17.54.080 of the Zoning Ordinance of the City of Visalia based on evidence contained in the staff report and testimony presented at the public hearing; and

WHEREAS, an Initial Study was prepared which disclosed that no significant environmental impacts would result from this project.

NOW, THEREFORE, BE IT RESOLVED, that a Mitigated Negative Declaration was prepared consistent with the California Environmental Quality Act and City of Visalia Environmental Guidelines.

BE IT FURTHER RESOLVED that the City Council of the City of Visalia finds that the proposed General Plan Amendment meets the following specific findings based on the evidence presented:

1. That the General Plan Amendment is consistent with the intent of the General Plan and Zoning Ordinance, and is not detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity because the project would reduce previously programmed traffic generation onto adjacent roads thus reducing the existing and future LOS deficiency along Demaree Street. In addition, the proposed uses would be compatible with adjacent residential and commercial uses in that the uses are similar in nature to existing uses and with uses allowed by the current land use designation. The exception to this is the proposed C-S-O land use which findings to allow can be made if the self-storage use only is allowed on the C-S-O

designated land by a Conditional Zoning Agreement (CZA). The proposed P-A-O (office) land use and zoning would be beneficial to the immediate area in that it would provide new employment and service opportunities to a large residential area to the north.

2. The loss of 5.7 acres of HDR land and up to 66 units from the Housing Element inventory of available land that is identified in Table G-1 (Development Potential for RLD, RMD, and RHD Vacant Sites) in the 2005 Housing Element, can be allowed by virtue of the fact the City enjoys an unencumbered surplus of vacant developable land as a result of table d, the City holds an unaccounted for surplus of 67 units as a result of COZ 2006-04 (Visalia Land Co.). The project will provide for 57 units, with a net density of 19.33 units per acre. The loss of 66 units is still within the City's excess inventory as allowed by state housing law (CGC 65863). The density of slightly less than 20 units per acre minimum density can be approved in that the multi-family site is constrained by a linear layout and oversized local street that will provide access to the site. Additionally, the project design and density provides for useable open space accessible to each unit, thus enhancing livability for future tenants.
3. General Plan Policy 4.1.3, and the associated Zoning Ordinance section 17.26.040, which pertain to minimum project size of ten acres is met by the project site which totals 19.33 acres. Further, the three components of the site are master planned by virtue of their associated Conditional Use Permits (CUP 2008-18 and CUP 2008-19), and Tentative Subdivision Map No. 5540.
4. The Initial Study prepared for this project, is consistent with the California Environmental Quality Act (CEQA). The Initial Study disclosed that environmental impacts are determined to be not significant with mitigation measures applied. Therefore, Mitigated Negative Declaration No. 2008-64 can be adopted for this project with Traffic Impact Mitigation Measure 1.1 amended to specify that Fulgham Street (Connelly Ave.) shall be constructed by phase to serve any portion of the project being developed.

BE IT FURTHER RESOLVED that the City Council of the City of Visalia approves the General Plan Amendment described herein, in accordance with the terms of this resolution under the provisions of Section 17.54.070 of the Ordinance Code of the City of Visalia and based on the above findings.

BE IT FURTHER RESOLVED that the official General Plan Land Use Map of the City of Visalia is hereby amended to show said property changes as illustrated in Exhibit "A" attached hereunto.

ORDINANCE NO. 2009-06

AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF VISALIA FOR 19.93-ACRES LOCATED GENERALLY ON THE WEST SIDE OF DEMAREE STREET, BETWEEN HOUSTON AND GOSHEN AVENUES.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA

Section 1: The Planning Commission of the City of Visalia has recommended that the City Council amend the Official Zoning Map of the City of Visalia as shown on the attached exhibit A of this Ordinance, pursuant to Municipal Code sections 17.44.060 and 17.44.090; and,

Section 2: Pursuant to Visalia Municipal Code sections 17.44.060B and 17.44.090B, a Conditional Zoning Agreement (CZA) shall be prepared that contains the following terms:

a. The CZA shall be entered into with, and shall apply to all property owners and their successors in interest for all parcels included in this Amendment; and,

b. All street, infrastructure, and utility improvements along the west side of Demaree Street, and the western portion of the intersection of Houston Avenue and Demaree Street shall be completed to the satisfaction of the City Engineer before recordation of any portion of Tentative Subdivision Map No. 5540 or occupancy issuance of building permits any new development on the subject site that are allowed under the zoning designations amended by this Ordinance; and,

c. The C-S-O land use zoning shall be limited to a self-storage use only.

Section 3: Mitigated Negative Declaration No. 2008-64 pertaining to the proposed amendment has been adopted by approval of Resolution No. 2009-XX

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 12

Agenda Item Wording: Authorization to award the Operations & Maintenance contract for Visalia Transit to MV Transportation, Inc. of Fairfield, CA for the term from October 1, 2009 to September 30, 2012 for \$14,261,523 with two three-year options, and authorize the City Manager to execute the necessary documents.

Deadline for Action: September 17, 2009

Submitting Department: Administration Department – Transit Division

Contact Name and Phone Number: Monty Cox, 713-4591

Department Recommendation

Authorization to award the Operations & Maintenance contract for Visalia Transit to MV Transportation, Inc. of Fairfield, CA for the term from October 1, 2009 to September 30, 2012 for \$14,261,523 with two three-year options, and authorize the City Manager to execute the necessary documents with a provision that increases for option years will be the average CPI-W for Labor, for all Urban Wage Earners and Clerical Workers; but in no case will exceed five percent (5%).

Executive Summary:

Staff completed an extensive, nationally advertised competitive proposal process to select the best firm for the Bus Operations & Maintenance contract. During the process, two firms responded to the Request for Proposals and both were evaluated, interviewed and scored based on their total overall proposed level of service and cost effectiveness for that service. The evaluation was conducted by a panel of transit professionals within Tulare County. The panel first evaluated the written proposals and then the firms were invited for an oral interview. The evaluation process resulted in a unanimous recommendation to award the operations and maintenance contract to MV Transportation, Inc. of Fairfield, CA.

In addition to MV Transportation; the other firm was Storer Transit Systems of Modesto, CA. MV Transportation was recommended for the following reasons:

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

1. MV's initial cost proposal (\$14,622,985) was approximately \$3,000,000 less than Storer (\$17,364,801) during the initial three-year term or almost \$1,000,000 per year.
2. They have experience with alternative fuel vehicles, electronic fareboxes and automatic vehicle location systems, which exist on all Visalia buses. Storer was willing to learn about these systems, but has much more limited knowledge currently.
3. MV has demonstrated a proactive customer service program. They have acquired a reputation that reflects a positive image in Visalia and results in very few complaints from the more than 1.6 million rides MV provided in 2008\2009.
4. MV offers a "Money Back Guarantee" that if the City is not happy with them for any reason they will return the profit for one year to the City. In addition, they offered a \$500,000 guarantee not to change the General Manager during the term of the agreement without City of Visalia approval.
5. They have experience with the City's new Dial-A-Ride computer-assisted dispatch system.
6. MV has a good working relationship with the employee unions and a strong employee-based company culture. Storer also has strong employee moral.

Discussion

Since 1981 the City of Visalia has provided an increasing level of transit services. As the City has grown the level of transit service has also grown in order to provide all residents access to work, school, medical facilities, shopping and general access throughout the community. From the beginning the City has contracted with a private company to provide bus operations and maintenance services. This contract has been periodically competitively bid, resulting in a change in contractors twice in 27 years. Currently the bus operations contract is awarded to MV Transportation, who has been our contractor for the past six years. They provide the drivers, mechanics, dispatchers and supervisors required to operate the Fixed Route bus service, Dial-A-Ride, Downtown Trolley, LOOP service and the Sequoia Shuttle.

During the negotiations with MV, Transit staff took this opportunity to request additional service to address some issues that have occurred during the growth of the transit system over the last five years. These include adding additional mechanics and one additional road supervisor. With these added positions MV will be better equipped to monitor on-time performance and address vehicle breakdowns. Some of these addressed issues resulted in increased costs that should be characterized as City requested items and not general increases in MV fees. Transit operations are funded by a combination of fares (at least 20%), federal and state grants, Measure R, and bus ad revenues.

The increase between the current 2008-2009 operating year, which was part of a contract negotiated five years ago, and the first year of the proposed operating budget is approximately \$460,000 (11%) Approximately half of this increase is attributed to City-requested additions to the contract including this year's route changes, additional maintenance mechanics, and additional road supervisors. The remainder of the increase can be attributed to previously negotiated wage increases, higher health and workers compensation costs, and other cost increases since the contract was last negotiated in 2004.

Funding for this contract comes from the various sources that support the transit operations. Staff has taken into account recent changes in funding from the State, adjusted the sources of revenue to reflect those changes and extended the schedule of some capital projects in order to maintain the current projected level of bus operations. Staff has also maximized federal formula and discretionary grant opportunities to offset the reductions in state funding. In so doing the funding to support this operating contract for the next three years is identified and conservatively budgeted. The total transit budget, including this contract, fuel, mileage and division overhead, is estimated to be approximately \$7,000,000. This strategy provides a conservative approach and limits the affect of any unexpected reductions, such as has occurred recently from the State. The following is a list of the funding sources that support the annual Transit operating budget:

Passenger fares and pass sales (based on recent fare increases):	965,400
Measure R (adjusted for recent decline in sales tax revenues):	718,200
State Transit Assistance (adjusted to reflect recent reductions):	447,851
Federal Transit assistance:	1,978,000
National Parks Service:	561,000
Local Transportation Fund (historically as high as \$3,800,000):	<u>3,000,000</u>
Total Operating Revenue:	7,670,451

The current economic environment, with the State cutting our revenue and sales tax revenues declining, requires that the City make reasonable projections and plan for additional potential cuts. This proposed contract includes a \$670,000 cushion between projected revenues and expenditures. It also allows the City to reduce bus service, up to 20% in the event of a loss in revenues beyond the cushion, without being required to renegotiate the contract. It includes variable rates that are based on miles and hours operated, and gives the City control in establishing the number of hours and miles of bus service provided. In an extreme situation where the required reduction exceeds the 20% threshold, MV will meet with the City to discuss how the reduction will impact provisions in the contract and, if necessary, renegotiate those items.

Prior Council/Board Actions: Since the initiation of Visalia City Coach transit service in 1981, the City has contracted for operation and day-to-day management of the system. Contract services were provided by Trans West Specialties from 1981 through 1992, and by Mayflower/Laidlaw Transit from 1993 to 2003 and by MV Transportation from 2003 to present.

Committee/Commission Review and Actions: The Transit Advisory Committee recommends approval of the Operations & Maintenance Contract award to MV Transportation at the negotiated rates.

Alternatives:

1. The City could elect to award the contract to the other proposer, Storer Transportation.
2. The City could elect to reject all proposals and reissue the RFP.

Attachments: None.

Recommended Motion (and Alternative Motions if expected):

I move that Council award the Operations & Maintenance contract for Visalia Transit to MV Transportation, Inc. of Fairfield, CA for the term from October 1, 2009 to September 30, 2012 for \$14,261,523 with two three-year options, and authorize the City Manager to execute the necessary documents with a provision that increases for option years will be the average CPI-W for Labor, for all Urban Wage Earners and Clerical Workers; but in no case will exceed five percent (5%).

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Financial Impact

Funding Source:

Account Number:

Account Number: 4511-00000-720000-0-9259 (Planning)

Budget Recap:

Total Estimated cost:	\$0	New Revenue:	\$ 0
Amount Budgeted:	\$ 0	* Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change:	Yes_____	No	<u>X</u>

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 13a

Agenda Item Wording: Authorize the Executive Director of the Redevelopment Agency Board to approve a loan to Kaweah Management Company in an amount not to exceed \$480,000 for the acquisition, rehabilitation and rental of six (6) units located at 632, 634, 636, 640, 642 and 644 Kaweah Avenue.

Property Location: 632,634,636 & 640,642,644 East Kaweah Avenue; located at the north side of Kaweah Avenue between Tipton and Burke Streets.

Assessor Parcel Numbers: 097-122-042 & -043.

Deadline for Action: September 8, 2009

Submitting Department: Housing & Economic Development

Contact Name and Phone Number: Ricardo Noguera, Housing & Economic Development Director xt: 4190; Nancy Renovato, Senior Administrative Analyst xt 4462

Department Recommendation: Authorize Executive Director to approve a loan in the amount of \$480,000 with use of Central Redevelopment Agency Low/mod Funds with Kaweah Management Company to support the acquisition, rehabilitation and rental of two foreclosed triplexes (contains a total of six two-bedroom units).

Project Description

Kaweah Management Company is in the process of acquiring two triplexes which are foreclosed, abandoned and have been vandalized. These two properties are situated in the Washington School Neighborhood and are located immediately adjacent to one another. A total of six units will be rehabilitated and existing carports will be converted to garages and a playground will be constructed within the center section of the two triplexes. A site plan is attached (Exhibit "A").

