

MINUTES OF THE SPECIAL VERNON HOUSING COMMISSION
MEETING HELD WEDNESDAY FEBRUARY 10, 2016, IN THE
COUNCIL CHAMBER OF THE CITY HALL LOCATED AT
4305 SANTA FE AVENUE, VERNON, CALIFORNIA

MEMBERS PRESENT: Michael Hughes, Melissa Ybarra, Henry Haskell, Steven Froberg,
John Kriste, and Kyle Cooper.

MEMBERS ABSENT: Steven Florman and Hector Garcia

The meeting was called to order by Chair Hughes at 6:05 p.m. Commissioner Ybarra led the flag salute. City Clerk Maria E. Ayala conducted roll call.

CHANGES TO THE AGENDA

Deputy City Administrator Kristen Enomoto, noted she had reformatted 3 pages, starting with Page 3 of the Himes Market Rental Report to be consistent with 2011 Report. The pages were reformatted to be consistent with 2011 report.

City Clerk Maria E. Ayala announced that there were no changes to the agenda.

PUBLIC COMMENT

Chair Hughes announced this was the time allotted for public comment and inquired whether anyone in the audience wished to address the Commission. The public will also be given a chance to comment on matters which are on the posted agenda during Commission deliberation on those specific matters.

No public comment provided.

DISCUSSION AND POSSIBLE DIRECTIVES TO STAFF

1. **Review of 2016 Market Rent Data and Development of a Preliminary Market Rent Schedule for City-Owned Housing Units in Vernon**

Recommendation:

Items A-D:

- A. Find that the review and development of market rent data and schedules is exempt from the California Environmental Quality Act (“CEQA”), in accordance with CEQA Guidelines Section 15601(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment; and
- B. Review 2016 market rent data provided by qualified, independent appraisers.

- C. Review the market rent growth rate from 2011 to 2016.
- D. Develop a 3 to 5 year preliminary market rent schedule to be disseminated to all residents and made available to the public at-large for the purpose of soliciting feedback on the proposed schedule at an upcoming public hearing.

Interim City Administrator, A.J. Wilson, introduced himself to the Commission and the public, as the new Interim City Administrator. He spoke on industry and market rental rates, and aligning city-owned property value with privately-owned property; and further referencing the 2011 market rate report as a baseline, and recommending a future adjustment in five years (2021).

Mr. James Himes (Consultant Himes & Himes) referenced Page 3 of their 2016 Market Rental Report, discussed the summary of scheduled rents (passed out at the meeting) showing projected rents if the unit was recently remodeled. Size of unit, parking, garages, location and amenities were considered.

Ms. Hee K. Yi (Consultant Gold Coast Market) provided an overview of their 2016 Rental Report noting they used Housing and Urban Development (HUD) guidelines to determine Gold Coast's assessment.

Deputy City Administrator Kristen Enomoto discussed in detail various methodologies and scenarios, such as the existing renter's rate, based upon incremental rate increases versus the higher rate a new tenant would pay. Charts and graphs within the data reflect potential cases.

Mr. Wilson, Ms. Enomoto, and Special Legal Counsel Stuart Leviton provided additional information and responses to questions. Recommended Items A through D were thoroughly discussed.

Mr. Wilson summarized what is being proposed is to adopt a market table, provide five years to catch up to market value, and reflect current property conditions.

It was moved by Ybarra and seconded by Froberg to approve proposed item, (best described as the Growth Rate Factor Approach, Recommendation D), and manually adjust the 5-year number for existing tenants to be the same amount for new tenants. Motion carried, 5-0.

ORAL REPORTS & COMMENTS FROM STAFF AND COMMISSION MEMBERS

- 2. Brief reports, announcements, or directives to staff from the Commissioners and Commission Officers.

Ms. Enomoto announced the City's February 16 meeting on Parks Needs Assessment.

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Chair Hughes also spoke on the topic and explained the County's consideration of proposing a bond for local parks, and trying to gain as much input from the community as possible.

Ms. Enomoto also reported on the sale of the Huntington Park units.

3. Next regular meeting: ~~June 8, 2016~~ March 9, 2016 at 6:00 p.m.

Deputy City Administrator Kristen Enomoto clarified the meeting date for the next regular Commission Meeting.

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The main item at the meeting will be the Public Hearing, to provide the opportunity for the residents and community to give input on the proposed Preliminary Market Rent Schedule.

4. Special Meeting Scheduled for April 6, 2016 at 6:00 p.m.

A special meeting will be held in April for the purpose of reviewing and determining what action to be taken.

5. Next regular meeting: June 8, 2016 at 6:00 p.m.

SECOND PUBLIC COMMENT

Chair Hughes announced that this was the time allotted for public comment and inquired whether anyone in the audience wished to address the Commission.

Marisa Olguin, Representative from the City of Vernon Chamber of Commerce requested the City provide clarification on the revised annual budget to separate the housing funds by expenditures and revenue. It was noted housing funds are part of the general fund, but do not reflect an allocated line item.

With no further business, at 7:45 p.m. the meeting was adjourned.

Michael Hughes
Chair

ATTEST:

Maria E. Ayala, CMC
Secretary