

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, AUGUST 26, 2008**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, August 26, 2008, commencing at 7:03 a.m.

Present: Mayor Pro Tempore Hansen, Council Member Hitchcock, Council Member Johnson, and Council Member Katzakian

Absent: Mayor Mounce

Also Present: City Manager King, Deputy City Attorney Magdich, and City Clerk Johl

B. Topic(s)

B-1 Presentation Regarding Residential Paint Up - Fix Up Program (CD)

City Manager King provided a brief introduction of the proposed paint up - fix up program.

Community Improvement Manager Joseph Wood provided a PowerPoint presentation regarding the proposed paint up - fix up program. Specific topics of discussion included funding through redevelopment, common tool of redevelopment agencies, draft program guidelines, grants up to \$10,000, low- and moderate-income requirements, matching requirements, eligible properties, eligible repairs, Building and Housing Code requirements, application process, program criteria, and draft program guidelines.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated matching requirements are common for participants of this type of a program. He stated suggested levels may be no matching requirement for very low income, 20% matching requirement for all others in the project area, and 50% matching requirements for all those outside the project area. Mr. King stated much of this is a policy call for the Council as the low-income housing set aside can be spent anywhere in the City or targeted in a specific project area alone.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the project area is not further separated or prioritized as currently there is no specific focus area within the project area.

In response to Council Member Hitchcock, Mr. King stated the matching element was designed to have some sliding scale levels and there are various ways the match and distribution can be set up. He stated he anticipates the total funding level for the program will be \$100,000 annually.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the funding for the fencing program that was previously done came from Community Development Block Grant (CDBG) funds for targeted areas.

In response to Council Member Johnson, Mr. Wood stated it is not recommended that CDBG funding be utilized or combined for home improvement or rehabilitation projects because it may trigger federal lead paint related regulations, extensive paperwork, and testing requirements.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated there were only a few jurisdictions that give preference to code enforcement cited areas.

In response to Council Member Johnson, Mr. Wood stated that, if code enforcement citation

areas were given preference, the repairs would have to be such that the actual violations were completely eliminated.

In response to Council Member Johnson, Eileen St. Yves stated the Lodi Improvement Committee did not delve into the code enforcement issue in too much detail. She stated sometimes the property owner does have a desire to improve the property but does not have the means to do so financially or physically.

In response to Council Member Hitchcock, Mr. Wood stated that, after the application is reviewed, staff would develop a scope of work based on a site visit to address all building and safety issues.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated a roof can be fixed for \$10,000. He stated they will not be using a band aid approach but rather looking at significant improvements, which are generally those over 100 square feet.

In response to Mayor Pro Tempore Hansen, Mr. King stated the Police Department is implementing some code enforcement efforts and monitoring foreclosed properties and asking that the watering and other landscaping be maintained. Deputy City Attorney Magdich stated State legislation is also providing additional enforcement tools for unkempt foreclosed properties.

In response to Council Member Hitchcock, Mr. Wood stated whether or not to give priority to properties specifically located in the project area will be a policy consideration for the Council.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated self repairs are discouraged because it is much more difficult to hold a property owner to certain standards than it is a contractor. Mr. King stated in some cases the homeowner is not the best person to do the home improvements and the same problems may not arise with an experienced contractor.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated the contractors will need to go through a qualification process and they will be checked to ensure they perform reputable work.

In response to Mayor Pro Tempore Hansen, Mr. Wood stated that, if a match is required, the match will be paid up front. He confirmed that low income would likely not have any match.

In response to Council Member Hitchcock, Mr. King stated that, while we do not want to oversell the program, we also want to ensure that people know about the program, which will likely be an ongoing annual program.

Eileen St. Yves spoke in favor of the program and stated she would like to see the program focus on the very low-income range to assist those who need the program the most.

C. Comments by Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:56 a.m.

ATTEST:

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE Presentation Regarding Residential Paint Up – **Fix Up** Program

MEETING DATE: August 26,2008

PREPARED BY Community Development Department

RECOMMENDED ACTION: Receive a presentation on the proposed Residential Paint Up – Fix Up Program.

BACKGROUND INFORMATION: Redevelopment Agencies are mandated to set-aside 20% of the tax increment revenue into a Housing Fund for programs and projects that increase, improve, and preserve the supply of low and moderate-income housing within the community.

Staff has researched and prepared draft guidelines for the first such program, a Paint Up – Fix Up Grant Program that would be implemented, subsequent to Council approval, in the 2009/10 FY. The eligibility requirements and the general provisions of how the program would operate are based upon criteria culled from a number of similar programs that have been successful in jurisdictions throughout California.

In the course of preparing the elements of this program, Staff has considered alternatives or options that will be called out in special bullet points throughout the course of this staff report and during the presentation in order to provide opportunity for the Council to consider and comment on. This program was presented before the Lodi Improvement Committee and their comments and suggestions will be noted as well.

