
INTERNAL AFFAIRS COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers Denlay, Tandon, and Chair Reynolds
Special Meeting of May 17, 2021 – 2:00 p.m.

PUBLIC PARTICIPATION: *This meeting is being conducted in accordance with Executive Order N-29-20.* Members of the public may virtually attend the meeting using the City's Zoom platform.

Zoom public participants may use the following information to remotely view and participate in the Internal Affairs Committee meeting online:

Event Name: **Internal Affairs Committee Meeting 05-17-21 2:00 PM**

Date/Time: **Monday, May 17, 2021 2:00 pm**

Event URL: <https://zoom.us/j/99177821137?pwd=Rzg1dXJ2dmNTSEVhQUt0M0w5T0I4Zz09>

Event #: **991 7782 1137**

Password: **IAC**

Call-in #: **1-888-788 0099 US Toll-free**

Meeting ID: **991 7782 1137**

Call-in Password: **979844**

REGULAR AGENDA

A. REVIEW OF RENTAL REGISTRY AND SEX TRAFFICKING ORDINANCE

On October 5, 2020 the Internal Affairs Committee heard discussions regarding developing a rental registry and discussions for creating a sex trafficking ordinance. The Committee requested the rental registry item be presented to Council, and requested staff return to the Committee with more information regarding the history of the sex trafficking ordinance. **(Report - Angie Dilg, Management Analyst - City Manager's Office)**

RECOMMENDATION:

The City Manager requests the Internal Affairs Committee review and consider the attached information and give further direction as to next steps.

B. CODE ENFORCEMENT PRESENTATION

At the March 16, 2021 City Council meeting the Council approved a request by Vice-Mayor Reynolds to have Code Enforcement provide a presentation to the Internal Affairs Committee on overall code enforcement policies, both Citywide and in the Downtown area. The presentation should include, but not be limited to, aesthetics of commercial buildings and residences, the storage of unclaimed items or refuse on private property, in alleyways, or on City right of ways. It should also include how the City handles abandoned items on City property or right of ways. **(Report - Brendan Vieg, Community Development Director)**

C. HOUSING COMMITTEE RECOMMENDATIONS

At the March 16, 2021 City Council meeting the Council referred the discussion of the Housing Committee recommendations to the Internal Affairs Committee for further review and discussion. **(Report - Vice-Mayor Reynolds)**

D. BUSINESS FROM THE FLOOR

Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

E. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn to the next regular Internal Affairs Committee meeting scheduled for Monday, June 7, 2021 at 2:00 p.m.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda.

Instructions for using Zoom

- Join the meeting using the link above.
- You must have audio and microphone capabilities on the device you are using to join the meeting.
- When you join the meeting make sure that you join the meeting with audio and follow the prompts to test your speaker & microphone prior to joining the meeting.

To speak on an item using Zoom

- The Chair will call the item and staff will begin the staff report.
- Click on the Raise Hand icon if you would like to speak on the item. The City Clerk will call your name when it is your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- When your time is up, you will be muted.
- You will repeat this process for each item you want to speak on.

Distribution available in the office of the City Clerk

Posted: 05-12-21 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us

Copies of the agenda packet are available for review at: City Clerk's Office, 411 Main St. Chico, CA 95928



Please contact the City Clerk at 896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.



Internal Affairs Agenda Report

Meeting Date: 04/14/2021

TO: **Internal Affairs Committee**

FROM: **Mark Orme**, City Manager

RE: Discussion of Developing a Rent Registry and Sex Trafficking Ordinance

REPORT IN BRIEF:

On October 5, 2020 the Internal Affairs Committee heard discussions regarding developing a rental registry and discussions for creating a sex trafficking ordinance. The Committee requested the rental registry item be presented to Council, and requested staff return to the Committee with more information regarding the history of the sex trafficking ordinance.

RECOMMENDATION:

The City Manager requests the Internal Affairs Committee review and consider the attached information and give further direction as to next steps.

BACKGROUND:

On October 5, 2020 the Internal Affairs Committee heard a discussion regarding developing a rental registry. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested a proposed rental registry program created in Citizenserve be presented to Council. They requested the plan include information regarding rental rates, with an average per address and an option of per unit price. During the same meeting the Committee discussed a sex trafficking ordinance. The Committee requested staff return to the Committee with more information regarding the history of the Sex Trafficking Ordinance. They specifically requested information regarding the Council's discussion in 2016 and additionally requested information on any discussion at the Local Government Committee. They also requested staff review ordinances regarding sex trafficking in surrounding communities.

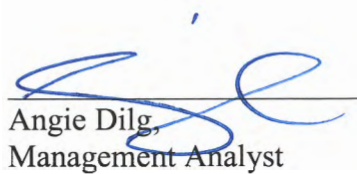
DISCUSSION:

Staffing loss of the individual assigned to these items caused constraints to be placed on turning these items around in order to help the Internal Affairs Committee and City Council determine the next steps. Additionally, prioritization of staffing resources have dramatically shifted and staff believed it prudent to return to the Committee to ensure these items remain a priority to invest staff time in researching and producing.

CONCLUSION:


The City Manager requests the current Internal Affairs Committee review and consider the attached information and give further direction as to next steps.

Prepared by:



Angie Dilg,
Management Analyst

Recommended and Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

- Attachment A – Internal Affairs Committee Minutes October 5, 2020
- Attachment B – 20200203 Internal Affairs Agenda Report
- Attachment C – 20201005 Internal Affairs Agenda Report

INTERNAL AFFAIRS COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Huber, Ory, and Chair Brown
Meeting of October 5, 2020 – 4:00 p.m. to 6:00 p.m.

Meeting was held via WebEx

The meeting was called to order at 4:10 p.m. with Councilmember Ory and Chair Brown present. Councilmember Huber was absent.

REGULAR AGENDA

A. DISCUSSION OF DEVELOPING RENTAL REGISTRY

Assistant City Manager Chris Constantin provided a brief report with multiple price point options to contract with a vendor to provide rental registry services.

Members of the public addressing the Committee on this item were Kim Dietz, Steven Depa, Paul Webb, Jennifer Morris, K. Marvin Collins, and Randy Cox.

A motion was made by Councilmember Ory and seconded by Chair Brown to present to Council a proposed rental registry plan created in Citizenserve to capture rental rates with an average per address and include an option to break it down per unit. This system should be created in collaboration with the North Valley Property Owners Association.

The motion carried (2-0-1, Huber Absent).

B. SEX TRAFFICKING ORDINANCE

At the December 17, 2019 City Council meeting, the Council voted to refer discussion of a sex trafficking ordinance to the Internal Affairs Committee.

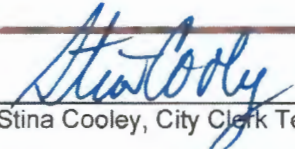
A motion was made by Councilmember Ory and seconded by Chair Brown to request that staff return to the Internal Affairs Committee with more information regarding the history of this item, specifically the Council discussion in 2016, any discussion at the Local Government Committee, and Ordinances regarding this issue in the surrounding communities.

The motion carried (2-0-1, Huber Absent).

D. ADJOURNMENT AND NEXT MEETING

The meeting was adjourned at 5:00 p.m. to the next regular Internal Affairs Committee meeting scheduled for Monday, November 2, 2020 at 4:00 p.m. in Conference Rm. No. 1.

Prepared by:


Stina Cooley, City Clerk Technician



Internal Affairs Agenda Report

Meeting Date: 2/3/2020

TO: Internal Affairs Committee

FROM: Mark Orme, City Manager

RE: Tenant Protections - Costs Associated with Developing a Rent Registry and Discussion of Other Tenant Protections

REPORT IN BRIEF:

On December 2, 2019, the Internal Affairs Committee heard a discussion regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City of Chico.

Additionally, the City Council accepted the Internal Affairs recommendation to pass an ordinance to extend AB 1482 just cause evictions to single residential properties, to remove the one-year residency requirement, and to continue discussion for creating the rent registry. The City Council directed three items for additional discussion to Internal Affairs to include 1) the year a property was built; 2) exempting ADUs; and 3) consideration of exempting owner-occupied properties.

Recommendation:

The City Manager recommends direction if additional information or action is necessary.

FISCAL IMPACT:

Variable. There is a wide range in costs associated with the Rent Registry. Implementation of a tenant protection program or to staff appropriate divisions to enforce municipal code changes to protect tenants would require additional staff. The staffing level would be dependent on the type of program selected.

BACKGROUND:

On December 2, 2019, the Internal Affairs Committee heard a discussion regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City of Chico.

Additionally, the City Council accepted the Internal Affairs recommendation to pass an ordinance to extend AB 1482 just cause evictions to single residential properties, to remove the one-year residency requirement, and to continue discussion for creating the rent registry. The City Council directed three items for additional discussion to Internal Affairs to include 1) the year a property was built; 2) exempting ADUs; and 3) consideration of exempting owner-occupied properties.

DISCUSSION:

Rent Registry

Rental registration is a local regulation that requires landlords to register with the city and provide the city with essential information to enforce other tenant protection ordinances. There are several communities that maintain a rental registry for the purpose of rent-control enforcement including, but not limited to San Jose, Berkeley, East Palo Alto, Richmond, Beverly Hills, Los Angeles, Santa Monica, and West Hollywood. Other cities, such as Pittsburg, Santa Cruz, and Fresno, maintain registries for the purposes of rental property inspections.

To support the registries, most of the communities charge rental property owners an annual fee ranging from \$50 to \$250 to support the registry and the staffing necessary to maintain and respond to information entered into the registry. In some cases, communities, such as San Jose, treat a rental structure as one that requires a specific business license in order to identify the total population of rental housing.

City Utilizing a Form Based Registry System

Some of the cities, such as Richmond, which is close to the population of Chico, maintain a registry but in a PDF fillable form version. This results in the City receiving electronic or paper forms that they must process, digitize and then evaluate. As a result of this version and the other tenant protection requirements instituted, Richmond maintains an entire division at a cost of \$2.4 million to administer their entire tenant protection program.

City Evaluating Third-Party Registry Development System

Last year, San Francisco undertook an evaluation in starting and maintaining a rental registry. The estimated cost for starting the registry was estimated at \$300,000 with an ongoing staffing and maintenance cost between \$1.7 million and \$3.6 million per year depending on the extent of the program. This process is ongoing and may be more elaborate than desired by the City Council.

City Utilizing Inhouse Support to Develop Registry System

San Jose maintains an online rent registry portal that contains the same information desired by the Internal Affairs Committee – including updating rental rates for units, submitting notices of termination/eviction, and providing a plethora of information about the rent control program. A unique aspect involves the City using inhouse support to develop the registry as well as utilizing existing software already owned by San Jose. While the City of Chico may not have all the staff and software necessary, it appears that San Jose may be a closer fit for the information desired.

San Jose developed the registry using Salesforce, their customer relationship system, and integrated the system with other City databases in planning, code enforcement and public works. In January 2017, the City of San Jose dedicated one Information Technology person for about 18 months to develop the system. The City found a number of data reliability issues which require 1.5 full-time equivalent staffers to maintain, update and correct the information within the system. A total of 6-10 staff persons were involved in its development, and the City maintains three staff for just the system and 19 staff for the tenant protection program. An estimated cost of just the registry comes close to the about \$400-500,000, with about \$300,000 a year in maintaining the system.

City Could Consider Limited Registry System as a Reactive Data System

Currently, the City of Chico utilizes the Citizen Service software to issue business and bicycle licenses. An account is restricted to the use of the business or bike owner and offers the opportunity to enter all the relevant information required by the City's Administrative Services Department to issue a license. The data resides in a database accessible by City staff and remains available for City purposes.

The Citizen Serve software may allow the City to create a unidirectional database of rent rates and eviction notices that would allow a property owner to enter key rental unit information that would be available for City use. The software may also allow the City to report which units have provided data and to allow City staff to respond to claims of excessive rent increases or unjust eviction. According to Administrative Services staff, the cost of such as system may be approximately \$25,000.

City of Chico Developing a Registry System

A Rent Registry system, its form and function is strongly correlated to the policy goals of the City. Thus, the development and implementation cost would vary drastically based on how the city utilizes the registry to support its goals. For example, if the City intended to document information in the rental market for use when complaints are received, the registry would be an online form-based portal which is intended to just collect information for staff. The cost of this would be less than a database system that is intended to provide bidirectional data access and staff to clean and correct information in the system. One would place the majority of the operational work on the software system, while the other would increase staff cost to address data reliability issues.

Thus, the Internal Affairs Committee may consider these areas to guide the type of system necessary to support the committee's policy goals:

- **Reactive vs Proactive:** Does the City desire a reactive, complaint driven program or an active enforcement program related to tenant protection requirements;
 - Currently, City Code Enforcement operates in a reactive, complaint driven manner, while the City's Fire inspection program is proactive on multifamily housing units.
- **Data-Focused vs Staff-Focused:** Does the City want to rely upon a data-based control to enforce tenant protection requirements or a staff-based control;
 - The City is moving to more modern software systems, but currently, most City programs are staff-focused which results in increased cost for those programs. This includes Code Enforcement, Fire inspections, permit processing, etc.
- **Program Structure:** How does the City want the program structured and funded – a collateral responsibility for Code Enforcement or a new program? Is this a general fund investment in additional Code Enforcement staff or is the City looking to recreate a regulatory structure including licensing, fees, and other requirements?

Other Tenant Protections

On January 7, 2020, the City Council referred to the Internal Affairs Committee, a discussion of three tenant protection areas to include

- Age of Property subject to Tenant Protections;
- Considering whether Accessory Dwelling Units are included in Tenant Protection requirements; and
- Consideration for whether owner-occupied properties are included in Tenant Protection requirements.

CONCLUSION:

City Staff present the above information to allow the Internal Affairs Committee to discuss and determine a recommendation to the full City Council. Upon City Council direction, staff recommend the City Attorney draft the appropriate Municipal Code update to implement this program including any business license and administrative components.

Prepared by:



Chris Constantin,
Assistant City Manager

Recommended and Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

None.



Internal Affairs Agenda Report

Meeting Date: 10/5/2020

TO: Internal Affairs Committee

FROM: Mark Orme, City Manager

RE: Discussion of Developing a Rent Registry

REPORT IN BRIEF:

On December 2, 2019 and February 3, 2020, the Internal Affairs Committee heard discussions regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City.

Recommendation:

The City Manager recommends direction if additional information or action is necessary.

FISCAL IMPACT:

Variable. There is a wide range in costs associated with the Rent Registry. Implementation of a tenant protection program or to staff appropriate divisions to enforce municipal code changes to protect tenants would require additional staff. The staffing level would be dependent on the type of program selected.

BACKGROUND:

On December 2, 2019 and February 3, 2020, the Internal Affairs Committee heard discussions regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City.

DISCUSSION:

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City of Chico Developing a Registry System

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- **Data-Focused vs Staff-Focused:** Does the City want to rely upon a data-based control to enforce tenant protection requirements or a staff-based control.
 - The City is moving to more modern software systems, but currently, most City programs are staff-focused which results in increased cost for those programs. This includes Code Enforcement, Fire inspections, permit processing, etc.
- **Program Structure:** How does the City want the program structured and funded – a collateral responsibility for Code Enforcement or a new program? Is this a general fund investment in additional Code Enforcement staff or is the City looking to recreate a regulatory structure including licensing, fees, and other requirements?

OPTIONS:

On February 3, 2020, the Internal Affairs Committee requested City staff to develop a system for the rent registry. The following offers incremental options to implement the rent registry and focus the program on specific policy objectives. City staff also obtained a third-party proposal to implement a rent registry. The proposal includes broader services than originally contemplated in a rent registry, but any contracted option can be negotiated.

