

**California Public Records Act ("PRA"):** In compliance with the PRA, the documents pertaining to agenda items, including attachments, which are presented to the Vernon Housing Commission in open session are available for public inspection. They may be inspected during regular business hours in the Office of the City Clerk at Vernon City Hall, 4305 Santa Fe Avenue, Vernon, California 90058, no prior appointment necessary, and on the City's website at [www.cityofvernon.org](http://www.cityofvernon.org).

**Americans with Disabilities Act ("ADA"):** In compliance with the ADA, if you need special assistance to participate in the meeting, please contact the Office of the City Clerk at (323) 583-8811. Notification of at least 24 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

**Agenda**  
**Special Meeting of the Vernon Housing Commission**  
**Wednesday, November 9, 2016, 6:00 p.m.**  
**Council Chambers**  
**4305 Santa Fe Avenue**  
**Vernon, CA 90058**



*Melissa Ybarra, Chairperson*  
*Kyle Cooper, Vice Chairperson*  
*Hector Garcia, Commissioner*  
*John Kriste, Commissioner*  
*Steven Froberg, Commissioner*  
*Steven Florman, Commissioner*  
*Frank Gavina, Commissioner*

**CALL TO ORDER & FLAG SALUTE**

**CHANGES TO THE AGENDA**

**PUBLIC COMMENT** - At this time the public is encouraged to address the Vernon Housing Commission on any matter that is within the subject matter jurisdiction of 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.

**PRESENTATION**

1. [Status of the Rehabilitation Project of the Single Family Housing Unit Located at 4323 Furlong Place](#)

Presented by: Felix Velasco, Assistant Engineer

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## NEW BUSINESS

### 2. Authorization to Offer All Tenants in Non-Remodeled Units an Opportunity to Relocate to a Remodeled Unit and Establish a Relocation Priority Interest List

#### Recommendation:

- A. Find that the actions recommended in this staff report do not constitute a “project” pursuant to Section 15378(b)(2) of the Guidelines to the California Environmental Quality Act (“CEQA”), because such recommendations constitute an administrative activity; and even if the adoption of the proposed items did constitute a project, it would be exempt from CEQA in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have an effect on the environment; and
- B. Approve the establishment of a temporary/permanent Relocation Priority Interest List to be used for the City Housing Remodel Project which would remain in effect until all units are remodeled; and
- C. Authorize staff to proceed with offering a temporary/permanent relocation opportunity to tenants in non-remodeled City-owned housing units.

## LOTTERY - PERMANENT/TEMPORARY RELOCATION PRIORITY INTEREST LIST

### 3. **Conduct a Lottery of All Interested Subject Tenants and Establish a Permanent/Temporary Relocation Priority Interest List (Subject to Passage of Agenda Item No. 2)**

## DISCUSSION AND POSSIBLE DIRECTIVES TO STAFF

### 4. Preliminary Discussion Regarding Potential Rent Adjustments for all City-Owned Housing Units

#### Recommendation:

- A. Find that the discussion of potential rental rate adjustments for all City-owned housing units is exempt under the California Environmental Quality Act (“CEQA”) because such is not a “project” as that term is defined in the CEQA Guidelines section 15378, and even if it were a project, it would still be exempt in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment; and
- B. Direct staff to develop a rent schedule with increased rates based on the Consumer Price (all items) Index to be presented at a future Vernon Housing Commission meeting.

/ / /

**ORAL REPORTS, PRESENTATIONS & COMMENTS FROM STAFF AND COMMISSION MEMBERS**

5. Brief reports, announcements, or directives to staff from the Commissioners and Commission Officers.
6. Upcoming Meetings:
  - A. Next regular meeting: December 14, 2016 at 6:00 p.m.

**SECOND PUBLIC COMMENT** - The public is encouraged to address the Vernon Housing Commission on any matter that is within the subject matter jurisdiction of the Commission.

**ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Vernon City Hall, located at 4305 Santa Fe Avenue, Vernon, California, and on the City's website, not less than 24 hours prior to the meeting set forth on this special meeting agenda. Dated this 8<sup>th</sup> day of November, 2016.

By: \_\_\_\_\_  
Maria E. Ayala, CMC  
Secretary

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CITY ADMINISTRATION

11-7-16

## STAFF REPORT

### PUBLIC WORKS WATER AND DEVELOPMENT SERVICES DEPARTMENT

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**DATE:** November 9, 2016

**TO:** Honorable Members of the Vernon Housing Commission

**FROM:** Derek Wieske, Director of Public Works, Water and Development Services  
Department *DW*  
Originator: Felix Velasco, Assistant Engineer *FV*

**RE:** Status of the Rehabilitation Project of the Single Family Housing Unit  
Located at 4323 Furlong Place

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#### Recommendation

Receive and file a presentation regarding an update of the rehabilitation project of the single family housing unit located at 4323 Furlong Place.

#### Discussion

On April 7, 2015, the City Council directed staff to rehabilitate the seven non-remodeled units (two at a time) applying the same standard utilized in the Fiscal Year 2007/2008 Remodel. Subsequently, on July 1, 2015, the City of Vernon entered into an agreement with Y&M Architects to prepare the Architectural drawings to rehabilitate all the non-remodeled City-owned single family residences and convert them into accessible units in accordance with the American Disabilities Act of 1990 (ADA) and the California Building Code.

On March 17, 2016 the Public Works, Water and Development Services Department advertised the notice inviting sealed, competitive bids for the renovation of 4323 Furlong Place. The notice inviting bids was posted on the City's website and published in the Vernon Sun newspaper, and was also advertised in the following construction related websites: Bid America, Bidboard Construction Contract Advertising, McGraw-Hill Construction, Reed Construction Data and Bid Clerk. The specifications included the standard terms and conditions for the contract that was approved by the City Council. The bids for Contract No. CS-0602, City Housing Improvements, were received and opened on April 13, 2016. The calculated bid results were as follows:

- |                                 |            |
|---------------------------------|------------|
| 1. St. George Groupe, Inc.      | \$ 119,875 |
| 2. SD Design Construction Corp. | \$ 126,300 |
| 3. Dependable Construction Inc. | \$ 224,000 |

On May 17, 2016, the City of Vernon entered into an agreement with St. George Groupe, Inc. to remodel the unit located at 4323 Furlong Place. The rehabilitation project of 4323 Furlong Place consisted of building a new kitchen, new bathroom, new laundry room and new accessibility ramp that complies with disabled accessibility regulations. Moreover, the scope of work also included the complete rewiring of the electrical system, re-piping of the gas, water and sewer system, new water heating system, new roofing system, new windows, new exterior vinyl siding and new lawn with a new irrigation system. The current remodel project is scheduled to be completed by mid-November 2016.

Upon completion of the rehabilitation project, the Public Works, Water and Development Services Department is proposing to host an open house event at the remodeled residence where all City of Vernon tenants will be given an opportunity to observe and walk through the remodeled residence. Staff will be available at this event to answer any questions tenants may have in regards to the rehabilitation project, ADA guidelines or any other City housing-related questions.