Context to State's Recent Borrowing of RDA Funds

On Friday, July 24, 2009, the State Legislature authorized more than \$1 billion in borrowing from RDA agencies throughout the State of California. The projected impact on Visalia's RDA budget is significant; more than \$2 million for two years (2009/10 & 2010/11). This will adversely impact the Agency's ability to carry out redevelopment activities in the four project areas; staff are still analyzing the impact of a planned long-range financing for the Central RDA which will lose its' ability to incur new debt following November 2009, without pursuing a plan amendment.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): 2

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

This project will rely on the use of Central RDA low/mod funds from the 2008/09 budget. There are adequate funds to support this project. This will also be an amortized loan with annual payments due at the rate of one percent interest commencing the sixth year.

Neighborhood Revitalization

This project fulfills the Department's Neighborhood Revitalization efforts, assisting proven developers to acquire and rehabilitate dilapidated rental properties in challenged areas of town and completing infill development. Additionally, this project represents the City/Agency's first attempt to partner in the acquisition and rehabilitation of multi-family bank-owned properties. This property also falls within one of the City's targeted neighborhoods "Washington School Neighborhood".

Role of Kaweah Management Company (KMC): The Kaweah Management Company is a non-profit charitable organization (501 (c) 3) that develops, rehabilitates and manages affordable housing units and projects. The City has partnered with Kaweah on past affordable housing projects including the 20-unit Paradise & Court Development, located just south of the Washington School Neighborhood; 95-unit Kimball Court elderly low income housing project, the Tulare Avenue Transitional Living Center, the mixed income 71-unit Millcreek Project and the 10-unit Robinwood Project. The City of Visalia Redevelopment Agency proposes to provide Kaweah with a \$480,000 Loan with use of Redevelopment Low-Mod funds from the Central Redevelopment Project Area.

Sources of Funds:

The total acquisition and rehabilitation costs are estimated at approximately \$750,000 with approximately \$80,000 in rehabilitation costs per unit. The Agency's contribution will total \$480,000 and be utilized for the rehabilitation portion of the development. A complete financing and rehabilitation pro-forma is attached as well as an Operations budget. (Exhibit "C").

Uses of Funds:

Kaweah Management Company East Kaweah Avenue Triplexes Acquisition & Rehabilitation & Operations Plan, is a summary of acquisition and rehabilitation costs. The developer will acquire approximately 19,534 square feet of land (each parcel approximately 9,767 square feet that currently supports the two triplexes. The developer will rehabilitate the six (6) two-bedroom units, convert existing carports to garages and install a new playground in the center of the complex between the two triplexes. The developer anticipates purchasing each triplex for approximately \$132,500. The developer's estimated purchase price per unit is \$43,500 per unit. The rehabilitation costs are estimated at \$80,000 per unit for a total of \$480,000. The Agency is sought after to provide this funding with low/mod dollars.

If Redevelopment funds are utilized, prevailing wages apply adding to the cost of the project.

Disbursement of Funds

The \$480,000 of Agency funds will be disbursed as follows: \$240,000 disbursed following approval of loan agreement by the Agency Board; \$240,000 disbursed following approval of building permits through the City's Building Division.

Loan Terms

The loan terms call for there to be no payments due for the first sixty (60) months and beginning on the sixth year (anniversary date of loan), Kaweah shall pay the RDA \$12,870.79 annually for a fifty (50) year period. Annual payments shall be due on September 1st of each year beginning 2015. This loan period will cover the required 55-year affordability covenant as well, ensuring that the rental units remain affordable for the entire fifty-five year period.

Contracts.

Contracts have been drafted for funding, affordability requirements, management, construction and responsibilities of the parties involved. Redevelopment Low/Mod Funds will be utilized requiring a minimum 55 year affordability covenant and is referenced in the agreement with Kaweah Management Company. The third agreement connects Kaweah Management Company and the RDA together in relation to the proposed project such as project management, project ownership, disbursement of funding, and other requirements.

Property Ownership. The Developer currently owns, or is in escrow to acquire, the parcels which constitute the Property on which the Project is to be undertaken. The Developer is diligently pursuing acquisition of the two parcels which constitutes the Property prior to the initiation or rehabilitation of the Project.

Project Design, Use Restrictions and Requirements. Kaweah Management Company agrees that the Property shall only be used and occupied for rental purposes in compliance with and subject to conditions outlined within the agreements. Staff would like to bring to Council's attention a few of the conditions:

- (a) **Prevailing wages.** "Kaweah is contractually obligated to comply with all applicable State and Federal prevailing wage laws, and to indemnify the Agency against any claims of noncompliance".
- (b) **Relocation of tenants.** This is not applicable since the property is completely vacant.
- (c) **Maintenance and Operations.** After completion of the Project, Kaweah will serve as the Property Manager.
- (d) **Fair Market Rents.** The HUD Fair Market Rents will be utilized. The rents are anticipated to be \$299 for the two bedroom units where the renter's household income levels shall not exceed 30% of the median income level.
- (d) **Rental Restrictions.** Developers shall meet or exceed the affordability requirements for the Central Redevelopment Low/Mod funds. Fifty-five years are required for use of Redevelopment funds. Developer will enter into agreements with the tenants, to comply.
- (e) **Monitoring of Use of Dwelling Units.** Initial tenant income will be determined and each year during the affordability period for the Project, each tenant's annual income will be re-examined in accordance with funding source requirements.

Prior Council/Board Actions: In August of 2005, the City Council adopted a Housing Element Update, identifying housing needs for all income levels in our local population. The number of affordable housing units (from very low income to moderate income) either approved or built between 2001 and 2005 is 623 according to the Housing Element.

Committee/Commission Review and Actions: Preliminary Site Plan Review completed.

Alternatives: None

Attachments: Exhibit "A" Site Map
Exhibit "B" Color renderings
Exhibit "C" Acquisition, Rehab & Operations
Exhibit "D" KMC & City Agency Low Mod Agreement
Exhibit "E" Amortization Schedule for Repayment of 55-Year Loan
Attachment "A" Legal Description APN: 097-122-042
Attachment "B" Form of Agency Note
Attachment "C" Form of Assumption Agreement
Attachment "D" Addendum to Deed of Trust
Attachment "E" Form of Rental Restriction Agreement
Attachment "F" Legal Description APN: 097-122-043

1. Recommended Motion (and Alternative Motions if expected):

Authorize Executive Director to approve a loan in the amount of \$480,000 with use of Central Redevelopment Agency Funds with Kaweah Management Company to support the acquisition, rehabilitation and rental of two foreclosed triplexes (contains a total of six two-bedroom units).

Environmental Assessment Status

CEQA Review: CEQA Cat Exempt No. 2008-10

NEPA Review: N/A

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

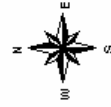
Signatures for all three agreements required: Attachments: B, C & E

Copies of this report have been provided to:

Exhibit "A"

City of Visalia

Kaweah Management Co
 Triplex Project
 632,634,636 and
 640,642,644 E Kaweah



Scale: 1"= 113'



This map has been carefully prepared from official records, to the best of the information herein is not to be construed and the City of Visalia shall not be liable for any errors or omissions without being notified in writing. The City of Visalia is not responsible for any errors or omissions without being notified in writing. The City of Visalia is not responsible for any errors or omissions without being notified in writing.

Exhibit "B"
Color Renderings

Exhibit "C"
Acquisition, Rehab & Operation Financing Plan

Kaweah Management Company East Kaweah Ave Tri-plexes Potential Acquisition & Rehab & Operations		
Properties acquired	2	
Number of Units	6	
Number of bedrooms	12	
Total cost of units - (Estimated at 132,500 perTri-plex)	\$265,000	
Cost of rehab -See detail attached	\$480,000	
Average price per unit	\$124,167	
Average price per Bedroom	\$62,083	
Price per square foot (840 sq ft each)	\$148	
Budgeted Income And Expenses		
	Per unit	Annualized
Dwelling Rent - 60% 2009 TCAC-Adjusted to Market	650.00	\$46,800
Vacancy @ 5%	-32.50	-\$2,340
Laundry - 2 small utility rooms	25.00	\$1,800
Other Income - Late Fees etc	6.00	\$432
Interest Income - Cash in Bank @ 1%	2.08	\$150
Total Project Income	\$650.58	\$46,842.00
Operating Expenses		
Utilities - Garbage, Water & Sewer, Elec	57.50	\$4,140

Exhibit "C" (Con't)
Acquisition, Rehab & Operation Financing Plan

Manager Salary & Benefits	0.00	\$0
Maintenance Salary & Benefits	55.00	\$3,960
Management Fees	42.50	\$3,060
Landscaping	40.00	\$2,880
Materials	28.75	\$2,070
Contract Services	55.00	\$3,960
Pest Control	12.50	\$900
Property Taxes- special assessments	5.00	\$360
Total Operating Expenses	296.25	21,330.00
Net Operating Income	354.33	25,512.00
Debt Service - Tulare County Housing Authority Loan of \$265,000 at 5% for 30 years	237.10	\$17,071.20
Res Rec Nte City of Visalia \$480K at 1% Starting in Year 6 at \$169.48 PUM		
Project Cash Flow	117.23	\$8,440.80
Replacement Reserves	25.00	1,800.00
Net Cash Flow	92.23	6,640.80

Projected rental Increases are anticipated to cover the Residual Receipts Note payments beginning in the Sixth year of Operation. KMC will be responsible for any operating shortfalls.

Exhibit "D"
KMC & City Agency Low Mod Agreement

Attachment "A"

Legal Description of the Property
APN: 097-122-042

Attachment "B"
Form of Agency Note

Attachment "C"
Form of Assumption Agreement

Attachment "D"
Addendum to Deed of Trust
(Agency Loan Note)

Attachment "E"
Form of Rental Restriction Agreement

Attachment "F"
Legal Description of Property
APN: 097-122-043

ORDER NO: 3860496
REFERENCE NO: 0030924062
FILE NO: 3860496C
TITLE OFFICER: SHIREE WOLFSON

DESCRIPTION

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE **STATE OF CALIFORNIA, COUNTY OF TULARE, CITY OF VISALIA**, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF VISALIA, COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF DESCRIBED & AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 37 OF WALNUT HOMES ADDITION NO. 1, RECORDED IN BOOK 22, PAGE 72 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE WEST ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 37, A DISTANCE OF 46.24 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID LOT 37 TO A POINT ON THE NORTH LINE TO A POINT ON THE NORTH LINE OF KAWOSH STREET; THENCE WEST ALONG THE NORTH LINE THEREOF, A DISTANCE OF 75.14 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE NORTH $0^{\circ} 31' 30''$ WEST, A DISTANCE OF 130 FEET; THENCE NORTH $89^{\circ} 58' 00''$ WEST, A DISTANCE OF 75.13 FEET, MORE OR LESS, TO A POINT ON THE EAST LINE OF LOT 11 OF SHAVERS ADDITION TO VISALIA AS PER MAP RECORDED IN BOOK 3, PAGE 43 OF MAPS, THENCE SOUTH ALONG THE EASTLINE OF LOTS 11, 12, 13 AND THE SOUTHERLY EXTENSION OF SAID EAST LINE TO A POINT ON THE NORTH LINE OF KAWOSH STREET; THENCE EAST ALONG SAID NORTH LINE A DISTANCE OF 75.14 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXCEPTING FROM THE FOLLOWING DESCRIBED PARCEL OF LAND ALL OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES LYING NOT LESS THAN 500 FEET BELOW THE SURFACE OF SAID LAND, PROVIDED THAT GRANTOR, IS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT TO GO UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXTRACTING SAID OIL, GAS OR OTHER HYDRO CARBON AND MINERAL SUBSTANCES, NOR FOR ANY PURPOSE IN CONNECTION THEREWITH, BUT SHALL HAVE THE RIGHT TO EXTRACT AND REMOVE SAID OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES BY MEANS OF SLANT DRILLED WELLS LOCATED ON ADJACENT OR NEAR BY LAND, OR BY ANY OTHER MEANS SHALL NOT REQUIRE ENTRY UPON THE SURFACE OF SAID LAND AS RESERVED BY SANTA FE LAND IMPROVEMENT COMPANY, A CORPORATION INDEED RECORDED FEBRUARY 9, 1959 IN BOOK 2103, PAGE 503 OFFICIAL RECORDS.

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION; THENCE WEST TO THE CENTER OF WATSON DITCHES SAID DITCH EXISTED ON FEBRUARY 6, 1959; THENCE NORTHEASTERLY ALONG THE CENTER OF SAID WATSON DITCH TO THE INTER SECTION OF SAID CENTERLINE WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32, AND THENCE SOUTH ALONG SAID EAST LINE TO THE POINT OF COMMENCEMENT.

097-122-042-000

**AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF VISALIA AND KAWEAH MANAGEMENT COMPANY**

THIS AGREEMENT ("Agreement") dated as of September ___, 2009, is entered into by and between the REDEVELOPMENT AGENCY OF THE CITY OF VISALIA, a public body corporate and politic ("Agency"), and KAWEAH MANAGEMENT COMPANY, a California non-profit public benefit corporation ("Kaweah").