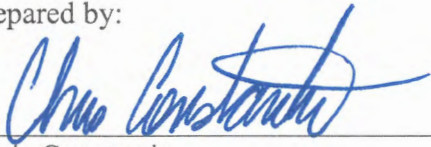
| Policy Objective | Description | Application | Implementation |
|--|--|---|---|
| CITY STAFF DRIVEN | | | |
| Gather Data on Available Rental Units | <p>Establish database to allow the input of details related to each rental unit available in the City.</p> <p>Identify unit, type, average market rent rate, occupancy, and other key data points.</p> | <p>Application to any structure fully utilized as a rental.</p> <p>Annually updated.</p> | <p>Approximately \$25,000. Develop database within the Business License system to facilitate the collection and maintenance of information.</p> <p>Ordinance likely required.</p> |
| Disincentivize Violations | <p>Establish complaint driven program to identify potential violators. Each report of violation will be investigated with violation of appropriate rent regulations being penalized.</p> | <p>Violation to be assessed at \$1,000 or 5 times the amount constituting violation, whichever larger.</p> | <p>Same as above plus staff time to respond to code violation complaints.</p> |
| Disincentivize Violations with Incentive for Education and Compliance | <p>Establish complaint driven program to identify potential violators. Each report of violation will be investigated with violation of appropriate rent regulations being penalized.</p> <p>Incentivize properties and ownership with no violations over the past 5 years and who receive regular education on proper property management.</p> | <p>Violation to be assessed at \$1,000 or 5 times the amount constituting violation, whichever larger.</p> <p>Violation to be assessed at \$500 or 3 times the amount constituting violation, whichever larger.</p> | <p>Same as above plus staff time to respond to code violation complaints.</p> <p>Same. Would require the establishment and sanctioning of approved training program.</p> |
| THIRD PARTY DRIVEN | | | |
| <p>Rental Registry</p> <p>Option 1 – Basic Rental Registration (includes initial identification & education portion in initial period)</p> | <p>Under a basic rental registration program, a City is typically only concerned with tracking top level rental information on a per property/address basis. Information is tracked at the property/landlord level and typically includes basic information about the property such as the parcel data, number of units, landlord details, property management details, etc.</p> <p>Any information can be tracked, but since it is tracked at the property level, it is typically gathered in summary format. For example, unit data may track total units and how many are section 8, but not the detailed tracking by unit. The data can be used for basic rental inventory information, inspection tracking, and as a first step to more detailed reporting.</p> | | <p>\$18.00/account (Initial Period / Registration)</p> <p>\$15.00/account/Period + CPI (Subsequent Filing Periods)</p> |
| <p>Rental Registry</p> <p>Option 1 add-on – Detailed Rental Registration</p> | <p>This add on to a basic rental registration provides all the data in option 1, and further collects the details at the unit level.</p> <p>Each unit is tracked as its own separate account, providing a deeper dive in the data. Basic landlord and property data is enhanced to include information down to each unit, such as the individual unit’s amenities, tenant, rent collected, etc.</p> <p>With full unit details, the City can track any number of unique data elements and is set to enforce multiple aspects of regulation including rent stabilization requirements, inspections, tenant complaints, and a more detailed housing inventory data analysis program</p> | | <p>Additional \$3 / unit (Can be waived with mandatory online filing)</p> |

| | | |
|--|---|--|
| <p>Option 2 Full Rental Compliance Program</p> | <p>Similar to option 2, a full rental compliance program collects detailed unit level data, specific to a city's needs and current ordinance requirements. It further adds compliance checks and enforcement on local and state levied mandates for those individual units.</p> <p>Tracking the individual unit combined with the unit's tenant, enforcement of rent increases, amenity offerings, tenant complaints, and other ordinance requirements, allows third-party to implement a turn-key program for monitoring all aspects of a rental management program.</p> <p>Unlike Option 1, where compliance is focused solely on registration and data gathering, this option broadens compliance to include the landlord compliance on a unit by unit basis. Third-party will monitor and enforce unit level regulations, respond to tenant complaints, and perform individual unit inspections for compliance.</p> | <p>\$20 / Unit + Inspection Fees (Flat or Hourly Rate based on custom inspection requirements)</p> <p>Can be customized based on requirements.</p> |
|--|---|--|

CONCLUSION:

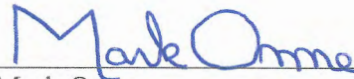
The City Manager presents the information to allow the Internal Affairs Committee to discuss and determine a recommendation to the full City Council. Upon City Council direction, City staff recommend the City Attorney draft the appropriate Municipal Code update to implement this program including any business license and administrative components.

Prepared by:



Chris Constantin,
Assistant City Manager

Recommended and Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

Attachment A Proposal for Rent Registry

City of Chico, CA

03/06/2020

Service Descriptions
HdL Rental Property
Administration Services



Submitted by:
HdL Software LLC
160 Via Verde, Suite 150
San Dimas, CA 91773
www.hdlcompanies.com

Contact:
George Bonnin
909.861.4335
gbonnin@hdlcompanies.com

BACKGROUND & SERVICE OPTIONS

HdL offers a wide variety of services designed to assist cities with managing varying aspects of property rental oversight. These can range from implementing an managing a simple registration and information gathering program, to a more detailed rental program that tracks compliance with rent stabilization ordinances and the intricate requirements that go hand in hand with tracking compliance with local or state law.

HdL offers custom tailored services to address each client's unique needs. These programs combine HdL's local government expertise and leading local government software technology to deliver a full service program to the City, which requires little to no effort for the City to manage. With HdL's ability to handle all aspects of education, customer support, and administration, City concerns with staffing requirements and oversight can be assuaged.

Each custom delivery is grouped in to basic service categories, that depend on the City's unique goals. The options below represent the primary groups and basic descriptions of the services. The City can then further customize the deliverable under each category, resulting in a fully custom implementation.

Option 1 – Basic Rental Registration

Under a basic rental registration program, a City is typically only concerned with tracking top level rental information on a per property/address basis. Information is tracked at the property/landlord level and typically includes basic information about the property such as the parcel data, number of units, landlord details, property management details, etc. Any information can be tracked, but since it is tracked at the property level, it is typically gathered in summary format. For example, unit data may track total units and how many are section 8, but not the detailed tracking by unit. The data can be used for basic rental inventory information, inspection tracking, and as a first step to more detailed reporting.

Option 1 (add on) – Detailed Rental Registration

This add on to a basic rental registration provides all the data in option 1, and further collects the details at the unit level. Each unit is tracked as its own separate account, providing a deeper dive in the data. Basic landlord and property data is enhanced to include information down to each unit, such as the individual unit's amenities, tenant, rent collected, etc. With full unit details, the City can track any number of unique data elements and is set to enforce multiple aspects of regulation including rent stabilization requirements, inspections, tenant complaints, and a more detailed housing inventory data analysis program

Option 2 – Full Rental Compliance Program

Similar to option 2, a full rental compliance program collects detailed unit level data, specific to a city's needs and current ordinance requirements. It further adds compliance checks and enforcement on local and state levied mandates for those individual units. Tracking the individual unit combined with the unit's tenant, enforcement of rent increases, amenity offerings, tenant complaints, and other ordinance requirements, allows HdL to implement a turn-key program for monitoring all aspects of a rental management program.

Unlike Option 1, where compliance is focused solely on registration and data gathering, this option broadens compliance to include the landlord compliance on a unit by unit basis. HdL will monitor and enforce unit level regulations, respond to tenant complaints, and perform individual unit inspections for compliance.

SUMMARY & SAMPLE PRICING

Each service option described above is designed to provide a guide for a service deliverable. HdL delivers its service offerings in a modular capacity, allowing a custom built service program to meet the City's unique needs. With the onset of the new state law regarding rent control, and the growing need for cities to manage and report on its rental housing inventory, HdL's custom programs are a cost effective way to quickly deploy the most advanced technology and knowledgeable staff efficiently and effectively.

Sample pricing for service group options are indicated below. Compensation costs listed can be further refined upon service discussions with the City.

| Service | Cost Range |
|--|---|
| Option 1 – Basic Rental Registration (includes initial identification & education portion in initial period) | \$18.00/account (Initial Period / Registration) \$15.00/account/Period + CPI (Subsequent Filing Periods) |
| Option 1 (Add on – Detailed Rental Registration) | Additional \$3 / unit (Can be waived with mandatory online filing) |
| Option 2 – Full Rental Compliance Program* | \$20 / Unit + Inspection Fees(Flat or Hourly Rate based on custom inspection requirements) |
| *sample pricing provided. Custom pricing available for option 2 depending on scope | |

Rental Property Administration Services

General Scope of Services

Rental Property Registration Database Management – HdL will transfer the City's existing databases as they relate to Property rental in to HdL's internal administration tools. HdL will maintain the data and provide copies of data or reports at the City's request. The City will not be required to use or maintain any software in house for managing the Rental Property registry.

Renewal Processing – Send active rental property accounts a renewal notice within 45 days of the renewal period ending. Accounts will receive all applicable forms necessary to complete the renewal process.

New Account Processing – HdL will process any new rental property applications and complete the new account registration process in a timely fashion.

Payment Posting / Processing – HdL will process all payments for new and renewal accounts. Accounts will be updated with payment information and revenues will be remitted to the City net HdL's fees on no less than a monthly basis.

Rental Support Center – HdL will provide landlords with multiple support options for registering, renewing, making payments and for general inquiries. A local will be provided to landlords in order to access one of our specialists Monday-Friday 8:00am to 5:00pm Pacific. Landlords will also have access to support via, e-mail, fax, and via the Landlord Support Center On-Line.

On-Line Filing & Payment Processing – As an additional service to the City and its community, HdL will make available options for rental property owners to visit a website, that can be linked to the City’s website, to submit online applications, renewals, and payments, updates, and other online functionality

Optional Services – HdL can provide additional services designed to ensure smooth transition and implementation of the administration program for both the City staff and the community. Options such as remote system access, rental owner support stations, and other related items can be designed and implemented upon City request.

Project Planning and Implementation – HdL’s project management team will work in partnership with the City to develop a detailed outline of the scope of work and specific services/options deployed. During the project planning period, the City will have the opportunity to review and approve general timelines and milestones for project implementation as well as project details such as language for rental property owner correspondence and other operational items. Project plans are flexible so as to evolve with the program, allowing HdL and the City to quickly make course corrections along the way to address needs or concerns that may arise.

Communication – HdL understands that the key to any partnership is communication. HdL ensures the free flow of information between the City and the HdL Compliance Management team by establishing clear guidelines during project planning. HdL provides multiple points of contact for City personnel and provides scheduled progress meetings via teleconference, webinars, and in person meetings.

Consulting and Support – In addition to the Discovery and Audit services delivered under the Compliance Management Program, the City benefits from a team of experts that include Certified Revenue Officers(CRO), former Finance Directors and City Managers and other team members with decades of experience in servicing local government. These resources are available to the City to provide support on complicated tax nexus issues, best practice approaches, sample documents and forms, ordinance reviews and other tax compliance and management related issues.

Reporting – HdL will deliver a suite of reporting options that capture a summary of the activities as well as details performed under the individual programs. HdL offers a variety of standard weekly, monthly, quarterly and annual reports as well as the option to customize and develop unique reporting solutions to meet the City’s ad-hoc requests.

Online Services – The City and its business community will both benefit from the online functionality unique to the HdL Compliance Management Program. The City will benefit from a variety of services such as reporting and account lookups while the rental property community will have access to file their applications, make payments, correspond with tax specialists and receive assistance for their rental property questions all online.

Dispute Resolution – Whether a dispute arises from a newly registered property or from a deficiency determination on an existing property HdL will support the City in resolving disputes arising from the rental property community. The HdL dispute resolution process can assist the City in resolving owner issues by providing ordinance reviews and interpretation, best practices, case law updates, expertise on nexus issues, refund defense, and other services tailored to assist the City in administering Rental Property.

RENTAL PROPERTY EDUCATION & COMPLIANCE SERVICES

Enriched Data Portfolio / Lead Identification – Utilizing data provided by the City, as well as the HdL Enriched Data Portfolio (EDP), HdL’s team builds an enhanced listing of entities subjected to the Rental Property Program. These entities are electronically matched to the existing files of the City using advanced data matching algorithms, allowing HdL staff to identify which entities are compliant and which entities require follow up.

Exception Resolution – HdL’s compliance team doesn’t rely on electronic matching alone. Records are reviewed by our skilled team members, filtering out records that may lead to erroneous contacts. This extra

step allows staff to find additional revenues not otherwise identifiable through electronic means and assists in reducing potential complaints levied at City staff and management.

Compliance Communication and Outreach – Upon exception resolution, HdL staff initiates contact with the identified entities through a series of City approved communication methods. HdL makes every effort to simplify the process for rental property owners and utilizes a variety of mediums for communication including mail, telephone, email and web-site access. Potential non-compliant entities are notified of their options to comply or dispute their non-compliant status. Initial notification packets include everything a rental property owner needs to become compliant and multiple methods of resolving their accounts.

Landlord Assistance Center – HdL maintains a support and service center where the rental property community can access support during normal business hours. Owners calling our toll free line can expect minimal hold times along with access to a variety of options which include filing support, payment options, resolution of specific tax issues and other services designed to reduce the burden of registering. Our team of experts, including our resident Certified Revenue Officers (CRO), implement a business friendly and education centric approach to supporting the rental property business community in all aspects of the compliance process.

Landlord Assistance Center Online – Rental Property Owners are encouraged to take advantage of the range of services available on-line, 24 hours a day, seven days a week. With *HdL Flex File*, owners can choose to file their new rental property registration as well as make payments via our on-line filing portal. In addition to filing and paying for taxes, owners can obtain copies of applications, general support and FAQs, schedule appointments and request copies of their registration all with the click of a button. Our on-line services underscore HdL's commitment to excellence in customer service and education by continually improving the registration and payment experience for the rental property business community.

Document Submission / Processing – Whether the property owner chooses to respond by mail, email or our online filing website, each application submission is reviewed for completion and accuracy prior to processing. Any additional documentation needed to complete the approval of a submission can also be requested or forwarded to other City departments either as a pre-requisite or as a courtesy to the owner. All submissions are filed and stored electronically and made available to the City via the remittance process or upon request.

Invoicing – Once an application is approved, invoices are forwarded to the taxpayer indicating detailed transaction and fee information. Property owners are provided the opportunity to pay their balances via mail, online, or over the phone services. Property owners will also have continued access to our Business Support Center for any questions or disputes arising from the invoice process.

Remittance – Upon collection of all requirements which may include the payment, application and/or other documentation HdL will prepare a remittance package to include payment as well as copies of all rental property correspondence and other relevant information. Remittances are usually done on a monthly basis but can occur as often as weekly depending on volumes and City preferences. Remittances packages may also be done electronically via the HdL electronic remittance process. If utilizing the electronic remittance option, applications together with all relevant information are provided to the City in an electronic image format with revenues distributed to the City in one payment net HdL's fees. Using the electronic remittance option will allow the City to upload the data directly to the City's database saving data entry time.

Below is a table showing annual case load by violation type for calendar years 2018 to present:

Code Enforcement Summary of Cases: 2018 to 3/24/2021

| 2018 | 2019 | 2020 | 2021 |
|--|--|--|--|
| <u>Violation Type & Total</u> | <u>Violation Type & Total</u> | <u>Violation Type & Total</u> | <u>Violation Type & Total</u> |
| Animals - 20 | Animals - 34 | Animals - 42 | Animals - 13 |
| Building - 222 | Building - 216 | Building - 184 | Building - 46 |
| Substandard Hsg - 88 | Substandard Hsg - 86 | Substandard Hsg - 57 | Substandard Hsg - 16 |
| Property Mgmt - 761 | Property Mgmt - 514 | Property Mgmt - 461 | Property Mgmt - 74 |
| Signs - 60 | Signs - 16 | Signs - 60 | Signs - 5 |
| Vehicle - 421 | Vehicle - 518 | Vehicle - 396 | Vehicle - 143 |
| Camping - 112 | Camping - 230 | Camping - 167 | Camping - 45 |
| Zoning - 105 | Zoning - 108 | Zoning - 76 | Zoning - 14 |
| Stormwater - 34 | Stormwater - 42 | Stormwater - 22 | Stormwater - 6 |
| Marijuana - 20 | Marijuana - 17 | Marijuana - 20 | Marijuana - 1 |
| | | COVID19 - 543 | COVID19 - 28 |
| Total Cases Open: 1745 | Total Cases Open: 1637 | Total Cases Open: 2028 | Total Cases Open: 392 |
| Total Cases Closed: 1629 | Total Cases Closed: 1676 | Total Cases Closed: 1932 | Total Cases Closed: 477 |

Code Enforcement Response to Frequent Code Violations

Below are summaries of enforcement procedures for common Code violations:

Hazardous building or structure, Nuisance Abatement CMC 1.14

Purpose: Ensure a uniform response to a dilapidated building or structure that is hazardous to the general public by inspecting the property and following the procedures below:

Policy and Procedure:

1. Code Enforcement Officer shall respond and determine if a violation exists.
 - a. A condition of real property or a building, structure, improvement or other thing located on real property that violates any provision of this code.
2. Officer will attempt to make personal contact with the property owner/responsible party.
3. When the owner/responsible party is contacted, they are advised of the violation and asked to voluntarily comply. A courtesy notice or Code Violation letter may be sent via first class mail or personally delivered.
4. A re-check of the property shall be performed. If the violation still exists nuisance abatement procedures as detailed in CMC section 1.14 shall be followed.

Parking 168 HR violation, CMC 10.20.200

Purpose: To ensure a uniform response to parking on public street parking violation beyond 7-day time limit.

