



AGENDA
Regular Meeting of the Lompoc City Council
Tuesday, May 1, 2018 – 6:30 P.M.
City Hall, 100 Civic Center Plaza, Council Chamber

Please be advised that, pursuant to State Law, any member of the public may address the City Council concerning any Item on the Agenda, before or during Council consideration of that Item. Please be aware that Items on the Consent Calendar are considered to be routine and are normally enacted by one vote of the City Council. If you wish to speak on a Consent Calendar Item, please do so during the first Oral Communications.

“Members of the Public are Advised that all **PAGERS, CELLULAR TELEPHONES** and any **OTHER COMMUNICATION DEVICES** are to be **turned off** upon entering the City Council Chambers.”

Regular City Council meetings will be videotaped and available for review on the City’s website by the end of the day on the Thursday following the City Council Meeting. **The Agenda and related Staff reports are available on the City’s web site: www.cityoflompoc.com the Friday before Council meetings between 9:00 a.m. and 5:00 p.m.**

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this agenda will be made available the Friday before Council meetings at the City Clerk’s Office at City Hall, 100 Civic Center Plaza, Monday through Friday between 9 a.m. and 5 p.m. and at the Information Desk at the Lompoc Library, 501 E. North Avenue, Lompoc, California, Monday - Thursday between 10 a.m. and 7 p.m. and Friday and Saturday between 1 p.m. and 5 p.m. The City may charge customary photocopying charges for copies of such documents.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, including review of the Agenda and related documents, please contact the City Clerk at (805) 875-8241 at least 72 hours prior to the meeting. This will allow time for the City to make reasonable arrangements to ensure accessibility to the meeting.

ROLL CALL: Mayor Bob Lingl
Mayor Pro Tempore Jenelle Osborne
Council Member James Mosby
Council Member Dirk Starbuck
Council Member Victor Vega

INVOCATION: Pastor Darren Hunt

PLEDGE OF ALLEGIANCE: Mayor Bob Lingl

PRESENTATIONS:

Mayor Lingl will present a proclamation in honor of **National Economic Development Week** May 7 – 12, 2018

Council Member Osborne will introduce the local area first place winner and California State fourth place winner of the **2018 American Association of University Women’s Eleanor Stem Allen Memorial Speech Contest.**

CITY MANAGER REPORT: (Information only)

PUBLIC COMMENT ON CONSENT CALENDAR ITEMS (Maximum of 3 Minutes):

CONSENT CALENDAR: All items listed under Consent Calendar are considered to be routine and will be enacted, after one motion, in the form listed below. There will be no separate discussion of these items unless good cause is shown prior to the Council vote. Any items withdrawn from the Consent Calendar for separate discussion will be addressed immediately before the second Oral Communications, near the end of the meeting.

1. **Approval of Minutes** of the Lompoc City Council Regular Meeting of November 21, 2017

2. **Approval of expenditures for:**

Payroll of 04/06/2018 - \$1,141,085.84
Voucher Register of 03/26/2018 – 03/30/2018 -\$1,447,624.58
Voucher Register of 04/02/2018 – 04/06/2018 - \$437,639.13

3. **Adoption of Resolution No, 6176(18) Authorizing the Filing of a Transportation Development Act Claim for Fiscal Year 2018-2019.**

Aviation/Transportation Administrator Richard Fernbaugh
r_fernbaugh@ci.lompoc.ca.us

Recommendation: Council adopt Resolution No. 6176(18), which sets forth expenditures for California Transportation Development Act (TDA) Local Transportation Funds and State Transit Assistance Fund in the Fiscal Year 2018-2019 and authorizes the filing of TDA claim package with the Santa Barbara County Association of Governments.

STAFF PRESENTATIONS/ANNOUNCEMENTS/REQUESTS:

- Planning Manager Brian Halvorson will present preliminary information on a Light Study for Riverbend Park.

- Economic and Community Development Staff to present update on Opportunity Zones.

- Financial Services Staff will provide an update on the Financial System Upgrade.

ORAL COMMUNICATIONS (3 Minutes Maximum):

APPOINTMENTS:

4. **City Council Appointment of Alternate City Representative to the Northern California Power Agency (NCPA) and the Transmission Agency of Northern California (TANC).**

NEW BUSINESS:

5. **Adoption of Resolution No. 6175(18), Supporting the Reducing Crime and Keeping California Safe Act of 2018.**

Chief of Police Pat Walsh
pwalsh@ci.lompoc.ca.us

Recommendation: Council adopt Resolution No. 6175(18), to authorize the support of the Reducing Crime and Keeping California Safe Act of 2018.

(Public Comment)

COUNCIL REQUESTS:

6. **Adoption of Resolution No. 6177(18), Amending the Lompoc Homebuyer Assistance Program Guidelines and Allocating Funds.**

Interim Economic Development Director Christie Alarcon
c_alarcon@ci.lompoc.ca.us

Recommendation: Council adopt Resolution No. 6177(18), which will:

- a) Approve the City of Lompoc Homebuyer Assistance Program Guidelines as amended; and
- b) Approve the allocation of \$1,450,000 from the Lompoc Affordable Housing Trust Fund's (LAHTF) Fund Balance to provide additional funding to the Lompoc Homebuyer Assistance Program; and
- c)
- d) Authorize the City Manager, the Interim City Manager or her or his designee to sign any agreements necessary in implementation of the revised program.

(Public Comment)

City Council will recess to a Closed Session immediately following the last Regular City Council Meeting item.

CLOSED SESSION – City Council Conference Room

BUSINESS ITEM:

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:** Property: Easements in the public right-of-way along the north side of Central Avenue between the westerly boundary of the City and V Street and on V Street north of Central Avenue and/or the southerly portion of the Water Treatment Plant property. Agency negotiators: Teresa Gallavan, Interim City Manager and Joseph W. Pannone, City Attorney. Negotiating party: Tom Witt, Sure Fresh. Under negotiation: Price and terms of payment.

REPORT ON CLOSED SESSION:

WRITTEN COMMUNICATIONS:

ORAL COMMUNICATIONS (2 Minutes Maximum):

COUNCIL REQUESTS, COMMENTS, AND MEETING REPORTS:

ADJOURNMENT:

Lompoc City Council will adjourn to a Regular Meeting at 6:30 P.M. on Tuesday, May 15, 2018.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 72 hours prior to the meeting. Dated this 27th day of April, 2018.

/Stacey Haddon/

Stacey Haddon, City Clerk
City of Lompoc

Proposed Future City Council Agenda Items

(Please note these items are tentatively scheduled and subject to change)

April 18, 2018

<u>Council Mtg. Date/Subject</u>	Department	Agenda Category	
<u>May 15 – Jt Meeting Senior Commission – CANCELLED</u>			
<u>May 15</u>			
Annual Report from Visit Lompoc	Econ & Comm Dvlp	Presentation	
Park & Pool Assessment Request for PubHrg	Finance	Consent	
CDBG Budget Action Plan Annual Report	Econ & Comm Dvlp	Public Hearing	
Weed Abatement – Declaring Public Nuisance	Fire	Public Hearing	
Tourist Improvement District Renewal	Econ & Comm Dvlp	Public Hearing	
Reappointment of Lompoc Citizen to SBCo Library Advisory Committee	Library	Appointments	
<u>May 21 - Special Joint Mtg w/EDC 9am-2pm</u> will be held at the DeWees Senior Center	Economic & Community Dvlp		
Other Unscheduled Items	Proposed Date of Item	Department	Agenda Category
Special Food Service Permit Process in the Wine Ghetto Area	June	Planning	Council Request
Request for Election Consolidation w/County	June	City Clerk	Consent
SY Riverbed Cleanup Plan	June	Public Safety	Council Request
Annual Operations & Maintenance Plan	June	Planning	New Business
Unclaimed Property	June	Finance	Consent
Review of the Animal Control Contract with County of Santa Barbara	June	Administration	New Business
Council Workshop RE: Zoning Ord Update		Planning	
Council Workshop to Review 2030 GenPlan		Planning	
Report from AdHoc Committee RE: Enterprise Reimbursement Study (Osborne)		Council Request	Presentation
Evaluation of Extended Hours at City Hall (Osborne)			Council Request
AB1234 – Ethics Training	Dec 11		
Presentation of Costs Estimates for Multi-Sports Complex on City-owned property (Mayor Lingl)		Administration	Council Request
Estimates of costs on procuring engineering documents for future City projects (Ryon Park Rehabilitation, Construction of New Fire Station and New Police Station) (Mayor Lingl)			Council Request
Assessment of CCU License Application Deposit (Mosby)	April 2019		Council Request