### **Fiscal Impact**

The cost for the rehabilitation of 4323 Furlong Place is approximately \$128,000 including \$6,000 for appliances. \$300,000 was budgeted in the Fiscal Year 2016-2017 to remodel two single family dwelling units. Therefore, barring any significant increase in construction prices, the budgeted amount will be sufficient to cover the cost of remodeling one additional unit.

### **Attachment(s)**

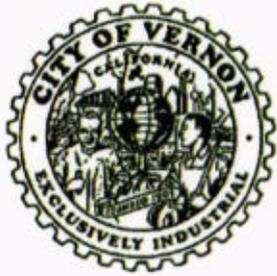
1. Presentation of plans for the remodel of the single family unit located at 4323 Furlong Place.



**REHABILITATION  
OF  
4323 FURLONG PLACE**

HOUSING  
COMMISSION MEETING  
NOV. 9<sup>TH</sup>, 2016





**Derek Wieske**, Director of Public Works, Water and  
Development Services

**Felix Velasco**, Project Manager

**Kevin Maffris**, Project Architect

**St. George Groupe, Inc.** General Contractor

**Y&M**  
Architects

## Existing Condition



- No Disabled Accessibility
- Outdated Kitchen
- Outdated Bathroom
- Outdated Laundry Room
- Outdated Plumbing System
- Poor Roofing System
- No Irrigation System



## **What is ADA?**

**The Americans with Disabilities Act of 1990** is a US labor law that prohibits unjustified discrimination based on disability. The American with Disabilities Act also imposes accessibility requirements on public accommodations.

## Why ADA Improvements?

### **California Building Code Section 11B-233.3.4.2** *Alterations to individual residential dwelling units*

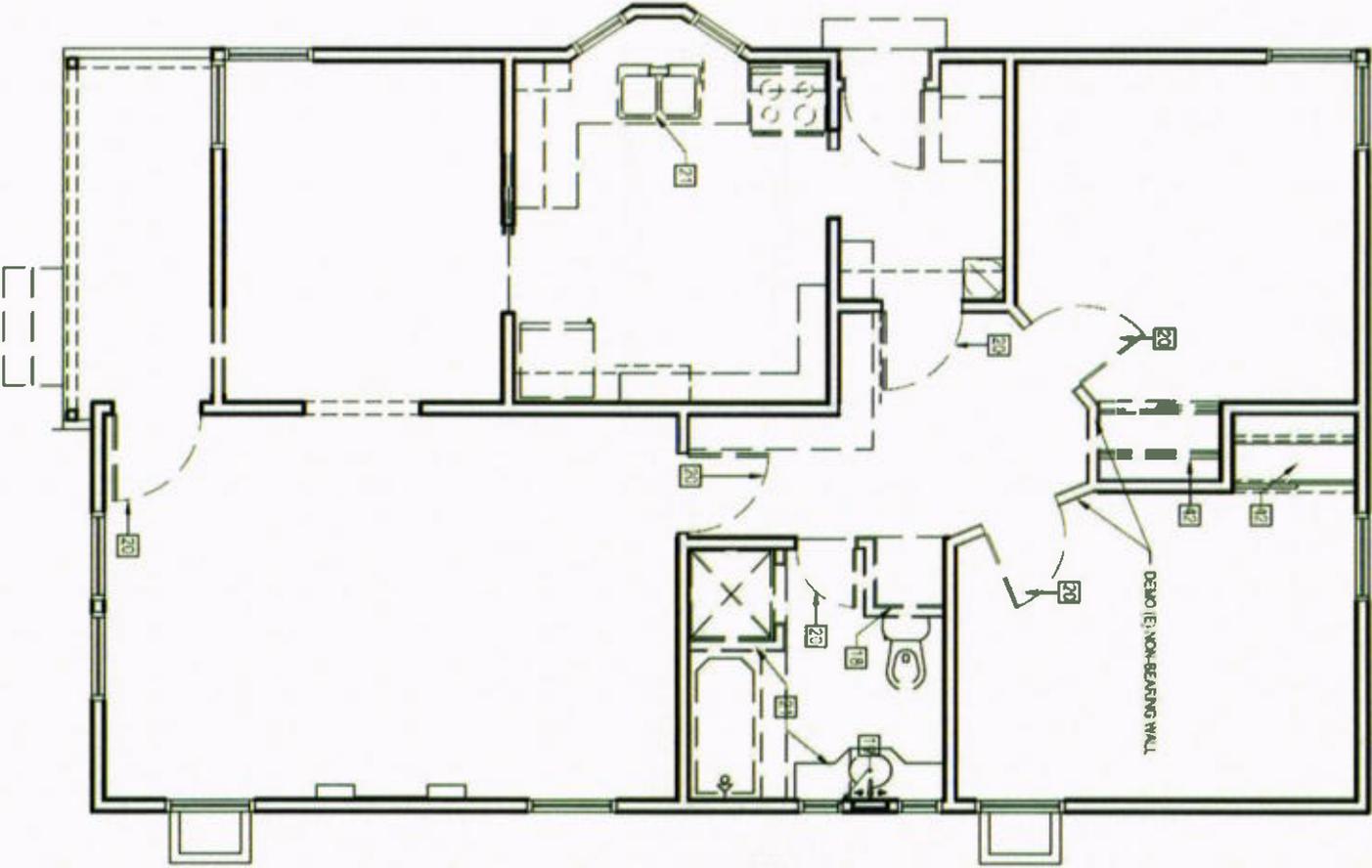
In public housing facilities with individual residential dwelling units, where a bathroom or a kitchen is substantially altered, and at least one other room is altered, the unit must comply with disabled accessibility regulations.