RECITALS

The following recitals are a substantive part of this Agreement:

A. Kaweah (hereinafter "Developer") desires to develop two triplexes totaling six units of affordable housing project on that certain real property which they own, or are in escrow to acquire, generally located at 632-636 E. Kaweah Avenue and 640-644 E. Kaweah Avenue, Visalia, California, 93292, and more particularly described and identified in "Exhibit A," attached hereto and incorporated herein (the "Property").

B. Kaweah is a non-profit organization that, among other things, rehabilitates and develops affordable housing projects that, upon completion, are typically managed by the Tulare County Housing Authority ("TCHA").

C. Pursuant to the Community Redevelopment Law (the "CRL," Health and Safety Code Section 33000 et seq.), the City Council of the City of Visalia adopted the Redevelopment Plan for the Central Redevelopment Project by Ordinance No. 8922, in 1989, as amended to date (the "Redevelopment Plan"). The Agency is vested with the responsibility to carry out the Redevelopment Plan. One of the major goals and objectives of the Redevelopment Plan and purposes of the CRL is to increase, improve and preserve housing affordable to persons and families of low and moderate income levels. The property is located within the boundaries prescribed by the Redevelopment Plan.

D. Developer proposes to rehabilitate and remodel two triplexes totaling six units of multifamily housing that will be committed to low-income affordable housing on the Property (the "Project") in accordance with the Project Plans, Schedule and Budget attached hereto and incorporated herein as "Exhibit B." The Project will be rented to qualified low-income households as defined in the CRL and the terms and conditions set forth herein, so that the Property will be utilized for affordable housing for the longest feasible period.

E. Agency and Kaweah desire to enter into this Agreement to set the terms and conditions under which Agency can loan to Kaweah a portion of the Agency's available 20% tax increment revenues collected by the Agency pursuant to Section 33334.2 of the CRL, for the purpose of assisting with the acquisition of the Property and construction of the Project.

NOW, THEREFORE, Agency and Kaweah hereby agree as follows:

1. AGENCY LOAN

a. Loan Terms. In consideration of Kaweah's obligations hereunder, and to ensure the Project remains affordable in accordance with the Rental Restriction (provided for under Section 3 hereof), and subject to the terms and conditions of this Agreement, the Agency has

provided financial assistance to Kaweah for the Project in an amount equal to Four Hundred Eighty Thousand Dollars (\$480,000) to assist in paying the costs of acquisition of the property and the rehabilitation and construction of the Project. As evidence of the Agency Loan, Kaweah shall execute and deliver a promissory note to Agency in the form attached hereto as Exhibit "C" (the "Note"), which Note shall be in the initial principal amount of the Agency Loan. The Note shall be secured by a standard form Deed of Trust from a title company acceptable to the Agency, with the Addendum to Deed of Trust in the form attached hereto as Exhibit "D" (the "Deed of Trust"), to be recorded against the Property.

- b. Disbursement of Agency Loan. The Agency Loan shall be disbursed as follows:
 - i. Agency shall provide to Kaweah \$240,000.00 immediately after approval of the Project and funding by the Agency Board, to assist Kaweah with the acquisition of the Property.
 - ii. Agency shall provide to Kaweah \$240,000.00 at the time Kaweah has obtained building permits from the City of Visalia, to assist Kaweah with the rehabilitation and construction of the Project.
- c. Requirements of Kaweah. The Agency Loan shall be for a term of fifty-five (55) years, at an interest rate of one percent (1.0%) per annum, with repayable to the Agency in fifty (50) annual payments commencing in year six of the loan. Kaweah, and its successors and assigns, shall be required to repay the Agency Loan in accord with the terms and conditions contained in this Agreement, and in the Note and the amortization schedule attached thereto.. Should Kaweah, its successors or assigns fail to satisfy any of the terms and conditions herein, and as stated in the Rental restriction required in Section 3, which are not otherwise waived by the Agency, Kaweah shall be obligated to repay the Agency Loan in full within 30 days of written notification by the Agency.
 - i. Subject to the expiration of any applicable cure period, Kaweah shall not be in default of any of its obligations under the terms of this Agreement.
 - ii. Recordation of Resale Restriction. Concurrent with the initial disbursement of funds from Agency to Kaweah, Kaweah shall execute and record the Rental Restriction required herein
 - iii. Within 30 days of the execution of this Agreement, Kaweah shall have furnished Agency with evidence of the insurance coverage required under Section 2.
 - iv. Kaweah shall assist Agency with, and shall provide all documentation necessary for all reporting requirements and obligations required by the State and local law.

2. DEVELOPMENT OF THE PROPERTY

- a. Scope of Development. Developers propose to acquire all of the parcels comprising the Property, and then to rehabilitate two triplexes totaling six units of multifamily

housing, that will be committed to multifamily affordable housing on the Property in accordance with the Project Plans, Schedule and Budget attached hereto as "Exhibit B."

b. Insurance Requirements. Kaweah shall take out and maintain or shall cause its contractor to take out and maintain throughout the term of this Agreement, a commercial general liability policy in the amount of One Million Dollars (\$1,000,000.00) combined single limit, or such other policy limit as the Agency may approve at its discretion, including contractual liability, as shall protect Kaweah and Agency from claims for such damages. Such policy or policies shall be written on an occurrence form. Kaweah shall also obtain and maintain throughout the term of this Agreement a comprehensive automobile liability policy in the amount of Two Million Dollars (\$2,000,000.00), combined single limit, and builder's all-risk insurance in an amount not less than the full insurable value of the Project on a replacement cost basis and shall furnish or cause to be furnished to the Agency evidence satisfactory to Agency that Kaweah and any contractor with whom it has contracted for the performance of work on the Property or otherwise pursuant to this Agreement carries workers' compensation insurance as required by law. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Kaweah shall furnish a notarized certificate of insurance countersigned by an authorized agent of the insurance carrier on a form reasonably approved by the Agency setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the City, Agency and their respective officers, agents, employees, volunteers and representatives as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify City and Agency of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by Kaweah shall be primary insurance and shall not be contributing with any insurance, self-insurance or joint self-insurance maintained by the Agency, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the Agency. The required certificate shall be furnished by Kaweah to Agency within the time provided in the Schedule of Performance.

c. City and Other Governmental Agency Permits. Kaweah shall secure and maintain, or cause to be secured and maintained, any and all permits or entitlements that may be required by City or any other governmental agency affected by or which has jurisdiction over the construction of the Project.

d. Antidiscrimination during Construction. Kaweah, for itself, and its successors and assigns, agrees that in the construction of Project on the property, Kaweah shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

e. Compliance with Laws. Kaweah shall carry out the construction and development of the Project in conformity with all applicable laws; City zoning and development standards; building, plumbing, mechanical and electrical codes; all other provisions of the City's Municipal Code; and all applicable disabled and handicapped access requirements, including the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*,

Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

f. Prevailing Wages. To the extent applicable, Kaweah shall comply with all requirements of the Department of Industrial Relations in accordance with the California Labor Code, and all other applicable federal, state and local laws and regulations pertaining to labor standards and payment of prevailing wages (collectively, "Prevailing Wage Laws"). As applicable, Kaweah shall (i) require its contractors and subcontractors to submit certified copies of payroll records to Kaweah; (ii) maintain complete copies of such certified payroll records; and (iii) make such records available to Agency and its designees for inspection and copying during regular business hours at the Property or at another location within the City of Visalia.

Kaweah shall defend, indemnify and hold harmless Agency, City and their officers, employees, volunteers, agents and representatives from and against any and all present and future causes of action, claims, liabilities, obligations, damages, fines, penalties, judgments, actions or expenses (including attorney fees) (collectively, the "Claims"), arising out of or in any way connected with Kaweah's obligation to comply with all governmental requirements, including all Claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781, as amended and added by Senate Bill 966.

Kaweah hereby waives, releases and discharges forever Agency and the City, and its and their employees, officers, volunteers, agents and representatives, from any and all present and future Claims arising out of or in any way connected with Kaweah's obligation to comply with all Prevailing Wage Laws in connection with the work of the Improvements.

Kaweah is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

As such relates to this Section 2, Kaweah hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

g. Taxes and Assessments. Kaweah shall pay prior to delinquency all *ad valorem* real estate taxes and assessments on the Property, subject to Kaweah's right to contest in good faith any such taxes. Kaweah shall remove or have removed any levy or attachment made on the Property or any part thereof, or assure the satisfaction thereof within thirty (30) days following the date of attachment or levy.

h. Condition of the Property. Kaweah shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials (as defined below) that are located in, on or under the Property. Such precautions shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Kaweah shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the

standards prevailing in the industry, to the extent such standards exceed applicable Governmental Requirements, as respects the disclosure, storage, use, removal and disposal of Hazardous Materials. Kaweah shall cause each release of Hazardous Materials in, on or under the Property to be remediated in accordance with all Governmental Requirements.

Kaweah agrees to indemnify, defend and hold Agency, City and their officers, employees, volunteers, agents and representatives harmless from and against any and all Claims, resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Property, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Property, caused by Kaweah or any of Kaweah's predecessors in interest. This indemnity shall include any damage, liability, fine, penalty, parallel indemnity, cost or expense arising from or out of any claim, action, suit or proceeding for bodily injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic or consequential loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effects on the environment.

"Hazardous Materials" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is: (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) friable asbestos; (vii) polychlorinated biphenyls; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* (42 U.S.C. §6903); or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.*, as the foregoing statutes and regulations now exist or may hereafter be amended.

3. COVENANTS, RESTRICTIONS AND AGREEMENTS

a. Use Covenants; Rental Restrictions. Kaweah covenants and agrees for itself, its successors, its assigns and every successor in interest that, the Property shall be used for affordable housing purposes and that the Project to be rehabilitated and constructed on the Property shall be rented to qualified low-income households ("Qualified Household"), in accordance with the terms of the Rental Restriction Agreement, attached hereto as Exhibit "E"

(the "Rental Restriction"). The foregoing covenant shall run with the land. Failure to maintain the use of the Property and the Project in accordance with this Section shall be a material default of this Agreement.

b. Maintenance Covenants. Kaweah shall maintain the Project in accordance with the custom and practice generally applicable to multifamily residential units in the City of Visalia, the Project and associated landscaping on the Property. Said maintenance shall include, but not be limited to, the building, sidewalks, lighting, landscaping, irrigation of landscaping, and any and all other improvements on the Property.

c. Obligation to Refrain from Discrimination. Kaweah covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual preference, source of income, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Kaweah itself or any person claiming under or through them establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Property. The foregoing covenants shall run with the land.

d. Form of Nondiscrimination and Nonsegregation Covenants. All deeds, leases or contracts for the rental, sale or lease of the Property shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

i. In deeds. "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, sexual preference, source of income, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

ii. In leases. "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual preference, source of income, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

iii. In contracts. "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, sexual

preference, source of income, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises."

e. Rights of Access. For purposes of assuring compliance with this Agreement, representatives of the Agency shall have the right of access to the Property, without charges or fees, at normal business hours. The Agency (or its representatives) shall, except in emergency situations, notify Kaweah prior to exercising its rights pursuant to this Section 3. Nothing herein shall be deemed to limit the ability of the City to conduct code enforcement and other administrative inspections of the Property in accordance with applicable law.

f. Effect of Violation of the Terms and Provisions of this Agreement after Completion of Rehabilitation and Construction. Both the Agency and City are deemed to be the beneficiaries of the terms and provisions of this Agreement and of the covenants running with the land, for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided, without regard to whether the Agency has been, remains or is an owner of any land or interest therein in the Property or in the Redevelopment Project. Both the City and Agency shall have the right, if the Agreement or covenants are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants may be entitled. Unless otherwise specifically provided, the covenants contained in this Agreement shall remain in effect until the issuance by the City of a certificate of occupancy for the Project, except for the following:

- i. The covenants pertaining to use and maintenance of the Property and all improvements thereon, shall remain in effect for fifty-five (55) years from the date of recordation of the Rental Restriction.
- ii. The covenants against discrimination shall remain in effect in perpetuity.