Policy and Procedures:

1. Enforcement Officer assigned to the parking violation calls shall respond the next business day.
 - a. No person who owns or has possession, custody or control of any vehicle, recreational vehicle, boat, or trailer shall park or store such vehicle, recreational vehicle, boat, or trailer upon any street or public right-of-way for a consecutive period of more than 168 hours (7 days). A partial removal from the parking or storage space occupied, or a complete removal and the immediate return of such vehicle, recreational vehicle, boat, or trailer to such space or any part thereof shall constitute a violation of the 168 hour (7 day) time limit.
2. Officer may need to run the vehicle registration through dispatch to determine ownership of vehicle.
3. Officer will attempt make personal contact with owner/responsible party of the vehicle.
4. If there is no response a business card or door hanger will be left.
5. When the owner /responsible party is contacted, they are advised of the violation and asked to voluntarily move the vehicle. A follow-up code violation letter may be sent via first class mail or personally delivered.
6. Re-check up to 7 days later to confirm compliance. If violation is not abated, officer will determine if a citation is necessary or if an extension will be granted.

Trash Can Placement, CMC 8.12.040 (D)

Purpose: To ensure a uniform response to where trash receptacles are stored and maintained.

Policy and Procedures:

1. Officer responds and documents the violation with case notes and or pictures.
 - a. That, except when set out for collection, such receptacles are stored and maintained to the side or rear of the structure where the solid waste is generated and out of public view unless it is determined by the Building Official that this is not feasible. This subsection shall not apply to containers set out for collection in alleys.
2. Officer will attempt to make personal contact of owner/responsible party. If there is no answer a business card or door hanger will be left.
3. When the owner/responsible party is contacted, they are advised of the violation and asked to voluntarily comply. A courtesy notice or Code Violation letter may be sent via first class mail or personally delivered.
4. Re-check 24 hours to 3 days later based on notification/communication with owner/responsible party. If violation is not abated, officer will determine if a citation is necessary or if an extension will be granted.

Work Without Required Permits - Basic building permits, CMC 16.10.020

Purpose: To ensure a uniform response to a Building Code violation or building without permits.

Policy and Procedures:

1. Officer responds and documents the violation with case notes and or pictures.
 - a. A basic building permit shall be required for the erection, construction, enlargement, alteration, repair, improvement, moving, removal, conversion, or demolition of any building or structure in the City;

2. Officer will attempt personal contact of owner/responsible party. If there is no answer a business card will be left.
3. When the owner/responsible party is contacted, they are advised of the violation and asked to voluntarily comply. A Code Violation letter may be sent via first class mail or personally delivered.
4. Depending on the extent of work being done, a permit may be requested to be obtained immediately or within 30 days. If violation is not abated, officer will determine if a citation is necessary or if an extension will be granted.

Outdoor Cultivation of Cannabis, CMC 19.75.030

Purpose: To ensure a uniform response to alleged outdoor cannabis cultivation violation.

Policy and Procedures:

1. Code Enforcement Officer shall respond the next business day after a complaint is received.
 - a. Outdoor Cultivation. The outdoor cultivation of cannabis is expressly prohibited in the City of Chico, including all zoning districts and designated zones of the City of Chico.
2. Code Enforcement investigates the complaint to confirm the existence of the cultivation.
3. Officer will attempt personal contact of owner/responsible party. If there is no answer a business card will be left and if the cultivation violation is confirmed, a 72-Hour Notice to Abate is sent via first class mail and personally delivered/posted.
4. Re-check 4 days later based on notification/communication with owner/responsible party. If violation is not abated, officer will issue a citation and repeat daily as necessary until compliance is gained.

Dani Rogers

From: Debbie Presson
Sent: Wednesday, July 1, 2020 4:42 PM
To: Dani Rogers
Cc: Mark Orme; Ann Schwab
Subject: FW: Affordable Housing Zoning for the July 7 meeting

FYI

From: Randall Stone <randall.stone@ChicoCA.gov>
Sent: Wednesday, July 1, 2020 4:37 PM
To: Debbie Presson <debbie.presson@ChicoCA.gov>
Subject: Fwd: Affordable Housing Zoning

I am requesting to add the attached language to the Agenda Report for this next Council Meeting - a report from the Housing Committee.

It is my expectation that the Committee will approve the final language. I am the Chair of the Committee and have the authority to move the language forward, but am awaiting my colleague's approval which should be forthcoming shortly.

Please add the following near-final language to the Agenda Report for the Council Meeting July 7th.

Thank you!

Randall

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Randall Stone, MPA

Financial Planner

Faculty/Instructor - Finance & Real Estate

Councilmember - City of Chico

Assessment Appeals Board - County of Butte

Board of Directors - League of California Cities

Housing, Community, & Economic Development Committee

Governance, Transparency, & Labor Relations Committee

Latino Caucus

Board of Directors - Butte County Association of Governments (BCAG)

(530) 267-6150 office

(530) 924-4298 mobile

(530) 924-4030 home

Randall.Stone@ChicoCA.gov

council.randallstone.com

www.ChicoCA.GOV

Skype: randall.c.stone

Zoom: 328-070-3332

Register to Vote: <http://registertovote.ca.gov>

Begin forwarded message:

From: Randall Stone <randall.stone@Chicoca.gov>
Date: July 1, 2020 at 4:30:46 PM PDT
To: Karl Ory <karl.ory@Chicoca.gov>, Scott Huber <scott.huber@Chicoca.gov>
Subject: Re: Affordable Housing Zoning

I've made a few small changes consistent with our original discussion.

Randall

The ad hoc Housing Committee recommends adoption of an Inclusionary Zoning Policy. It is the committee's intent that this policy be applicable to projects not yet in the "pipeline", particularly Specific Planning Areas. It is recommended that several incentives be provided such as additional density bonuses, fee deferral, fee reduction and fast tracking. The committee recognized that the City provides a number of these subsidies already, that subsidies would be the most effective incentive, but we lack a long term funding source. The committee notes that IZ can be accomplished by land dedication, or actual construction and sale of units below market, or by paying an in-lieu fee. The committee further recommends that this policy be discussed by the Planning Commission for additional recommendations.

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Randall Stone, MPA
Financial Planner
Faculty/Instructor - Finance & Real Estate
Councilmember - City of Chico
Assessment Appeals Board - County of Butte
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Zoom: 328-070-3332

Register to Vote: <http://registertovote.ca.gov>

On Jul 1, 2020, at 8:09 AM, Karl Ory <karl.ory@chicoca.gov> wrote:

Randall?

From: Scott Huber <scott.huber@Chicoca.gov>
Sent: Wednesday, July 1, 2020 6:50 AM
To: Karl Ory <karl.ory@Chicoca.gov>
Subject: Re: Affordable Housing Zoning

Thanks Karl, looks right.

Wivi Scott Huber
Councilmember
Chico City Council

From: Karl Ory <karl.ory@Chicoca.gov>
Sent: Monday, June 29, 2020 11:37 AM
To: Randall Stone <randall.stone@Chicoca.gov>; Scott Huber <scott.huber@Chicoca.gov>
Subject: Affordable Housing Zoning

Hi Randall and Scott,

I wanted to draft something before my mind goes blank from the presentation we got from Rob. Please share your thoughts. Thank you.

Karl

DRAFT AFFORDABLE HOUSING ZONING STATEMENT

The ad hoc Housing Committee recommends adoption of an Affordable Housing zoning policy (Inclusionary zoning). It is the committee's intent that this policy be applicable to projects not yet in the "pipeline", particularly Specific Planning Areas. It is recommended that several incentives be provided such as additional density bonus, fee deferral, fee reduction and fast tracking. The committee recognized that subsidy would be the most effective incentive, but we lack a funding source. The committee notes that AHZ can be accomplished by land dedication, or actual construction and sale of units below market, or by paying a in lieu fee. The committee recommends land dedication as the primary method. The committee further recommends that this policy be considered by the Planning Commission for their recommendation.

Date: April 1, 2020
To: Chico City Council
Fr: Karl Ory, Acting Chair, ad hoc Housing Committee
Re: Interim report and recommendations

At its meeting of May 7, 2019, the City Council reestablished an ad hoc Housing Committee comprised of Mayor Stone and Councilmembers Huber and Ory, in order to address concerns with affordability and the impact of the Camp Fire, and the influx of approximately 20,000 new residents.

The committee met four times; August 27, September 10, September 24, October 8. The first two meetings focused on new construction. The third meeting focused on affordable housing. The fourth meeting focused on infill including accessory dwelling units.

At a recent council meeting the committee was assigned the task of revisiting inclusionary zoning. This report should serve as background for that discussion.

It should be acknowledged that city housing policy is also impacted and informed by state mandates, city general plan including upcoming revisions, the BCAG state funded study and city planning work partly funded by new state funding, as noted in this report.

Below is a summary regarding the City's efforts to accommodate housing and recommendations of the committee, organized by new construction, infill, planning, and affordable housing projects.

NEW CONSTRUCTION

Land Absorption, Future Demand, and Residential Pipeline

In 2018, the City hired BAE Urban Economics to prepare a Land Absorption Study with input from local real estate and development experts. The Study was shared with Council just prior to the Camp Fire and presented the estimated potential demand for, and supply of, developable land within the City through 2035. The Study broke available land supply into four categories: existing proposed and approved development pipeline, inventory of vacant developable land, the five General Plan Special Planning Areas (SPAs), and the 14 Opportunity Sites identified in the General Plan (redevelopment and underdeveloped areas). The Study concluded, with caveats, that there is an adequate supply of land to meet both residential and non-residential demand through 2035. Post-Camp Fire, there have been changes to the "demand" assumptions included in the Study, but the "supply" side remains valid.

The LAS study demonstrated that there were approximately 2,500 single-family homes and 2,800 multi-family residential units in the near- to medium-term pipeline, and that the City is

entitling development proposals in a timely and efficient manner. A January 2020 update of the pipeline data revealed approximately 2,200 single-family homes and 3,200 multi-family residential units.

For perspective, in 2018 there were 270 single-family homes and 285 multi-family units constructed for a total of 555 new units. This total is slightly less than the 577 units built in 2017, which was the highest housing unit total since 2006. In other words, even before the Camp Fire, housing production was high. Staff has indicated that 2019 production numbers include 305 single-family homes and 170 multi-family units constructed for a total of 475 new units, and that 2020 looks to be another high production year, in particular for multi-family units.

To better understand the highly dynamic near- and long-term forecasts for population growth and housing demand, the regional planning agency, Butte County Association of Governments (BCAG), is preparing a Post-Camp Fire Regional Population & Transportation Study that will analyze regional population, housing, employment, and traffic data for pre (2018), post (2019), and future (2030) Camp Fire time periods. The study will develop several scenarios for the 2030 time period based on existing research, empirical data, and existing policies. This information is estimated to take another year to finalize and will undoubtedly help the City and other jurisdictions better understand the true housing demands we face.

Recommendation:

- Approve projects that are consistent with the City's General Plan and Municipal Code. Honoring the Chico 2030 General Plan and acknowledging that the Land Use Diagram represents where the community has agreed it will focus growth.

Importance of Infrastructure

An effective mechanism to facilitate additional housing in Chico is funding for large capital projects – roads, bridges, sewer extension, and storm water projects. The City recently applied for the State Infill Infrastructure Grant (IIG) program for Small Jurisdictions for approximately \$21 million for the Bruce Road Widening project from State Route 32 to Skyway, as well as an internal roadway connection in Meriam Park. This includes the raising and widening of a bridge structure over Little Chico Creek. If IIG grant funds are successfully obtained from State, it will expedite the construction of housing, both affordable and workforce, by several years.

- Submit IIG Grant
- Seek other funding opportunities
- Implement Capital Project Program with emphasis on supporting residential development
- Direct staff to assess Development Impact Fee structure in order to encourage more small and affordable housing.

INFILL

Opportunity Sites

The city General Plan identifies fifteen Opportunity Sites throughout the City as strategic infill and redevelopment areas. They include underutilized transportation corridors, regional retail centers, areas in the City's core, and other residential or light industrial areas that can accommodate growth. Development and redevelopment in the Opportunity Sites capitalizes on existing infrastructure and reduces demand to develop at the City edges. Of particular interest at committee discussion were the Wedge, Park Avenue and North Valley Plaza Opportunity Sites.

Recommendation

- Direct staff to fund planning and pre-engineering for these three sites in coordination with property owners to encourage infill development.

It should also be noted that the Diamond Match SPA property may become available for development.

Accessory Dwelling Units (ADUs)

Accessory Dwelling Units (ADUs) have been a focus of the City Council both before and after the Camp Fire, and are also an area of increased scrutiny by the State legislature. ADUs represent a more affordable market-rate housing option due to their small size and reduced cost of land and fees. In early 2018, the City's ADU regulations were updated for consistency with State law (e.g., eliminated parking, relaxed fire sprinkler requirements, etc.). Further, in recognition of the housing crisis (pre-Camp Fire), Council reduced the ADU development impact fees (DIF) by 50% to stimulate ADU production. Following the Camp Fire, the City further encouraged ADU production by additionally reducing DIF by 50% for one year (25% of original fee), eliminating the owner-occupancy requirement in areas outside the SD-4 Overlay zone, and eliminating sidewalk requirements (where there was no connection to complete on both sides).

Since the beginning of 2019 there has been a total of 62 ADU applications submitted (with 46 approved), which is more ADU activity than the City has seen in the past 10 years combined.

New State-mandated ADU Code Amendments

In January 2020, a wave of new ADU legislation (20 housing bills in total) went into effect. The City will update the Municipal Code for compliance, targeted for Planning Commission/City Council hearings in March/April 2020.

Some of the key provisions of the new ADU legislation include: prohibits development impact fees for ADUs less than 750 square feet, allows ADUs on multifamily lots within existing building with conversion of space (storage rooms, rec rooms, etc.) for up to 25% of units or one unit whichever is greater, allows up to two detached ADUs on existing multifamily lots, allows up to three ADUs on a single-family lot including the main residence, junior ADU (conversion of part of residence with separate entry), and a detached ADU, and establishes a de facto amnesty program and allows requests for delayed enforcement of building standards for five years subject to life safety requirements.

The City is also preparing prototype ADU plans that will be pre-plan checked by the City and “permit-ready” free of use to Chico residents. The plans are due to be available early this summer. Funding for this effort was made available from the State’s SB 2 discussed in more detail below.

Recommendation

- Extend the current fee reduction for ADUs not already mandated by state (units greater than 750 SF).
- Remove SD-4 Overlay requiring Use Permit for ADU in Avenues
- Direct staff to identify neighborhoods where sewer and other infrastructure will limit ADUs.

PLANNING

Senate Bill 2 (Building Homes and Jobs Act) Work Program

The city has been awarded \$310,000 from the state’s SB2 program to fund more involved planning efforts that will be pursued over the next two-plus years. Work includes revising the City’s review process for residential projects for compliance with new State laws (SB 330, Housing Accountability Act, etc.) and other Code amendments that promote housing production.

Work includes amending the Municipal Code to include developing objective design and development standards per State legislation; allowing residential uses in the OR (Office Residential) zoning district “by right”; eliminating use permit requirements for ground floor residential uses in certain zoning districts, and allowing for greater densification of neighborhoods (e.g., allowing multiplexes in single-family neighborhoods).

Other planning work includes amending ADU regulations to be consistent with new State regulations, and pursue additional efforts to incentivize ADUs per Council direction (e.g., create an interactive City ADU webpage, promotional video, prototype ADU plans, etc.)

Finally, SB2 planning work includes removing the more involved and costly Special Planning Area (SPA) requirements for the North Chico SPA that are prohibiting development. This will require a “re-visioning” of the North Chico SPA, preparation of infrastructure plans to address circulation, sewer, and storm drainage, and amendments the City’s General Plan and Zoning Map. This planning effort is being coordinated with Butte County.

Recommendation

- Implement SB2 Programs
- Revisit North Chico SPA

Housing Element Update

Beginning in 2020, the City will begin the effort to update the General Plan Housing Element. A Housing Element provides an analysis of a community’s housing needs for all income levels, and strategies to respond to provide for those housing needs. It also ensures that a City’s land use plans and implementing regulations do not unduly constrain, housing development.

A Housing Element must provide goals, policies, quantified objectives and scheduled programs to preserve, improve and develop housing, identify and analyze existing and projected housing needs for all economic segments of the community, and identify adequate sites that are zoned and available to meet the City’s fair share of regional housing needs at all income levels.

A Housing Element Update is a major undertaking that includes significant community input. A Housing Element Update lays out a plan to facilitate affordable housing and provides the most appropriate forum for new ideas to be incorporated into the City’s long-range planning documents.

Recommendation

- Utilize the State-mandated, comprehensive Housing Element Update process to consider, vet, and direct new programs that will stimulate workforce and affordable housing

Butte County Airport Land Use Compatibility Plan

The Butte County Airport Land Use Compatibility Plan (BCALUCP) contains land use restrictions and developments standards for zones adjacent to the Chico Municipal Airport and flight path intended to protect both the airport and surrounding uses. The current method for calculating infill density for new projects is conservative and laborious, resulting in residential development densities well below densities allowed by the General Plan and City zoning. In order to facilitate

additional residential development, the City is coordinating with the County to review the infill criteria language to identify opportunities for increased density. The City anticipates that the proposed changes would be heard by the Butte County Airport Land Use Commission in early 2020.