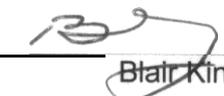
Program Guidelines

This proposed program would provide grants of up to \$10,000 to low- to moderate-income seniors, handicapped and families, who own and occupy their home and need financial assistance to make minor exterior repairs and improvements.

Eliaibility

Income eligibility requirements would be based upon both family size and total annual household income for Very Low-, Low-, Median-, and Moderate-income households (Income limits are attached as Exhibit A). Applicants who qualify under the Very Low-income category would not be required to contribute any matching funds to participate in the grant program. All other income categories would be required to provide either a 20% match, for residents within the Community Improvement Project Area, or a 50% match if they reside outside of the Project Area. The Redevelopment Agency has approved, as allowed by law, expenditure of low and moderate income funds anywhere within the city.

- There was some comment from the Lodi Improvement Committee that the income limits should only be for low-income and below, thereby eliminating median- and moderate-income

APPROVED:  _____
Blair King, City Manager

households. In comparison to those similar programs in other jurisdictions, the majority do extend the eligibility to the moderate-income level. As stated previously, the entire purpose of the mandated 20% Housing set-aside is to benefit low- to moderate-income housing, so it is well within the guidelines and purpose of the program.

Eligible properties would be any owner-occupied, single-family residence or duplex (half-plex) where there is a legitimate need for improvements.

- Some jurisdictions do allow tenant-occupied dwelling units to participate, but require a greater matching contribution from landlords and even go so far as to record some form of deed restrictions on the property. The consensus from the Lodi Improvement Committee is that a program of this nature should be limited to owner-occupied properties.
- Most all other similar programs also include mobile homes as eligible dwellings. While limited in number within Lodi, this may be worth consideration from Council.

Eligible Improvements

The Program would only cover the following exterior property improvements, with the understanding that Building Code/Housing Code compliance and safety repairs will have a priority over other improvements.

- Prep and paint the exterior and trim of the dwelling,
- Minor exterior repair to stucco and repair/replacement of minor damage to wood siding,
- Replacement of windows and window frames,
- Replacement of exterior doors, door hardware and deadbolts, including garage doors,
- Repair/Replacement of roofs (40 year warranty minimum).
- Installation of ramps and handrails for handicapped.
- Installation of new fencing within the front yard setback.
- Landscaping improvements such as sod, tree plantings and irrigation systems (automatic watering systems required).
- Driveway/walkway replacement.

Application Requirements

Applications would be accepted on a first-come, first-served basis.

- Staff did consider whether some preference should be given to properties that are subject to a code enforcement action.

Applicants will need to provide the following documentation for all persons on title and anyone over the age of 18 that resides within the dwelling:

- Proof of income in the form of two (2) months pay stubs,
- Proof of ownership in the form of a grant deed, a deed of trust, or property tax bill,
- Proof of assets in the form of six (6) recent checking account statements,
- Most recent savings, money market and/or CD statement,
- Social Security Card,
- Most recent Federal and State Tax Returns with W-2 form(s);
- The City will reserve the right to require additional documentation as necessary to verify total household income, such as a Statement of Benefits from the Social Security Administration, Child Support Order from the Court, etc.

A preliminary draft of the Grant Application for this program is attached as Exhibit B.

Program Procedures

Subsequent to confirming the applicant's income eligibility, Staff would then physically inspect the home/property to determine the scope of eligible repairs. Applicants who meet all program criteria will be provided a Letter of Approval and a list of Program-approved contractors/vendors. Along with the Letter of Approval, applicants will receive a Notice to Contractors for the Applicants to use when they obtain at least three estimates.

The Notice to Contractors provides instructions on what repairs have been approved and the acceptable format for estimate submittals. If the Applicant chooses to seek estimates from their own contractors/vendors, they must provide at least one bid from a Program-approved contractor.

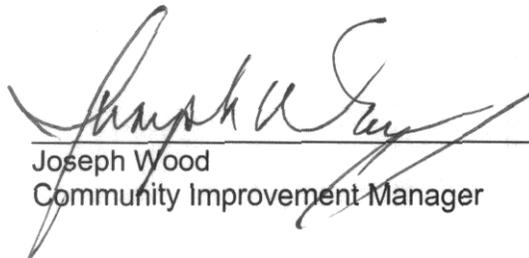
If the applicant chooses to directly engage their own contractor/vendor, the applicant may use any contractor of their choice as long as they hold the appropriate professional licenses, appropriate insurance coverage/bonding and a City Business License. Any contractor that is not on the Program-approved list will need to be approved by Program Staff prior to receiving authorization to proceed.

Regardless of whether the Applicant agrees to proceed with a Program-approved vendor/contractor or their own, the City will pay the vendor/contractor directly for all approved work once the work has been completed, inspected and approved. The applicant will not have any financial responsibility other than the amount needed to meet any match requirements. The Applicant will need to provide those matching funds prior to engaging the vendor/contractor.