4. DEFAULTS AND REMEDIES

a. Default Remedies. Subject to the permitted extensions of time as provided in Section 5 of this Agreement, failure by any party to perform any action or covenant required by this Agreement within the time periods provided herein following Notice and expiration of any applicable cure period, shall constitute a "Default" under this Agreement. A party claiming a Default shall give written Notice of Default to the defaulting party specifying the Default complained of. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against any other party, and no other party shall be in Default if such party within thirty (30) days following receipt of such Notice of Default immediately, with due diligence, commences to cure, correct or remedy such failure or delay and completes such cure, correction or remedy with diligence.

b. Institution of Legal Actions. Except as otherwise specifically provided herein, upon the occurrence of a Default, the party or parties claiming a Default shall have the right, in

Any written notice, demand or communication shall be deemed received immediately if delivered by hand, on the third day from the date it is postmarked if delivered by first-class mail, postage prepaid, upon receipt of verification of transmission if sent via facsimile provided a copy is sent the same day via first-class mail, and on the next business day if sent via nationally recognized overnight courier. Notices sent by a party's attorney on behalf of such party shall be deemed delivered by such party.

b. Enforced Delay; Extension of Times of Performance. Subject to the limitations set forth below, performance by any party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Agreement shall be extended, where delays or Defaults are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; governmental restrictions or priority; litigation; unusually severe weather; acts or omissions of the other party; or acts or failures to act of the City or any other public or governmental agency or entity (other than the acts or failures to act of the Agency under this Agreement which shall not excuse performance by the Agency). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause (but in any event shall not exceed a cumulative total of one hundred twenty (120) days), if Notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by the mutual agreement of Agency and Kaweah. Kaweah expressly agrees that adverse changes in economic conditions, either of Kaweah specifically or the economy generally, changes in market conditions or demand, and/or Kaweah's inability to obtain financing or other lack of funding to complete the Project shall not constitute grounds of enforced delay pursuant to this Section 5. Kaweah expressly assumes the risk of such adverse economic or market changes and/or inability to obtain financing, whether or not foreseeable as of the date of this Agreement.

c. Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon Kaweah and its permitted successors and assigns. Whenever the term "Kaweah" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

d. Relationship between Agency and Kaweah. It is hereby acknowledged that the relationship between Agency and Kaweah is not that of a partnership or joint venture and that the Agency and Kaweah shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, except as expressly provided herein or in the Attachments hereto, the Agency shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Property or the Project. Kaweah agrees to indemnify, hold harmless and defend the Agency from any claim made against the Agency arising from a claimed relationship of partnership or joint venture between the Agency and Kaweah with respect to the development, operation, maintenance or management of the Property or the Project.

e. Agency Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Agency, the Executive Director of the Agency or his or her designee is authorized to act on behalf of the Agency unless specifically provided otherwise or the context should require otherwise.

- f. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.
- g. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.
- h. Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by all parties.
- i. No Waiver. A waiver by any party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by another party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.
- j. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.
- k. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.
- l. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Sections 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.
- m. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.
- n. Time of Essence. Time is of the essence with respect to the performance by Agency and Kaweah of each and every obligation and condition of this Agreement.

o. Cooperation. Each party agrees to cooperate with the other parties in this transaction and, in that regard, shall execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

p. Conflicts of Interest. No member, official or employee of the Agency or Kaweah shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

q. Kaweah's Indemnity. Kaweah shall defend (with counsel reasonably acceptable to the Agency), indemnify, assume all responsibility for, and hold the Agency and its officers, employees, volunteers, agents and representatives, harmless from any and all Claims of any kind or nature relating to the subject matter of this Agreement or the implementation hereof and for any damages to property or injuries to persons, including accidental death (including reasonable attorneys fees and costs), which may be caused by any of Kaweah's activities under this Agreement, whether such activities or performance thereof be by Kaweah or by anyone directly or indirectly employed or contracted with by Kaweah and whether such damage shall accrue or be discovered before or after termination of this Agreement. Kaweah's indemnity obligations under this Section 618 shall not extend to Claims occasioned by the sole negligence or willful misconduct of Agency or its designated agents or employees.

r. Nonliability of Officials and Employees of Agency and Kaweah. No member, official or employee of Agency shall be personally liable to Kaweah, or any successor in interest, in the event of any Default or breach by Agency or for any amount which may become due to Kaweah or its successors, or on any obligations under the terms of this Agreement. No member, official or employee of Kaweah shall be personally liable to Agency, or any successor in interest, in the event of any Default or breach by Kaweah or for any amount which may become due to Agency or its successors, or on any obligations under the terms of this Agreement. Agency and Kaweah each hereby waives and releases any claim it may have against the members, officials or employees of the other with respect to any Default or breach by the other or for any amount which may become due to it or its successors, or on any obligations under the terms of this Agreement. Agency and Kaweah each makes such release with full knowledge of Civil Code Section 1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

As such relates to this Section, Agency and Kaweah each hereby waives and relinquishes all rights and benefits that it may have under Section 1542 of the California Civil Code.

s. Assignment by Agency. Agency may assign or transfer any of its rights or obligations under this Agreement with the approval of Kaweah, which approval shall not be unreasonably withheld; provided, however, that the Agency may assign or transfer any of its

interests hereunder to the City, or any public or private entity controlled by the City at any time without the consent of Kaweah.

t. Assignment by Kaweah. Kaweah shall not transfer or assign this Agreement, the Note, the Deed of Trust, or its interest in the Property or the Project or any portion thereof without prior written approval by the Agency. Approval of any such transfer or assignment shall be at the sole discretion of the Agency.

u. Applicable Law. The laws of the State of California, without regard to conflict of laws principles, shall govern the interpretation and enforcement of this Agreement.

IN WITNESS WHEREOF, Agency and Kaweah have executed this Agreement on the respective dates set forth below.

THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF VISALIA, a public
body, corporate and politic

Dated: _____, 2009

By: _____
Executive Director

ATTEST:

APPROVED AS TO FORM:

Secretary

Attorney for Agency

KAWEAH MANAGEMENT COMPANY, a
California nonprofit public benefit corporation

Dated: _____, 2009

By: _____

APPROVED AS TO FORM:

Attorney for Kaweah

Exhibit "E"

Agency-Kaweah Loan Amortization Schedule

Exhibit "A"

Legal Description of the Property

Attachment "B"

Form of Agency Note

Principal Sum:
\$480,000.00

September __, 2009
Visalia, California

FOR VALUE RECEIVED, **KAWEAH MANAGEMENT COMPANY**, a California nonprofit public benefit corporation ("Maker") promises to pay to the **COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF VISALIA** (the "Agency") the sum of Four Hundred Eighty Thousand Dollars (\$480,000.00) ("Agency Loan") plus the Agency's Deferred Contingent Interest as described below, pursuant to the terms and conditions set forth below.

1. **AGENCY LOAN.** Pursuant to a certain Agreement between the Agency and Kaweah Management Company ("Kaweah"), dated September __, 2009 (the "Agreement"), Kaweah is going to construct and rehabilitate on the Property (defined in the Agency Loan Agreement) two triplexes totaling six units (the "Project") for rental to qualified low income households ("Qualified Household"). Maker acknowledges that this Note is given in connection with certain financial assistance provided by the Agency (the "Agency Loan") to assist in the acquisition of the Property and with the rehabilitation and construction of the Project, in accordance with its Agreement with Agency. **Consequently, this Note is not automatically assumable but is subject to the Agency's right to accelerate all amounts due if the Property is transferred in violation of the Loan Agreement between Agency and Kaweah, dated September __, 2009, or the Rental Restriction Agreement required by the Agreement between the Agency and Kaweah (the "Rental Restriction").** The Property together with the Project thereon is or will be owned by Maker and pledged as security for this Note.

2. **REPAYMENT.** The principal amount of this Note shall be repaid, or otherwise reduced, as follows:

a. So long as Maker **is not** in default under this Note, the Deed of Trust (defined in paragraph 5, below), the Agreement or the Rental Restriction, then in accordance with the Amortization Schedule attached hereto as Attachment A, commencing in year six (6) of the term of this Note and continuing annually for the next fifty (50) years thereafter, Kaweah shall pay to Agency an amount of Twelve Thousand Eight Hundred Seventy Dollars and 79/100 (\$12,870.79) per year, payable toward the outstanding principal balance of this Note, and accrued interest at the rate of one percent (1%), and the principal balance of this Note shall be reduced accordingly by said payments.

b. If all obligations to be performed by Maker hereunder and under the Rental Restriction during the fifty-five (55) year term of this Note have been satisfactorily fulfilled, the Agency shall execute such documents as may be necessary to release the lien of this Note and the Deed of Trust, and obligations of Maker under the Rental Restriction, from the Property.

c. Within three (3) years following execution of this Note, and thereafter if, during the fifty-five (55) year term of this Note, the Property is transferred to an eligible purchaser in conformance with the Agreement and the Rental Restriction, this Note may be

assumed by the eligible purchaser, who shall execute an Assumption Agreement in substantially the form attached hereto as Attachment B.

d. If at any time during the term of this Note the Maker sells, transfers, or assigns the Property in violation of the terms of the Agreement, then Maker shall pay to Agency (directly from escrow and from the proceeds of such sale if due to a sale to a non-Eligible Purchaser) an amount equal to (a) the entire outstanding principal amount of this Note (which amount will equal the initial principal amount of this Note, less any amounts which have been credited toward the principal amount pursuant to subsection 2.a., above), plus (b) the Agency's Deferred Contingent Interest set forth below.

If at any time during the term of this Note the Maker sells, transfers, or assigns the Property in violation of the terms of the Agreement, Agency shall also receive as deferred contingent interest, interest on the outstanding principal amount of the Agency's Loan then due and owing under this Note calculated at the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A. (or any successor financial institution) as of the date of such sale or cessation of occupancy, calculated from the date of this Note until the date of such sale to a non-eligible purchaser ("Agency's Deferred Contingent Interest").

3. MAINTENANCE OBLIGATIONS. Maker hereby covenants and agrees that it shall maintain the Property in a manner consistent with the provisions set forth therefore in the Visalia Municipal Code, the Agreement and the Rental Restriction, and shall keep the entire Property reasonably free from any accumulation of debris or waste materials prior to and after construction.

If, at any time, Maker fails to maintain the Property, and has either failed to commence to cure such condition or to diligently prosecute to completion the condition or the condition is not corrected after expiration of thirty (30) days from the date of written notice from Agency to Maker, Agency may perform the necessary corrective maintenance, and Maker shall pay such costs as are reasonably incurred for such maintenance. The Agency shall have the right to place a lien on the property should Maker not reimburse Agency for such costs within sixty (60) days following Agency's written demand to Maker for reimbursement of such costs. Maker, on behalf of itself its heirs, successors and assigns, hereby grants to Agency and its officers, employees and agents, an irrevocable license to enter upon the Property to perform such maintenance during normal business hours after receipt of written notice from Agency as herein above described and Maker's failure to cure or remedy such failure within thirty (30) days of such notice. Any such entry shall be made only after reasonable notice to Maker, and Agency shall indemnify and hold Maker harmless from any claims or liabilities pertaining to any such entry by Agency.

Failure by Maker to maintain the Property in the condition provided in this Section 4 shall constitute a default under this Note and the related Deed of Trust.

The foregoing covenants shall remain in effect for the Property for a period of thirty (30) years from the date of the Resale Restriction.

4. COLLECTION. This Note evidences certain financial assistance which has been provided by the Agency and is secured by a deed of trust (the "Deed of Trust"), with an addendum thereto, recorded against the Property. Maker agrees to pay all the collection and enforcement costs, expenses and attorneys' fees paid or incurred by the holder of this Note or

adjudged by a Court in any litigation or controversy connected with this Note, or security for it, including but not limited to actions for declaratory relief that any such holder is required to prosecute or defend and actions for relief based on rescission, or actions to cancel this Note that any such holder is required to defend.

5. DEFAULT. The occurrence of any of the following shall constitute an event of default under this Note: (i) any default by Maker of any covenant under this Note; (ii) any default by Maker under the Deed of Trust or any other agreement affecting or securing a loan on the Property; (iii) Maker transfers the Property in violation of the Agreement or the Rental Restriction; (iv) Maker fails to pay any taxes or assessments due on the Property; or (v) Maker's bankruptcy, whether voluntary or involuntary.

Upon the occurrence of an event of default hereunder, or at any time thereafter, at the option of the Agency hereof and without notice, the entire unpaid principal, plus Agency's Deferred Contingent Interest, shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Agency's option. Agency's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Agency's failure in the exercise of any other right or remedy/hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

6. WAIVER. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment, of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

7. ATTORNEY FEES. Maker agrees to pay immediately upon demand all costs and expenses of Agency including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust, the Agency finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note or the Deed of Trust, or (iii) if Agency seeks to have the Property abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

8. SUBORDINATION. This Note and the Deed of Trust shall be subordinate to Maker's first mortgage financing for the Property.

9. INTEGRATION. This Note, the Deed of Trust, and the Resale Restriction, and all other loan documents relating to this Note, embody the agreement between the Agency and Maker for the Agency Loan and its terms and conditions.

10. AMENDMENTS. This Note may not be modified or amended except by an instrument in writing executed by the parties sought to be bound thereby.

11. GOVERNING LAW. This Note shall be governed by and construed in accordance with the laws of the State of California.

Executed by Maker on the date first herein above written.

MAKER:

Director

Attachment "C"

Form of Assumption Agreement

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Redevelopment Agency of
the City of Visalia
315 E Acequia Ave
Visalia, CA 93291
(559) 713-4460
Attn: Executive Director

(The recordation of this document is
not subject to recording fees
pursuant to California Government
Code Section 27383)

FOR RECORDERS' USE ONLY

ASSUMPTION AGREEMENT

[Note; Deed of Trust; Rental Restriction.]