May 2018 Master Calendar

DATE	ITEM	NOTES
05/01/2018	Joint Meeting City Council & Airport Commission – 6pm CANCELLED	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/01/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/03/2018	*Economic Development Committee - Executive Committee Meeting – 5:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/03/2018	*Economic Development Committee – General Board Meeting – 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/03/2018	* Airport Commission Meeting – 7pm - CANCELLED	Lompoc City Hall – Admin Conference Room - 100 Civic Center Plaza
05/05/2018	Mission to Mars Launch	Viewing Site at Lompoc Airport
05/07/2018	*Human Services Commission - 6:00pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/08/2018	*Library Commission Meeting 10am	Lompoc Main Library - Grossman Gallery 501 E. North Avenue
05/08/2018	*Parks & Recreation Commission – 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/14/2018	*Utility Commission Meeting 6pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/15/2018	City Council Meeting - 6:30pm	Lompoc City Hall - Council Chamber - 100 Civic Center Plaza
05/21/2018	Joint Meeting Workshop – City Council & Economic Development Committee 9am	DeWees Community & Senior Center 1120 West Ocean Avenue, Lompoc
05/28/2018	*Youth Commission Meeting – 7pm	Anderson Recreation Center – 125 W. Walnut Avenue, Lompoc

*One or more Council Members may attend this meeting. However, if a majority of Council Members are present at this meeting, then no Council Member may make any comments regarding any matter within the subject matter jurisdiction of the City if a majority of Council Members would be able to hear those comments. In addition, no Council Member attending this meeting should discuss (at the same time or serially or through an intermediary) with a majority of the Council Members, outside of the duly noticed Council meeting, what occurred at this meeting or his/her thoughts regarding the meeting.

**Only the two Council Members appointed to this Committee may attend this meeting. In addition, no Ad Hoc Committee Member should discuss (at the same time or serially or through an intermediary) with any Council Member outside of the duly noticed Council meeting, other than her/his Ad Hoc Committee co-member, what occurred at this meeting or his/her thoughts regarding this meeting.



City Council Agenda Item

City Council Meeting Date: May 1, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Richard Fernbaugh, Aviation/Transportation Administrator
r_fernbaugh@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No, 6176(18) Authorizing the Filing of a Transportation Development Act Claim for Fiscal Year 2018-2019

Recommendation:

Staff recommends the City Council adopt Resolution No. 6176(18) (attached), which sets forth expenditures for California Transportation Development Act (TDA) Local Transportation Funds (LTF) and State Transit Assistance Fund (STA) in the Fiscal Year (FY) 2018-2019 and authorizes the filing of TDA claim package with the Santa Barbara County Association of Governments (SBCAG).

Background:

City of Lompoc Transit (COLT) provides fixed route and ADA (Americans with Disabilities Act) bus service to the City of Lompoc (City) and limited areas of the County of Santa Barbara (Vandenberg Village, Mission Hills and Mesa Oaks) (County). COLT service is available Monday through Friday from 6:10 a.m. to 7:00 p.m., and Saturday from 9:00 a.m. to 5:00 p.m. COLT also provides a night shuttle service to Allan Hancock College Valley Center Campus until 9:40 p.m., Monday through Thursday. COLT served over 123,136 riders during FY 2017-2018.

In addition to those local services, COLT participates in several regional services. COLT operates the Wine Country Express, which provides three round trips per day, Monday through Saturday, between Lompoc, Buellton and Solvang. That service is provided based on a Memorandum of Understanding (MOU) between the County and the Cities of Lompoc, Buellton and Solvang. The Wine Country Express had 10,074 riders during FY 2017-2018. COLT is also a funding partner for the Breeze bus service between Vandenberg Air Force Base, Lompoc and Santa Maria. The Breeze service is operated by Santa Maria Area Transit (SMAT) through an MOU between the County, Lompoc and Santa Maria. The City currently contributes \$200,000 of TDA funding for the Breeze service. Ridership information for the Breeze is maintained and reported by the City of Santa Maria and is not readily available to the City of Lompoc.

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Transportation Development Act Claim for Fiscal Year 2018-2019

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TDA is a funding source for the development and support of public transportation needs that exist in California. While TDA provides two major sources of funding: LTF and STA, the funding is commonly simplified to TDA. TDA Funds are distributed to all associations of governments throughout the State of California, including SBCAG, by the State of California and they, in turn, oversee the administration and distribution of the funds to the various City and County agencies in each county for transit operations. Each year, in order to receive an allocation from SBCAG for transit, the City is required to file a TDA Claim with SBCAG identifying the proposed expenditures for this money. The recommendation provides for adoption of a resolution approving the TDA claim and authorizing the filing of the TDA claim.

Discussion:

TDA's process allows the City to claim funds for a number of categories of activities. The following categories of funding are available with LTF funding: Regional Transportation Planning, Pedestrian and Bikeway Facilities, Article 4 (Transit – Operations and Capital), Article 4.5 (Community Transit), Article 8a (streets and road maintenance), and Article 8c (Transit Contracts). The following categories of funding are available for STA funding: Transportation Planning and Mass Transportation.

Regional Transportation Planning allocations, while claimed in this process by the City, remains with SBCAG and are utilized by SBCAG for eligible activities under TDA. Preliminary allocation estimates from SBCAG are used for the City's initial claim. SBCAG initially estimates \$2,128,696 of LTF funds and no STA funds will be allocated for the FY 2018-2019 claim period.

Resolution No. 6176(18) identifies the claims for funding included on the TDA Claim as follows:

	<u>Claim Amount</u>
Regional Transportation Planning	\$52,671
Pedestrian and Bikeway Facilities	35,831
Article 4 (Transit – Operations and Capital)	2,092,865
Article 4.5 (Community Transit)	none
Article 8a (streets and road maintenance)	none
Article 8c (Transit Contracts)	none
Transportation Planning	none
Mass Transportation	none

Included with the City's claim for Article 4 (Transit) funds are apportionments from the County to pay their share for COLT service to Mission Hills, Vandenberg Village, Wine Country Express and the Bridge House.

Fare Box Revenue

COLT is mandated by TDA to meet a system wide fare box ratio. Currently, the mandated fare box ratio is 15% under TDA guidelines through FY 2018-2019. The fare box ratio will

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Transportation Development Act Claim for Fiscal Year 2018-2019

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return to 20% in FY 2019-2020. The City Council previously authorized the use of local Measure A funds to supplement fare box revenues to meet minimum fare box ratios, if needed. Additionally, the County has agreed to pay for a portion of the service COLT provides to the unincorporated areas of the County with local Measure A funds, a local fund source eligible to be counted as fare box revenues for determining the fare box ratio. Those local fund contributions will ensure COLT meets its TDA fare box requirement.

In addition to securing additional local contributions eligible as fare box revenue, staff continues work to boost fare box recovery using alternate methods. An example is the recent installation of automated fare boxes in all COLT busses in 2017. The use of automatic fare boxes in other jurisdictions has resulted in increased fare collection. With the opening of the Transit Transfer Center, on April 2nd of this year, schedules and routes were revised to provide better route timing and bus connections. Completion and occupancy of the proposed Transit Operations and Fleet Maintenance Facility, on D Street, is estimated to occur during the FY 2020-2021 cycle. Once completed the facility will generate rental revenue, a local fund source eligible as fare box revenues. The additional local fund source of rental revenue will count towards fare box recovery and reduce the need to utilize local Measure A to supplement fare box revenues to meet minimum fare box recovery ratios.