Under either contractor selection method, payment shall not be made for substandard work or materials. Individual projects will be financially closed subsequent to Program Staff's approval of the work performed and the affected applicant signing an Acceptance and Approval of Completed Work.

Based upon the comments received from Council at this presentation, Staff will bring formal program guidelines back before the City Council for review and adoption.

FUNDING: 2009110 Redevelopment Housing Program Fund



Joseph Wood
Community Improvement Manager

Attachments

Exhibit A

Income Qualification Limits

Source: State of California Housing and Community Development 2008 Income Levels

Table A - Very Low Income

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$21,450	\$24,500	\$27,600	\$30,650	\$33,100	\$35,550	\$38,000	\$40,450

Table B - Low Income

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$34,350	\$39,250	\$44,150	\$49,050	\$52,950	\$56,900	\$60,800	\$64,750

Table C - Median Income

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$42,900	\$49,000	\$55,200	\$61,300	\$66,200	\$71,100	\$76,000	\$80,900

Table D - Moderate Income

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$51,500	\$58,900	\$66,200	\$73,600	\$79,500	\$85,400	\$91,300	\$97,200

Exhibit B

Paint Up – Fix Up Grant Program Application (Draft)

SECTION 1 – APPLICANT INFORMATION

Applicant Name: _____
Last First M.I.

Applicant Address: _____
Number Street

Applicant Phone: _____
Home Work

SECTION 2 – INCOME INFORMATION

List everyone in the family and others living with you and the current gross monthly income (before taxes) received by each. Include wages, social security, disability, retirement, child support, alimony, income from investments, etc.

Name of Resident	Age	Gross Monthly Income	Source of Income
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			

Total # of Residents at this Address: _____ Total Gross Monthly Income: _____

List all assets held by each person listed above:

SECTION 3 – PROPERTY INFORMATION

How long have you owned this property? _____

How many bedrooms in the home? _____

Proposed home improvements: Paint Exterior Siding/Stucco Repair Windows Doors

Roof Ramps/Handrails Fencing Landscaping Driveway/Walkways

Other: _____

The City of Lodi will seek recovery of any funds paid under this program to any person whose application contained false or incomplete information.

I certify under penalty of perjury that the above information is true and correct.

Signature

Date

Paint Up – Fix Up Program

A Community Development
Department Presentation

August 26, 2008

Paint Up – Fix Up Program

- Funded through Redevelopment Agency
 - 20% Housing Set-aside
- Common tool of Redevelopment Agencies
 - Intended to provide immediate visual impact through the elimination of blight and increased neighborhood revitalization.

Draft Program Guidelines

- Grants up to \$10,000
- Low- to moderate-income
 - Seniors,
 - Handicapped persons,
 - Families.
- Matching Requirements
 - None for Very Low-Income Households.
 - 20% Match for all other inside of Project Area.
 - 50% Match for all other outside of Project Area.

Draft Program Guidelines

● Eligible Properties

- Owner-Occupied Single-family residences or Duplex (Half-plex) residences.
 - Do we include mobile homes?
 - Do we include tenant-occupied residences?

● Home must be in need of repairs as determined by the Housing Program Staff

- Is preference given to properties cited by code enforcement?

Draft Program Guidelines

● Eligible Repairs

- Prep/Paint exterior and trim.
- Minor exterior repair to stucco and repair/replacement of minor damage to wood siding.
- Window replacement.
- Door/Door hardware replacement.
 - Including garage doors.
- Roof Repair/Replacement
 - Requires 40 year warrantee.

Draft Program Guidelines

● Eligible Repairs

- Installation of ramps & handrails for handicapped.
- New fencing in front yard set-back.
- Landscaping improvements such as sod, tree planting and irrigation systems.
 - Requires automatic irrigation system.
- Driveway/walkway improvements.

● Building Code/Housing Code compliance and safety repairs will have priority over other improvements.

Draft Program Guidelines

- Applications received on first-come, first-served basis.
 - Unless policy gives preference to code enforcement-related properties.
- Subsequent to confirming applicant's eligibility...
 - Inspect property.
 - Confirm scope of repairs.

Draft Program Guidelines

- Applicants meeting all program criteria will receive...
 - Letter of Approval.
 - List of Program-approved contractors.
 - Notice to Contractors
 - Provides format for contractors to follow when submitting bids.

Draft Program Guidelines

- Applicants who wish to use their own contractor...
 - Must provide at least one bid from Program-approved list.
 - Applicant's contractor must be checked and approved to participate.
 - Must have current contractor's license, bond and City Business License.
- Applicant will need to provide matching funds up front, prior to engaging contractor.

Draft Program Guidelines

- Whether applicant uses Program-approved contractor or their own, the City will pay the contractor directly.
- Payment will be processed only after work and materials have been inspected and approved.
 - Under either contractor selection method, payment shall not be made for substandard work or materials.

Paint Up – Fix Up Program

- Project start up is expected in 2009
 - \$100,000 projected in first year.
- Final Program Guidelines back to Council later this year.
- *Any recommendations for project name?*