## **Why are we building a ramp on only 5% of City-owned Single Family Units?**

**California Building Code Section 11B-233.3.1.2**  
*Residential dwelling units with adaptable features.*

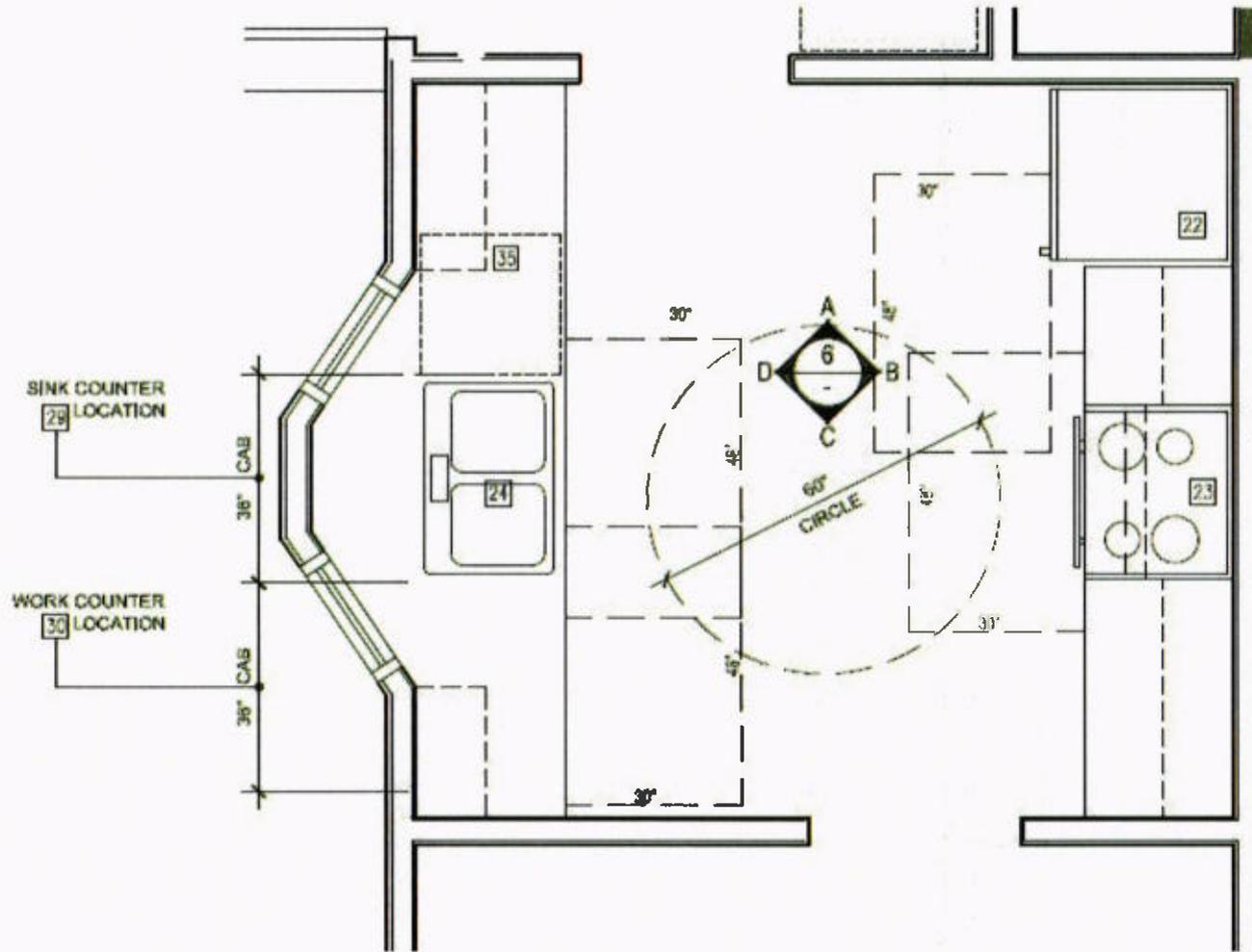
In public housing facilities with residential dwelling units, at least 5 percent, but no fewer than one unit, of the total number of residential dwelling units shall provide mobility features.

# Existing Floor Plan

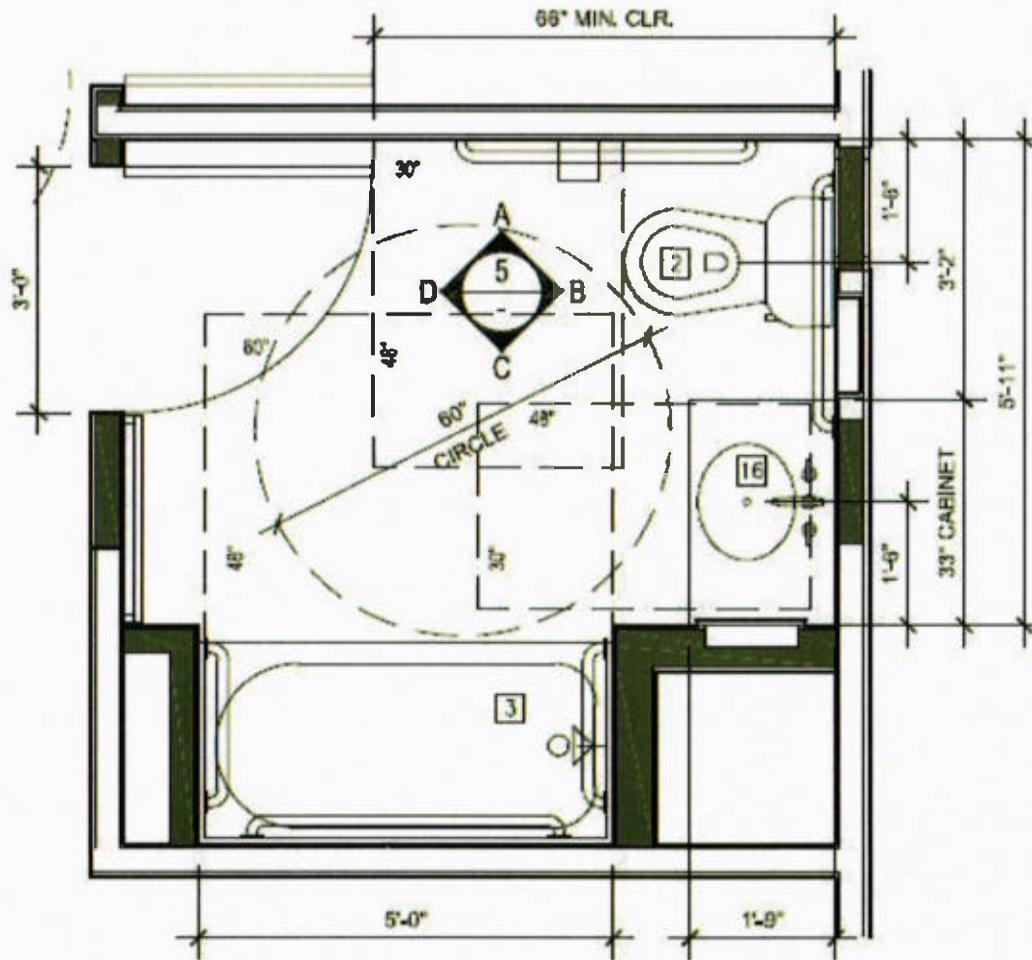




# Proposed Kitchen Layout



# Proposed Bathroom Layout



## Living Room & Hallway



# Bathroom



## BATHROOM ADA IMPROVEMENTS

- Lavatory
- Toilet
- Bath Tub
- Showerhead
- Grab Bars

# Kitchen



## KITCHEN ADA IMPROVEMENTS

- Sink
- Appliances
- Working counter space
- Faucets
- Turning space

# Laundry Room



## LAUNDRY ROOM ADA IMPROVEMENTS

- Washer
- Dryer
- Turning space

# Disabled Accessibility Ramp



# Disabled Accessibility Ramp



## Next Steps

- Establish rent cost for remodeled unit
- Host open house event
- Lease remodeled unit
- Begin rehabilitation of other non-remodeled units



THANK YOU!