Fiscal Impact:

As part of the TDA claim process, SBCAG provides the City with estimates of available resources of funds in several categories as identified above in the Discussion section. Transit operations are funded utilizing TDA (LTF and STA funds) and other transit related resources. In addition to TDA sources identified above, Federal Transit Administration (FTA) funds are allocated to the City for COLT operations and riders are charged fares to use the system. As necessary, based on fare box ratio requirements, the City may utilize other local fund sources such as Measure A funds from the County or the City for transit operations. The changes to operations, in conjunction with the change in funding sources, including fare revenues, provide for a fare box ratio in excess of the minimum required (i.e. > 15%).

No General Fund revenue from the City is required for operating costs or capital needs of the COLT system.

In addition to providing \$2,092,865 of TDA funding for transit services, the approval of the TDA claim package authorizes \$52,671 for regional transportation planning staff and \$35,831 for pedestrian and bicycle facilities in FY 2018-2019.

Conclusion:

Once adopted, Resolution No. 6176(18) will be submitted to SBCAG for its review and approval in support of our TDA Claim for FY 2018-2019.

Respectfully submitted,

Richard Fernbaugh, Aviation/Transportation Administrator

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Kevin P. McCune, P.E., Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

Attachment: Resolution No. 6176(18)

RESOLUTION NO. 6176(18)

**A Resolution of the Council of the City of Lompoc,
County of Santa Barbara, State of California,
Authorizing the Filing of the Claim to the
Santa Barbara County Association of Governments for
Allocation of Transportation Development Act Funds for FY 2018-2019**

WHEREAS, the Transportation Development Act (TDA), as amended (Public Utilities Code sections 99200 *et seq.*), provides for the allocation of funds from the Local Transportation Fund (LTF) for use by eligible claimants for various transportation purposes; and

WHEREAS, pursuant to the provisions of the TDA, as amended, and pursuant to the applicable rules and regulations thereunder (21 California Code of Regulations sections 6600 *et seq.*), a prospective claimant wishing to receive an allocation from the LTF or State Transit Assistance Fund (STA) shall file its claim or amended claim with the Santa Barbara County Association of Governments (SBCAG).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, STATE OF CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Interim City Manager or her designee is hereby authorized to execute and file an appropriate claim attached hereto as Exhibit A and necessary claim amendments pursuant to the terms of the TDA, as amended, and pursuant to applicable rules and regulations promulgated thereunder, together with all necessary supporting documents, with SBCAG for an allocation of TDA funds in Fiscal Year 2018-2019.

SECTION 2. The authorized claim includes \$52,671.00 for Regional Transportation Planning, \$35,831.00 for Pedestrian and Bicycle Facilities, and \$2,092,865.00 for Transit Purposes.

SECTION 3. A copy of this Resolution shall be transmitted to SBCAG in conjunction with the filing of the claim.

SECTION 4. This Resolution is effective upon its adoption.

The foregoing Resolution was proposed by Council Member _____, seconded by Council Member _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 1, 2018 by the following vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ATTEST:

Bob Lingl, Mayor
City of Lompoc

Stacey Haddon, City Clerk
City of Lompoc

Attachment: Exhibit A: Claim

Article 3 Bike/ Ped	Article 4 Transit	Article 4.5 Community Transit	Article 8(a) Streets & Roads	Article 8(c) Transit	REQUIRED FORMS CHECKLIST	
					Claimant:	
Cities and County	COLT, Guad., SBMTD, SMAT, SYVT	CTSAs: Easy Lift and SMOOTH	Cities and County	County	Document Name	
X	X	X	X	X	Document A: Claim Form	
X	X	X	X	X	Document B: Resolution	
	X	X		X	Document C: Productivity Improvement	
					Document D: Fiscal Reporting	
	X	X		X	Part A Proposed Operating Budget	
	X	X		X	Part B Proposed Capital Budget	
X	X	X	X	X	Document E: Project Description & RTP Conformity	
	X	X		X	Document F: Maximum Transit Allocation	
					Document G: Fare and Local Funds Ratios	
	X			X	G.1 Fixed Route	
	X (not SBMTD)	X			G.2 Demand Response	
	X (not SBMTD)				G.3 Systemwide (combined)	
					Document H: Standard Assurances	
	X	X		X	H.1 Farebox Ratio	
	X	X		X	H.2 Extension of Service	
	X	X		X	H.3 Federal Funding	
	SBMTD Only	X			H.4 Fiscal Audit	
		X			H.5 LTF ≤ 50% of CTSA's operating budget	
	X	X		X	H.6 State Controller Annual Report	
X			X		H.7 State Controller Annual Report	
	X	X		X	H.8 Retirement System Funding	
	X	X		X	H.9 Staffing of Vehicles	
	X	X		X	H.10 Budget Increase *	
	X	X		X	H.11 CHP Certification **	
	X	X		X	H.12 Fares for Senior and Disabled	
	X	X		X	H.13 Accessibility to Disabled	
	X			X	H.14 Contract for Transit Services **	
		X			H.15 Operations Plan and Budget **	
		X			H.16 Indemnify, Hold Harmless; Insurance **	
	COLT & SYVT Only				H.17 5% Demand Response	
			X		H.18 Unmet Needs *	

*attachments may be required

**attachments required

I hereby certify that I have completed all forms necessary to comply with the requirements of the Transportation Development Act.		Submitted by:	
Signature:		Name:	Richard Fernbaugh
Date:		Title:	Aviation/Transportation Administrator
		E-mail:	r_fernbaugh@ci.lompoc.ca.us
		Phone:	805-875-8268

Council Committee Internal Appointments

<u>COMMISSIONS/COMMITTEES</u>	<u>COUNCIL/STAFF MEMBERS</u>	<u>STATUS</u>
1. Community Action Commission (CAC) Countywide social service agency supported by public and private donations. CAC Programs in the Lompoc Valley include: 2 Head Start centers and weatherization programs for low-income households. (Required to be direct representation of the City Council)	Human Services Commissioner	Meets 1 st Wed. of every Month at 7:00 p.m. in Solvang. Subcommittees also meet once a month
2. Liaison to Chamber of Commerce Board of Directors. First appointment made 4/3/01. Liaison to serve as ex-officio, non-voting member.	Council: Dirk Starbuck	Meets at 7:30 a.m., 4 th Weds each month at Chamber of Commerce.
3. Electric Utility Joint Power Agency's (JPA's) (No. Calif. Power Agency (NCPA) and Transmission Agency of No. Calif. (TANC)), joint action agencies comprised of many public agencies. NCPA purchases, generates, transmits, sells, and pools electric energy and capacity for its members. TANC operates transmission lines for its members.	NCPA & TANC Commissioner: Bob Lingl NCPA Alternate Commissioners: Council Member: Jenelle Osborne Staff: Larry Bean & Tikan Singh Brad Wilkie TANC Alternate Commissioner: Staff: Larry Bean & Brad Wilkie Tikan Singh	NCPA - Meets 4 th Thurs. of the mo. & as needed (normally in No. Cal.) Set annually by Comm. <u>Form 700s:</u> Carey Padgett, NCPA, 651 Commerce Drive, Roseville, CA 95678-6411 TANC – Meets 3 rd Weds. After 1 st Mon. every other mo. In Sacramento. <u>Form 700s:</u> Mardell Moreno, TANC, P.O. Box 15129, Sacramento, CA 95851-0129.
4. S.B. CO. Air Pollution Control District - Comprised of 13 members, including 5 Board of Supervisors, and a representative from each city in the county. City Council representative to be ratified by the City Selection Committee. Meets Following SBCAG.	Council: James Mosby Alternate: Jenelle Osborne	Meets regularly 3 rd Thurs. at 1:30 p.m. following SBCAG various locations in the County. (Board adopts schedule in Nov. <u>Form 700s:</u> Sara Hunt, Clerk of the Board 260 N. San Antonio Rd, Ste.A, Santa Barbara, CA 93110
5. S.B. CO. Association of Governments – Acts as the local Transportation Planning authority and as the Airport Land Use Comm. Each city and the county appoint elected reps to the Board.	Council: James Mosby Council Alternate: Victor Vega	Meets regularly 3 rd Thurs. at 9 am various locations in the County. (Board adopts schedule in Nov.) <u>Form 700s:</u> Terry Contreras, Clerk of the Board 260 N. San Antonio Rd, Ste.A, Santa Barbara, CA 93110
6. Breeze Political Advisory Committee (PAC). - Reviews and approves interagency agreements, budgets, and service plans for the following year.	Council: Dirk Starbuck	Meets at least once a year. Contact for Lompoc: Richard Fernbaugh (805) 875-8268
7. Multi Jurisdictional Solid Waste Task Group.	Council: James Mosby Council Alternate: Victor Vega	Meets every two months.
8. Central Coast Collaboration on Homelessness (C3H)	Council: Jenelle Osborne Alternate: James Mosby	Meets once a quarter in various location in the County.