THIS AGREEMENT is made among _____
("Seller"), _____ ("Buyer") and REDEVELOPMENT
AGENCY OF THE CITY OF VISALIA, a public body, corporate and politic, ("Agency").

WHEREAS, Seller is presently the owner of the property which is subject to a Deed of
Trust and Addendum to Deed of Trust, dated _____ 200_ ("Deed of Trust"),
executed by Seller as Trustor and recorded on _____, 200_, as Instrument
No. _____, Official Records of the County Recorder of Tulare County, California
(the "Property"), which Deed of Trust is security for an Agency Loan Note dated ____
____, 200_, executed by Seller as Maker, payable to the Agency, in the original principal
sum of _____ (\$_____) (the "Note"); and

WHEREAS, Seller wishes to sell, transfer and convey to the Buyer the Property; and

WHEREAS, the Property is subject to the Rental Restriction Agreement, recorded on
, 20 , as Instrument No. _____, Official Records of Tulare County,
California (the "Resale Restriction") to place affordability and resale restrictions and an
option to purchase against the Property; and

WHEREAS, the Buyer agrees to assume the obligations represented by the Note, the
Deed of Trust and the Resale Restriction.

NOW, THEREFORE, the parties hereto agree as follows:

1. The outstanding principal sum of the Note is \$
2. The Seller shall be released from all liability under the Note, Deed of Trust and Addendum to Deed of Trust.
3. THE BUYER HEREBY ASSUMES AND AGREES TO PAY THE OBLIGATION REPRESENTED BY THE NOTE; ACKNOWLEDGES THAT THE PROPERTY DESCRIBED IN THE DEED OF TRUST IS SUBJECT TO THE LIEN OF THE DEED OF TRUST AND AFFORDABILITY AND RESALE RESTRICTIONS DESCRIBED IN THE RESALE RESTRICTION AGREEMENT AND PURCHASE OPTION, AND GIVING THE AGENCY THE RIGHT TO PURCHASE THE PROPERTY UNDER CERTAIN CIRCUMSTANCES. BUYER AGREES TO BE BOUND BY ALL OF THE CONDITIONS AND COVENANTS CONTAINED IN THE NOTE, THE DEED OF TRUST, THE ADDENDUM TO THE DEED OF TRUST AND THE RESALE RESTRICTION AGREEMENT AND PURCHASE OPTION.
4. Buyer has executed the Disclosure Statement attached to the Resale Restriction and understands the implications of signing this Agreement.
5. The Agency hereby consents to the transfer of the Property to the Buyer as an Eligible Purchaser within the meaning of the Resale Restriction.
6. All questions with respect to the interpretation of this Agreement, and the rights and liabilities of the parties hereto, shall be governed by the laws of the State of California.
7. This Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in interest, personal representatives, estates, heirs and legatees of each of the parties hereto.
8. This Agreement, the Rental Restriction, the Note, and the Deed of Trust contain the entire understanding of the parties hereto. There are no representations, agreements, arrangements or understandings, oral or written, between and among the parties hereto, relating to the subject matter contained in this Agreement, which are not fully expressed in those documents.

Executed at Visalia, California, on the date(s) set forth below:

Dated: _____

AGENCY:

REDEVELOPMENT AGENCY
OF THE CITY OF VISALIA

By: _____

ATTEST:

Its: Executive Director

By: _____
Agency Secretary

Dated: _____

SELLER:

By: _____

-AND-

Dated: _____

BUYER:

Dated: _____

By: _____

Attachment "D"

The following Addendum to Deed of Trust must be completed and attached to a standard form Deed of Trust from a title company acceptable to the Agency.

ADDENDUM TO DEED OF TRUST

(Agency Loan Note)

This Addendum to Deed of Trust is part of the Deed of Trust dated September ____, 2009, to which it is attached between KAWEAH MANAGEMENT COMPANY, as Trustor, and the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF VISALIA, a public body, corporate and politic, as Beneficiary. The following provisions are made a part of the Deed of Trust:

1. This Deed of Trust is made and delivered pursuant to that certain Agreement ("Agreement") entered into between Kaweah Management Company ("Kaweah") and Beneficiary (as the Agency), dated as of September ____, 2009, pursuant to which Agency provided certain financial assistance (the "Agency Loan") to Kaweah to assist in the costs of acquisition of the Property identified in the Deed of Trust and with the rehabilitation and construction of two triplexes totaling six units ("Project"), to be rented to a qualified low-income persons or families. Pursuant to the Agreement, Trustor has executed and delivered for the benefit of the Agency a Note ("Note") in the principal amount of Four Hundred Eighty Thousand Dollars (\$480,000.00), which is secured hereby.
2. No Discrimination. The Trustor covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual preference, source of income, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.
3. Nondiscrimination Clauses. All deeds, leases or contracts made relative to the Property, the improvements thereon or any part thereof, shall contain or be subject to the nondiscrimination clauses set forth in California Health and Safety Code Section 33436.
4. Default. Notwithstanding any other provisions in this Deed of Trust, the occurrence of any of the following shall constitute an event of default under the Note and this Deed of Trust, and a default may be declared under this Deed of Trust solely upon the occurrence of any of the following: (i) Any failure by Trustor to pay any amount due under the Note within fifteen (15) days of its due date; or (ii) Any sale or transfer to a non-Eligible Purchaser or non-Qualified Household in violation of the provisions of the Loan Agreement; or (ii) Any other default by Trustor under the terms of the Loan Agreement or Promissory Note provisions.

TRUSTOR:

Name: _____

Address:

Attachment "E"

Form of Rental Restriction

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Visalia Redevelopment Agency
315 E Acequia Ave
Visalia, CA 93291
(559) 713-4460

Attn: Executive Director

(The recordation of this document is not
subject to recording fees pursuant to
California Government Code Section 27383)

FOR RECORDER'S USE ONLY

RENTAL RESTRICTION AGREEMENT

LOW INCOME HOUSEHOLDS

THIS RENTAL RESTRICTION AGREEMENT (this "Agreement") is entered into as of September __, 2009, by and among the Redevelopment Agency of the City of Visalia, a public body, corporate and politic ("Agency"), and Kaweah Management Company ("Owner" or "Kaweah"), with respect to the following recitals.

RECITALS

- A. Owner is the owner of real property generally located at the northeast corner of Paradise and Court, and more particularly described in "Exhibit A," attached hereto and incorporated herein (the "Property"). The Property will be developed with two triplexes totaling six units ("Project") for rental to qualified low-income household ("Qualified Household").
- B. Pursuant to that certain Agreement entered into by Agency and Kaweah, dated as of September __, 2009 (the "Agency Loan Agreement"), the Agency has provided certain financial assistance (the "Agency Loan") to assist the Kaweah in the construction and development of the Project on the Property. The Agency Loan is evidenced by a Note, which is secured by a Deed of Trust to be recorded against the Property.
- C. The purpose of this Agreement is to establish rental restrictions on the Property for a period of fifty-five (55) years from the date of this Agreement in order to comply with the conditions of funding of the Agency Loan and to provide for the continued availability of the Property to low-income persons and families.

D. This Agreement shall run with the land and shall bind Owner and all of Owner's successors in interest as owners of the Property.

NOW, THEREFORE, in consideration of the foregoing and the benefits secured by Owner and the Agency, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. TERM OF AGREEMENT, RUNS WITH THE LAND. This Agreement shall remain in full force and effect until the earlier of (a) thirty (30) years from date of the recordation of this Agreement in the Official Records of Tulare County, California, or (b) the date that the Agency obtains title to the Property as provided in Section 11. The covenants set forth herein shall be covenants running with the land in accordance with California Health and Safety Code Sections 33334.3(f) and 33413(c) (as they may be amended from time to time) and shall inure to the benefit of and be enforceable by the Agency without regard to whether the Agency maintains any interest in the Property and shall be binding upon Owner and/or any other party having any right, title or interest in the Property (including any portion thereof). By accepting title, Owner, or any other person who acquires an ownership interest in the Property, agrees (a) that all covenants and restrictions created by this Agreement are necessary in order to preserve the stock of affordable housing for Qualified Households and are reasonable in light of their purposes, and (b) to abide by each and every covenant and restriction herein.

2. DEFINITIONS

A. "Affordable Rent" shall be determined in accordance with California Health and Safety Code Section 50053 or any successor thereto.

B. "Low or moderate Income" means persons whose income does not exceed the limits set forth in § 50093 of the California Health and Safety Code or any successor statute thereto.

C. "Low Income" means persons whose income does not exceed the limits set forth in Section 50079.5 of the California Health and Safety Code or any successor statute thereto.

D. "Very Low Income" means persons whose income does not exceed the limits set forth in Section 50105 of the California Health and Safety Code or any successor statute thereto.

E. "Extremely Low Income" means persons whose income does not exceed the limits set forth in Section 50106 of the California Health and Safety Code or any successor statute thereto.

3. AFFORDABILITY REQUIREMENT

A. Rent and Income Restrictions. From the date that this Agreement is recorded, and for a period of fifty-five (55) years thereafter, unless earlier terminated by repayment of the Note, Owner(s) by and for him/herself and any successors in interest, hereby covenants and agrees that the Project constructed on the Property shall be rented initially and

thereafter during the 30 year covenant period only to Low or Moderate Income or Low Income qualified persons in accordance with the provisions of the Community Redevelopment Law set forth at Health and Safety Code sections 33000 et seq.

B. Reporting Requirements. Prior to the initial conveyance to renters and in the event the Property is thereafter sold, the income qualifying information provided to Owner shall be provided to Agency and the following additional information shall be reported to Agency at that time.

- (i) The number of persons per unit;
- (ii) Tenant name;
- (iii) Initial occupancy date;
- (iv) Rent paid per month;
- (v) Gross income per year as certified by the Habitat;
- (vi) Percent of rent paid in relation to income.

C. Subordination to Federal or State Programs. The affordability requirements in this Agreement may be subordinated to a lien, encumbrance or regulatory agreement under a federal or state program where the federal or state agency is providing financing, refinancing or other assistance to the Property. Upon request, the Agency shall execute an instrument evidencing its agreement to subordinate.

4. MAINTENANCE OF PROPERTY. During the duration of this Agreement, Owner(s) shall keep the Property in good condition, order and repair and shall not commit waste or permit impairment, demolition or deterioration of the Property. Agency shall have the right to inspect the Property, provided the occupant is given notice prior to any such inspection.

5. NO TRANSFER. Owner shall not sell, transfer, convey, encumber, or assign the whole or any part of the Property, without the prior approval of the Agency. Owner(s) shall request approval by written notice at least 90 days prior to any proposed transfer. It shall not be unreasonable for the Agency to withhold its consent if the proposed buyer, transferee, conveyee, assignee or lessee shall lack the qualifications and financial responsibility necessary and adequate, as may be reasonably determined by the Agency, to fulfill the obligations of Owner contained in this Agreement. Any proposed buyer, transferee, conveyee, assignee or lessee, by instrument in writing satisfactory to the Agency and in form recordable among the land records, for itself and its successors and assigns, and for the benefit of the Agency, shall expressly assume all of the obligations of Owner(s) under this Agreement and agree to be subject to all conditions and restrictions to which Owner(s) is subject. There shall be submitted to the Agency for review evidence of the qualifications and financial strength of any proposed buyer, transferee, conveyee, or assignee along with all instruments and other legal documents proposed to effect any such sale, transfer, conveyance, or assignment, and, if approved by the Agency, such approval shall be indicated to Owner(s) in writing. In the absence of specific written agreement by the Agency, no such sale, transfer, conveyance, or assignment, or the approval thereof by the Agency, shall be deemed to relieve Owner(s) or any other party from any obligations under this Agreement. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property or to prohibit or restrict the rental or leasing of units within the Property to Eligible Households.

6. NO DISCRIMINATION. Owner covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, physical or mental handicap, medical condition, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

7. NONDISCRIMINATION CLAUSES. All deeds, leases or contracts made relative to the Property, the improvements thereon or any part thereof, shall contain or be subject to the language contained in the nondiscrimination clause contained in Section 6.

8. NO IMPAIRMENT OF LIEN. No violation or breach of the covenants, conditions, restrictions, provisions or limitation contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted under the Loan Agreement and this Agreement; provided, however, that any successor of Owner's to the Property shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

9. DEFAULTS AND REMEDIES.

a. Upon a violation by Owner of any provision of this Agreement, the Agency shall give written notice to Owner specifying the nature of the violation. If Owner does not correct the violation to the satisfaction of the Agency, in its sole discretion, within a reasonable period of time (not to exceed thirty (30) days) after its receipt of such notice, or within such further time as the Agency, in its sole discretion, determines is necessary to correct the violation, the Agency may immediately declare a default under this Agreement and exercise any other remedies permitted at law or in equity.

b. The Agency shall notify First Lender if the Agency has declared a default under this Agreement. The notice to First Lender shall indicate that the Agency may exercise its remedies, including without limitation the Option.

c. If Owner makes any misrepresentation in connection with a proposed or consummated transfer that would or does result in a violation of this Agreement, then the Agency may apply to a court of competent jurisdiction for specific performance of this Agreement, for an injunction prohibiting such proposed transfer, for a declaration that a such consummated transfer is void or for such other relief at law or in equity as may be appropriate.

d. In any event, any costs, liabilities or obligations incurred by Owner for the return of any moneys paid or received in violation of this Agreement or for any costs and legal expenses, shall be borne by Owner and Owner shall hold the Agency harmless and reimburse the Agency's expenses, legal fees and costs for any action the Agency takes in good faith in enforcing the terms of this Agreement.