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CITY ADMINISTRATION

CA 11-3-16

## STAFF REPORT

### PUBLIC WORKS, WATER AND DEVELOPMENT SERVICES DEPARTMENT

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**DATE:** November 9, 2016

**TO:** Honorable Members of the Vernon Housing Commission

**FROM:** Derek Wieske, <sup>DW</sup> Director of Public Works, Water and Development Services Department  
Originator: Anthony Zarate, Administrative Secretary <sup>AZ</sup>

**RE:** Authorization to Offer All Tenants in Non-Remodeled Units an Opportunity to Relocate to a Remodeled Unit and Establish a Relocation Priority Interest List

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#### Recommendation:

- A. Find that the actions recommended in this staff report do not constitute a "project" pursuant to Section 15378(b)(2) of the Guidelines to the California Environmental Quality Act ("CEQA"), because such recommendations constitute an administrative activity; and even if the adoption of the proposed items did constitute a project, it would be exempt from CEQA in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have an effect on the environment; and
- B. Approve the establishment of a temporary/permanent Relocation Priority Interest List to be used for the City Housing Remodel Project which would remain in effect until all units are remodeled; and
- C. Authorize staff to proceed with offering a temporary/permanent relocation opportunity to tenants in non-remodeled City-owned housing units.

#### Background

On October 4, 2016, the City Council of the City of Vernon authorized staff to proceed with the remodel of a second housing unit to accommodate the ongoing City Housing Remodel Project. At this time, the following six units have not yet been remodeled:

- 3361 Fruitland Avenue
- 3365 Fruitland Avenue

- 4321 Furlong Place
- 4324 Furlong Place
- 4325 Furlong Place
- 4328 Furlong Place

Currently, the following units in the City are vacant and available to accommodate the tenants of the subject single family units:

- 3376 E. 50<sup>th</sup> Street (2BR/1 Bath Apartment)
- 3353 Fruitland Avenue (2BR/1 Bath House)
- 6010 Oak Street (2BR/2.5 bath Townhouse)
- 2915 E. 60<sup>th</sup> Place (2BR/2.5 bath Townhouse)

Since all non-remodeled units are presently occupied, existing tenants would need to be relocated in order to proceed with the remodel of a second housing unit. On October 4, 2016, the City Council directed staff to survey all tenants in non-remodeled units in an effort to gauge resident interest in a relocation, and develop the least burdensome method of vacating non-remodeled units. Staff provided the affected tenants in the units listed above the option to choose between temporary and permanent relocations to remodeled and currently-vacant City-owned units. Staff presented the results of this Survey to City Council at its November 1, 2016 meeting.

The results of the Survey have been summarized in the attached Tenant Relocation Survey Results (Attachment 3). The City received responses from all those surveyed in the six non-remodeled units listed above. Based on the assessment of the Survey results, it has been determined that five of the six tenants in non-remodeled units are willing to relocate, either temporarily or permanently to another unit. Of those five tenants, three indicated a preference in permanently relocating to the remodeled housing unit located at 3353 Fruitland Avenue. Two tenants have an interest in temporarily moving to the 3353 Fruitland unit and one tenant is interested in a temporary relocation to the two-bedroom apartment located at 3376 E. 50<sup>th</sup> Street. Two tenants are interested in relocating to a different City-owned unit in Vernon that may become available at a later time. One tenant has no interest in either a temporary or a permanent relocation to any unit. None of the tenants surveyed had any interest in relocating to either of the condominiums in the City of Huntington Park, whether temporarily or permanently.

Staff is now seeking approval from the Vernon Housing Commission to proceed with offering the subject tenants the option to permanently/temporarily transfer to one of the available units. Any permanent/temporary relocations would be carried out in accordance with the attached Procedure Regarding Leasee/Authorized Occupant Relocation as adopted by the Housing Commission at the September 14, 2016 meeting.

As such, it is further recommended that the Housing Commission authorize staff to establish a Permanent/Temporary Relocation Priority Interest List by conducting a lottery for the five tenants in non-remodeled units that shared an interest in the relocation opportunity. Once established through a lottery, this priority list would remain in effect while the City's Housing Remodel Project is underway and until all units are remodeled. Tenants not interested in a permanent relocation would still have the option of a temporary relocation.

If a Permanent/Temporary Relocation Priority Interest List is approved, staff proposes to proceed with the following:

1. Conduct a lottery of all interested subject tenants at the Vernon Housing Commission meeting and establish a Permanent Relocation Priority Interest List.
2. Notify individuals on the priority list of the availability of a remodeled unit in subsequent order until offer is accepted and, upon tenant consent, enter into a new one-year lease for said unit at the current rental rate.
3. Provided there are remaining tenants on the priority interest list, it will remain active for any additional remodel work related to the City Housing Remodel Project.

\*Step 3 will be repeated if and/or when remodeled units become available.

It is proposed that the opportunity to join the Permanent/Temporary Relocation Priority Interest List be offered only once to all five interested tenants and be utilized only as it relates to the City Housing Remodel Project. If the Housing Commission supports staff's recommendation, then staff would immediately proceed with the steps detailed above. Once a non-remodeled unit has been vacated, staff could then initiate the public bidding process and bring a recommendation to award a construction contract to the City Council by early 2017, completing construction by September 2017. The costs for the remodel of 4323 Furlong Place are detailed in the attached cost breakdown. It should also be noted that the architectural plans were designed to be standardized and applied to the remaining non-remodeled units, resulting in lower architectural design costs for subsequent remodels.

### **Fiscal Impact**

Based on the cost for the full remodel of the unit located at 4323 Furlong Place, it would be anticipated that any subsequent remodels would be no more than \$150,000. There are sufficient funds available in the Fiscal Year 2016-2017 1048 (City Housing) account. Provided the Housing Commission approves the temporary/permanent relocation of the tenants in the non-remodeled units, the remodeled, vacant unit selected would immediately begin generating revenue at the current rental rate; and the non-remodeled, vacant unit would be next in line for the Housing Remodel Project. Any costs associated with a permanent relocation would include preparing any remodeled unit that becomes available for occupancy, which on average costs approximately \$500 per unit and relocating costs ranging from \$1,000 - \$2,000 per move, dependent on the size of the housing unit.

### **Attachments**

1. Procedure Regarding Leasee/Authorized Occupant Relocation
2. Contract No. CS-0602: Remodel of 4323 Furlong Place Cost Breakdown
3. Results of Tenant Relocation Survey

Vernon Housing Commission  
Procedure Regarding Leasee/Authorized Occupant Relocation

Pursuant to Ordinance 1183, as amended, and the Vernon Rental Housing Policy ("VRHP"), the Vernon Housing Commission ("VHC") hereby adopts the following procedure to address any lease/authorized occupant's need/desire to be re-located, either temporarily or permanently.

Recitals

A. The VHC is committed to managing its housing stock according to "best practices" for private, residential housing. The VRHP requires that all procedures be "neutral, fair, and reasonable."