City Council Joint Meeting Agenda Item

City Council Meeting Date: May 1, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Pat Walsh, Chief of Police
pwalsh@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6175(18) Supporting the Reducing Crime and Keeping California Safe Act of 2018

Recommendation:

Staff recommends the City Council adopt Resolution No. 6175(18) (attached) to authorize the support of the Reducing Crime and Keeping California Safe Act of 2018 (Act).

Background/Discussion:

The California Police Chiefs Association (Association) represents more than 330 active police chiefs, who are directly responsible for the safety of roughly 26 million Californians. Over the last several legislative sessions and election cycles, the Association and law enforcement partners have tried to integrate a series of major reforms into the criminal justice system. However, the cumulative effect has created impacts to our communities that we cannot ignore.

It is important to note, in addressing those consequences, the Association is not proposing to do away with all of the recent changes, and in no way is it advocating for a system of mass incarceration. In general, the overall intent of the prior measures has been to increase opportunities for rehabilitation, while lowering recidivism and incarceration rates. Those are worthy goals.

But those major policy changes have resulted in a series of unintended consequences that have negatively impacted public safety in communities throughout California. Changes meant to help keep someone who steals a magazine out of jail, are now allowing individuals to steal up to \$950 repeatedly from stores and businesses. Reform intended to lower penalties on personal drug use and theft have diminished the amount of evidence law enforcement can collect to help solve cold case murders, rapes and robberies. Modifications to the parole system designed to apply to non-violent offenders are set to potentially provide early release to serious domestic abusers.

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Reducing Crime and Keeping California Safe Act of 2018

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The Association has developed an initiative that will help crack down on repeat offenders and protect our most vulnerable victims from dangerous individuals who take advantage of our laws, our businesses and our communities.

That initiative expands the list of violent crimes for which early release is not an option. Under current law, rape of an unconscious person, trafficking a child for sex, assault of a peace officer, felony domestic violence and other similar crimes are not classified as “violent felonies” – making criminals convicted of those crimes eligible for early release.

The initiative also reinstates DNA collection for certain crimes that were reduced to misdemeanors as part of Prop 47. Multiple studies have shown DNA collected from theft and drug crimes has helped solve other violent crimes, including robbery, rape and murder. Since passage of Prop 47, cold case hits have dropped over 2,000, with more than 450 of those hits connected to violent crimes.

Further, the initiative revises the theft threshold by adding a felony for serial theft – when a person is caught for the third time stealing with a value of \$250. Prop 47 changed the dollar threshold for theft to be considered a felony – from \$450 to \$950. As a result, there has been an explosion of serial theft and an inability for law enforcement to prosecute these crimes effectively. Theft has increased by 12% to 25% in California, with losses of a billion dollars since the law was passed.

Finally, the initiative requires the Board of Parole Hearings to consider an inmate’s entire criminal history when deciding parole, not just his/her most recent commitment offense; and requires a mandatory hearing to determine whether parole should be revoked for any parolee who violates the terms of his/her parole for the third time. AB109 bases parole solely on an offender’s commitment offense, resulting in the release of inmates with serious and violent criminal histories. Moreover, parolees who repeatedly violate the terms of their parole currently face few consequences, allowing them to remain on the street.

The Association has asked for our support as we work collaboratively to achieve success in this effort.

Section C3 of the City Council Handbook states: “The Council will not take any action to provide advice regarding how an elector should vote on any State or local ballot measure, unless the League of California Cities has encouraged cities to take such actions or the matter directly affects the City’s funding or operations.” Staff believes the foregoing would not run afoul of that policy, because the Act is not yet on the ballot, and the present request is for support to see the Act make it to the ballot. Also, Lompoc Police Department is concerned with the rise in theft being a cause of businesses losing revenue, and that loss reducing taxes received by the City, and believes the Act could help to correct that situation.

Fiscal Impact:

The approval of this resolution will have no fiscal impact to the City's resources.

Conclusion:

The public safety of the City of Lompoc and California is of the utmost importance. By passing this resolution, Lompoc sends a strong message to the Legislature in Sacramento the City Council takes public safety serious and wants the unintended negative consequences of the current laws corrected. It is my recommendation the City Council support a resolution of support for the Act.

Respectfully submitted,

Pat Walsh, Chief of Police

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

Attachment: Resolution No. 6175(18)

RESOLUTION NO. 6175(18)

**A Resolution of the City Council of the City of Lompoc,
County of Santa Barbara, State of California,
Supporting the Reducing Crime and Keeping California Safe Act of 2018**

WHEREAS, protecting every person in our State, including our most vulnerable children, from violent crime is of the utmost importance. Murderers, rapists, child molesters and other violent criminals should not be released early from prison; and

WHEREAS, since 2014, California has had a larger increase in violent crime than the rest of the United States. Since 2013, violent crime in Los Angeles has increased 69.5%. Violent crime in Sacramento rose faster during the first six months of 2015 than in any of the 25 largest U.S. cities tracked by the FBI; and

WHEREAS, the FBI Preliminary Semiannual Uniform Crime Report for 2017, which tracks crimes committed during the first six months of the past year in U. S. cities with populations over 100,000, indicates that last year violent crime increased again in most of California's largest cities; and

WHEREAS, recent changes to parole laws allowed the early release of dangerous criminals by the law's failure to define certain crimes as "violent." These changes allowed individuals convicted of sex trafficking of children, rape of an unconscious person, felony assault with a deadly weapon, battery on a police officer or firefighter, and felony domestic violence to be considered "nonviolent offenders;" and

WHEREAS, as a result, these so-called "non-violent" offenders are eligible for early release from prison after serving only a fraction of the sentence ordered by a judge; and

WHEREAS, violent offenders are also being allowed to remain free in our communities even when they commit new crimes and violate the terms of their post release community supervision, like the gang member charged with the murder of Whittier Police Officer, Keith Boyer; and

WHEREAS, the Act reforms the law so felons who violate the terms of their release can be brought back to court and held accountable for such violations; and

WHEREAS, nothing in the Act is intended to create additional "strike" offenses which would increase the State prison population, nor is it intended to affect the ability of the California Department of Corrections and Rehabilitation to award educational and merit credits; and

WHEREAS, recent changes to California law allow individuals who steal repeatedly to face few consequences, regardless of their criminal record or how many times they steal; and

WHEREAS, as a result, between 2014 and 2016, California had the 2nd highest increase in theft and property crimes in the United States, while most states have seen a steady decline. According to the California Department of Justice, the value of property stolen in 2015 was \$2.5 Billion with an increase of 13% since 2014, the largest single-year increase in at least ten years; and

WHEREAS, retail store operators around the state have seen unprecedented increases in the amount of losses associated with shoplifting in their stores, with some reporting up to 150% increases in these losses from 2012 to present, with the largest jumps occurring since 2014; and

WHEREAS, shoplifting incidents have started to escalate in such a manner that have endangered innocent customers and employees; and

WHEREAS, individuals who repeatedly steal often do so to support their drug habit. Recent changes to California law have reduced judges' ability to order individuals convicted of repeated theft crimes into effective drug treatment programs; and

WHEREAS, California needs stronger laws for those who are repeatedly convicted of theft related crimes, which will encourage those who repeatedly steal to support their drug problem to enter into existing drug treatment programs. The Act enacts such reforms; and

WHEREAS, collecting DNA from criminals is essential to solving violent crimes. Over 450 violent crimes, including murder, rape and robbery, have gone unsolved because DNA is being collected from fewer criminals; and

WHEREAS, DNA collected in 2015 from a convicted child molester solved the rape-murders of two six-year-old boys that occurred three decades ago in Los Angeles County. DNA collected in 2016 from an individual caught driving a stolen car solved the 2012 San Francisco Bay Area rape/murder of an 83-year-old woman; and

WHEREAS, recent changes to California law unintentionally eliminated DNA collection for theft and drug crimes. The Act restores DNA collection from persons convicted for such offenses; and

WHEREAS, permitting collection of more DNA samples will help identify suspects, clear the innocent and free the wrongly convicted, and

WHEREAS, this measure does not affect existing legal safeguards that protect the privacy of individuals by allowing for the removal of their DNA profile if they are not charged with a crime, are acquitted, or are found innocent.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Reducing Crime and Keeping California Safe Act of 2018 is supported.

