



**Agenda
City of Vernon
Regular Housing Commission Meeting
Wednesday, December 09, 2020, 06:00 PM
City Hall, Council Chamber
4305 Santa Fe Avenue
Vernon, California**

**Frank Gaviña, Chair
Steven Froberg, Vice Chair
Ronit Edry, Commissioner
Steve Hermon, Commissioner
Jorge Nevarez Jr., Commissioner
Marlene Ybarra, Commissioner
Melissa Ybarra, Commissioner**

SPECIAL REMOTE PROTOCOLS

In accordance with Governor Newsom's Executive Order N-29-20, this will be a teleconference meeting without a physical location to help stop the spread of COVID-19. This meeting will be conducted entirely by remote participation via Zoom Webinar.

The public is encouraged to view the meeting at www.cityofvernon.org/webinar-vhc or by calling (408) 638-0968, Meeting ID 933-2784-0426#.

You may submit comments to PublicComment@ci.vernon.ca.us with the subject line "December 9, 2020 City of Vernon Housing Commission Meeting Public Comment Item #__." Comments received prior to 5 p.m., Wednesday, December 9, 2020, will be read into the record.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

APPROVAL OF 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.

PRESENTATIONS

1. **Public Works**

[Housing Lottery for City-Owned Housing Vacancy](#)

Recommendation:

Conduct a housing lottery to establish a priority listing for individuals who have submitted a Unit Transfer Request Form or a Housing Expression of Interest Form for vacant City-owned housing.

CONSENT CALENDAR

All matters listed on the Consent Calendar are to be approved with one motion. Items may be removed from the Consent Calendar by any member of the Commission. Those items removed will be considered immediately after the Consent Calendar.

2. **City Clerk**

[Approval of Minutes](#)

Recommendation:

Approve the September 9, 2020 Regular and the October 14, 2020 Special Vernon Housing Commission meeting minutes.

1. [2020-09-09 VHC Minutes](#)

2. [2020-10-14 VHC Minutes \(special\)](#)

3. **City Administration**

[Update on Temporary Emergency Moratoria on Evictions at Residential Properties](#)

Recommendation:

Receive and file the update.

4. **Public Works**

[Update on Business Priority Housing Policy](#)

Recommendation:

Receive and file the update.

NEW BUSINESS

5. **Public Works**

[City Housing Quarterly Report](#)

Recommendation:

Receive and file the December 2020 City Housing Quarterly Report.

6. **Public Works**

[City-owned Housing Applicant Appeal Process](#)

Recommendation:

Hold a discussion on the necessity of establishing an appeal process for prospective lessees that have been denied tenancy and provide direction to staff.

7. Public Works

[Appliance Policy](#)

Recommendation:

Consider the prospect of implementing a policy regarding appliances in City housing units and provide direction to staff.

8. Public Works

[Los Angeles County Possessory Interest Tax for City-owned Housing](#)

Recommendation:

A. Approve and authorize the City to pay tenants' Possessory Interest Tax directly to the County Assessor on behalf of residents in City-owned housing units; and

B. Approve and authorize revisions to the Vernon Housing Commission approved lease agreement and any relevant policies and procedures to reflect the change from a Possessory Interest Tax reimbursement to a direct payment from the City to the County Assessor on behalf of residents in City-owned housing units.

[1. Assessor's Guide to Possessory Interest Tax](#)

9. Public Works

[Greater Los Angeles County Vector Control District Parcel Tax](#)

Recommendation:

Consider the prospect of tenant payment of the Greater Los Angeles County Vector Control District Parcel Tax and provide direction to staff.

ORAL REPORTS


Brief reports, announcements, or directives to staff.

Next regular meeting: Wednesday, March 10, 2021, at 6:00 p.m.

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 72 hours prior to the meeting date set forth on this agenda.

Dated this 3rd day of December, 2020.

By: 
Sandra Dolson, Administrative Secretary

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-436-2020
Submitted by: Jazmine Hooks
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

Housing Lottery for City-Owned Housing Vacancy

Recommendation:

Conduct a housing lottery to establish a priority listing for individuals who have submitted a Unit Transfer Request Form or a Housing Expression of Interest Form for vacant City-owned housing.

Background:

Pursuant to Section 3 of the Vernon Housing Commission's Lease-Up Procedures for New Tenants for Units Located Within the City of Vernon ("Procedures"), and to ensure that the selection process for new tenants remains equitable and transparent, the City conducts a housing lottery (Lottery) when a City-owned housing unit becomes available. The housing lottery is a random draw of all names on the Housing Interest and Unit Transfer lists and establishes a randomized order by which a vacancy shall be offered. Currently, the City has a 3-bedroom vacancy at 3361 Fruitland Avenue for which a lottery will be held to establish a randomized order by which this vacancy will be offered.

Participants in the lottery are those individuals who have submitted a Housing Interest Form or a Unit Transfer Request Form and have confirmed their interest in the available housing unit by December 8, 2020, at 5:30 p.m. .