B. Every lease/authorized occupant is entitled to a habitable rental unit.

C. On September 19, 2012, the VHC adopted its Unit-to-Unit Transfer Procedures ("Transfer Procedures").

D. On December 10, 2014, the VHC adopted its Procedures Regarding Temporary Relocation of Leasees and Authorized Occupants ("Temporary Relocation Procedures").

E. Since the adoption of the Transfer Procedures and the Temporary Relocation Procedures, the VHC has concluded that there is a need for a single, comprehensive, relocation procedure covering both temporary and permanent relocations. This Comprehensive Relocation Procedure is intended to and does supersede both the Transfer Procedures and the Temporary Relocation Procedures.

F. This Comprehensive Relocation Procedure is intended to apply to the following situations:

1. Temporary Relocation – City Initiated: If, through no fault of a Leasee, Authorized Occupant, and/or Guest, a rental unit becomes temporarily uninhabitable, as determined by the City, the Leasee and any Authorized Occupants shall be entitled, at the Leasee's option, to be re-located to housing accommodations comparable to the rental unit in good condition for so long as the rental unit is uninhabitable.

2. Permanent Relocation – City Initiated: Any leasee of a City of Vernon owned housing unit may request a permanent relocation to any other City-owned unit on a priority basis.

3. Permanent Relocation – Tenant Initiated: Any leasee of a City of Vernon owned housing unit may request a permanent relocation to any other City-owned unit upon availability.

G. The VHC desires to adopt procedures with respect to the relocation of Leasees and Authorized Occupants that are “neutral, fair, and reasonable.” The VHC recognizes that unless it uniformly applies a relocation procedure to all leasees, it will not be treating all leasees neutrally and fairly.

## Procedures

### A. Temporary Relocations

1. When Temporary Relocation is Authorized. Temporary relocation shall be authorized, at City expense, only if a rental unit is uninhabitable or if it is determined that in light of required repairs to a rental unit, temporary relocation will facilitate more expedient and cost effective repairs, even when the cost of temporary relocation is taken into account. Whether relocation should be authorized shall be determined on an objective basis in light of best practices for a private landlord, and shall be determined by disinterested City staff and/or consultants who have expertise with respect to the subject repair(s).

a. Required Relocation. If the City determines that a rental unit is uninhabitable, relocation shall be required until such time as the rental unit is returned to a habitable condition. Habitability shall be determined in light of the rental unit’s current condition and in light of the effect any needed repairs may have on the habitability of the rental unit during the course of repairs.

b. Optional Relocation. If a rental unit is otherwise habitable, a Leasee shall have an option either to accept relocation or to decline relocation, at the Leasee’s sole discretion, even if the total cost to repair to the rental unit shall be higher in light of the non-relocation.

2. Types of Alternative Housing. Generally, the type of alternative housing to which a Leasee and an Authorized Occupant is entitled shall be determined by the expected length of time alternative housing is required. As a general rule, if a temporary relocation is expected to last no more than 30 days, the relocation shall be presumed to be “short-term.” As a general rule, if a temporary relocation is expected to last for more than 30 days, the relocation shall be presumed to be “long-term.” Any presumption created by this procedure may be overcome if, as determined by the City, and based on the facts and circumstances of any particular case, an alternative categorization is appropriate.

a. Temporary Short-term Relocation. As a general rule, if temporary short-term relocation is authorized, the alternative housing shall be in the form of a qualifying hotel or other short-term housing option, as provided for in the ERP, discussed below.

b. Temporary Long-term Relocation. As a general rule, if temporary long-term relocation is authorized, the alternative housing shall be in the form of a comparably furnished apartment with a comparable number of bedrooms and bathrooms as the subject rental unit.

3. Reimbursable Relocation Expenses. If temporary relocation is authorized, the City shall bear all reasonable costs associated with the relocation, including the cost of alternative housing, the reasonable cost, if any, of moving personal possessions from and to the rental unit to the temporary housing, and any reasonable increase in food costs, if any, necessitated by the relocation. To the extent the City's Expense Reimbursement Policy then in effect ("ERP") covers a subject expense, the ERP shall govern the type of expense that may be covered and the amount of coverage. To the extent the ERP does not cover a subject expense, an expense may be covered only if it is actually incurred, is reasonable as determined by the City, and only for the actual amount of the expense.

4. Rent Abatement as an Alternative. If a Leasee who is otherwise entitled to temporary relocation instead chooses to re-locate on his or her own, the Leasee shall be entitled to rent abatement for the length of time temporary relocation would have otherwise been authorized.

5. Approval Required by City Attorney or Outside Counsel. If the amount of expected reimbursable relocation expenses is in excess of \$5,000, prior approval of the expenditure from the City Attorney or outside counsel to the VHC shall be required.

**B. Permanent Relocations**

*City Initiated Permanent Relocations*

1. If a temporary long-term relocation becomes necessary as set forth in this procedure, the leasee, at the leasee's sole option, may request a permanent relocation to a then vacant City-owned housing unit in lieu of a temporary long-term relocation.

2. A leasee shall have 10 days from the date of receiving notice of the need for a temporary long-term relocation to elect a permanent relocation. A permanent relocation may be elected only if a housing unit is vacant at the time of the election and the vacant unit can be occupied within 30 days of the election.

3. If a leasee elects a permanent relocation, the leasee shall have priority over all other existing or potential new leasees to select a vacant housing unit.

4. No transfer fee shall be due for a City initiated permanent relocation.

5. Any leasee permanently relocating to a different unit will immediately pay the then established market rent for the unit to which the leasee has relocated. This will require a review and determination of the leasee's credit worthiness to lease such unit.

*Leasee Initiated Permanent Relocations*

1. All permanent relocation requests initiated by a leasee must be submitted in writing by the leasee on the attached Permanent Relocation Request Form.

2. A leasee must have occupied his/her then current unit for a minimum of one year prior to submitting a Permanent Relocation Request Form.
3. A maximum of one Permanent Relocation Request Form per leasee will be accepted in any calendar year and shall be valid for that calendar year only.
4. Permanent Relocation Request Forms shall be accepted anytime throughout the year and shall be randomly rank ordered onto a wait list through the same lottery process conducted each June and December for potential new leasees. There shall be no priority given to first responders for leasee initiated permanent relocation requests.
5. After the priority given to existing leasees with a Financial Hardship pursuant to Section 4 of the Appeal Procedures for Existing Tenants Experiencing Transitional Hardship adopted July 18, 2012, the following order shall be followed. When a vacant housing unit is ready for leasing, the vacant unit shall first be offered to the leasee who is first on the Tenant Initiated Permanent Relocation Wait List that was in effect at the time the housing unit became vacant. If that leasee either does not want to occupy the vacant unit, or does not qualify for the vacant unit, then the vacant unit shall be offered to the next leasee on the Tenant Initiated Permanent Relocation Wait List. If the vacant unit has been offered to all leasees on the applicable Wait List, and none of the leasees either wants to occupy the vacant unit or qualifies for the vacant unit, then the vacancy shall be offered to the appropriate person on the wait list for potential new leasees in accordance with the procedures for that wait list.
6. A transfer fee of \$1,000 shall be due upon approval of a transfer request to cover the costs associated with preparing the unit for new occupancy.
7. Any leasee permanently relocating to a different unit will immediately pay the then established market rent for the unit to which the leasee has relocated. This will require a review and determination of the leasee's credit worthiness to lease such unit.