SECTION 2. Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member _____, seconded by Council Member _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 1, 2018, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc



City Council Agenda Item

City Council Meeting Date: May 1, 2018

TO: Teresa Gallavan, Interim City Manager

FROM: Christie Alarcon, Interim Economic Development Director
c_alarcon@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6177(18) Amending the Lompoc Homebuyer Assistance Program Guidelines and Allocating Funds

Recommendation:

Staff recommends the City Council adopt Resolution No. 6177(18) (attached) which will:

- 1) Approve the City of Lompoc Homebuyer Assistance Program Guidelines as amended; and
- 2) Approve the supplemental appropriation of \$1,440,000 from the Lompoc Affordable Housing Trust Fund's (LAHTF) Fund Balance reserves to provide additional funding to the Lompoc Homebuyer Assistance Program; and
- 3) Authorize the City Manager, Interim City Manager or her/his designee to sign any agreements necessary in implementation of the revised Program.

Background:

On December 2, 2003, the City Council adopted Resolution No. 5135(03) establishing a housing in-lieu fee, and on December 16, 2003, adopted Ordinance No. 1492(03) adding Chapter 18 (Housing In-Lieu Fee Program) to Title 3 of the Zoning Ordinance.

On April 5, 2005, the City Council adopted Resolution No. 5237(05) adopting the Lompoc Homebuyer Assistance Program (Program), confirming LAHTF funds would be used to provide loans to qualified developers, public entities, groups, and individuals to undertake activities to create new housing, thereby expanding the City's below-market housing stock.

On October 7, 2008, the former Redevelopment Agency approved the first amendment of the Program to allow use of LAHTF funds for reasonable administrative costs, not to exceed \$10,000 annually; to allow loan processing costs to be financed in the loan, or collected with the application; require the execution of Council-approved loans within a 180-day period; and use LAHTF funds (in part) for the acquisition of The Mortgage Office

loan servicing software program, and 12-months' of software maintenance service, for a total not to exceed \$7,000 in LAHTF funds.

On July 15, 2014, the City Council adopted Resolution No. 5936(14) approving the second amendment of the Program to allow increased funding for administrative costs; add the ability to charge interest on funds loaned to borrowers; and expand the types of "Eligible Housing Projects" to include "existing" housing for the purpose of a Homebuyer Assistance Program for Very Low-, Low-, and Moderate-Income families.

On November 3, 2014, the City of Lompoc (City) issued Request for Proposal (RFP) No. 2771 soliciting consulting services for the Program. The City received one submission from Housing Trust Fund of Santa Barbara County (HTFSBC) and Peoples' Self-Help Housing Corporation (PSHHC) naming HTFSBC as Project Director and PSHHC as Subcontractor. The response was complete and qualified.

On July 21, 2015, the City Council approved the contract with HTFSBC, and the appropriation of \$42,500 for the development of a Homebuyer Assistance Program, including outreach and processing costs associated with ten loans.

On June 7, 2016, the City Council adopted Resolution No. 6054(16) approving the Homebuyer Assistance Program Guidelines, approving an additional allocation of \$10,000 for the cost associated with processing additional loans for total consultant contract of \$52,500, and allocated \$1,122,500 to the Program for loans, grants and consultant costs associated with program development and underwriting. As approved, the Program provided for first-time homebuyers:

- secondary loan of up to 16.5% of the home purchase price up to a maximum of \$50,000;
- 30-year term deferred payment loan with simple annual interest of 3%;
- no current interest or principal payments due until the end of the loan term or upon sale of the property; and
- closing cost grants up to \$3,500.

In addition, the Program restricted the participants to:

- eligible homebuyers whose household income did not exceed 80% of area median income (AMI) (currently \$55,800 for a family of four);
- contribute at least 3.5% of the home purchase price; and
- invest any other liquid assets in excess of \$15,000 for the purchase of the home.

Discussion:

The first homebuyer assistance loan closed escrow in December 2016. To date, the City has assisted ten first-time homebuyers to purchase homes in Lompoc.

While Program participation has been steady, there are various limiting factors. In an effort to increase participation, the following changes to the Program are recommended.

Current Program (approved 5/17/2016)	Recommended Change/Addition	Justification for Change
<ul style="list-style-type: none"> Income Limit 80% AMI (\$72,050 4-person household) 	<ul style="list-style-type: none"> Increase Income Limit to 120% AMI (\$92,500 4-person household) 	<ul style="list-style-type: none"> At 80% AMI households have been purchasing homes below \$315,000; as of 3/23/2018 MLS the inventory available under \$315,000 contains three units. Increasing the maximum household income to 120% AMI will allow purchase of homes up to approximately \$370,000. Same MLS had 12 units for sale under \$370,000.
<ul style="list-style-type: none"> Maximum Loan Amount \$50,000 or 16% of Sale Price 	<ul style="list-style-type: none"> Increase Maximum Loan Amount to \$65,000 or 18% of Sale Price 	<ul style="list-style-type: none"> The cost of the housing in Lompoc is on the rise, to keep the program functional with today's market an increase would need to occur.
<ul style="list-style-type: none"> Homebuyer Contribution 4% of the Sales Price 	<ul style="list-style-type: none"> Decrease required Homebuyer Contribution to 2.5% of the Sale Price 	<ul style="list-style-type: none"> Homebuyers with limited income at 4% are required to come in with \$12,600 (sales price \$315,000) plus closing cost of \$10,000. Most are using gifts from parents or liquidating all savings, which puts them at risk of default in the future with no "rainy day" funds to draw on. Reducing this requirement to 2.5% still accounts for the "skin in the game" at a more reasonable, but responsible contribution of \$7,875 (sales price \$315,000).
<ul style="list-style-type: none"> Closing Cost Grant Maximum \$3,500 	<ul style="list-style-type: none"> Increase Closing Cost Grant Maximum to \$5,000 	<ul style="list-style-type: none"> All participants are using the entire \$3,500 grant towards closing costs and still struggling to come up with the additional closing costs. Closing costs have been at approximately \$10,000 per transaction increasing the amount the buyer has to contribute to closing costs makes their offer more competitive.
<ul style="list-style-type: none"> Homebuyer required to invest all liquid assets in excess of \$15,000 to purchase the home 	<ul style="list-style-type: none"> Remove this requirement 	<ul style="list-style-type: none"> We want our new homeowners to have funds for improvements, unexpected repairs, potential income reductions, etc. and allowing them to maintain a savings above \$15,000 should be allowed.

