



**AGENDA
SPECIAL MEETING
CHOWCHILLA CITY COUNCIL**

Council Chambers, Chowchilla City Hall
130 S. Second Street, Chowchilla, CA 93610

August 9, 2018

4:00 PM

Agendas for all City Council SPECIAL meetings are posted at least 24 hours prior to the meeting at the Civic Center, 130 S. Second St., Written communications from the public for the agenda must be received by Administrative Services no less than 7 days prior to the meeting date.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter. In addition, most documents will be posted on the city website at www.CityofChowchilla.org.

The City of Chowchilla complies with the Americans with Disabilities Act (ADA of 1990). The Council Chambers is accessible to the physically disabled. If you need special assistance, please call (559) 665-8615, ext. 102 at least 4 days prior to the meeting.

CALL TO ORDER

ROLL CALL:

Mayor: Dennis Haworth

Mayor Pro Tem: Ray Barragan

Council: Waseem Ahmed, Mary Gaumnitz, John Chavez

City staff and contract employees present at the meeting will be noted in the minutes

OPEN SESSION – 4:00 PM

PLEDGE OF ALLEGIANCE:

INVOCATION:

CLOSED SESSION REPORT:

PUBLIC ADDRESS

This time is reserved for members of the audience to address the City Council on items of interest that are **not** on the Agenda and that are within the subject matter jurisdiction of the Council.

It is recommended that speakers limit their comments to **no more than 3 minutes** each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council on items on the Agenda should notify the Mayor when that Agenda item is called.

The Council is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Council does not respond to public comment at this time.

Speakers are asked to please **use the microphone and provide their name for the record**. Prior to addressing the Council, any handouts are to be provided to City Clerk who will distribute them to the Council and the appropriate staff.

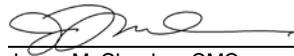
NEW BUSINESS – Section 1

- 1.1 A City Council Recommendation to Address Concerns Regarding the Public Safety Sales Tax Measure (Haddix)**

- 1.2 A City Council Resolution Authorizing Staff to Submit an Application to the California State Department of Housing and Community Development (HCD) for Funding Under the HOME Investment Partnerships Program; and if Selected, the Execution of a Standard Agreement, any Amendments Thereto, and of any Related Documents Necessary to Participate in the HOME Investment Partnerships Program (Hanham)**

ADJOURNMENT

I, Joann McClendon, CMC, City Clerk, do hereby declare under penalty of perjury that the foregoing agenda was posted at the Chowchilla City Hall, 130 S Second Street, Chowchilla, CA and made available for public review on this 8th day of August 2018 at or before 4:00 p.m.



Joann McClendon, CMC
City Clerk



REPORT TO THE CITY COUNCIL

Meeting of: August 9, 2018

AGENDA SECTION: New Business

SUBJECT: A City Council Recommendation to Address Concerns Regarding the Public Safety Sales Tax Measure

PREPARED BY: Brian Haddix, City Administrator

ATTACHMENTS: *To be provided at the meeting

REVIEWED BY ADMINISTRATOR

REVIEWED BY ATTORNEY

REVIEWED BY FINANCE

RECOMMENDATION:

That the Chowchilla City Council add intent language that states that public safety's FY 2018/19 General Fund budget level is expected to grow just as other department's budgets grow and that the FY 2018/19 level is not construed to be a ceiling, only a floor.

BACKGROUND:

On Tuesday, August 7th, 2018, The Chowchilla City Council and City Administrator received a letter from the Chowchilla Police Officers Association and the Chowchilla Volunteer Fire Department. In that letter, the groups objected to "non-supplant language" implying that the current draft ordinance which states that General Fund money for public safety would never fall FY 2018/19 funding levels might be interpreted to imply that it would never rise above that level for the life of the tax measure (8 years.) The implication is that should the FY 2018/19 become a "ceiling" for General Fund budgeting of public safety, the money they potentially might have received over the life of the measure would be shifted to other departments.

REASON FOR RECOMMENDATION:

First, let me address the term of supplanting. The United States Department of Justice defines supplanting in 42 USC 13925(b)(4) as, "... a grantee may not reduce State, local, or other non-federal funds that have been allocated for a ... permissible activity.) (Note, I added the underlines.) The California Code of Regulations mimics federal regulations. In short, supplanting only occurs when dollars previous budgeted are reduce and replaced with new tax money, not future dollars. That is not the case here. No funds beyond FY 2018/19 have been budgeted or allocated.

The essence of the letter's concerns is that if the FY 2018/19 budget level for public safety is frozen, and the tax measure fails to get renewed in 2016 years, it would be fiscally challenging for public safety to revert back to the FY 2018/19 finding level.