Recommendation

- Pursue BCALUCP Amendments in early 2020

AFFORDABLE HOUSING PROJECTS

Housing requires public subsidies to make units affordable to low-income households due to the lower rents that are charged. This often comes in the form of land donation (from a public entity) or a land write-down lease at a nominal annual fee (\$1), together with low-interest, deferred loans from local, State, or Federal sources. In order to be competitive and receive State and Federal funding, a project typically needs to leverage local funding and resources.

In the absence of Redevelopment Agency (RDA) funding, the City's resources are currently limited to: the residual receipt payments on past RDA loans made to multi-family projects and repayments of Mortgage Subsidy Loans (AHPF), the City's annual allocation of Federal HOME funds, Community Development Block Grant Funds (which may only be used for demolition, clearing, and off-site improvements required for production of permanent housing to serve low-income households), future SB 2/Permanent Local Housing Allocation (PLHA) funds (estimated to be approximately \$350,000 annually), and CDBG-Disaster Recovery funds may become available to build housing in the future. This is dependent upon congressional appropriation and a HUD-approved Action Plan for use of the funds.

Fortunately, prior to Camp Fire, a large subsidized project was approved partly due to the provision of land by the City. Creekside Place will have 100 permanent supportive affordable units for extremely low- and very low-income seniors, with some units dedicated for people with disabilities. CHIP, the Housing Authority, and Butte County Department of Behavioral Health are partnering to bring forward this project on City-owned property. Eight funding sources are anticipated to be utilized and the project should break ground in 2021.

Park Avenue Apartments (1297 Park) – Redevelopment of the site for permanent affordable housing is planned. Jamboree Housing is estimating 73 units with more details TBD. Staff is currently involved in preliminary discussions regarding the development of this project.

Simplicity Village – Chico Housing Action Team (CHAT) is planning a tiny home complex with 33 housing units and two supporting portable units providing offices, bathrooms, showers, washers and dryers, and a community kitchen. The project will provide housing to approximately 46 homeless, or at risk of being homeless, senior singles and couples. Council

adopted the special appendices of the California Building Code to allow this unique housing type. There is litigation pending on this proposal.

Habitat for Humanity – The final houses on E. 20th Street are under construction and will be complete by the first quarter of 2020. Three additional houses with ADUs on Mulberry Street will begin construction in early 2020. The City-owned property on Wisconsin and Boucher will provide an opportunity for more units. AHPF, HOME, CDBG and PLHA funds are likely to be utilized.

Recommendations

- Identify land and development partners for an additional large affordable housing development.
- The committee also found interest in community land trusts which could be an affordable development model. Direct staff to further assess ways to encourage CLTs and identify any barriers.

Request for Information (RFI) for Use of City-Owned Properties for Affordable Housing

The City has put out an official Request for Information (RFI) to the community for affordable housing development concepts on City-owned or other governmentally-owned land in Chico. Concepts are being solicited for vacant land, redevelopment of existing sites (e.g., parking lots), or any other combination or concept. Proposals will be shared with Council and investigated for opportunities for future collaboration.



Inclusionary Housing: Building Inclusive and Sustainable Communities

City of Chico
June 9, 2020

Robert Wiener, PhD
University of California, Davis
Community and Regional Development



Presentation for Today

- ❑ Who is the California Coalition for Rural Housing?
- ❑ Brief history of Inclusionary Housing (IH)
- ❑ What is *Inclusionary Housing* and how can it be used to achieve mixed-income communities?

California Coalition for Rural Housing



Mission: Strengthen capacity of nonprofit and public sectors to improve quality of life of rural and low-income Californians via production and preservation of decent and affordable homes.

- ✓ *Public Policy Advocacy*
- ✓ *Leadership Development*
- ✓ *Asset-Building*
- ✓ *Technical Assistance*
- ✓ *Community and Tenant Organizing*
- ✓ *Research and Public Education*



Inclusionary Housing: Creating Affordability and Inclusion in New-Growth Areas

- A policy that requires or encourages new residential developments to include a certain percentage of affordable housing units for lower and moderate-income households.
- Also known as *“Inclusionary Zoning”*

Inclusionary Housing: Nearly 50 Years of Innovation

- Origins – 1971 in Washington D.C. suburbs
- Palo Alto - First California program in 1973
- At least 144 different IH programs in California
- About 27% of all California cities and counties
- About 30% of all U.S. Programs
- At Least 30,000 affordable units produced for purchase and rent since 1999 to 2006



Reasons for Growing Popularity of Inclusionary Housing in California

- Demographic, Market, Political, Legal Pressures
 - ✓ Enormous Population Growth
 - ✓ Increasing Housing Costs
 - ✓ Decreasing Supplies of Affordable Housing
 - ✓ Dwindling Availability of Buildable Land
 - ✓ Shrinking Federal and State funding relative to need
 - ✓ Housing Element/Regional Fair Share Allocation Laws

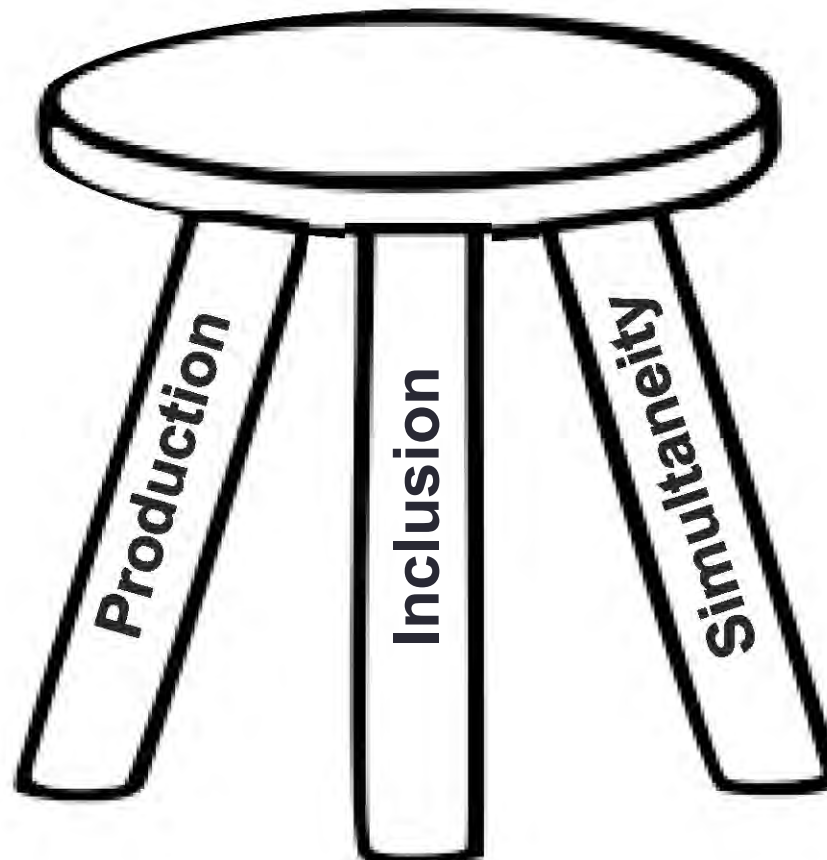


Inclusionary Housing Goals

- Production of Affordable Housing
- Social and Economic Inclusion
- Simultaneity (Avoid NIMBYism)



Inclusionary Housing is a 3-Legged Stool



Legal Basis for Inclusionary Housing

- No National, State, or Regional Mandate!!
- No National, State, or Regional Sanctions!!
- Voluntary Adoption by Cities and Counties
 - ✓ Municipal or County Zoning Code
 - ✓ Housing Element
- Court-Ordered Adoption – Housing Element
- AB 1505 – Restored local power to adopt IH



Key Components of an Inclusionary Housing Program

- On-Site Production of Affordable Units
- Alternatives to On-Site Production
 - Off-Site Production
 - Land Dedication
 - In-Lieu Fee
- Compliance Incentives



Incentives to Offset Developer Costs

- Density Bonus
- Flexible Design (unit/lot size, amenities, product)
- Subsidies
- Fee Deferral, Waiver, Reduction
- Fast-Track Processing



Income Ranges for Inclusionary Unit Eligibility

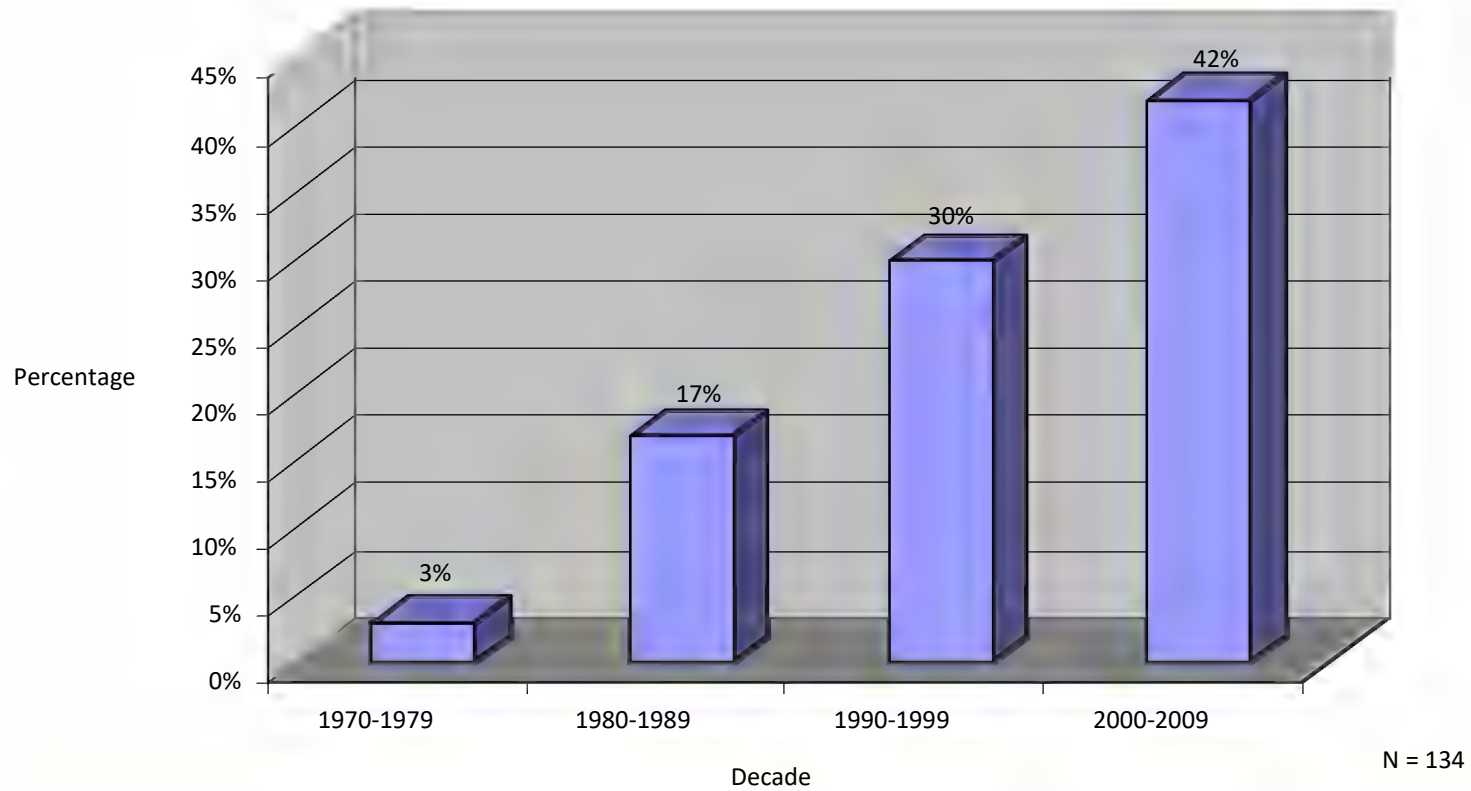
| | |
|-----------------------|-------------------|
| Extremely Low Income | 0 to 30% of AMI* |
| Very Low Income | 31 to 50% of AMI |
| Low Income | 51 to 80% of AMI |
| Moderate Income | 81 to 120% of AMI |
| Above-Moderate Income | > 120% of AMI |

- AMI = Area Median Income
Rent or sale price set at 30% of AMI adjusted for family size