Fiscal Impact:

Although there is no fiscal impact for conducting the lottery, the fiscal impact of leasing the vacant unit is \$2,170 per month in rent.

Attachments:

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-341-2020
Submitted by: Sandra Dolson
Submitting Department: City Clerk
Meeting Date: December 9, 2020

SUBJECT

Approval of Minutes

Recommendation:

Approve the September 9, 2020 Regular and the October 14, 2020 Special Vernon Housing Commission meeting minutes.

Background:

Staff has prepared and hereby submits the minutes for approval.

Fiscal Impact:

There is no fiscal impact associated with this report.

Attachments:

1. [2020-09-09 VHC Minutes](#)
2. [2020-10-14 VHC Minutes \(special\)](#)

MINUTES
VERNON HOUSING COMMISSION
REGULAR MEETING
WEDNESDAY, SEPTEMBER 9, 2020
COUNCIL CHAMBER, 4305 SANTA FE AVENUE

CALL TO ORDER

Chair Gaviña called the meeting to order at 6:00 p.m.

FLAG SALUTE

Commissioner Marlene Ybarra led the Flag Salute.

ROLL CALL

PRESENT: Frank Gaviña, Chair
Steven Froberg, Vice Chair
Ronit Edry, Commissioner (via remote access)
Steve Hermon, Commissioner
Jorge Nevarez Jr., Commissioner (via remote access)
Marlene Ybarra, Commissioner
Melissa Ybarra, Commissioner

STAFF PRESENT:

Carlos Fandino, City Administrator
Dan Wall, Public Works Director
Lisa Pope, City Clerk
Zaynah Moussa, Senior Deputy City Attorney (via remote access)
Diana Figueroa, Administrative Analyst

APPROVAL OF THE AGENDA

MOTION

Commissioner Melissa Ybarra moved and Vice Chair Froberg seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

PUBLIC COMMENT

Marisa Olguin, Vernon Chamber of Commerce, reminded the Commission of the Good Governance Reform and encouraged the Commission's governance of the housing stock. She expressed her appreciation to the Commissioners for their time.

PRESENTATIONS

1. Selection of Chair and Vice Chair

Recommendation: Select one member to serve as Chair and one member to serve as Vice Chair for the term ending June 30, 2021.

City Clerk Pope presented the staff report.

MOTION

Commissioner Melissa Ybarra moved and Commissioner Marlene Ybarra seconded a motion to select Frank Gaviña to serve as Chair. The question was called and the motion carried unanimously.

MOTION

Commissioner Melissa Ybarra moved and Chair Gaviña seconded a motion to select Steven Froberg to serve as Vice Chair. The question was called and the motion carried unanimously.

CONSENT CALENDAR

MOTION

Commissioner Melissa Ybarra moved and Commissioner Marlene Ybarra seconded a motion to approve the Consent Calendar. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following item:

2. Approval of Minutes

Recommendation: Approve the June 10, 2020 Regular Vernon Housing Commission meeting minutes.

NEW BUSINESS

3. City Housing Quarterly Report

Recommendation: Receive and file the September 2020 City Housing Quarterly Report.

Public Works Director Wall presented the staff report.

Administrative Analyst Figueroa discussed staff's contact with residents behind in rent and next steps to formally request payment. She reminded the Commission of the eviction moratorium.

MOTION

Commissioner Melissa Ybarra moved and Vice Chair Froberg seconded a motion to receive and file the September 2020 City Housing Quarterly Report, correcting typographical errors. The question was called and the motion carried unanimously.

4. Vernon Housing Commission Ad Hoc Committee Update on Need for a Business Priority in City-owned Housing

Recommendation: Receive and file update from Vernon Housing Commission Ad Hoc Committee.

Public Works Director Wall presented the staff report.

In response to Commission questions, Public Works Director Wall stated the ad hoc committee recommended an advertising campaign to Vernon business employees.

Commissioner Melissa Ybarra discussed the ad hoc committee recommendation and suggested a Business and Industry ad hoc committee work with the Housing Commission ad hoc committee to determine if there was a need for priority; and if so, specifics on the priority.

The Commission discussed the potential need for a business priority.

Marisa Olguin, Vernon Chamber of Commerce, concurred with the proposed action.

MOTION

Chair Gaviña moved and Commissioner Melissa Ybarra seconded a motion to receive and file the update from Vernon Housing Commission Ad Hoc Committee and requested the Business and Industry Commission appoint two members to an ad hoc committee to work with the Housing Commission Ad Hoc Committee on the need and definition of business priority for City-owned housing. The question was called and the motion carried unanimously.

5. City of Vernon Housing Unit Rental Rates

Recommendation: Discuss rental rates for vacant units and provide direction to staff.

Public Works Director Wall presented the staff report.