Later on August 7th, the City Administrator and Finance Director met with the two groups and their respective Chiefs. It was expressed that nowhere in the draft ordinance does it imply that a ceiling on General Funding exists. It was also expressed to the groups that a guaranteed rate of growth stands in conflict with the cyclical nature of the economy. Should the economy go into a recession and tax revenues drop, department budgets will reflect that change in revenue. A guaranteed growth rate during a period of

declining revenue would require disproportionate reductions in Public Works, Finance and other departments. Additionally, should the State take money away from the City, which too would result in less money for departments. Again, one department having a guaranteed rate of growth means the other departments must be disproportionately cut.

Finally, in researching other cities with public safety sales tax measures, no city guarantees an automatic rate of growth in public safety's General Fund budget.

Another recommendation made at the August 7th meeting was to clarify language in the draft ordinance as to how, mechanistically, the Council can reduce the established floor of General Fund set at the FY 2018/19 level. First, the ordinance does state that such a reduction can only occur during a fiscal crisis. The groups asked that the vote threshold be 4:5 of the Council or a supermajority for that to occur. This is the same vote level required for the Council to draw from certain fiscal reserves.

Finally, the groups proposed that the sunset provision in the ordinance be removed.

It is staff's recommendation that the Council approve the 4:5 vote threshold. It is staff's recommendation to retain the sunset provision of the measure. This provision polled high with the community and loss of that provision endangers community support of the tax measure. Finally, staff recommends that no legal language be set into the municipal code making it law that public safety or any department's budget for that matter automatically expand. Staff does recommend that intent language be added that states that public safety's FY 2018/19 General Fund budget level is expected to grow just as other department's budgets grow and that the FY 2018/19 level is not construed to be a ceiling, only a floor.

ALTERNATIVES:

Do not move forward with submitting the Public Safety Sales Tax Measure to the County for inclusion in the November 6, 2018 election ballot.

ACTIONS FOLLOWING APPROVAL:

If Approved, Submit all required documents to the Madera County Elections office by August 10, 2018.



REPORT TO THE CITY COUNCIL

Meeting of: August 9, 2018

AGENDA SECTION: New Business

SUBJECT: A City Council Resolution Authorizing Staff to Submit an Application to the California State Department of Housing and Community Development (HCD) for Funding Under the HOME Investment Partnerships Program; and if Selected, the Execution of a Standard Agreement, any Amendments Thereto, and of any Related Documents Necessary to Participate in the HOME Investment Partnerships Program

PREPARED BY: David Hanham, Director of Community and Economic Development

ATTACHMENTS: Resolution

REVIEWED BY ADMINISTRATOR

REVIEWED BY ATTORNEY

REVIEWED BY FINANCE

RECOMMENDATION:

That the City Council of the City of Chowchilla approve the authorization of submitting an application to HCD under the HOME Investment Partnership Program.

BACKGROUND:

The City over the last 10-15 years has been applying for HOME funds for the purposes of First-Time Homebuyers as well as owners that need their homes rehabilitated. In the past, the City has applied for up to \$750,000.00. However, this application will be for \$500,000.00.

REASON FOR RECOMMENDATION:

Over the past few years, there has been an uptick of residents who are looking to buy their first home. With the active Code Enforcement the City has approved, rehabilitation for homes is starting to pick up. If the City receives these funds, it serves as another economic development tool for residential developers.

FISCAL IMPACT:

There could be a slight bump in building permit fees. With a bump in construction, local businesses could see a raise in sales and tax.

ALTERNATIVES:

Do not approve the recommendation and the following will happen:

1. It will be hard for owners to rehabilitate their homes
2. It will be difficult to get funding for people who want to buy their first house.

COUNCIL RESOLUTON # -18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA, CALIFORNIA
AUTHORIZING STAFF TO SUBMIT AN APPLICATION TO THE CALIFORNIA STATE
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENTFOR FUNDING UNDER THE
HOME INVESTMENT PARTNERSHIPS PROGRAM; AND IF SELECTED, THE EXECUTION OF A
STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND ALL RELATED DOCUMENTS
NECESSARY TO PARTICIPATE IN THE HIME INVESTMENT PARTNERSHIPS PROGRAM**

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

WHEREAS, On June 5, 2018, the Department issued a Notice of Funding Availability announcing the availability of funds under the HOME program (the "NOFA"); and

WHEREAS, In response to the June 2018 HOME NOFA, the City of, a municipal corporation (the "Applicant"), wishes to apply to the Department for, and receive an allocation of, HOME funds.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Chowchilla, California authorizes the Applicant shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed Five Hundred Thousand Dollars (\$500,000) for the following activities and/or programs:

- First-Time Homebuyer Program with or without Rehabilitation
- Owner-Occupied Rehabilitation Program to be located within the city limits of the City of Chowchilla.

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

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

PASSED AND ADOPTED by the City Council of the City of Chowchilla this 9th day of August, 2018 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dennis Haworth, Mayor

ATTEST:

Joann McClendon, CMC
City Clerk