10. RESTRICTIONS ON FORECLOSURE PROCEEDS. If a creditor acquires title to the Property through a deed in lieu of foreclosure, a trustee's deed upon sale or otherwise, Owner shall not be entitled to receive proceeds in connection therewith to the extent that such

proceeds otherwise payable to Owner when added to the proceeds paid or credited to the creditor exceed the amount Owner would have received by a sale. Owner shall instruct the holder of such excess proceeds to pay such proceeds to the Agency as repayment for, and in consideration of, the assistance provided to Owner in his or her purchase of the Property.

11. SUCCESSOR AND ASSIGNS. This Agreement shall bind, and the benefit shall inure to, Owner and his or her heirs, legal representatives, executors, successors in interest and assigns, and the Agency and its successors and assigns for the term of this Agreement as provided in Section 1.

12. SUPERIORITY OF AGREEMENT. Owner covenants that Owner has not, and will not, execute any other agreement with provisions contradictory to or in opposition of the provisions of this Agreement, and that, in any event, this Agreement is controlling as to the rights and obligations between Owner and the Agency and their respective successors and assigns.

13. CITY AS THIRD PARTY BENEFICIARY. The City shall be a third party beneficiary of this Agreement.

14. RIGHTS OF BENEFICIARIES UNDER DEEDS OF TRUSTS.

a. This Agreement shall not diminish or affect the rights of any lender under any promissory note or deed of trust executed by Owner in favor of such lender in connection with Owner's purchase of the Property.

b. Notwithstanding any other provisions in this Agreement to the contrary, all of the provisions of this Agreement shall terminate and have no further force and effect upon the occurrence of either of the following events:

(i) Such lender acquires title upon foreclosure of its deed of trust.

(ii) Such lender acquires title by a deed in lieu of foreclosure of its deed of trust.

15. INVALID PROVISIONS. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

16. CONTROLLING LAW. The terms of this Agreement shall be interpreted under the laws of the State of California.

17. NOTICES. All notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt and shall be deemed to be effective as of the date received or the date delivery was refused as indicated on the return receipt as follows:

To Owner: Kaweah Management Company
Attention: Ken Kugler, Director

P. O. Box 791
Visalia, CA 93279

To Agency: Redevelopment Agency
of the City of Visalia
315 E Acequia Avenue
Visalia, CA 93291
(559) 713-4460
Attn: Executive Director.

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Agreement.

18. EFFECT OF BANKRUPTCY. Notwithstanding anything herein to the contrary, the Kaweah and Owner agree, in consideration for the rights and privileges granted under this Agreement, that if the Kaweah or Owner shall file a voluntary petition of bankruptcy, or if proceedings in bankruptcy shall be instituted against the Kaweah or Owner, and the Kaweah or Owner is thereafter adjudicated as bankrupt pursuant to such proceedings, or, if a court shall take jurisdiction of the Kaweah or Owner and the Kaweah's or Owner's assets pursuant to proceedings brought under provisions of any Federal Reorganization Act, or if a receiver for the Kaweah's or Owner's assets is appointed by a court of competent jurisdiction, or if the Kaweah or Owner be divested of the Kaweah's or Owner's rights, powers and privileges under this Agreement by other operation of law, then the Agency shall have the right to immediately exercise its Option and/or terminate this Agreement.

19. INTERPRETATION OF AGREEMENT. The terms of this Agreement shall be interpreted so as to avoid speculation on the Property and to insure to the extent possible that the Sales Price and mortgage payments remain affordable to low -income persons and households, as the case may be.

20. EXHIBITS. Any exhibits referred to in this Agreement are incorporated in this Agreement by such reference.

IN WITNESS WHEREOF, the parties have executed this Agreement on or as of the date first written above.

Date: _____

OWNER:

Name: _____

Date: _____

AGENCY:

REDEVELOPMENT AGENCY
OF THE CITY OF VISALIA

Name: _____

Executive Director

STATE OF CALIFORNIA)
COUNTY OF TULARE)

On _____ before me, _____
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 _____

STATE OF CALIFORNIA)
COUNTY OF TULARE)

On _____ before me, _____
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 _____

Attachment "F"

Legal Description of Property

APN: 097-122-043

Kaweah Loan

Compound Period : Annual

Nominal Annual Rate : 1.000 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	09/01/2009	480,000.00	1		
2 Payment	09/01/2010	0.00	1		
3 Payment	09/01/2011	0.00	1		
4 Payment	09/01/2012	0.00	1		
5 Payment	09/01/2013	0.00	1		
6 Payment	09/01/2014	0.00	1		
7 Payment	09/01/2015	12,870.79	50	Annual	09/01/2064

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	09/01/2009				480,000.00
1	09/01/2010	0.00	4,800.00	4,800.00-	484,800.00
2	09/01/2011	0.00	4,848.00	4,848.00-	489,648.00
3	09/01/2012	0.00	4,896.48	4,896.48-	494,544.48
4	09/01/2013	0.00	4,945.44	4,945.44-	499,489.92
5	09/01/2014	0.00	4,994.90	4,994.90-	504,484.82
6	09/01/2015	12,870.79	5,044.85	7,825.94	496,658.88
7	09/01/2016	12,870.79	4,966.59	7,904.20	488,754.68
8	09/01/2017	12,870.79	4,887.55	7,983.24	480,771.44
9	09/01/2018	12,870.79	4,807.71	8,063.08	472,708.36
10	09/01/2019	12,870.79	4,727.08	8,143.71	464,564.65
11	09/01/2020	12,870.79	4,645.65	8,225.14	456,339.51
12	09/01/2021	12,870.79	4,563.40	8,307.39	448,032.12
13	09/01/2022	12,870.79	4,480.32	8,390.47	439,641.65
14	09/01/2023	12,870.79	4,396.42	8,474.37	431,167.28
15	09/01/2024	12,870.79	4,311.67	8,559.12	422,608.16
16	09/01/2025	12,870.79	4,226.08	8,644.71	413,963.45
17	09/01/2026	12,870.79	4,139.63	8,731.16	405,232.29
18	09/01/2027	12,870.79	4,052.32	8,818.47	396,413.82
19	09/01/2028	12,870.79	3,964.14	8,906.65	387,507.17
20	09/01/2029	12,870.79	3,875.07	8,995.72	378,511.45
21	09/01/2030	12,870.79	3,785.11	9,085.68	369,425.77
22	09/01/2031	12,870.79	3,694.26	9,176.53	360,249.24
23	09/01/2032	12,870.79	3,602.49	9,268.30	350,980.94
24	09/01/2033	12,870.79	3,509.81	9,360.98	341,619.96
25	09/01/2034	12,870.79	3,416.20	9,454.59	332,165.37
26	09/01/2035	12,870.79	3,321.65	9,549.14	322,616.23
27	09/01/2036	12,870.79	3,226.16	9,644.63	312,971.60
28	09/01/2037	12,870.79	3,129.72	9,741.07	303,230.53
29	09/01/2038	12,870.79	3,032.31	9,838.48	293,392.05
30	09/01/2039	12,870.79	2,933.92	9,936.87	283,455.18

Kaweah Loan

Date	Payment	Interest	Principal	Balance
31 09/01/2040	12,870.79	2,834.55	10,036.24	273,418.94
32 09/01/2041	12,870.79	2,734.19	10,136.60	263,282.34
33 09/01/2042	12,870.79	2,632.82	10,237.97	253,044.37
34 09/01/2043	12,870.79	2,530.44	10,340.35	242,704.02
35 09/01/2044	12,870.79	2,427.04	10,443.75	232,260.27
36 09/01/2045	12,870.79	2,322.60	10,548.19	221,712.08
37 09/01/2046	12,870.79	2,217.12	10,653.67	211,058.41
38 09/01/2047	12,870.79	2,110.58	10,760.21	200,298.20
39 09/01/2048	12,870.79	2,002.98	10,867.81	189,430.39
40 09/01/2049	12,870.79	1,894.30	10,976.49	178,453.90
41 09/01/2050	12,870.79	1,784.54	11,086.25	167,367.65
42 09/01/2051	12,870.79	1,673.68	11,197.11	156,170.54
43 09/01/2052	12,870.79	1,561.71	11,309.08	144,861.46
44 09/01/2053	12,870.79	1,448.61	11,422.18	133,439.28
45 09/01/2054	12,870.79	1,334.39	11,536.40	121,902.88
46 09/01/2055	12,870.79	1,219.03	11,651.76	110,251.12
47 09/01/2056	12,870.79	1,102.51	11,768.28	98,482.84
48 09/01/2057	12,870.79	984.83	11,885.96	86,596.88
49 09/01/2058	12,870.79	865.97	12,004.82	74,592.06
50 09/01/2059	12,870.79	745.92	12,124.87	62,467.19
51 09/01/2060	12,870.79	624.67	12,246.12	50,221.07
52 09/01/2061	12,870.79	502.21	12,368.58	37,852.49
53 09/01/2062	12,870.79	378.52	12,492.27	25,360.22
54 09/01/2063	12,870.79	253.60	12,617.19	12,743.03
55 09/01/2064	12,870.79	127.76	12,743.03	0.00
Grand Totals	643,539.50	163,539.50	480,000.00	

Kawah Loan

Last interest amount increased by 0.33 due to rounding.



2009-0040035

2

LSI TITLE AGENCY, INC.

Recorded	REC FEE	11.00
Official Records	TAX	146.85
County of Tulare	SURVEY MONUMENT	10.00

GREGORY B. HARDCASTLE
Clerk Recorder

11:52AM 26-Jun-2009 | NB Page 1 of 2

RECORDING REQUESTED BY:
Concord Escrow
Order No. 090033297
Escrow No. 09-1369-CR
Parcel No. 097-122-043-000

AND WHEN RECORDED MAIL TO:

KAWEAH MANAGEMENT COMPANY
P.O. Box 791
Visalia, CA 93279
REO LOAN #

VISA SUR

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$146.85 and CITY \$

computed on full value of property conveyed, or
 computed on full value less liens or encumbrances remaining at the time of sale.
 unincorporated area: Visalia, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Deutsche Bank National Trust Company, not in its individual capacity, but solely as Trustee on behalf of GSAA Home Equity trust 2006-10

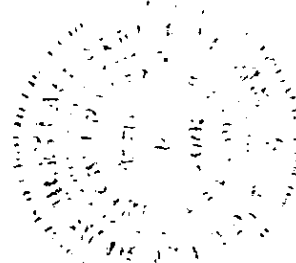
hereby GRANT(S) to Kaweah Management Company

the following described real property in the County of Tulare, State of California:

Legal Description attached hereto as Exhibit "A" and made a part hereof.
Date May 28, 2009

Deutsche Bank National Trust Company, not in its individual capacity, but solely as Trustee on behalf of GSAA Home Equity trust 2006-10, by American Home Mortgage Servicing, Inc., as their attorney in fact

Shunna Dykes
Shunna Dykes
Assistant Secretary



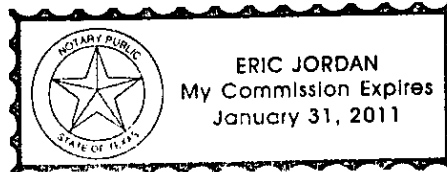
STATE OF ~~CALIFORNIA~~ TEXAS }
COUNTY OF Dallas } S.S.

On May 29, 2009, before me, Eric Jordan, Notary Public, personally appeared Shunna Dykes who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] Seal)



Mail Tax Statement to: SAME AS ABOVE or Address Noted Below

LSI TITLE COMPANY (CA)
3220 EL CAMINO REAL, IRVINE, CALIFORNIA 92602
(714) 247-7000 • (800) 323-0165

EXHIBIT "A"

LEGAL DESCRIPTION

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF VISALIA, COUNTY OF TULARE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 37 OF WALNUT HOMES ADDITION NO. 1, RECORDED IN BOOK 22, PAGE 72 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE WEST ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 37, DISTANCE OF 46.24 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL TO BE DESCRIBED; THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID LOT 37 TO A POINT ON THE NORTH LINE OF KAWEAH STREET; THENCE WEST ALONG THE NORTH LINE THEREOF; AS DISTANCE OF 130 FEET; THENCE EAST A DISTANCE OF 75.13 FEET TO THE TRUE POINT OF BEGINNING.