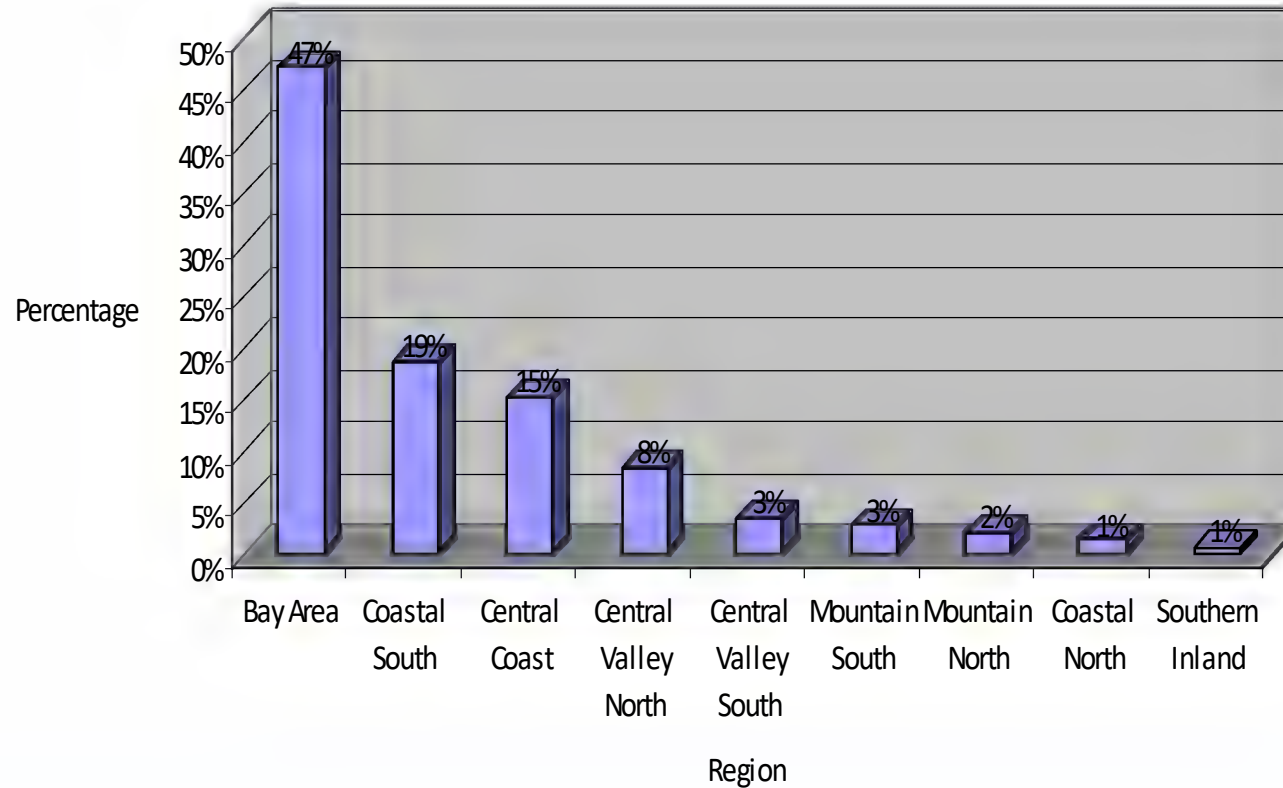
Most Programs Adopted since 1990

Figure 1: IH Programs by Year of Adoption



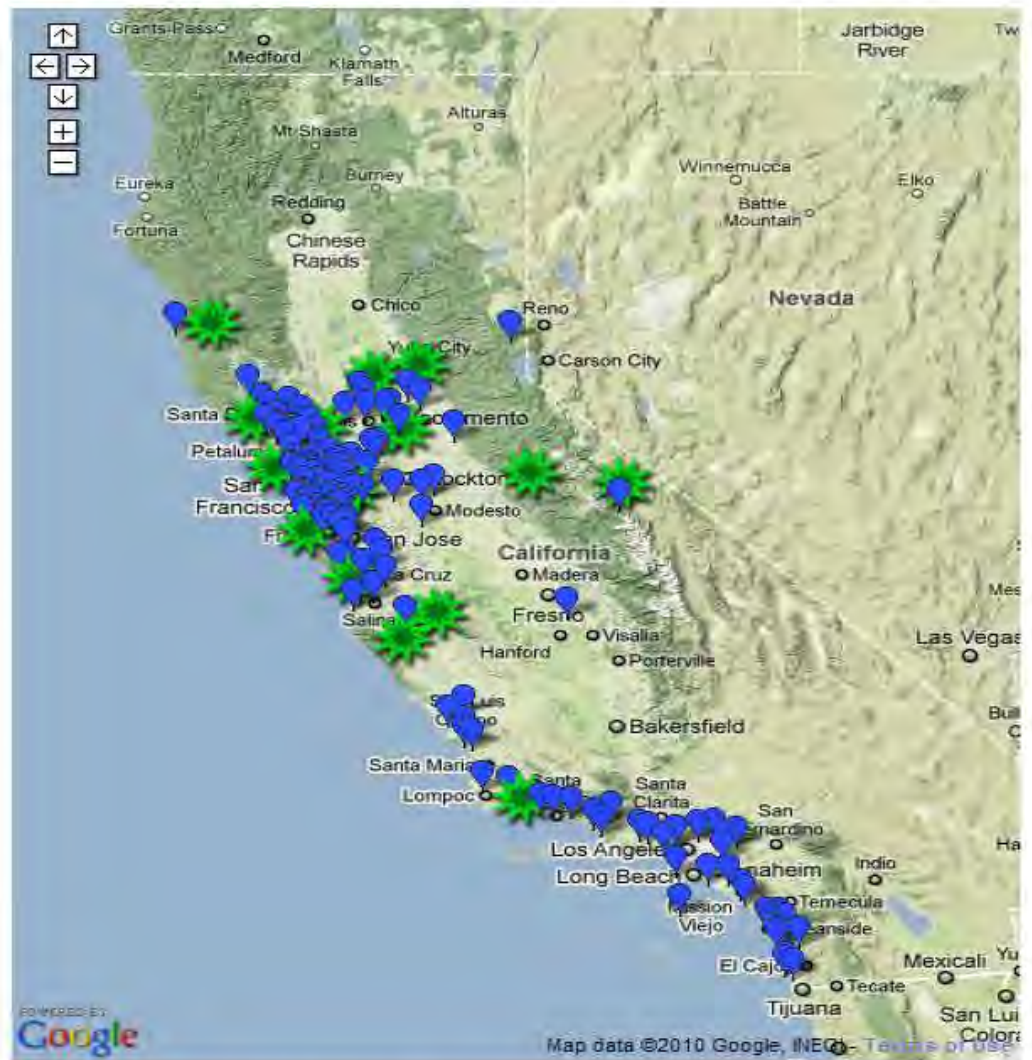
8 of Every 10 Programs Located along Coast

Figure 2: Geographic Distribution of IH Programs



Jurisdiction Search Results

| Jurisdiction | Population |
|---------------------|------------|
| Agoura Hills | 20,537 |
| Alameda | 72,259 |
| Albany | 16,444 |
| American Canyon | 9,774 |
| Arroyo Grande | 15,851 |
| Atascadero | 26,411 |
| Avalon | 3,127 |
| Benicia | 26,865 |
| Berkeley | 102,743 |
| Brea | 35,410 |
| Brentwood | 23,302 |
| Buellton | 4,524 |
| Burlingame | 28,158 |
| Calabasas | 20,033 |
| Calistoga | 5,209 |
| Capitola | 10,033 |
| Carlsbad | 78,247 |
| Carpinteria | 14,194 |
| Chula Vista | 173,556 |
| Cloverdale | 6,831 |
| Colma | 1,191 |
| Concord | 121,780 |
| Contra Costa County | 948,816 |
| Coronado | 23,567 |
| Corte Madera | 9,100 |
| Cotati | 6,471 |
| Cupertino | 50,546 |
| Darville | 41,715 |
| Davis | 60,308 |
| Del Mar | 4,389 |
| Duarte | 21,486 |
| Dublin | 38,330 |
| East Palo Alto | 29,506 |
| Elk Grove | 112,338 |
| Emeryville | 6,882 |
| Encinitas | 58,014 |



- County with an Inclusionary Housing Policy
- City with an Inclusionary Housing Policy

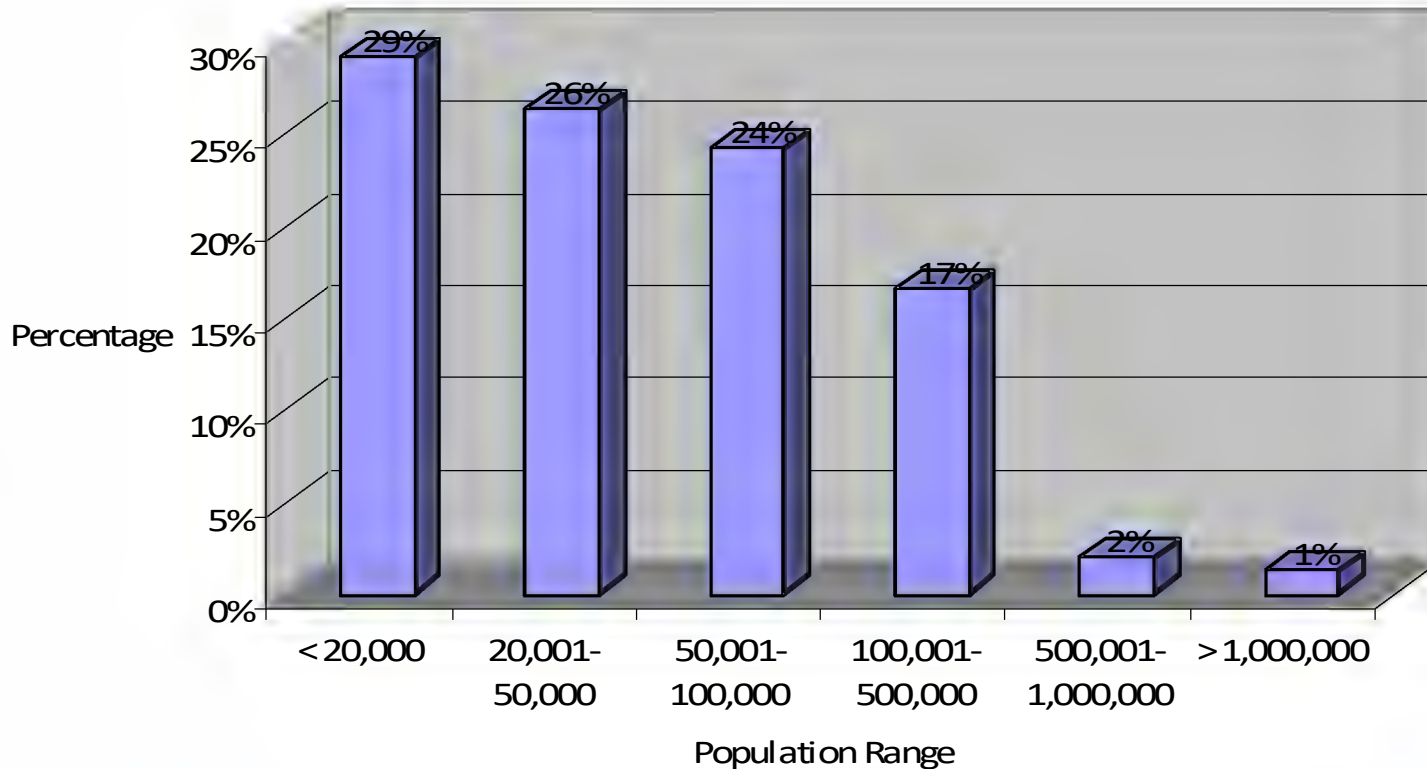
Search by Jurisdiction

Enter a single city or county name.

Search

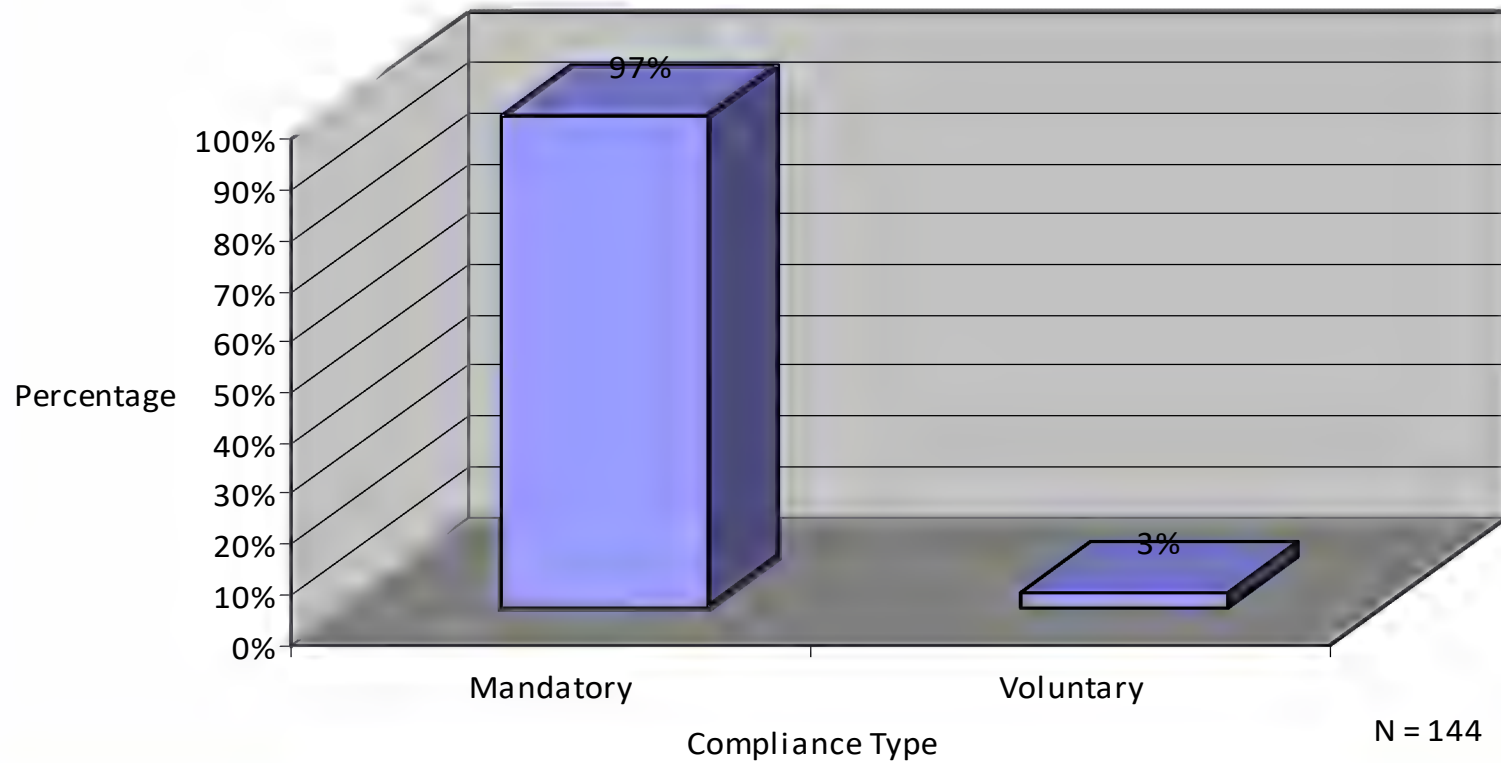
IH is a Small-City Phenomenon

Figure 3: IH Programs by Jurisdiction Population Size



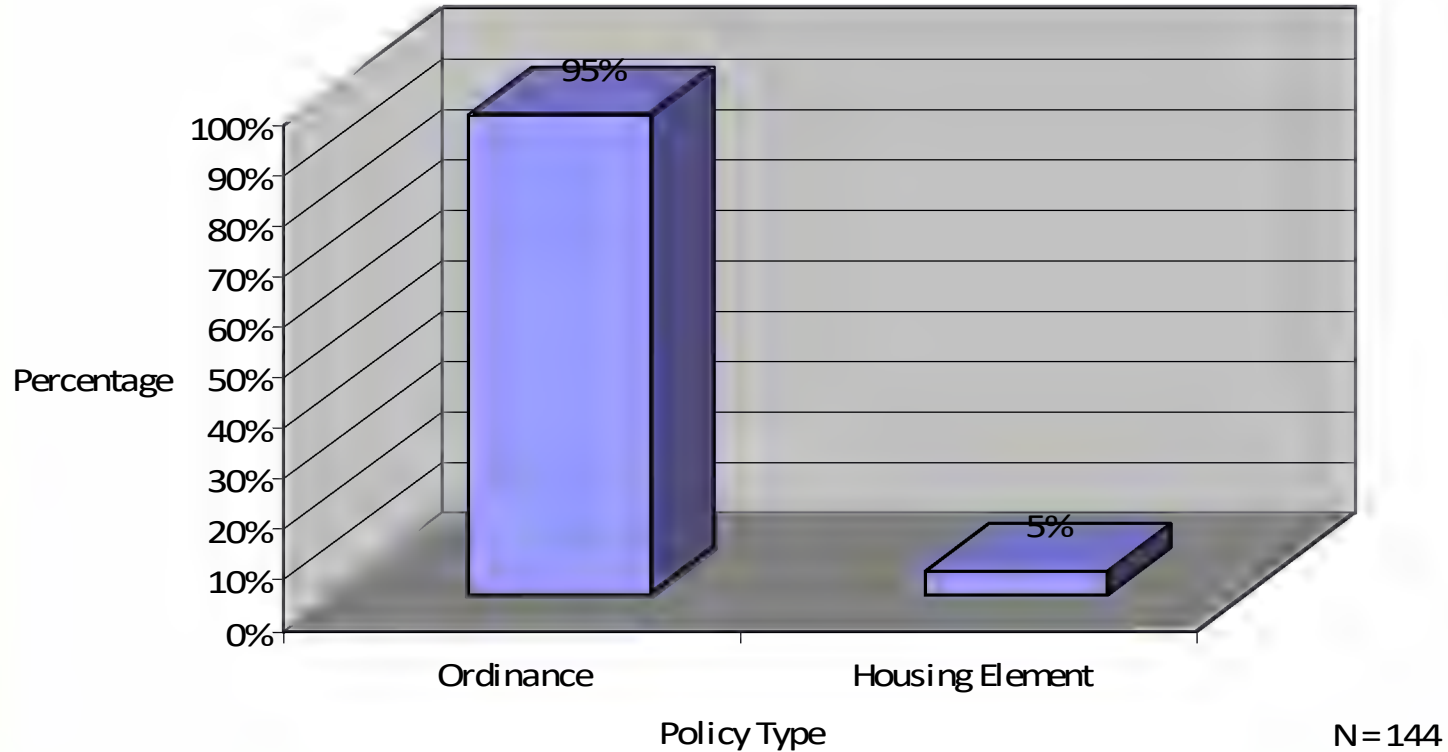
Great Majority of Programs are Mandatory