# CITY OF VERNON

CONTRACT No. CS-0602: REMODEL OF 4323 FURLONG PLACE

## COST BREAKDOWN

<b>CONSTRUCTION TASKS</b>	<b>Unit Cost</b>
Install new carpet flooring with padding and ceramic tile as noted on plans	\$ 5,750.00
Replace the water heating system (water heater, gas connection line and water connection lines)	\$ 3,375.00
Patch, paint and texture walls and ceiling	\$ 8,500.00
Remodel bathroom as noted on plans to meet ADA requirements	\$ 9,500.00
Remodel kitchen as noted on plans to meet ADA requirements	\$ 17,300.00
Reconfigure laundry room as noted on plans to meet ADA requirements	\$ 4,700.00
Lead abatement (see attached lead base paint report for reference)	\$ 3,500.00
Asbestos abatement (see attached asbestos report for reference)	\$ 3,500.00
ADA Building Accessibility Ramp as specified on plans	\$ 12,000.00
Replace sewer drainage system to property line	\$ 1,200.00
Replace water lines from meter to fixtures with copper material	\$ 3,200.00
Replace all gas supply lines from meter to fixture	\$ 2,400.00
Install computer, telephone and television cabling from designated rooms to exterior box	\$ 720.00
Replace all interior receptacles, switches and plate covers	\$ 840.00
Replace exterior crawl space screens and side vents	\$ 240.00
Replace all interior and exterior doors and frames and molding	\$ 2,800.00
Install insulated vinyl siding over the exterior of the house	\$ 7,600.00
Install a door bell	\$ 160.00
Design and install an automatic irrigation system	\$ 1,850.00
Remove and replace lawn	\$ 6,000.00
Install a 1' concrete mow strip around the perimeter of the house	\$ 960.00
Construct new brick planter	\$ 1,800.00
Replace windows with retrofit dual pane low emissivity windows.	\$ 4,900.00

Replace roof system	\$	8,100.00	
Remove and replace window casing	\$	2,275.00	
Replace window treatments with 1" vinyl wood blinds	\$	2,275.00	
Install interior and exterior light fixtures/recessed lighting as noted on the plans	\$	2,900.00	
Replace baseboards with DMF boards	\$	990.00	
Additional electrical improvements as needed	\$	540.00	
<u>Change Order No. 1 (based on unforeseen conditions):</u>			
Additional drywall installation			
Replacement of carpet with tile (570 SF)	\$	7,785.00	
<b>Total Construction Cost</b>		\$	127,660.00
		\$	127,660.00

<b>ADA APPLIANCES</b>		<b>Unit Cost</b>	
Washer	\$	1,021.74	
Dryer	\$	1,103.26	
Refrigerator	\$	1,793.48	
Range	\$	997.83	
Range Hood	\$	318.48	
Microwave	\$	230.43	
Dishwasher	\$	595.65	
Installation Kit	\$	34.91	
Sales Tax	\$	548.62	
<b>Total Appliances Cost</b>		\$	6,644.40
		\$	6,644.40

**TOTAL PROJECT COST \$ 134,304.40**

# Tenant Relocation Survey Results

	3353 Fruitland Avenue (3 bedroom / 1 bathroom house)	4010 Oak St. #B (2 bedroom, 2.5 bathroom condominium)	2915 E. 40th Place #S (2 bedroom, 2.5 bathroom condominium)	3376 E. 40th St. (2 Bedroom / 1 bathroom apartment)	Interested in relocation to a different ( city-owned unit in Vernon	Not interested in Relocation
Tenant 1	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input checked="" type="checkbox"/> temporary <input type="checkbox"/> permanent	<input type="checkbox"/>			
Tenant 2	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input type="checkbox"/> permanent	<input type="checkbox"/>			
Tenant 3	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input checked="" type="checkbox"/> temporary <input type="checkbox"/> permanent	<input checked="" type="checkbox"/> temporary <input type="checkbox"/> permanent	<input type="checkbox"/>
Tenant 4	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input type="checkbox"/> permanent	<input type="checkbox"/>			
Tenant 5	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input type="checkbox"/> permanent	<input checked="" type="checkbox"/>			
Tenant 6	<input checked="" type="checkbox"/> temporary <input type="checkbox"/> permanent	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input checked="" type="checkbox"/> permanent	<input type="checkbox"/> temporary <input type="checkbox"/> permanent	<input type="checkbox"/>
<b>Total</b>	Temporary = 1 Permanent = 3	Temporary = 0 Permanent = 0	Temporary = 0 Permanent = 0	Temporary = 1 Permanent = 0	Temporary = 2 Permanent = 0	



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**STAFF REPORT**  
**CITY ADMINISTRATION**

CA 11-8-16

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**DATE:** November 9, 2016

**TO:** Honorable Members of the Vernon Housing Commission

**FROM:** Vernon Housing Commission Rent Subcommittee *DW*  
Originator: Derek Wieske, Director of Public Works, Water & Development Services

**RE:** Preliminary Discussion Regarding Potential Rent Adjustments for all City-Owned Housing Units

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**Recommendations**

- A. Find that the discussion of potential rental rate adjustments for all City-owned housing units is exempt under the California Environmental Quality Act ("CEQA") because such is not a "project" as that term is defined in the CEQA Guidelines section 15378, and even if it were a project, it would still be exempt in accordance with Section 15061(b)(3), the general rule that CEQA only applies to projects that may have a significant effect on the environment; and
- B. Direct staff to develop a rent schedule with increased rates based on the Consumer Price (all items) Index to be presented at a future Vernon Housing Commission meeting.

**Background**

According to the City's Rental Housing Policy, as adopted by the Vernon Housing Commission (VHC) on October 5, 2011, "all rents charged by the City of Vernon shall be based on a 'market' valuation, as determined by multiple independent sources." However, the policy goes on to acknowledge that "in setting a 'market' value, the VHC should remain sensitive to the unique industrial and commercial character of the City of Vernon, including various environmental realities that are inherent in the City of Vernon. The VHC should also remain sensitive to the limited number of residential resources that the City of Vernon provides, as compared to other locales. Finally, to the extent reasonably practicable, when setting a 'market' value for any particular rental unit, an individualized assessment of the particular rental unit shall be taken into account."