Current Program (approved 5/17/2016)	Recommended Change/Addition	Justification for Change
<ul style="list-style-type: none"> Required Professional Home Inspection and Termite & Pest Inspection and Required Repairs 	<ul style="list-style-type: none"> Recommend Professional Home Inspection (defer to First Mortgage Lender in regards to all required termite/pest inspections and repairs) 	<ul style="list-style-type: none"> This requirement has made the program less attractive to the seller market. Sellers are reserved when approached with an offer that is going to require repairs beyond what is required by the first lender. This recommended change is to align the City's program with the first mortgage lender, make the program participants offers competitive in the open market, and to streamline the Program.
<ul style="list-style-type: none"> Contracting underwriting of loans, income certification and homebuyer education courses to outside agency. 	<ul style="list-style-type: none"> Utilize City staff to complete underwriting of loans, income certification and homebuyer education courses. 	<ul style="list-style-type: none"> Due to City budget constraints, and a desire to keep the program funds within the City operations, we recommend utilizing the administrative funding allowance of the program to fund staffing costs associated with the operations of the program.

While the only changes that would occur with the Program are detailed above, the revised Homebuyer Assistance Program Guidelines are attached to the resolution for complete review and adoption.

Increasing the income limit of the Program participants and increasing the maximum loan amount per participant will increase the number of eligible households and spur additional participation in the Program.

Fiscal Impact:

The total additional Program funding recommendation is based on funding 20 additional first-time homebuyer assistance loans and grants, and providing for full program development, homebuyer training courses, underwriting associated with 20 additional homebuyers and related outreach and education for the Program. As identified below, the requested additional Program funding recommendation and the changes in the Program Guidelines will supplement the remaining Program funding available for eight remaining homebuyer assistance loans and grants resulting in total remaining Program resources for at least 28 additional first-time homebuyer assistance loans and related grants. Below is a table showing the activities of the Program from inception to March 31, 2018, and the related remaining Program resources available for Program activities as of March 31, 2018.

	Program Funding Approved 6/7/2016	Program Disbursements 12-9-2016 to 3-31-2018	Funding Remaining as of 3/31/2018
Loan Funds (20 loans est. at \$50,000 maximum)	\$1,000,000	\$447,313	\$552,687
Closing Cost Grant Funds (20 loans est. at \$3,500)	70,000	35,000	35,000
Program Consultant Contract	42,500	30,580	1,920
Additional Loan Outreach/ Processing Costs	10,000	-0-	10,000
Total	\$1,122,500	\$512,893	\$599,607

In an effort to be efficient in the delivery of the Program and in anticipation of increased participation in the Program because of the changes in Program Guidelines, additional funding is being recommended prior to fully utilizing the currently available remaining approved funding as detailed below:

	Funding Remaining as of 3/31/2018	Additional Funding Requested	Total Resulting Funding	Additional Funding Available for
Loan Funds	\$552,687	\$1,300,000	\$1,852,687	At least 28 loans
Closing Costs Grant Funds	35,000	100,000	135,000	At least 28 grants
Program Administration	1,920	40,000	41,920	Staffing costs, homebuyer training costs, and supplies
Additional Loan Outreach /Processing Costs	10,000	-0-	10,000	Outreach, advertising and education.
Total	\$599,607	\$1,440,000	\$2,039,607	

The available fund balance of the LAHTF for housing activities at June 30, 2017 was \$6,571,389 while the balance of available cash and investment resources available in the LAHTF at June 30, 2017 was \$3,482,664. Direct activity related to the Program during the July 1, 2017 to March 31, 2018 period was \$293,208 resulting in an estimated \$3,190,000 remaining for additional Program activities. The additional requested funding

of \$1,440,000 accounts for 45% of total available resources held in the LAHTF. After fully utilizing the currently available Program appropriations and the additional recommended Program allocations, the available resources of the LAHTF would then be approximately \$1,750,000. Any other activity recorded in the LAHTF since July 1, 2017 until the Program is fully utilized such as sale of held property, other LAHTF, FTHB and SHA income related to loan repayments, mitigation fees, investment income, and revenue from housing in-lieu fees paid by developers are not considered in determining the resulting remaining available resources in the LAHTF due to the implementation of this Program.

The attached Resolution No. 6177(18) provides for, in part, the additional supplemental appropriation of LAHTF resources from LAHTF fund balance resources for the Program in the total amount of \$1,440,000 as follows:

<u>Program/Object No</u>	<u>First Time Homebuyer Account Name</u>	<u>Amount</u>
237HBA-524100	Program Administration	\$ 40,000
237HBA-595010	Closing Cost Grants	100,000
237HBA-595020	FTHB Revolving Loans	1,300,000

Conclusion:

The recommended changes to the Program and the appropriation of an additional \$1,440,000 from fund balance reserves of the LAHTF to fund the Program, will provide Program funds for 20 additional loans estimated at \$65,000 maximum per loan and closing cost grants for 20 additional grants estimated at \$5,000 each.

Respectfully submitted,

Christie Alarcon, Interim Economic Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Teresa Gallavan, Interim City Manager

Attachment: Resolution No. 6177(18)

RESOLUTION NO. 6177(18)

A Resolution of the Council of the City of Lompoc, County of Santa Barbara, State of California, Approval of the Amendment to the Lompoc Homebuyer Assistance Program and Approving Supplemental Appropriations to Provide for the Amendment

WHEREAS, on December 2, 2003, then City Council adopted Resolution No. 5135(03) establishing a housing in-lieu fee, and on December 16, 2003, adopted Ordinance No. 1492(03) adding Chapter 18 (Housing In-Lieu Fee Program) to the Lompoc Municipal Code; and

WHEREAS, on April 5, 2005, then City Council adopted Resolution No. 5237(05) adopting the Lompoc Affordable Housing Trust Fund (LAHTF) Program Implementation Plan (Plan), confirming trust funds would be used to provide loans to qualified developers, public entities, groups and individuals to undertake activities to create new affordable housing, thereby expanding the City's below-market housing stock; and

WHEREAS, on October 7, 2008, then City Council approved the first amendment of the Plan to allow use of Plan funding for reasonable administrative costs, not to exceed \$10,000 annually, to allow loan processing costs to be included in the loan amount or collected with the application, to require the execution of Council-approved loans within a 180-day period, and to use Plan funds (in part) for the acquisition of The Mortgage Office loan servicing software program and 12 months' of software maintenance service for a total not to exceed \$7,000; and

WHEREAS, on July 15, 2014, then City Council adopted Resolution No. 5936(14) approving the second amendment of the Plan to allow increased funding for administrative costs, add the ability to charge interest on funds loaned to borrowers, and to expand the types of "Eligible Housing Projects" to include "existing" housing for the purpose of a Program for Very Low-, Low-, and Moderate-Income families; and

WHEREAS, on July 21, 2015, then City Council approved a contract with Housing Trust Fund of Santa Barbara County (HTFSBC) as consultant to create a Lompoc Homebuyer Assistance Program and the supplemental appropriation of \$42,500 for the development of the Program, outreach, and processing costs associated with ten loans; and

WHEREAS, on May 17, 2016, then City Council approved the Community Lompoc Homebuyer Assistance Program (Program) and the allocation of \$1,080,000 from the Lompoc Affordable Housing Trust Fund to fund the Program with the supplemental appropriations for the \$1,080,000 approved with the adoption of Resolution No. 6054(16) on June 7, 2016; and

WHEREAS, on June 7, 2016, then City Council adopted Resolution No. 6054(16) approving the Program Guidelines, approving additional appropriations of \$10,000 for the cost associated with processing additional loans for total Program commitment of \$1,122,500 comprising of \$52,500 for Program development and administrative costs, \$1,000,000 for Program loans, and \$70,000 for Program closing cost grants; and

WHEREAS, the City Council desires to continue the Program and to amend the Program Guidelines to increase participation in the Program; and

WHEREAS, the City Council desires to supplement and extend the Program with additional resources currently available in the LAHTF to provide for at least an additional 20 participants as follows:

<u>Program/Object No</u>	<u>Homebuyer Assistance Program Name</u>	<u>Amount</u>
237HBA-524100	Program Administration	\$ 40,000
237HBA-595010	Closing Cost Grants	100,000
237HBA-595020	HBA Revolving Loans	1,300,000

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Program will continue to provide funds for eligible first-time homebuyers in the City of Lompoc as described in the Amended Program Guidelines attached hereto as Exhibit "A."