Figure 4: Compliance Type: Mandatory or Voluntary



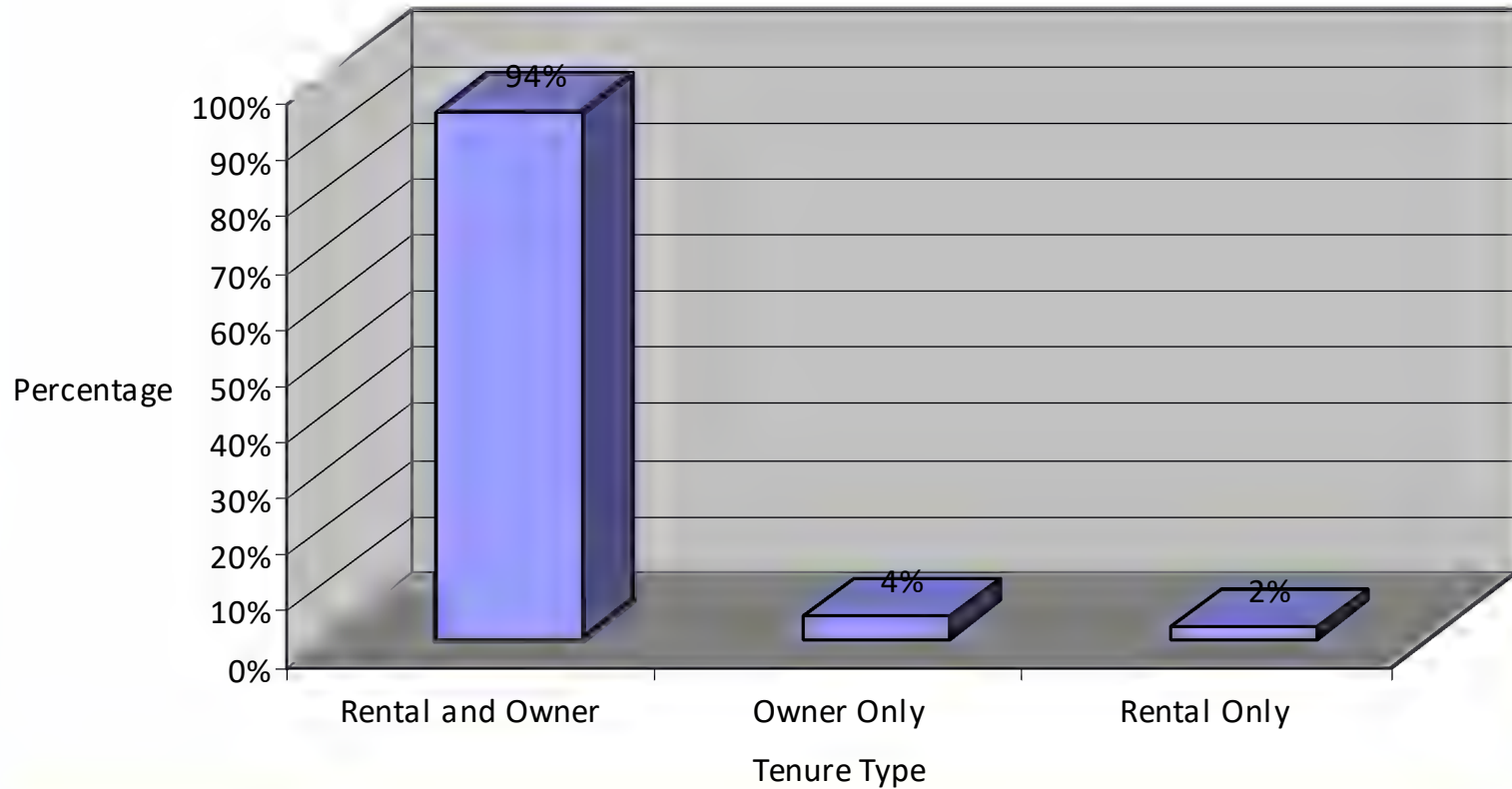
Policies Codified in Municipal or County Code

Figure 5: Policy Type: Ordinance or Housing Element



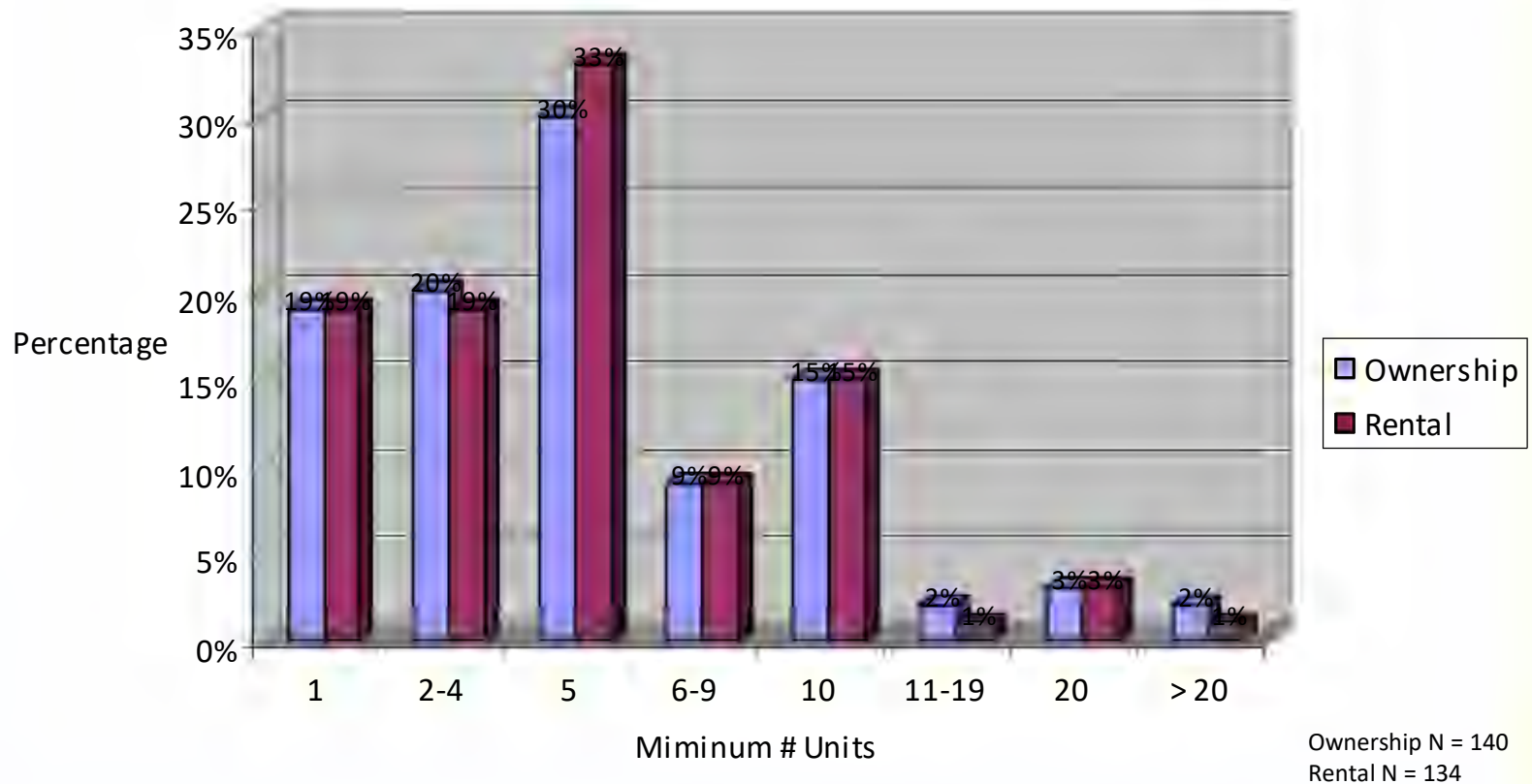
Programs Target Buyers and Renters

Figure 6. IH Programs by Tenure Type: Owner and Rental



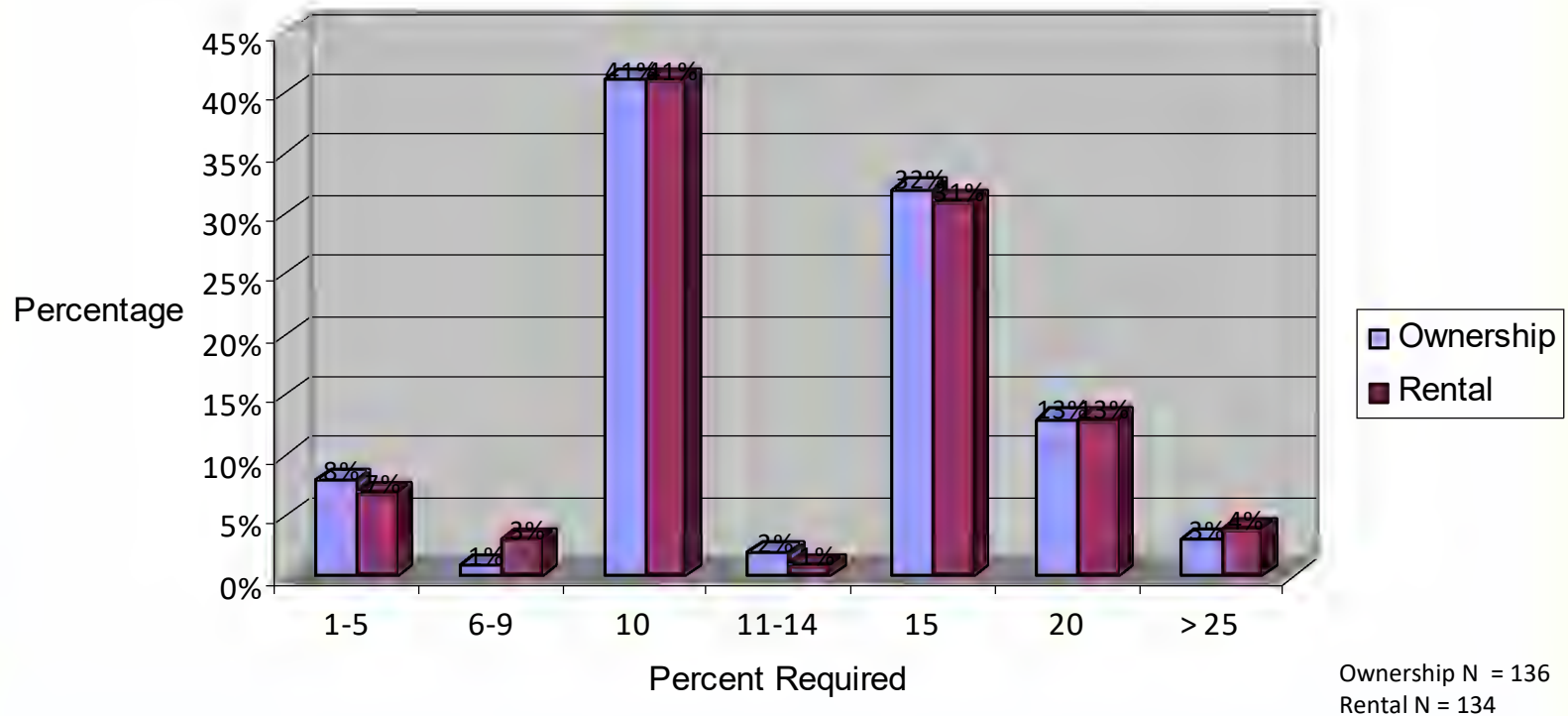
IH Requirement Triggered by 1-5 Units

Figure 7. Minimum Unit-Threshold: Ownership and Rental



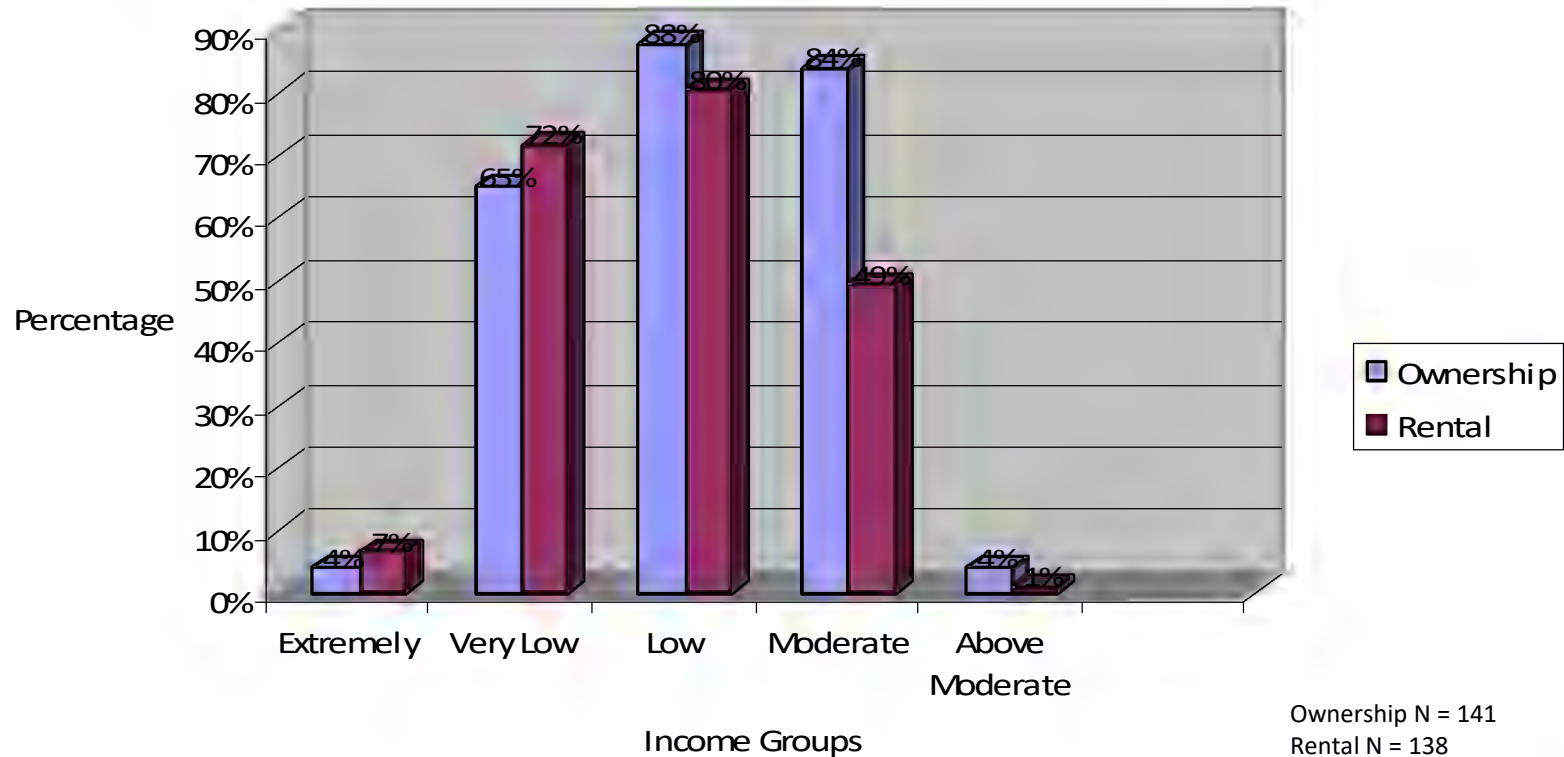
Programs Require 10% or 15% of all Units be Affordable

**Figure 8. Minimum % Affordable Units Required:
Ownership and Rental**



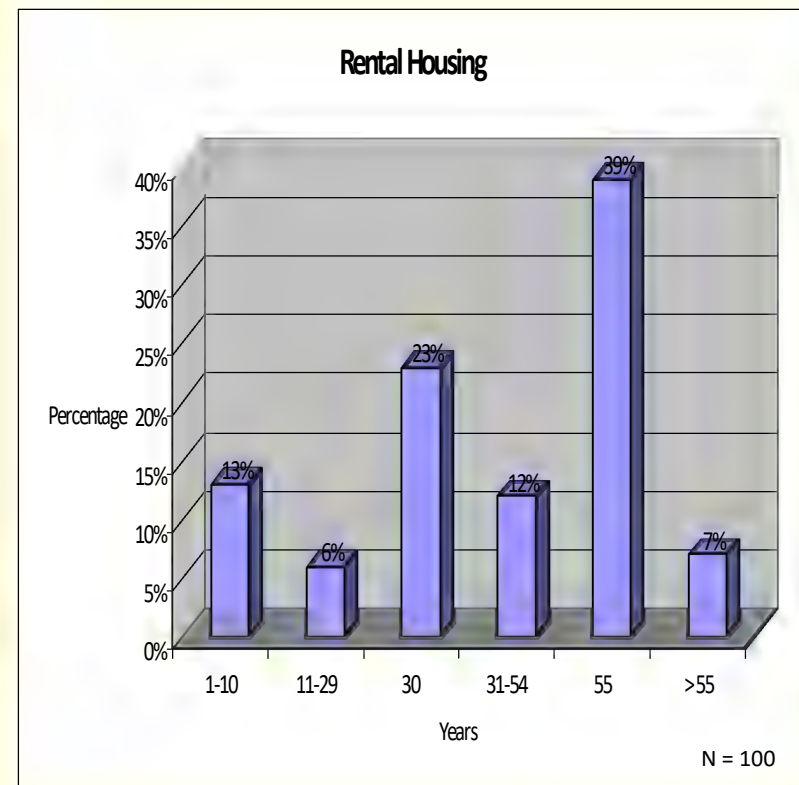
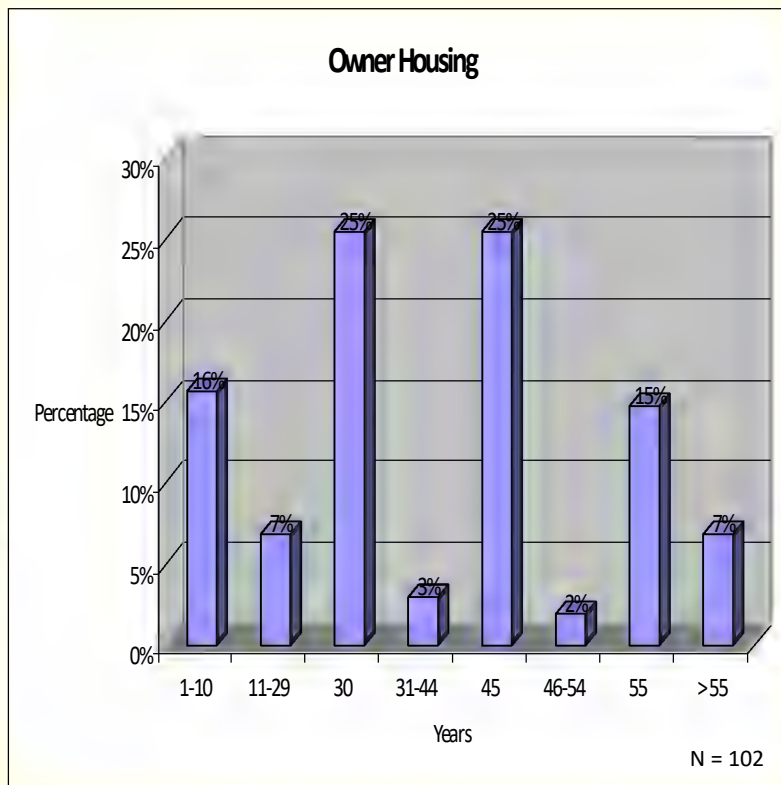
Rental Inclusionary Units Target Lower-Income Residents