On March 9, 2016, the VHC conducted a public hearing to consider a new preliminary Five-Year Market Rent Schedule for all City-Owned Housing Units in the City of Vernon. At that time, staff recommended an increase of 8.8% over the existing rents in an effort to bring the rents closer to current market rents, as determined by recent appraisals. Those proposed rent increases were based on past independent appraisal reports which considered a variety of factors, the primary of which was what has come to be known as the "Negative Location Impact" of residing in Vernon. Said simply, staff indicated that it would be appropriate to discount the rent based on the fact that the City of Vernon did not have the traditional amenities that most communities have, such as parks, grocery stores, and schools beyond the fifth grade.

During the public hearing, some tenants provided testimony indicating that proposed increases in the rents were still too high, and did not fairly take into account a number of factors. Ultimately, the VHC voted to create a Rent Subcommittee consisting of Commissioners Ybarra and Garcia to examine the public's concerns and to make a recommendation on how to address future rental rate increases. The subcommittee met with staff on two occasions, and discussed each of the three areas of concern, which could basically be categorized into three general areas:

1. Negative Location Impacts: Some residents agreed with the results of the appraisal report that there should be a "discount factor" for living in a non-traditional community like Vernon, making rent comparisons to other communities difficult. This factor was addressed in the recent appraisal studies.
2. Maintenance Concerns: Some residents indicated that the rents should not be increased until several of their outstanding maintenance concerns were addressed, including pest control concerns. While many of the tenants' maintenance concerns have been addressed, some issues such as the need for new kitchen cabinets, have not yet been completely addressed, as some tenants have expressed no interest in new cabinets since their unit is in line for the City's Housing Remodel Project, and other tenants do not wish to be inconvenienced so close to the holidays. The attached Unit Maintenance Improvement spreadsheet shows the status of unit improvements in greater detail. Additionally, based on staff's latest inspection of the housing stock, two units were found to have sustained significant damages beyond normal wear and tear. Staff will present a recommendation regarding pursuing tenant damages at a later time.
3. Impact of the Exide Facility: Some residents indicated that the potential health impacts from the lead in the air emissions of the recently-closed Exide battery recycling facility and the unknown impacts to the residential properties in Vernon have not yet been fully studied, and that more time was needed to determine the impacts. It was, and is still believed, that it will take several years for the former Exide facility to be remediated. The State, through its Department of Toxic Substances Control, has been the lead agency, but has not yet been able to completely identify all of the environmental impacts of the former plant, and has indicated that more funding is needed to fully remediate the site and its surroundings. Therefore, the impact on rents, both in Vernon and the surrounding areas, is difficult to quantify at this time (even for real estate experts), as new information is continuously being released.

The Rent Subcommittee is recommending that the VHC implement a rent increase based on the Consumer Price (all items) Index, or CPI. The VHC recognizes that the rents need to be increased to close the deficit between revenues and expenses. The CPI is a nationally recognized index used to track inflation and is published by the U.S. Bureau of Labor Statistics to measure the change in prices paid by consumers for a representative group of products and services. As an example, the percent increase of the all items CPI from August of 2015 to August of 2016 is 1.1% (please see attached sample rent schedule). However, there is no certain way of knowing what the CPI will be next year. Considering there is a need to increase the rents over time to keep up with market rates and elevate revenues to meet expenses while simultaneously adhering to tenant concerns, the subcommittee is recommending that the VHC adjust rental rates based on the (all items) CPI. Utilizing this well-established index would satisfy the need to close the gap between existing rents in Vernon versus nearby rental markets. This would provide the City with more time to address some of the outstanding issues related to bringing the rent closer to market rates.

If the Commission ultimately supports this recommendation, then each tenant would be given the opportunity to sign a new lease agreement, or be given at least 60 days to vacate the premises. According to the City's Housing Policy, all new leases shall be for a term of one year, and renewals of leases shall be for a term no longer than one year, without limitation on the number of renewals, so long as a leasee is in good standing.

The subcommittee further recommends that the monthly rents continue to be adjusted by the Commission based on the CPI on an annual basis. If the Commission supports this recommendation, staff would develop a rent schedule accordingly and proceed with a public hearing at its next meeting notifying all tenants of the proposed rent increase.

### **Fiscal Impact**

Based solely on the August 2015 to August 2016 (all items) CPI of 1.1%, the estimated, annual revenue in rental income for all housing would be \$319,714 at full occupancy, not accounting for any vacancies or loss of revenue during turnover. The (all items) CPI is subject to change year over year and the percentage of any proposed rental adjustments will fluctuate accordingly.

### **Attachments**

1. August 2015 – August 2016 Consumer Price Index Sample Rent Schedule
2. Unit Maintenance Improvements

## August 2015 - August 2016 Consumer Price Index Sample Rent Schedule

Unit	Unit Type	Baths	Increase by 1.1% CPI	8/1/2015 Rent	Sample Rent Based on CPI (All Items)	
3345 Fruitland	3bd-house	2	1.1%	1,164.00	12.804	1,176.80
3349 Fruitland	2bd-house	1	1.1%	968.00	10.648	978.65
3353 Fruitland	3bd-house	1	1.1%	1,114.00	12.254	1,126.25
3357 Fruitland	3bd-house	1	1.1%	1,114.00	12.254	1,126.25
3361 Fruitland	3bd-house	1	1.1%	1,043.00	11.473	1,054.47
3365 Fruitland	2bd-house	1	1.1%	914.00	10.054	924.05
						0.00
3376 E. 50th	2bd-apt	2	1.1%	839.00	9.229	848.23
3378 E. 50th	2bd-apt	1	1.1%	839.00	9.229	848.23
3380 E. 50th	1bd-apt	1	1.1%	696.00	7.656	703.66
3382 E. 50th	1bd-apt	1	1.1%	696.00	7.656	703.66
3384 E. 50th	1bd-apt	1	1.1%	696.00	7.656	703.66
3386 E. 50th	1bd-apt	1	1.1%	696.00	7.656	703.66
3388 E. 50th	2bd-apt	1	1.1%	839.00	9.229	848.23
3390 E. 50th	2bd-apt	1	1.1%	839.00	9.229	848.23
						0.00
3550 Vernon	3bd-house	1	1.1%	1,114.00	12.254	1,126.25
3560 Vernon	2bd-house	1	1.1%	985.00	10.835	995.84
4321 Furlong	3bd-house	1	1.1%	1,000.00	11	1,011.00
4322 Furlong	3bd-house	1	1.1%	1,071.00	11.781	1,082.78
4323 Furlong	2bd-house	1	1.1%	854.00	9.394	863.39
4324 Furlong	2bd-house	1	1.1%	854.00	9.394	863.39
4325 Furlong	2bd-house	1	1.1%	854.00	9.394	863.39
4326 Furlong	2bd-house	1	1.1%	925.00	10.175	935.18
4327 Furlong	2bd-house	1	1.1%	925.00	10.175	935.18
4328 Furlong	2bd-house	1	1.1%	854.00	9.394	863.39
4329 Furlong	3bd-house	1	1.1%	1,071.00	11.781	1,082.78
4330 Furlong	3bd-house	1	1.1%	1,089.00	11.979	1,100.98
						0.00
6010 Oak #B HP	2bd-cond	2.5	1.1%	1,200.00	13.2	1,213.20
2915 E. 60th #S HP	2bd-cond	2.5	1.1%	1,100.00	12.1	1,112.10
<b>TOTAL</b>				26,353.00	289.88	26,642.88
<b>ANNUAL REVENUE</b>				<b>316,236.00</b>	<b>3,478.60</b>	<b>319,714.60</b>