A PORTION OF SAID LAND IS INCLUDED WITHIN THE LINES OF LOT 37 OF WALNUT HOMES ADDITION NO. 1, RECORDED IN BOOK 22, PAGE 72 OF MAPS, TULARE COUNTY RECORDS.

EXCEPTION FROM THE FOLLOWING DESCRIBED PARCEL OF LAND, ALL OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES LYING NOT LESS THAN 500 FEET BELOW THE SURFACE OF SAID LAND, PROVIDED THAT THE GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT HAVE THE RIGHT TO GO UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXTRACTING SAID OIL, GAS OR OTHER HYDROCARBON AND MINERAL SUBSTANCES, NOR FOR ANY PURPOSE IN CONNECTION THEREWITH, BUT SHALL HAVE THE RIGHT TO EXTRACT AND REMOVE SAID OIL, GAS AND OTHER HYDROCARBON AND MINERAL SUBSTANCES BY MEANS OF SLANT-DRILLED WELLS LOCATED ON ADJACENT OR NEARBY LAND, OR BY ANY OTHER MEANS WHICH SHALL NOT REQUIRE ENTRY UPON THE SURFACE OF SAID LAND, AS RESERVED BY SANTA FE LAND IMPROVEMENT COMPANY, A CORPORATION, IN DEED RECORDED FEBRUARY 9, 1959, IN BOOK 2103, PAGE 503 OFFICIAL RECORDS.

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION; THENCE WEST TO THE CENTER OF WATSON DITCH, AS SAID DITCH EXISTED ON FEBRUARY 6, 1959; THENCE NORTHEASTERLY ALONG THE CENTER OF SAID WATSON DITCH TO THE INTERSECTION OF SAID CENTERLINE WITH THE EAST LINE OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 32, AND THENCE SOUTH ALONG SAID EAST LINE TO THE POINT OF COMMENCEMENT.

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 8, 2009

Agenda Item Number (Assigned by City Clerk): 14

Agenda Item Wording: Budget update and appropriate actions for Fiscal Year 09/10

Deadline for Action:

Submitting Department: Administrative Services

Contact Name and Phone Number: Eric Frost, x4474

Department Recommendation: That the City Council and Redevelopment Agency direct staff to:

- **Acknowledge that an additional \$3 million in ongoing budget savings in the General Fund as directed by Council at their July 13, 2009 Council meeting has been achieved.**
- **Pay for the State take of RDA monies in FY 2009/10 from two sources:**
 - **1) Low/Moderate tax increment funds to be repaid over 5 years from the 80% General RDA money; and,**
 - **2) \$250,000 from the future Central RDA final debt issue which the Agency must complete prior to the end of the debt issuance period, 11/15/2009.**
 - **3) suspend for this year, at least until mid-year in order to see if the State decides to take additional money from Redevelopment:**

Washington School/Oval Neighborhood Home Loans - \$250,000
(\$250,000 from last year's budget remains unused.)
- **Postpone \$1.4 million in Gas Tax projects this year until the State releases the full Gas Tax obligation.**
- **Defer \$1.2 million in Storm Sewer and Measure R Local projects until revenues improve.**

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing
 Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

- **Reallocate budget monies within the Gas Tax, Transportation, Sewer Construction and Sewer Deficiency Fund as shown in Table VI, Reallocation of Funds, in order to adjust budget to current fiscal realities, reducing appropriations by \$0.8 million.**
- **Work with the Community Development (CD) department on a plan to realign and reduce planning and administrative expenses by an additional \$150,000 a year.**

Background and summary: On July 13, 2009, the City Council directed staff to take a number of actions to right the City's General Fund budget. The purpose of this report is to report what actions have been accomplished to date and propose additional actions based upon the adoption of the State's budget and other economic factors.

These actions are part of a larger financial picture that has been taking place for the last couple of years as Visalia's General Fund major revenue sources have declined due to a poor economy.

The City is funded by various revenue sources which come with certain restrictions based upon the revenue. These revenue sources can be divided into three roughly equal parts: The General Fund, Special Revenue Funds and Enterprise Funds. The Enterprise Funds are the City's businesses and are designed to recover most, if not all, of their operating costs. The one major exception is the Convention Center which receives a bond payment contribution and an operating subsidy totaling about \$3 million a year from the General Fund.

Special Revenue Funds are dedicated funding sources that can only be used for earmarked purpose, such as the dedicated Measure T Public Safety Sales Tax. These monies are deposited in a separate fund and used only for their restricted uses. Further, a majority of the expenditures in Special Revenue Funds is used to build capital projects. As revenues decline, these projects are delayed.

These two fund categories have been mildly affected by the recession. The enterprises have only seen small changes in demand. Special Revenue Funds have adjusted their capital spending as revenues have decreased.

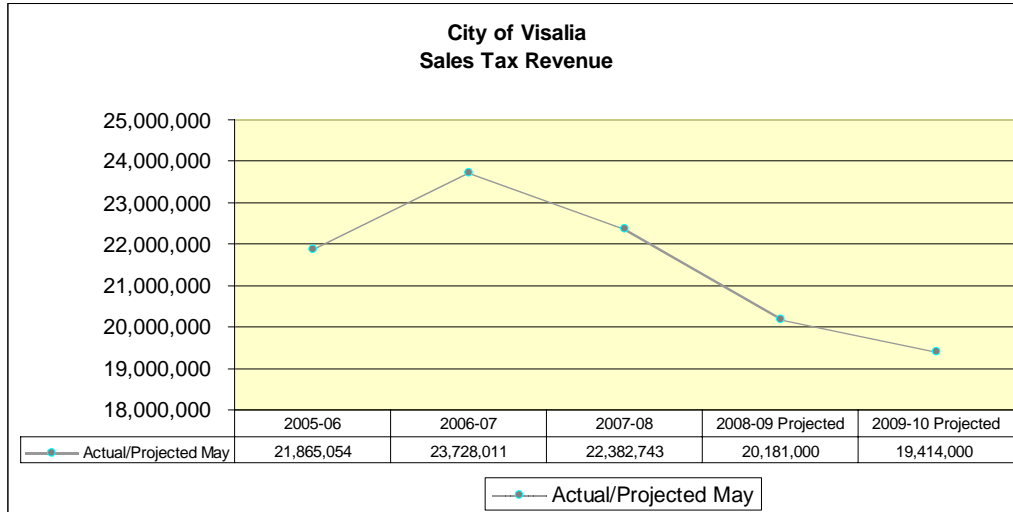
In contrast, the General Fund has a majority (80%) of its costs tied up in personnel. A decline in revenues means a readjustment in personnel costs. Chart 1, Sales Tax Revenue, illustrates that

General Fund Sales Tax Revenues peaked in FY 2006/07 and have declined since then. The City in this fiscal year will have almost \$4.5 million less in sales tax than 3 years ago. Other revenues have also declined but not to this extent.

The City's General Fund revenue raising options are limited by State law and generally require an election. As a result, the City's response to reduced resources has been to find ways to cut General Fund costs.

Because the City adopts a two year budget, the fiscal problem should be considered over two years. In fiscal year 2008/09, most of the cost cutting effort came in the form of maintaining positions vacant. Some \$2.8 million in ongoing budget savings were achieved in FY 2008/09

Chart 1



which helped the FY 2009/10 budget. These savings were in the form of holding vacant open positions, mainly in non-public safety budgets. But despite these efforts, the General Fund still faced an additional \$5.7 million deficit for FY 2009/2010. But without the budget savings from 2008/09, the deficit would have been \$8.5 million. The City has found a number of ways to bridge that gap which is recapped in Table I, General Fund Budget Solutions.

Table I
Closing the FY 2009/10 Budget Shortfall
(All Amounts in Millions)

<i>Budget Shortfall - FY 2009/10</i>	8.5
 <u>Budget Solutions</u>	
<i>Ongoing Savings</i> from 2008/09	(2.8)
<i>One-time budget savings</i> from use of emergency reserves (\$1.1) and deferred capital (\$0.5)	(1.6)
<i>Ongoing Operational Savings</i> achieved prior to 7/13	(1.0)
<i>Various Ongoing Savings</i> after 7/13 Council meeting	
- Operations	(0.9)
- Layoffs	(0.5)
- Retirements	(1.7)
	(3.1)
Total	0.0

One of the original plans to balance the General Fund budget was to take \$200,000 from Vehicle License Fees (VLF) which the City had been directing to street projects. The Council has full authority over how this money is spent. However, the City has made Maintenance of

Effort (MOE) commitments when it started to receive Measure R road tax monies. The MOE requires that the City maintain or exceed its base line spending on road maintenance. If the City redirects all of the VLF money to general operations and away from road maintenance, the City may violate its MOE requirements. Therefore, the table above does not use VLF funds to balance the General Fund budget.

The key point is that only \$1.6 million of the adopted budget savings strategies are one-time savings. Most of the budget solutions can be carried forward into the next fiscal year. Given that City finances may actually deteriorate this next year, the past effort to find ongoing solutions will well serve the City.

Progress on the City Management's Charge to save an additional \$3 million in ongoing, General Fund savings. At the July 13, 2009 Council meeting, Council directed staff to implement savings sufficient to provide \$3 million in ongoing savings. To that end, the Council authorized an early retirement incentive for Police Management, with intent to reduce management staff in order to avoid layoffs of other Police Department staff. Five Police Management Officers (Police Chief, Police Captain and 3 Sergeants) announced their retirement. These positions currently cost the City about \$750,000 annually. In addition, the City has achieved some insurance savings now reflected in Table II, General Fund Budget Savings.

Table II
General Fund Budget Savings
From Council Direction at their 7/13 Council Meeting

General Fund Department	Net Reduction Target	On Going Savings			One Time Savings			Total	Comment	
		Operations	Retirements /Vacancies	Layoffs	Operations	Revenues	Furlough			
Administration	55,000	70,000			52,500		2,010	124,510		
Admin. Services	31,000	42,080					13,890	55,970		
Community Development	201,000	56,090	296,650				35,100	387,840	These departments to be presented later due to unique issues	
Housing & Economic Development	38,000		10,000				2,700	12,700		
Police	1,471,000	165,943	1,046,000		28,155	306,980	131,100	1,678,178		
Fire	701,000	236,000		400,750	25,000		78,690	740,440	2 Layoff	
Public Works - Admin	30,000						1,050	1,050		
Public Works - Streets	6,000		120,000					120,000		
Parks & Recreation*	206,000	71,000	100,000	30,000			24,930	225,930	1 Layoff	
General Fund Total Reduction	2,739,000	641,113	1,572,650	430,750	105,655	306,980	289,470	3,346,618		
Business-Type Activities										
Convention Center	114,600	45,000		100,000			15,360	160,360	2 FTE Layoff	
Savings Achieved From Internal Services	146,400	250,000	146,400					396,400	GIS Reorg, Insurance savings	
Total Savings To General Fund	3,000,000	936,113	1,719,050	530,750	105,655	306,980	304,830	3,903,378		
		<i>Ongoing Savings</i>			<i>One-time</i>					
		\$ 3,185,913			\$ 717,465					

The ongoing savings number is now at \$3.1 million, \$100,000 over our target. Management is continuing to work with departments to complete our review and prepare for next year's budget.

One of the more severe impacts of the budget was a layoff of 5 positions. Two of the individuals affected will retire, one has bumped to a captain's position and two others are pursuing potential promotional recruitments available in non-General Fund positions.

Impacts of the State Budget and the Local Economy

The State has adopted their budget and enacted provisions which impact Visalia. The economy also continues to alter the City's finances. Specifically, the events which impact Visalia are:

- **\$2 million Property Tax Borrowing.** State law allows the State to borrow for up to 8% of the City's property tax for three years. Because this is a borrowing and is expected to be a one-time event, management recommends that this money come from General Fund reserves. Council has already authorized management to use up to \$5.5 million in General Fund reserves. ***This \$2 million borrowing will be funded from General Fund reserves already authorized for use by Council. The expectation is that the State will pay back the City by 2013 and the money will be returned to emergency reserves.***
- **\$600,000 Property Tax Shortfall due to lower Assessed Value.** At budget time, City staff estimated that property tax would be down 2% from the prior year. The certified assessed value roll has been approved by the Board of Supervisors and Visalia's actual decline is 5.4%. This represents another \$600,000 less in property tax than the budget anticipated. ***Management recommends no action at this time but watch City's revenues and return to Council earlier than the traditional mid-year report if major revenues continue to decline.***
- **\$1.5 million in Property Tax Receivables due to the discontinuance of the Teeter Plan.** The Teeter Plan is a property tax collection method whereby all the taxing jurisdictions within a county receive their tax assessment in exchange for the county keeping all the penalties and interest from late payments. Because of cash flow issues, Tulare County has discontinued the Teeter plan for this next fiscal year. As a result, the City's tax levy will not fully be paid this year. This means that approximately \$1.5 million in property tax will be paid in the future, but only after the County has completed its collections procedures which could take up to 5 years. Again, the Council has already authorized management to use up to \$5.5 million in General Fund reserves. ***This \$1.5 million receivable will be applied against the use of reserves already authorized by Council.***

The planned use of reserves now stands at \$5.2 million with an additional \$0.3 million available if needed. The breakdown is as follows:

State Property Tax Loan	\$2,000,000
Teeter Property Tax Receivable	\$1,500,000
Planned operational use	\$1,100,000
Lower Property Tax Revenues	<u>\$ 600,000</u>
Total	\$5,200,000

- **\$1.7 million in RDA (Redevelopment Agency) funds.** The State tried to take away RDA funds in FY 08/09. Redevelopment Agencies sued the State and prevailed, stopping the taking of RDA monies. The State has again proposed taking funds under a different scheme which tries to overcome the problems raised in last year's lawsuit. Many Redevelopment Agencies plan to sue partly because the take is 4 times as much as last time. If the State prevails and the monies are taken, ***Management recommends that for this next fiscal year, the State take be paid from two sources: 1) Low/Moderate tax increment funds to be repaid over 5 years from the 80% General RDA money; and, 2) \$250,000 from the future Central RDA final debt issue which the Agency must complete prior to the end of the debt issuance period, 11/15/2009.***

Management recommends responding in this form because the 80% General RDA funds are not sufficient to pay for the taking and the next best option would be to borrow General Fund dollars. Because the City has already had to dip into its reserves due to State takings and borrowing, management recommends using other funds when ever possible. After the Agency considers funding the Kaweah Management housing development tonight, management recommends suspending any Low/Mod funding for this year until it is clear no further takings will occur.