Figure 9. Targeted Income Groups: Ownership and Rental



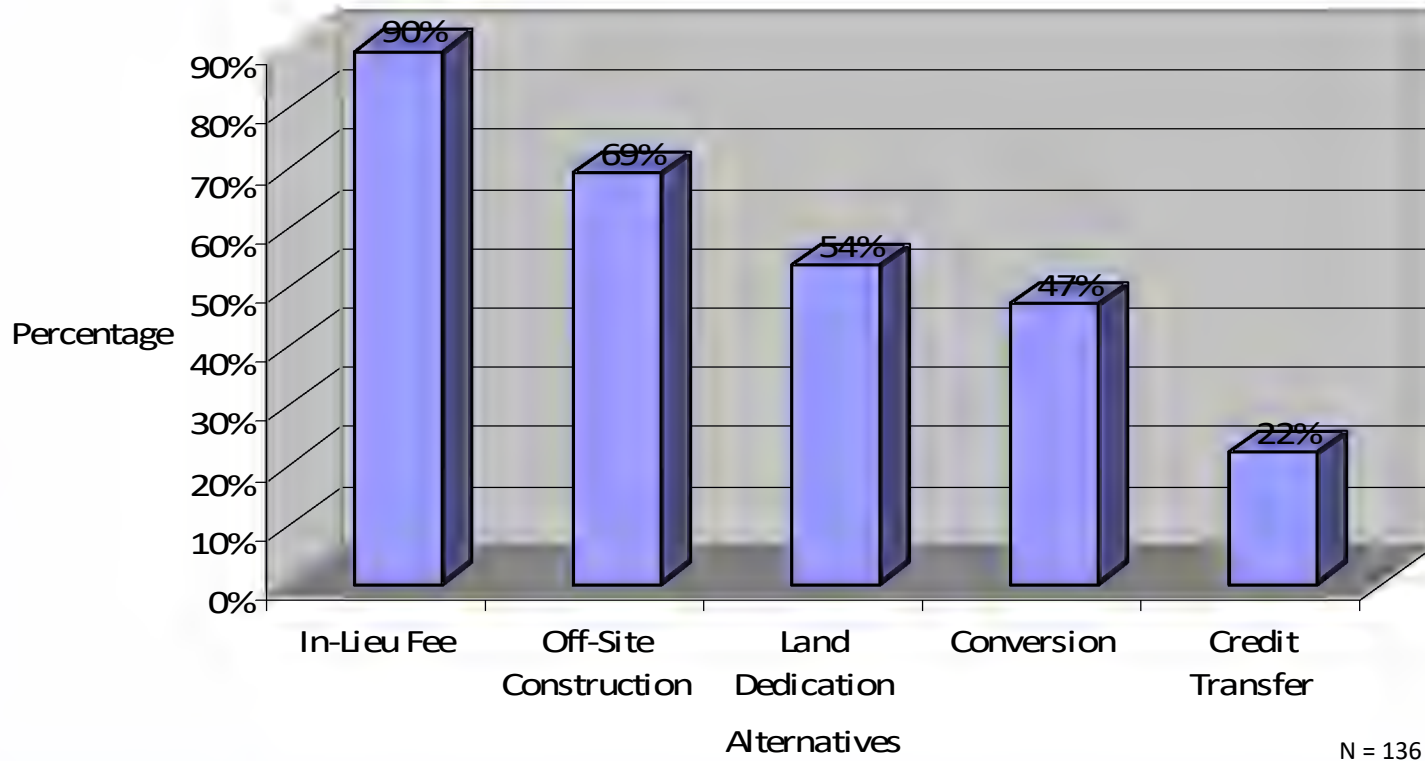
Rental Inclusionary Units Stays Affordable Longer

Figure 10. Minimum Years of Affordability

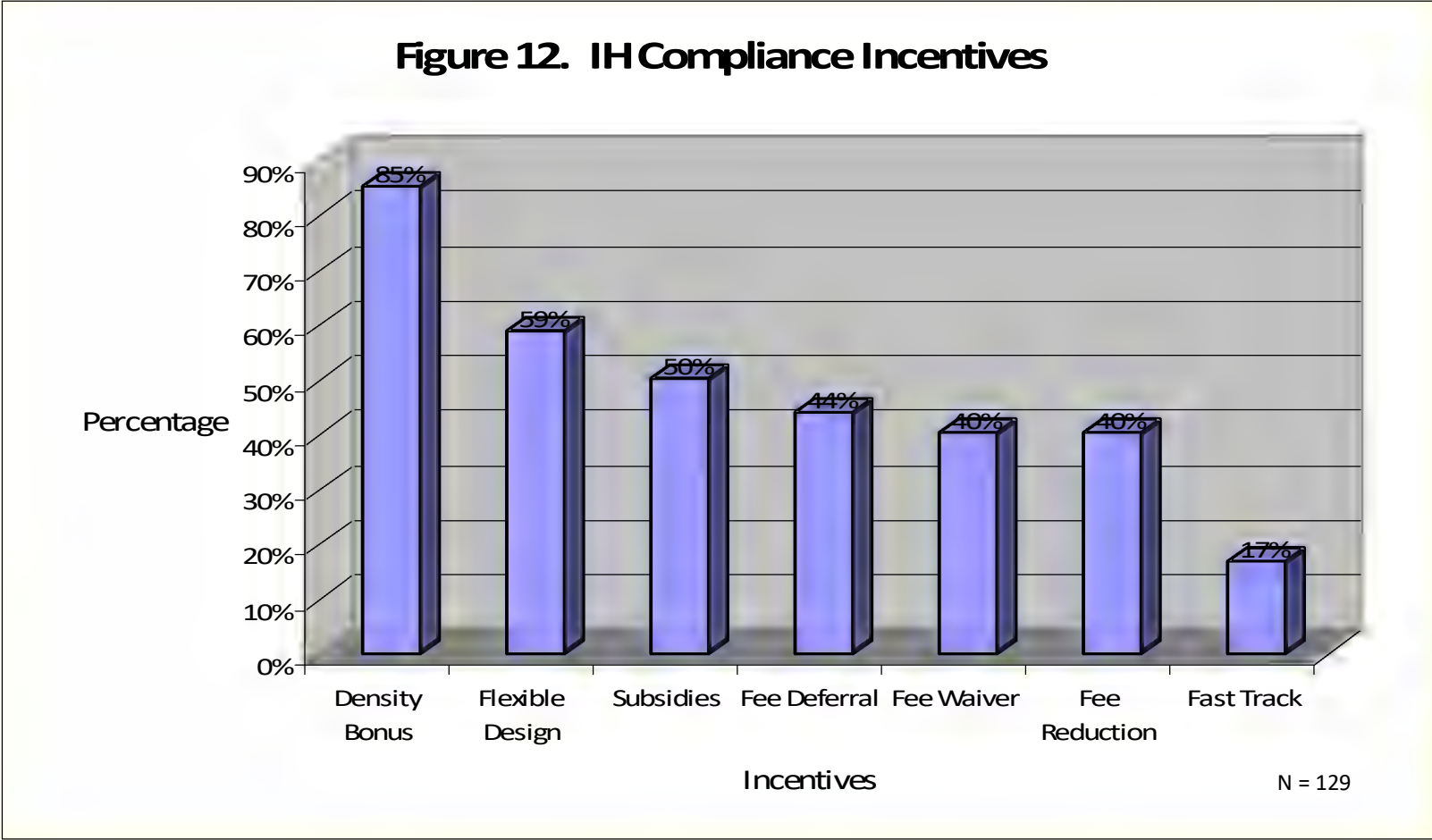


In-Lieu Fee most Common Construction Alternative

Figure 11. Alternatives to On-Site Construction by Developer



Density Bonus Most Common Compliance Incentive



City of Davis

Inclusionary Units: Over 1,500

- Adopted: 1990
- Population: 60,038
- Inclusionary Requirements:
 - ✓ Ownership projects: 25%
 - ✓ Rental projects 35%
- Affordability requirements: very low- to moderate-income



Inclusionary Land Dedication: Powerful Tool for Diversity

Table I: Land Dedication and Housing Production
(Includes completed and planned projects)

| Housing Type | Developments | Units | Percent of Units |
|-------------------------|--------------|--------------|------------------|
| Multifamily Rental | 13 | 566 | 56% |
| Multifamily Ownership | 1 | 15 | 1% |
| Single Family Ownership | 6 | 89 | 9% |
| Senior/Disabled | 5 | 155 | 15% |
| Special Needs | 1 | 52* | 5% |
| Student Dormitory | 1 | 112 | 11% |
| Unspecified | 1 | 16 | 2% |
| Totals | 28 | 1,026 | 100% |

Windmere Apartments:

Family Housing in Upscale Mace Ranch Subdivision



Walnut Terrace Apartments:

Senior Housing in Upscale Mace Ranch Subdivision



Willow Glen Apartments: **Senior/Disabled Housing in Upscale Mace Ranch Subdivision**



2-Bedroom House:

Single-Family Unit in Upscale Mace Ranch Subdivision



Strong Design and Density Incentives Help IH Work

Davis incorporates Smart Growth principles to reduce the costs of compliance for developers:

- ✓ Small lot sizes
- ✓ Narrow streets
- ✓ Reduced setbacks
- ✓ Changes in house orientation
- ✓ Irregular lot sizes
- ✓ Elimination of sidewalks on one side of street



**SHARED
DRIVEWAYS**

**SHORT SETBACKS, LOT SIZE
REDUCTIONS, REDUCED
STREET WIDTHS**

NO SIDEWALKS

NO SIDEWALKS

Land Use Strategies



Arguments Against Inclusionary Housing

- Taxes One Group to Benefit Another
- Reduces Overall Housing Production
- Shifts Costs to Middle-Income Families
- Lowers Property Tax Revenues
- Exports Inner-City Problems



Counter-Arguments of Inclusionary Proponents

- Development is a Privilege, not a Right – Social Cost Nexus Justification
- No Evidence that Inclusionary Decreases Production
- No Evidence of Cost-Shifting to Market-Rate Housing
- Cost Off-Sets Reduce Impacts on Developers – Still Earn Reasonable Rate of Return on Investment
- Landowners Share Costs with Developers – Reduced Land Values



Land Residual Analysis

- Estimated project revenues
- Less development costs (building fees, marketing, financing, IH Compliance)
- Less developer profit
- Equals land price developer will pay



Support Actual Affordable Housing Projects

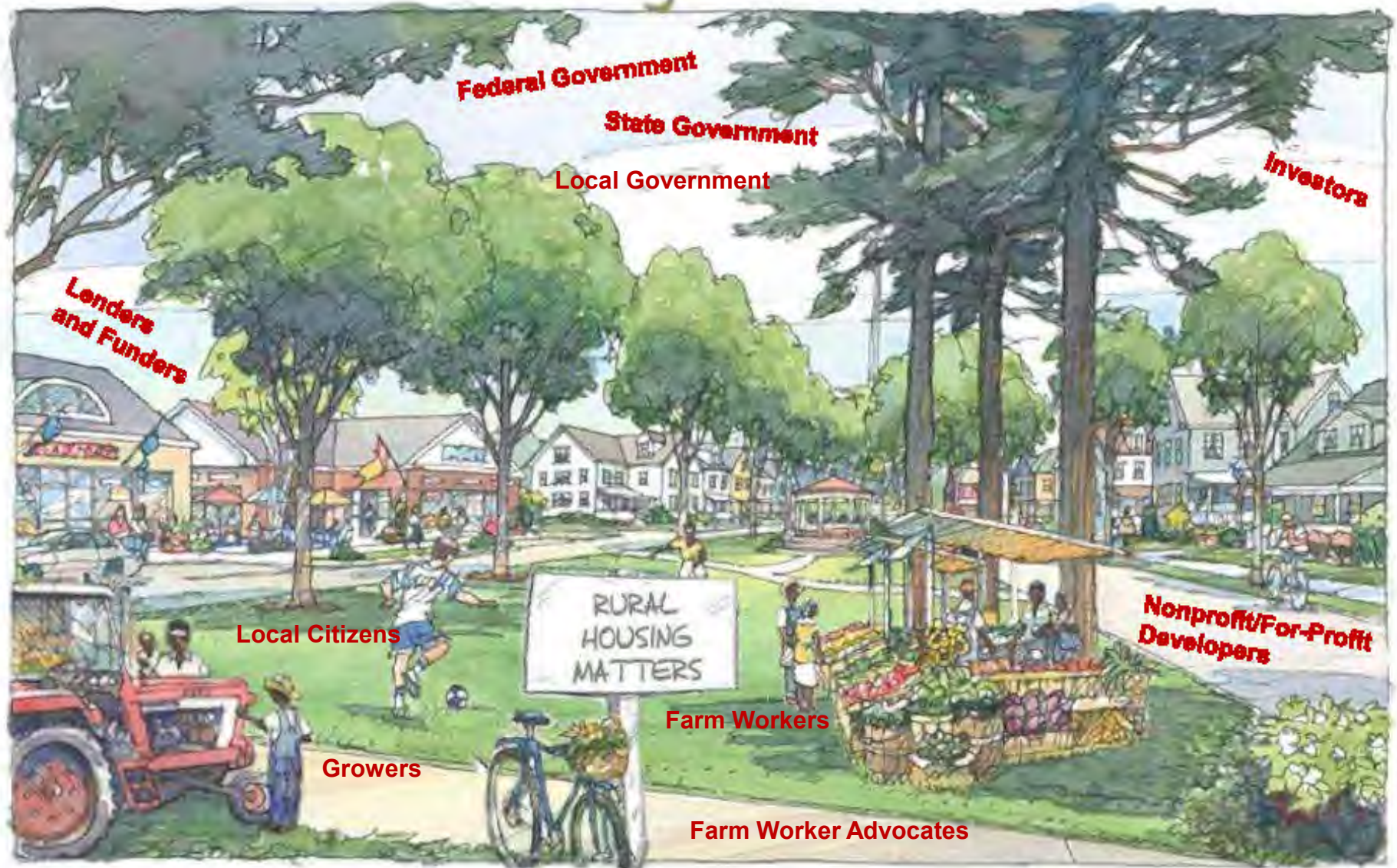
- Affordable Housing sometimes strongly opposed!



NIMBY cows.

- *Community Support Can Make the Difference!*

It takes a village





Thank You

Presented by:

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California Coalition for Rural Housing
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Sacramento, CA 95814
(916) 443-4448
rob@calruralhousing.org

ADJOURNED REGULAR CHICO CITY COUNCIL MEETING - October 20, 2020
Minutes

1.1. ADJOURNED REGULAR CITY COUNCIL MEETING - 6:00 p.m.

1.2. Call to Order - Mayor Schwab called the October 20, 2020 - Adjourned Regular City Council meeting to order at 6:00 p.m. in the Council Chamber, 421 Main Street, Chico, CA.

1.3. Invocation - Chaplain Bud Chauvin

1.4. Pledge of Allegiance to the Flag

1.5. Roll Call

Present: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab

Absent: None

1.6. Item After the Posting of the Agenda - Closed Session

A motion was made by Councilmember Stone and seconded by Councilmember Reynolds to agendize the following Closed Session item that arose after the posting of the agenda:

Mark David Herrera vs. City of Chico, ET al 2:19-CV-02749 USDC - Eastern District of CA

The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab

NOES: None

A motion was made by Mayor Schwab and seconded by Vice Mayor Brown to continue Item 5.3. Ad Hoc Policing Advisory Committee Report to a future meeting.

The motion carried by the following vote:

AYES: Huber, Morgan, Reynolds, Brown, Schwab

NOES: Ory, Stone

A motion was made by Councilmember Morgan and seconded by Councilmember Reynolds to continue Item 5.6. related to Airport Leases to a future meeting.