**UNIT MAINTENANCE IMPROVEMENTS**

<b>UNIT NO</b>	<b>MODEL</b>	<b>RM*</b>	<b>ITEM</b>	<b>WORK STATUS CONTRACT</b>	<b>TENANT NEGLECT YES / NO</b>	<b>ESTIMATED COMPLETION DATE</b>
Unit 1	3bd House	Yes	Carpet Replacement	Pending Finance Approval	No	12/1/2016
Unit 2	3bd House	Yes	Weather Strip and Paint Handrail	COMPLETED	No	COMPLETED
Unit 3	2bd House	Yes	Replace Ice Maker, Paint Bathroom and Handrail. Install Disabled Ramp	COMPLETED	No	COMPLETED
Unit 4	2bd House	No	Replace Roof	COMPLETED	No	COMPLETED
			Replace Kitchen & Pantry Flooring	On Hold**	No	On Hold**
			Kitchen Cabinets & Counter Tops	Design Phase	No	On Hold**
			Bathroom & Vanity Flooring	On Hold**	No	On Hold**
			Insulation	COMPLETED	No	COMPLETED
Unit 5	3bd House	No	Replace Roof	COMPLETED	No	COMPLETED
			Kitchen Cabinets	Design Phase	No	On Hold**
			Kitchen & Pantry Flooring	On Hold**	No	On Hold**
			Kitchen Counter Top & Sink	On Hold**	No	On Hold**
			Insulation	COMPLETED	No	COMPLETED

**UNIT MAINTENANCE IMPROVEMENTS**

<b>UNIT NO</b>	<b>MODEL</b>	<b>RM*</b>	<b>ITEM</b>	<b>WORK STATUS CONTRACT</b>	<b>TENANT NEGLECT YES / NO</b>	<b>ESTIMATED COMPLETION DATE</b>
Unit 6	2bd House	No	New Roof	COMPLETED	No	COMPLETED
			Kitchen & Pantry Flooring	On Hold**	No	On Hold**
			Kitchen Cabinets	Design Phase	No	On Hold**
			Kitchen Counter Top & Sink	On Hold**	No	On Hold**
			Paint Bathrooms	COMPLETED	No	COMPLETED
			Bathroom Cabinets & Flooring	COMPLETED	No	COMPLETED
			Carpet Replacement	On Hold**	No	On Hold**
			Insulation	On Hold**	No	On Hold**
Unit 7	2bd House	No	Carpet Replacement	On Hold**	No	On Hold**
			Kitchen Cabinets	Design Phase	No	On Hold**
			Kitchen Counter Top & Sink	On Hold**	No	On Hold**
			Kitchen & Pantry Flooring	On Hold**	No	On Hold**
			Bathroom Cabinets, Sink & Flooring	On Hold**	No	On Hold**

**UNIT MAINTENANCE IMPROVEMENTS**

<b>UNIT NO</b>	<b>MODEL</b>	<b>RM*</b>	<b>ITEM</b>	<b>WORK STATUS CONTRACT</b>	<b>TENANT NEGLECT YES / NO</b>	<b>ESTIMATED COMPLETION DATE</b>
Unit 8	3bd House	Yes	Paint Interior	Not Completed***	Yes	Pending VHC Directive
			Replace Kitchen Cabinets	Not Completed***	Yes	Pending VHC Directive
			Kitchen Counter Top	Not Completed***	Yes	Pending VHC Directive
			Replace Two Bathroom Sinks & Faucets	Not Completed***	Yes	Pending VHC Directive
Unit 9	2bd House	Yes	Repair & Paint Front/Rear Exterior Doors	Not Completed***	Yes	Pending VHC Directive
			Repair & Paint Interior Walls	Not Completed***	Yes	Pending VHC Directive
			Repair & Paint Interior Doors	Not Completed***	Yes	Pending VHC Directive
			Replace Shower Door	Not Completed***	Yes	Pending VHC Directive
			Replace Light Fixture & Fan	Not Completed***	No	Pending VHC Directive
			Replace Cabinets & Counter Top	Not Completed***	Yes	Pending VHC Directive
			Repair Hardwood Floors	Not Completed***	Yes	Pending VHC Directive

**UNIT MAINTENANCE IMPROVEMENTS**

<b>UNIT NO</b>	<b>MODEL</b>	<b>RM*</b>	<b>ITEM</b>	<b>WORK STATUS CONTRACT</b>	<b>TENANT NEGLECT YES / NO</b>	<b>ESTIMATED COMPLETION DATE</b>
Unit 10	3bd House	Yes	Trim Tree in Backyard	COMPLETED	No	COMPLETED
Unit 11	3bd House	Yes	Clean Rain Gutters	COMPLETED	No	COMPLETED
Unit 12	3bd House	No	Kitchen & Pantry Flooring	COMPLETED	No	COMPLETED
			Sliding Entrance Gate	COMPLETED	No	COMPLETED
			Carpert Replacement - Living Room/Dining Room	COMPLETED	No	COMPLETED
Unit 13	2bd House	No	Kitchen & Pantry - Replace Flooring	COMPLETED	No	COMPLETED
Unit 14	2bd House	Yes	Paint Living Room Base Boards, bathroom, laundry room and handrail. Replace microwave vent cover, clean rain gutters and power wash exterior	COMPLETED	No	COMPLETED
				COMPLETED	No	COMPLETED
Unit 15	3bd House	Yes	Remove Palm Tree	COMPLETED	No	COMPLETED
Unit 16	1br-Apt	Yes	Paint front door, dining room, replace faucet screens and replace ice maker	COMPLETED	No	COMPLETED
				COMPLETED	No	COMPLETED
Unit 17	1br-Apt	Yes	Replace weather strip and pain front door	COMPLETED	No	COMPLETED

**UNIT MAINTENANCE IMPROVEMENTS**

<b>UNIT NO</b>	<b>MODEL</b>	<b>RM*</b>	<b>ITEM</b>	<b>WORK STATUS CONTRACT</b>	<b>TENANT NEGLECT YES / NO</b>	<b>ESTIMATED COMPLETION DATE</b>
Unit 18	2br-Apt	Yes	Replace weather strip, caulk bath tub and replace mini blinds	COMPLETED	No	COMPLETED
Unit 19	2br-Apt	Yes	In House - See Attachment No. 1	COMPLETED	No	COMPLETED
All Units			Pest/Rodent Infestations	ONGOING	No	ONGOING
<b>*Remodeled Unit</b>						
<b>** Project on hold per tenant's request</b>						
<b>*** Tenant damages beyond normal wear and tear</b>						