The Low/Mod funds can only be borrowed from current year's tax increment. The 20% tax increment for 2009/10 is short some \$250,000 to fully pay the proposed State debt. In order to maximize tax increment, staff recommends that the remaining amount due to State come from the Central RDA final debt issuance.

Table III
Funding of State RDA Take
Amounts in Millions

Sources

- Central Debt Offering	\$0.244
- Projected Low/Mod Tax Increment 09/10	<u>1.481</u>
Sources	\$1,725

Uses

State Imposed RDA Loss	<u>(\$1.725)</u>
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The consequence for this year is that current funding plans would be put on hold. ***Specifically, the following allocations would be suspended for this year, at least until mid-year in order to see if the State decides to take additional money from Redevelopment:***

***Washington School/Oval Neighborhood Home Loans - \$250,000
(\$250,000 from last year's budget remains unused.)***

Two other points are worth noting in regards to Redevelopment:

1) A final debt issuance for the Central Redevelopment Project Area needs to take place as of 11/15/09, if the Agency wants to incur any additional debt. After that time period, no further debt may be incurred for that project area. Tax increment will then be used to repay all outstanding debt and low/mod housing expenses.

Finance is developing alternatives for the Council to consider which appears to be a bank loan, a General Fund loan or a combination of the two.

2) Because all the project areas will have passed their debt issuance period, tax increment can no longer be used for general project delivery from ongoing tax increment revenues. As a result, staff has reviewed how staff time is charged against tax increment. Some changes in cost allocation will begin this year.

- **Postponement of Gas Tax monies until at least next January** and possible loss of up to \$2 million of gas tax revenues. The Assembly did not support the measure which would have taken \$2 million of gas tax revenues from Visalia but did delay payment of these funds until at least January of 2010. Staff believes there are certain guarantees that those monies should come to cities. However, the State did postpone payment and may still take these monies from cities. **As a result, management recommends that Gas Tax projects be reduced from a current \$3.1 million budget this year to \$1.7 million, a \$1.4 million reduction as shown on the table below, Table IV, Proposed Gas Tax Reductions.**

Table IV
Proposed Gas Tax Reductions

		2009/10 Original Appropriation	2009/10 Proposed Appropriation	Comments
Engineering Projects funded by Gas Tax 1111				
Project #	Project Description			
9207	Street Oversizing - Non Circulation	\$ 150,000	\$ 50,000	Development activity has declined reducing the funding needed for reimbursement of non-circulation element projects
8101	Traffic Counts, Speed Survey & Supplemental Services	\$ 12,000		Gas Tax will no longer fund this work due to funding uncertainty. Needed studies will be funded by the individual projects or the general fund
8102	Traffic Light LED bulb replacement	\$ 75,000		ARRA funding is likely by Oct. 1st
9516	Upgrade Various Traffic Signals	\$ 87,500		08/09 rollover will fund projects in design or under construction such as Caldwell/County Center Intersection
9225	Asphalt Overlay Major collector and arterial roadways	\$ 875,000		Street maintenance to be decreased due to economic uncertainty - focus will be on slurry seal, crack seal, etc. projects
Street Project Funded by Gas Tax 1111				
7506	Minor Asphalt Overlays	\$ 505,000	\$ 466,800	Slightly reduced due to funding uncertainty
9094	Pave Outs	\$ 22,000	\$ 20,000	Slightly reduced due to funding uncertainty
9203	Chip Seals	\$ 355,000	\$ 327,000	Slightly reduced due to funding uncertainty
9222	Replace 1974 Asphalt Mixer unit #314810	\$ 34,600		Equipment purchase delayed due to funding uncertainty - utilize existing equipment
9496	Crack Sealing	\$ 140,000	\$ 129,000	Slightly reduced due to funding uncertainty
9508	Dig Out Repairs	\$ 255,000	\$ 235,000	Slightly reduced due to funding uncertainty
9510	Reclamite various City Streets	\$ 100,000	\$ 92,000	Slightly reduced due to funding uncertainty
9515	Pot Hole Patch	\$ 21,000	\$ 19,000	Slightly reduced due to funding uncertainty
9520	Thin Skin Patch	\$ 33,000	\$ 30,000	Slightly reduced due to funding uncertainty
9555	Replace Street Name Blades	\$ 45,000	\$ 45,000	
9646	Repair Misc Concrete	\$ 85,000	\$ 78,000	Slightly reduced due to funding uncertainty
Street Maintenance Equipment Purchases to be delayed				
Project #	Project Description	2008/09 Appropriation		
9222	24' Tandem axle trailer	\$ 54,000		Delayed due to funding uncertainty - utilize existing equipment
9222	Replace 1992 Crack Filler Unit #13623	\$ 37,800		Delayed due to funding uncertainty - utilize existing equipment
9222	Replace 1992 Hydraulic oil spreader bar	\$ 18,360		Delayed due to funding uncertainty - utilize existing equipment
9930	Purchase thermal adhesive applicator & 2 gun hydraulic sprayer for striping	\$ 15,800		Delayed due to funding uncertainty - utilize existing equipment
	Total Projects and Equipment	\$ 2,921,060	\$ 1,491,800	
		Change	\$ (1,429,260)	

If Gas Tax monies are eventually remitted to the City, management would propose restoring funding to these projects. However, a strong possibility exists that the State may divert Gas Tax monies; therefore, management has made these recommendations.

- Further, Management also examined the impact fee and other road related accounts and recommends. Because revenues are reduced, **Management recommends that \$1.2 million in Storm Sewer and Measure R Local monies be deferred until revenues**

improve, as shown in Table V, Proposed Reductions for VLF, Storm Sewer and Measure R Funding.

Table V
Proposed Reductions for Storm Sewer and Measure R Local Funding

		2009/10 Original Appropriation	2009/10 Proposed Appropriation	Comments
Measure R Local 1131				
8035	Install sidewalks along various school routes	\$ 100,000	\$ -	Rollover from 08/09 to be used as local match for Safe Routes to Schools grant matching for projects on Linwood and enhanced crosswalks awarded 8/2009
8124	Signal Ben Maddox and K	\$ 70,000	\$ -	Delayed due to decrease in revenues
9525	Minor Asphalt Overlays	495,000		Released due to fund condition - partly replaced with funding from Traffic Congestion Relief 1613 Fund \$249,219 received in 09/10
Storm Sewer Construction 1221				
9321	Santa Fe Force Main	\$ 510,000	\$ -	Delayed because plans for Mcmillin development it would serve and been place on hold indefinitely
	Capital Budget	\$ 1,175,000	\$ -	
	Change		\$(1,175,000)	

- **Reallocate budget monies within the Gas Tax, Transportation, Sewer Construction and Sewer Deficiency Fund as shown in Table VI, Reallocation of Funds, in order to adjust budget to current fiscal realities.** Staff would also ask that Council authorize a reallocation of budget monies within the four funds of Gas Tax, Transportation, Sewer Construction and Sewer Deficiency, to meet the cash flows into those funds and continue the projects as appropriate.

Table VI
Reallocation of Funds

		2008/09 Appropriation Transfer/ Release	2009/10 Proposed Appropriation	Notes
Gas Tax Fund 1111				
9944	Akers/198 Intersection Improvement	(400,000)		Will retain adequate funding from 08/09 appropriation for Preliminary Design
9485	Caldwell Improvements - (Akers to Shady and Santa Fe to Lovers Lane) - Environmental Phases expected to be completed by Spring 2010	-	400,000	To fund current contract for environmental review phase of project in conjunction with the County
Transportation Fund 1611				
9485	Caldwell Improvements - (Akers to Shady and Santa Fe to Lovers Lane) - Environmental Phases expected to be completed by Spring 2010	(869,021)	-	STIP funding taken by the State, project will continue with Gas Tax funding transferred from project #9944
Storm Sewer Construction Fund 1221				
9940	Roeben St Storm Drain	(278,155)	-	Allocate cost of project to 1222 Fund based on Fund condition
9796	Line - Ferguson/Fairview	(200,000)	-	Allocate cost of project to 1222 Fund based on Fund condition
Storm Sewer Deficiency Fund 1222				
9940	Roeben St Storm Drain		278,155	Allocation of project costs from 1221 Fund
9796	Line - Ferguson/Fairview		200,000	Allocation of project costs from 1221 Fund
9790	Hannah Ranch Basin - Road 204/State Route 245, south of Kaweah River		80,000	To begin project design - possible recharge and retention basin site
	Total	(1,747,176)	958,155	
		Change	(789,021)	

Community Development and related divisions. On July 13, Staff identified several potential concerns about the Community Development's budget and suggested some action might be necessary after further analysis. All the issues except one have been addressed in the memo. The remaining issue is the following:

- Building Safety was processing nearly 1500 building permits a year and had a peak staff of over 20 individuals in FY 2005/06. That staffing stands at 9.5 personnel today. However, permits are running closer to 400 per year. The allocated costs charged by Community Development Planning and Administration to this division need to be adjusted to a sustainable level.

Although Building Safety was the original issue, the problem has been tracked back to what costs are charged to Building Safety. The Building Safety's direct costs have been reduced substantially. The costs billed to Building Safety, however, have not been reduced commensurately with the division's workload decline. City staff has reviewed these costs and can identify how these costs can and have been reduced to a level equal to what the division bore several years ago. Community Development has made progress towards its targeted budget but still need to reduce costs by another \$150,000 annually to meet its target budget. Staff will continue to work on this problem and bring back to Council solutions in the future.

Summary

The City has started out the FY 2009/10 budget year with a \$5.7 million deficit. With the last direction given by Council, the General Fund deficit has been closed, using only \$1.6 million in one-time solutions to cover the gap. Although this last push was more difficult and included layoffs and an early retirement incentive, the budget leaves the City in better condition to withstand potentially more declines in revenues in the future and potentially more uncertainty from the State. The City will need to continue to evaluate revenues and expenses throughout the year as the City remains in the most volatile fiscal environment it has experienced in the last 80 years.

Prior Council/Board Actions: Council Actions and Hearings on April 6, May 18, June 15, and July 13, 2009

Committee/Commission Review and Actions:

Alternatives:

Attachments: Attachment #1: **2009/2010 Capital Improvement Program Proposed Changes due to Budget**

Recommended Motion (and Alternative Motions if expected): I move that the City Council and Redevelopment Agency:

- ***Acknowledge that an additional \$3 million in ongoing budget savings in the General Fund as directed by Council at their July 13, 2009 Council meeting has been achieved.***
- ***Pay for the State take of RDA monies from two sources:***
 - ***1) Low/Moderate tax increment funds to be repaid over 5 years from the 80% General RDA money; and,***
 - ***2) \$250,000 from the future Central RDA final debt issue which the Agency must complete prior to the end of the debt issuance period, 11/15/2009.***
 - ***3) suspended for this year, at least until mid-year in order to see if the State decides to take additional money from Redevelopment:***
 - Washington School/Oval Neighborhood Home Loans - \$250,000***
(\$250,000 from last year's budget remains unused.)
- ***Postpone \$1.4 million in Gas Tax projects this year until the State releases the full Gas Tax obligation.***
- ***Defer \$1.2 million in Storm Sewer and Measure R Local projects until revenues improve.***

- **Reallocate budget monies within the Gas Tax, Transportation, Sewer Construction and Sewer Deficiency Fund as shown in Table VI, Reallocation of Funds, in order to adjust budget to current fiscal realities, reducing appropriations by \$0.8 million.**
- **Work with the Community Development (CD) department on a plan to realign and reduce planning and administrative expenses by an additional \$150,000 a year.**

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: (*Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date*)