The motion carried by the following vote:

AYES: Huber, Morgan, Reynolds, Brown, Schwab

NOES: Ory, Stone

2. CONSENT AGENDA

Addressing the Council in person on the Consent Agenda were Tom DiGiovanni and Patrick Newman.

Mayor Schwab and Councilmember Reynolds announced that they were disqualified on Item 2.4. due to owning leasehold properties in the area being discussed.

A motion was made by Councilmember Huber and seconded by Councilmember Reynolds to approve the Consent Agenda, as read, with it noted that Mayor Schwab and Councilmember Reynolds were disqualified on Item 2.4.

The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab
NOES: None

2.1. REVISION TO LEASE TERMINATION OF SILVER DOLLAR BMX

The City Manager recommended City Council authorize a revision of intent to terminate the lease with Silver Dollar BMX (2352 Dr. Martin Luther King Jr. Parkway) extending the lease termination on a month to month basis. *(Mark Orme, City Manager)*

2.2. ALLOCATION OF GENERAL FUND SURPLUS FOR FYE 6/30/2020 TO RESERVES

The City was in the process of completing the annual audited financial statements for the fiscal year ending June 30, 2020. The General Fund (Funds 001& 002) pre-audit surplus for the year ending June 30, 2020 was \$8,898,737. Staff requested \$5,693,815 of this surplus be committed and transferred to the following reserves in the General Fund at June 30, 2020: Emergency Reserve (Fund 003) - \$5,154,761 and Compensated Absence Reserve (Fund 006) - \$539,054. *(Mark Orme, City Manager)*

2.3. CONSIDERATION OF APPROVAL OF SUPPLEMENTAL APPROPRIATION/BUDGET MODIFICATION NO. 2021-ASD-002

The City Manager requested consideration and approval of a Supplemental Appropriation/Budget Modification to the FY 2020-21 Budget. *(Mark Orme, City Manager)*

2.4. AUTHORIZATION OF EXECUTION OF PROPERTY BASED BUSINESS IMPROVEMENT DISTRICT AGREEMENT AMENDMENT #1

The City Manager recommended authorizing the execution of Amendment #1 to the Agreement between City of Chico and Downtown Chico Property Based Business Improvement District for Implementation of [the] Management District Plan which would provide \$17,467 in additional funds to the PBID to reflect the general benefit provided to the greater community from the services and improvements performed by the PBID.

The PBID was approved and established for a five-year (5) term beginning January 1, 2018 through December 31, 2022 and encompasses approximately 45 whole and partial blocks in the commercial core of Downtown Chico. On April 3, 2018, the City Council approved an agreement between the City and the PBID organization to allow the City to distribute the assessments collected by Butte County on behalf of the PBID directly to the PBID. At the time, the PBID requested the City contribute to the General Benefit component, but no motion was offered. On November 13, 2019, the PBID formally requested the City consider providing the General Benefit component to the Downtown PBID. *(Mark Orme, City Manager)*

Councilmember Reynolds and Mayor Schwab were disqualified on this item due to owning a leasehold property within the area being discussed.

2.5. AMENDMENT TO CITY OF CHICO BUDGET APPENDIX B-3

An amendment to the City of Chico's 2020/21 Fiscal Year Budget Appendix B-3, modifying the Full-time position allocations for the City Manager's Office. *(Mark Orme, City Manager)*

2.6. ITEMS REMOVED FROM THE CONSENT AGENDA - None

- 3. BUSINESS FROM THE FLOOR** - Members of the public addressed the Council on matters not listed on the agenda, with comments limited to three minutes or as determined by the Mayor based on the number of speakers. The Council was precluded from taking action on requests made under this section of the agenda.

Addressing the Council on Business from the Floor were Rob Berry, George Deeds, Daman Fadale, Kami Smith, Rhonda Magnusson, Patrick Newman, Sascha Sarnoff, Ruth Sarnoff, and Larry Halstead.

- 4. PUBLIC HEARINGS** – No scheduled Public Hearings

5. REGULAR AGENDA

5.1. CONSIDERATION OF HOUSING AD HOC COMMITTEE REPORT & RECOMMENDATIONS - Continued from 10/6/20 meeting

The Council considered the April 1, 2020 report and recommendations from the Housing Ad Hoc Committee and provided further direction to staff regarding the proposed recommendations. Additionally, at its meeting of July 7, 2020, Councilmember Stone requested that Council address inclusionary zoning which was not originally included in the interim report. Following Council's discussion, Councilmember Ory noted that was already a prior action taken by the Council to bring back the Housing Ad Hoc Committee report at such time all items could be heard by the Council which would now include the inclusionary zoning statement. **(Report - Councilmember Stone)**

Addressing the Council via Engaged Chico were Angela McLaughlin, Susan Smead, Rob Berry, Kate Leyden, and Jackie Smith.

Public Comments were received Grace Marvin, and Nichole Nava.

Larry Halstead addressed the Council in person.

A motion was made by Councilmember Ory and seconded by Councilmember Stone to accept the Ad Hoc Housing Report recommendations as noted below, with inclusionary zoning to come back for more discussion and development of a policy that will address future units. Staff was also asked to find incentives for the inclusionary zoning so that this could be brought forward to the Planning Commission for consideration and implementation.

1. Land Absorption, Future Demand, and Residential Pipeline – The Ad Hoc Committee recommends that the City approve projects that are consistent with the City's General Plan and Municipal Code, honoring the Chico 2030 General Plan and acknowledging that the Land Use Diagram represents where the community has agreed it will focus growth.
2. Importance of Infrastructure – The Ad Hoc Committee recommends that staff: (1) submit IIG Grant; (2) seek other funding opportunities; (3) implement Capital Project Program with emphasis on supporting residential development; and (3) direct staff to assess Development Impact Fee structure in order to encourage more small and affordable housing.

3. Infill Opportunity Sites - The Ad Hoc Committee recommends that Council direct staff to fund planning and pre-engineering for these three sites in coordination with property owners to encourage infill development.
4. Accessory Dwelling Units (ADUs) - The Ad Hoc Committee recommends that Council: (1) extend the current fee reduction for ADUs not already mandated by the State (units greater than 750 SF); (2) remove SD-4 Overlay requiring Use Permit for ADU in Avenues; and (3) direct staff to identify neighborhoods where sewer and other infrastructure will limit ADUs.
5. Senate Bill 2 (Building Homes and Jobs Act) Work Program - The Ad Hoc Committee recommends that Council direct staff to: (1) implement SB2 Programs; and (2) revisit North Chico SPA.
6. Housing Element Update - The Ad Hoc Committee recommends that Council utilize the State-mandated, comprehensive Housing Element Update process to consider, vet, and direct new programs that will stimulate workforce and affordable housing.
7. Butte County Airport Land Use Compatibility Plan - The Ad Hoc Committee recommends that Council pursue BCALUCP Amendments.
8. Affordable Housing Projects - The Ad Hoc Committee recommends that Council direct the City staff to: (1) identify land and development partners for an additional large affordable housing development; and (2) direct staff to further assess ways to encourage community land trusts as an affordable development model and identify any barriers.
9. Request for Information (RFI) for Use of City-Owned Properties for Affordable Housing - The Ad Hoc Committee recommends that the proposals received are shared with Council and investigated for opportunities for future collaboration.
10. Inclusionary Zoning - The Ad Hoc Committee recommends adoption of an Affordable Housing zoning policy (Inclusionary zoning). It is the committee's intent that this policy be applicable to projects not yet in the "pipeline", particularly Specific Planning Areas. It is recommended that several incentives be provided such as additional density bonus, fee deferral, fee reduction and fast tracking. The committee recognized that subsidy would be the most effective incentive, but the City lacks a funding source. The committee notes that AHZ can be accomplished by land dedication, or actual construction and sale of units below market, or by paying a in lieu fee. The committee recommends land dedication as the primary method. The committee further recommends that this policy be considered by the Planning Commission for their recommendation.

The motion carried by the following vote:

AYES: Huber, Ory, Stone, Brown, Schwab

NOES: Morgan, Reynolds

5.2. QUALITY OF LIFE PLAN - *Continued from the 10/6/20 meeting.*

Homelessness in Chico, and across Butte County, has grown at an alarming rate impacting the health and safety of all residents. To address this concern, City staff have articulated several solutions in the Homeless Opportunities Plan (Plan) that may alleviate these impacts while creating other opportunities for sheltering and linkages to services for homeless persons.

After presenting the Plan to the City Council on September 22, 2020, City staff took the input and direction provided by Council, and many members of the public, and developed an operational plan that creates a framework to allow staff to focus on strategies and action items that are integral to improving the quality of life in the City of Chico while addressing the needs of persons experiencing homelessness.

The Quality of Life Plan is hereby forwarded to Council for consideration, which creates a framework to bolster the Homeless Opportunities Plan, to support the overarching goals of the City Council and community.

The Council recessed at 7:19 p.m. for a ten-minute break. The meeting was reconvened and all members were present.

Recommendations:

- Provide direction on the 3-year plan to improve Chico's quality of life.
- Authorize up to \$1.8 million in supplemental appropriations for the following:
 - Action 1.2.D: Sanctioned camping site planning and environmental work (\$100,000)
 - Action 1.3.A: Increase short-term emergency shelter beds (\$657,967)
 - Action 1.3.B: Expand existing emergency shelter beds by 50 (\$300,000)
 - Action 2.1.A: Conduct fire risk assessment (\$100,000)
 - Action 2.2.A: Municipal code enforcement (\$60,000)
 - Action 2.2.B: Public Works request system (\$21,000)
 - Action 2.2.C: Parks & waterways clean up (\$550,000)
 - Action 2.2.D: Increase TARGET Team hours (TBD)
- Approve the concept of and anticipate potential approval of funding for:

| | |
|-------------------------|---|
| Potential Action 1.2.C: | New BMX completion (\$600,000) |
| Potential Action 1.3.C: | Identify site for non-congregate emergency-sheltering solution estimated cost \$5 Million - \$8 Million) |
- Approve the concept of and anticipate potential approval of funding for:

| | |
|-------------------------|--|
| Potential Action 1.2.C: | New BMX completion (\$600,000) |
| Potential Action 1.3.C: | Identify site for non-congregate emergency sheltering solution (estimated cost \$5 Million - \$8 Million) |

Addressing the Council on this item via Engaged Chico were Angela McLaughlin, Jamie Damon, Will Brady, Jacky Smith, and Kim Dietz.

Grace Marvin, Diane Suzuki-Brobeck, and Kirk Monfort participated by sending in email comments.

Addressing the Council in person were Charles Withuhn, Rhonda Magnusson, Patrick Newman, Larry Halstead, Ulis Gordon, Nancy Park, Emily Alma, and Jack Lee.

Council Discussion

Council discussed the various options included in the report. Vice Mayor Brown expressed that prioritizing housing first should be the first priority. Additionally, measurements are needed. She also noted that zero dollars are going to permanent housing and the City may want to consider directing some funding to the Housing Trust. She stated she appreciated the plan and when looking at best practices for campsites, it's better to start smaller, with perhaps three different sites.

Councilmember Stone again requested that staff look at utilizing the former CHP building and parking lot.

Councilmember Huber expressed support for a more dispersed approach vs. one large campsite.

Councilmember Morgan expressed support for expanding emergency shelter beds by 50 immediately which would meet the needs of the campers, reduce the fire risk associated with illegal camping and code enforcement. He was concerned over the option of using \$700,000 for three months only for the proposed site at the airport as the homelessness issue is not going away in 90

days. He also felt that things are most successful when started small and asked if there were smaller steps that could be taken to see if it will work.

A motion was made by Councilmember Huber and seconded by Councilmember Ory to consider moving forward with all items except the \$700,000 for the three months costs associated with a campsite at the Airport, and approval for the \$100,000 to assess the BMX location for a campsite including the review of ingress and egress requirements.

The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab
NOES: None

- 5.3. **CONSIDERATION OF POLICING REVIEW AD HOC COMMITTEE INTERIM REPORT - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.4. **ESTABLISHMENT OF NEW FEES FOR THE COMMERCIAL CANNABIS PROGRAM - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.5. **AN ORDINANCE OF THE CITY OF CHICO ADOPTING TITLE 12R - RULES AND REGULATIONS OF BIDWELL PARK AND OTHER PARKS AND PLAYGROUNDS AS ENFORCEABLE AS EITHER MISDEMEANORS OR INFRACTIONS UNDER THE CHICO MUNICIPAL CODE - - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.6. **CONSIDERATION TO APPROVE THE AIRPORT COMMISSION RECOMMENDED REVISED STANDARD LEASE POLICY AND NEW STANDARD LEASE AGREEMENT WITH EXHIBITS - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.7. **CLOSED SESSION ITEM ADDED AFTER THE POSTING OF THE AGENDA**

Mark David Herrera vs. City of Chico, ET al 2:19-CV-02749 USDC - Eastern District of CA

6. **REPORTS AND COMMUNICATIONS** - The following reports and communication items were provided for the Council's information. No action could be taken on items under this section unless the Council agrees to include it on a subsequent agenda.
 - 6.1. **CITY MANAGER'S REPORT - Verbal Report, City Manager Orme**
 - 6.2. **ANNUAL REBUDGETS OF FISCAL YEAR 2019-20 INTO FISCAL YEAR 2020-21 AND REPORT ON CONFIRMING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2019-20 – Information only**
 - 6.3. **SUNSHINING OF DRAFT MOU - CHICO MANAGEMENT EMPLOYEES (CME) - Information only**

Pursuant to the "Sunshine and Transparency" requirements of the negotiation process, the Council is provided a draft copy of the Memorandum of Understanding applicable to CME. This initiates the two week "sunshining" period for Council and community members to review the draft document. A final presentation will be brought forward to Council for consideration at its meeting on November 3, 2020. **(Jamie Cannon, Director of Human Resources & Risk Management)**
 - 6.4. **SUNSHINING OF DRAFT PBR – PUBLIC SAFETY MANAGEMENT (PSM) - Information only**

Pursuant to the "Sunshine and Transparency" requirements of the negotiation process, the Council is provided a draft copy of the Memorandum of Understanding applicable to PSM. This initiates the two week "sunshining" period for Council and community members to review the draft document. A final presentation will be brought forward to Council for consideration at its meeting on November 3, 2020. **(Jamie Cannon, Director of Human Resources & Risk Management)**

- 6.5. **COUNCILMEMBER REQUESTS** - Pursuant to AP&P 10-10, Councilmembers may verbally request an item to be agendized at a future meeting. After stating what the item would be, a majority vote of Council was needed in order for staff to agendize. Councilmembers may also submit requests in writing.

Councilmember Ory Verbal Request – Specific Planning Areas and General Plan Update

A motion was made by Councilmember Ory and seconded by Councilmember Stone to agendize at a future meeting.

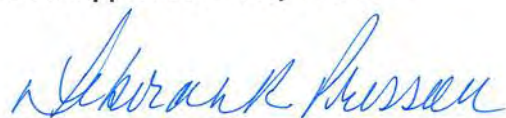
The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab
NOES: None

Councilmember Huber Verbal Request – Additional Trash Receptables – Staff will provide an update to Council.

7. **CLOSED SESSION** - Council recessed at 10:06 p.m. to Closed Session in Conference Room 1.
- 7.1. **CLOSED SESSION PUBLIC COMMENTS OR COUNCIL DISQUALIFICATIONS**
- 7.2. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Pursuant to Gov. Code Sec. 54956.8.**
- Agency Negotiator: Mark Orme, City Manager
Party negotiating with: Dan Gonzales
APN: 002-180-087, 002-18-088, 002-180-089, 002-180-095
Address: Bruce Rd. and Humboldt Ave.
- 7.3. **CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION: Pursuant to Cal. Gov Code Sec. 54956.9(d)(1):**
- City of Chico et al v. Amerisourcebergen Drug Corporation et al (NDO MDL 1:20-op-45189; EDCA 2:20-cv-00876-MCE-DMC)
- 7.4. **CONFERENCE WITH LABOR NEGOTIATOR - Pursuant to Gov. Code Sec. 54957.6**
- Negotiator: Jamie Cannon, Director of Human Resources & Risk Management
Employee Organization: Chico Police Officers Association, UPEC
- 7.5. **CLOSED SESSION ITEMS ADDED AFTER THE POSTING OF THE AGENDA**
- Mark David Herrera vs. City of Chico, ET al 2:19-CV-02749 USDC - Eastern District of CA*
- 7.6. **CLOSED SESSION ANNOUNCEMENT**
- The Council met in Closed Session regarding the items as noted on the agenda. No action was taken; direction was provided.*
8. **ADJOURNMENT** – Adjourned at 10:38 p.m. to the Regular City Council meeting on November 3, 2020 at 6:00 p.m. in the Council Chamber at 421 Main St. Chico, CA.

Date Approved: /drp 11/17/20



Deborah R. Presson, MMC, City Clerk