SECTION 2. To implement and operate the Program, the City Manager, Interim City Manager, or his or her designee, is hereby authorized to execute all necessary agreements, and documents related to the program.

SECTION 3. Approve Supplemental Appropriations from LAHTF Fund Balance Reserves as follows:

<u>Program/Object No</u>	<u>Homebuyer Assistance Program Name</u>	<u>Amount</u>
237HBA-524100	Program Administration	\$ 40,000
237HBA-595010	Closing Cost Grants	100,000
237HBA-595020	HBA Revolving Loans	1,300,000

SECTION 4. Approve Supplemental Revenues/Resources from LAHTF Fund Balance reserves to fund the above Supplemental Appropriations as follows:

<u>Program/Object No</u>	<u>Lompoc Affordable Housing Fund</u>	<u>Amount</u>
237-340990	LAHTF Fund Balance	\$ 1,440,000

SECTION 5. Authorize remaining appropriations available as of June 30, 2018, to be appropriated as of July 1, 2018, to provide for the continued implementation of the Program.

SECTION 6. Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Councilmember _____, seconded by Councilmember _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on May 1, 2018, by the following vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

Bob Lingl, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc

Attachment: Exhibit A – Homebuyer Assistance Program Guidelines



City of Lompoc
Homebuyer Assistance Program
Down Payment Loans and Closing Cost Grants
Program Guidelines

Draft Revisions

May 1, 2018

City of Lompoc

100 Civic Center Plaza

Lompoc, CA 93436

Step 1

- Complete a Homebuyer Education Training Course - online course information provided by City of Lompoc, upon completion receive your certificate of completion.

Step 2

- Obtain Pre-Approval for a First Mortgage Loan - apply for first mortgage loan from a City-approved lender to obtain your pre-approval letter. The lender will assist you with completion of the City HAP loan application.

Step 3

- Complete Income Certification for City HAP - You must have your income certified by City of Lompoc to verify that you are an eligible household. This is separate from qualifying for the first mortgage. Your first mortgage lender will collect appropriate documentation for City staff to complete the income certification.

Step 4

- Submit Down Payment Loan Application - Your first mortgage lender will submit your City HAP loan application package to the City for processing.

Step 5

- Locate Your New Home - Work with your Realtor or Broker to find the home you would like to purchase; execute a sales contract to buy the home, contingent on the City HAP loan.

Step 6

- HAP Loan Commitment - City program staff will review your complete loan application within 10 working days. If you qualify, then the City will issue a loan commitment letter.

Step 7

- Escrow and Loan Closing - Loan documents will be prepared and forwarded to escrow for your signature; City staff will coordinate with the first mortgage lender and title company to fund and close your home purchase.



Homebuyer Assistance Program

Program Overview

The Homebuyer Assistance Program (Program) is a program of the City of Lompoc (City), to expand homeownership opportunities in the community of Lompoc. The Program helps bridge the homeownership affordability gap for local residents by providing 30-year deferred payment loans up to \$65,000 per household to assist first-time lower-income homebuyers in purchasing a home in the City. Funds can be used for down payment costs for households who earn up to 120% of the Area Median Income (AMI), adjusted for household size. The loans have no current interest or principal payments, accrue 3% simple interest annually and are repaid upon sale, transfer or refinancing of the home, or at the end of the loan term. Qualified applicants may also be eligible for a closing cost grant up to \$5,000. Funding for the Program has been provided through the City.

The Program removes financial barriers to the dream of homeownership by lowering home acquisition and carrying costs. The Program enables qualified families to purchase a home that provides a stable residence that strengthens the family, the neighborhood and the community.

Homebuyer Eligibility Requirements

Homebuyers seeking a down payment assistance loan must meet the following minimum criteria:

First-Time Homebuyer

- Applicants must be first-time homebuyers and not have owned a principal residence within three (3) years from the date of program application, and may not own other residential property. Some exceptions are allowed, such as displaced homemakers and owners of mobile homes in mobile home rental parks.

Income Qualified Household

- Applicants must be at or below 120% AMI and have the household income certified by the City.

Unit Occupancy

- Homebuyer must occupy the home as the primary residence for the duration of the loan.
- The home size must be sufficient for the household so that there is no overcrowding.

Other Requirements

- Applicants must attend and complete a Homebuyer Education Training class.
- Applicants must secure pre-approval of a 30-year fixed rate first mortgage loan from a participating lender and have satisfactory credit and job/income stability.
- Applicants must contribute at least 2.5% of the home purchase price.

Eligibility of Home

Homebuyers may apply for down payment assistance to purchase market-rate homes located within the City that meet the criteria outlined below. Affordable below market-rate homes with resale restrictions or homes that require substantial rehabilitation are ineligible for the program.

Location of Home:

- The home must be located within the City.

Type of Home:

City of Lompoc

Homebuyer Assistance Program Guidelines

May 1, 2018

- Eligible: Detached or attached single-family homes; units in Planned Unit Developments; townhomes; condominiums and mobile homes that are on a permanent foundation and have an individual deed to the property.
- Ineligible: Vacation homes, investment properties, multi-family buildings, second units, duplexes, life care facilities, and cooperatively owned or other forms of ownership where the homebuyer does not have an individual deed to the property.

Habitability:

- Homes must be completed and ready for occupancy.
- Homes must meet Building Code standards, and Health and Safety Code standards, including no peeling lead-based paint.
- The City recommends homebuyer purchase a professional home inspection report, but does not require it.

Household Income Targeting

Applicants for the Program must have combined household incomes that do not exceed 120% of the AMI, adjusted for household size.

AMI is determined annually by the U.S. Department of Housing and Urban Development. Santa Barbara County current income limits as of March 22, 2018 are listed below:

Household Size	1	2	3	4	5	6
Maximum Income	\$64,750	\$74,000	\$83,250	\$92,500	\$99,900	\$107,300

To be eligible for a Payment Loan, the applicant’s total household income must be classified as lower-income and cannot exceed 120% of the AMI for Santa Barbara County households, adjusted for household size. The AMI is published annually by the U.S. Department of Housing and Urban Development and adopted by the California Department of Housing and Community Development.

The combined income of all household members 18 years old or older who will be living in the home must be included in calculating the applicant’s total household income. To be considered a member of the household, individuals must be either:

- On the title and loan of the home;

- Claimed as a dependent on the tax returns of the household member who will appear on the title and Program Loan (a spouse is not a dependent; he or she must be on the title and loan of the property); or
- Any other household member 18 years of age or older earning an income.

Borrowers applying for a Program Loan must have their income certified by the City to verify they meet the eligibility requirement of an income qualified household. To verify household income, applicants will need to submit an Income Certification Application and receive an Income Certification and Affidavit Form completed by a City-approved Community Partner. Generally, the applicant must provide the following information with the application:

- Federal Income Tax Returns (signed) with W-2s from the last three years as well as the two most recent paystubs for all household members over the age of 18 (within 60 days).
- Supporting documentation for all other income received including disability, alimony, child support, unemployment, Social Security, interest and dividend income, etc.
- Written verification of employment for all household members earning an income (within 60 days of application submission).
- An applicant who is self-employed will need to provide income tax returns for the last three years, both State and Federal, plus a profit and loss statement from an accountant for the last six months.
- An applicant who is both self-employed and works for an employer must provide documentation for both sources of income.
- Two most recent statements from all asset accounts, including checking and savings accounts, individual retirement accounts, investment and trust accounts, etc., for each household member who is at least 18 years old.

Down Payment Loans

Type of Loan

The down payment loans offered under this Program are subordinate financing, secured by a second position on the home. The loans are deferred “soft seconds,” with no current interest or principal payments. Instead, the interest will accrue at 3% simple interest annually and is due, along with the loan principal, at the end of the loan term or upon sale, transfer or refinancing of the home. The loan will become due when the borrower sells or transfers the property, ceases to maintain the residence as his/her primary residence, converts the home to a rental property, or refinances the first mortgage. Loans do not generally become due in the case of death or divorce when the beneficiary or remaining spouse uses the home for his/her primary residence.

Maximum Loan Limits and Assistance Levels

The maximum down payment loan amount under the Program is \$65,000. The amount of the individual homebuyer loan will be based on the home purchase price, homebuyer income and need. The down payment loan may not be for more than the homebuyer needs to purchase the home with affordable monthly payments. The City may, from time to time, adjust the maximum loan amount, based on program experience.

The maximum portion of the Program secondary loan that can be used toward the down payment is 18% of the home purchase price, up to a limit of \$65,000. Homebuyers may also choose to apply a portion of the loan proceeds towards other eligible nonrecurring and recurring closing costs and expenses incurred in qualifying for the down payment loan, as long as the homebuyer contributes a minimum of 2.5% of the home purchase price. The City, in coordination with the First Mortgage Lender, will calculate the amount of the down payment loan needed to assist the buyer in purchasing an individual home.

Uses of the Loan

The primary purpose of the Program secondary loan is to provide down payment assistance in purchasing the home. However, the homebuyer may also apply the loan proceeds to pay for nonrecurring closing costs, for an interest rate buy-down on the first mortgage loan and for certain other costs associated with acquisition of the home.

Closing Cost Grants

Homebuyers who purchase a home within the City with a Program down payment loan may be eligible for a closing cost grant of up to **\$5,000** per household to help pay for closing costs, such as first mortgage loan origination and processing fees, title and escrow fees, and mortgage insurance. The closing cost grant provides additional homebuyer financial assistance to help qualified families purchase a home. The City, in its sole discretion, will determine the amount of the closing cost grant available to eligible homebuyers.

Homebuyer Financing Requirements

Borrower Match: Homebuyers must qualify for a fully amortized **30-year fixed rate** first mortgage from a Program-approved lender and provide a cash investment of at least 2.5% of the purchase price of the home.

Down Payment Source: Homebuyers may use gifts from relatives, friends and employers as a portion of their 2.5% cash requirement if satisfactory documentation is provided and the homebuyers have held these funds for at least 45 days in their own account. The City, at its sole discretion, may lower or waive the 45-day requirement if gift funds are provided from immediate relatives and clearly documented. However, in all cases, the homebuyers must contribute a minimum of 1% of the cash investment from their own resources rather than gifts. Contributions from home sellers or others, or loans, do not qualify as the homebuyers' own funds.

Homebuyer Education

Applicants seeking a Program Down Payment Loan must attend a Homebuyer Education Training course provided by the City prior to applying for the Program Down Payment Loan or making an offer on a home. The homebuyer education training provides applicants the opportunity to learn about the responsibilities of homeownership and to ensure that the borrower understands the requirements of the Down Payment Loan and implications of selling or refinancing their home. Loan applicants must submit proof (such as a certificate, letter or other documentation) with their loan application to document their successful completion of the Homebuyer Education Training course.

Owner Occupancy

Homebuyers who receive a Payment Loan must occupy their home as their principal residence until the Down Payment Loan is repaid. The City may require the borrower to provide an annual written certification, under penalty of perjury, that Borrower is occupying the home as his or her principal place of residence.

Loan Financing Terms

Loan Payments: The down payment loans will be deferred and have no current monthly payments of either principal or interest until the Maturity Date or such earlier date as may be required under the conditions of the Promissory Note.

Term of the Loan: The term of the loan will be 30 years. In special circumstances, longer terms can be considered if the first mortgage is provided through a government program.

Interest Rate: The Down Payment Loan carries 3% interest. However, there are no current interest payments; instead, the interest accrues annually. The interest is due, along with the loan principal amount, at the end of the loan term or upon sale, transfer, or refinancing of the home.

Appraisal and Loan to Value Ratio: The Down Payment Loan plus the First Mortgage may not exceed 100% of the appraised value of the home. However, in certain cases (such as when the home may have other approved deferred subordinate debt), the combined loan-to-value ratio may exceed 100%, provided the Program Down Payment Loan and senior debt do not exceed 100% of the home's appraised value.

The City will rely on a full appraisal commissioned by the First Mortgage Lender and the appraisal must support the home purchase price. If the purchase price exceeds the appraised value, the City, at its sole discretion, may approve exceptions up to 105% of the appraisal guideline, provided that the combined first mortgage and Program loan do not exceed 100% of the appraised home value, the homebuyer contributes the additional cash, and the carrying costs of the home are affordable to the homebuyer. The City reserves the right to approve or reject any proposed home financing where the combined homebuyer cash and loan to value ratio exceeds 100%.

Collateral: The Down Payment Loan will be secured by a second trust deed on the property.

Loan Fees and Closing Costs: Applicants will not be charged a loan origination fee for the amount of the Down Payment Loan but will pay for the actual cost of any document preparation fees, title fees and other loan closing costs. The cost of such fees may be included in the Down Payment

Loan amount. The homebuyer should expect to pay other fees and costs associated with the First Mortgage loan at or before the close of escrow, such as loan origination or processing fees, appraisal, credit reports, prepaid hazard insurance and property taxes, title and escrow fees. The First Mortgage lender will provide a Good Faith Estimate of the loan costs and the Title Company will provide a settlement statement of total transaction costs.

Repayment of the City Homebuyer Assistance Program Loan

Down payment loans will be repaid at the end of the 30-year loan term. Homebuyers may prepay all or a portion of the down payment loan at any time without incurring any prepayment penalties. Loan repayment may be accelerated and will be immediately due and payable under any of the following occurrences:

- Sale, transfer, reconveyance, or alienation of the home;
- Failure to occupy the home as a principal residence;
- An Event of Default (either on the First Mortgage or Down Payment Loan); or
- Refinance of the First Mortgage Loan.

Loan Benefits

The terms and conditions of the Down Payment Loans – 30 years with no payments and a minimum 2.5% cash contribution required from the borrower – make this a truly affordable loan product. The Program enables lower-income families who have previously been shut out of the local housing market to buy a home.

Regulatory Requirements

A condition of the Program funding is to help provide long-term affordable homeownership opportunities for local residents. This will be accomplished through recording a secondary lien on the home. Homebuyers receiving a Down Payment Loan under this Program must agree to meet the loan conditions and homeowner requirements outlined in the Deed of Trust that will be recorded against their title to ensure the home remains owner occupied and the City receives its loan principal and accrued interest at the end of the loan term, or upon sale, transfer, or refinancing of the home.

First Mortgage Financing

Homebuyers must obtain a First Mortgage Loan only from a lender that has been specifically approved to participate in the Program. The First Mortgage Loan from an approved participating lender must meet the following standards:

- Term of at least 30 years;
- Fixed interest rate at market or below market rate (no subprime loans will be accepted);
- Fully amortized loan with monthly payments; no negative amortization or balloon payments;
- Establishment of an impound account for property taxes and insurance; and
- No prepayment penalty.

Payment Ratios: Homebuyers participating in the Program must pay at least 22% of their gross monthly income for all housing costs, including First Mortgage principal and interest, property taxes, insurance and any Homeowner Association (HOA) fees. The City, at its sole discretion, and on a case-by-case basis, may grant a waiver to lower the minimum upfront ratio to no less than 20%, based on the homebuyer need for additional affordability. Maximum payment ratios will be determined in coordination with the participating First Mortgage Lender but generally should not exceed 38% of income for all front-end housing costs (principal, interest, property taxes, insurance, HOA fees and other assessments) and 45% maximum for all back-end debt, which includes housing costs plus other long-term debt or monthly obligations.

The City's program management consultants will coordinate with community lending partners to establish mortgage and household debt ratios to ensure the homebuyer's monthly payments are affordable and the Down Payment Loan is not used to purchase a home that exceeds the homebuyer's purchasing ability.

Community Lending Partners

The City will collaborate with Community Lending Partners to obtain pre-approval of the Program and, where possible, to arrange favorable terms and access to special first mortgage loan programs and benefits for homebuyers who use those participating lenders for their First Mortgage.

Community Lending Partners – City-Approved First Mortgage Lenders (as of March 22, 2018)

Bank of America
Guild Mortgage
Rabobank
Ventura County Community Development Corporation
Wells Fargo Home Mortgage