MOTION

Chair Gaviña moved and Commissioner Melissa Ybarra seconded a motion to direct staff to retain the HUD rates for vacant units. The question was called and the motion carried unanimously.

ORAL REPORTS

City Administrator Fandino discussed efforts to ensure high speed internet for all residents.

Public Works Director Wall invited the Commission to tour the City's housing stock at a special meeting.

CONSENSUS

By consensus, the Commission directed staff to schedule a special meeting on October 14, 2020, at 9:00 a.m. to tour the City's housing stock.

ADJOURNMENT

With no further business, Chair Gaviña adjourned the meeting at 6:54 p.m.

FRANK GAVIÑA, Chair

ATTEST:

LISA POPE, City Clerk
(seal)

**MINUTES
VERNON HOUSING COMMISSION
SPECIAL MEETING
WEDNESDAY, OCTOBER 14, 2020
COUNCIL CHAMBER, 4305 SANTA FE AVENUE**

CALL TO ORDER

Chair Gaviña called the meeting to order at 9:00 a.m.

FLAG SALUTE

Vice Chair Froberg led the Flag Salute.

ROLL CALL

PRESENT: Frank Gaviña, Chair
Steven Froberg, Vice Chair
Ronit Edry, Commissioner
Steve Hermon, Commissioner
Jorge Nevarez Jr., Commissioner
Marlene Ybarra, Commissioner
Melissa Ybarra, Commissioner

STAFF PRESENT:

Carlos Fandino, City Administrator
Dan Wall, Public Works Director
Arnold Alvarez-Glasman, Interim City Attorney
Sandra Dolson, Administrative Secretary

APPROVAL OF THE AGENDA

MOTION

Commissioner Melissa Ybarra moved and Commissioner Marlene Ybarra seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

PUBLIC COMMENT

None.

NEW BUSINESS

1. Tenants and Authorized Occupants on City Leases

Recommendation: Receive and file the report.

Public Works Director Wall presented the staff report.

In response to Commission questions, Public Works Director Wall explained the reason for beginning with the fiscal year. He discussed the bi-annual inspections in November and presented the proposed follow-up for non-filers, aiming for compliance within 30 days.

Commissioner Melissa Ybarra recommended informing the tenants via postcard in November to update leases.

MOTION

Commissioner Melissa Ybarra moved and Vice Chair Froberg seconded a motion to receive and file the Tenants and Authorized Occupants on City Leases report and directed staff to inform tenants via postcard in November to update leases. The question was called and the motion carried unanimously.

2. Tour of City-Owned Properties

Recommendation: Visitation of various City-owned properties to familiarize the Commission with current conditions. Tour to commence from Vernon City Hall with various stops throughout the City at City-owned properties. Those wishing to participate should convene at City Hall or at the stops as indicated in the agenda item report.

The Commission visited 4324 Furlong Place, 3550 Vernon Avenue, 50th Street Apartments, and 3361 Fruitland Avenue.

ORAL REPORTS

None.

ADJOURNMENT

With no further business, Chair Gaviña adjourned the meeting at 10:10 a.m.

FRANK GAVIÑA, Chair

ATTEST:

LISA POPE, City Clerk
(seal)

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-420-2020
Submitted by: Diana Figueroa
Submitting Department: City Administration
Meeting Date: December 9, 2020

SUBJECT

Update on Temporary Emergency Moratoria on Evictions at Residential Properties

Recommendation:

Receive and file the update.

Background:

On March 14, 2020, the City of Vernon declared a local emergency due to the outbreak of the Novel Coronavirus (COVID-19). The COVID-19 pandemic has had a significant effect on the national, regional, and local economy resulting in economic hardship related to layoffs, COVID-19 affected quarantines, and/or reduced work hours for a significant percentage of the nation's workforce.

With the understanding that there are a host of factors that may impact its residential population, the City Council adopted Emergency Ordinance No. 1268 at its April 21, 2020 meeting, enacting a temporary moratorium on residential evictions. It was the intent of City leaders to offer a form of emergency relief to residents who are vulnerable to the sudden and immediate loss of revenues, and who are navigating a means to survive the fiscal impacts of the COVID-19 crisis. The temporary moratorium was intended to promote stability and fairness within the residential rental markets in the City during the COVID-19 pandemic outbreak and to prevent avoidable homelessness. Further, the Emergency Ordinance served to protect public peace, health, safety, and public welfare and to help enable tenants in Vernon whose income and ability to work are affected due to COVID-19 to remain in their homes.

Consistent with the City's Local Emergency Proclamation and State Executive Order (EO) N-28-20, Vernon's Emergency Ordinance was enacted to help prevent evictions of residential tenants impacted by COVID-19 during the emergency period. This local moratorium expired effective May 31, 2020, which was aligned with the original expiration date identified in California's EO N-28-20. The City's Emergency Ordinance No. 1268 states that Vernon's residential tenants who have fallen behind on their rent payments must pay within six (6) months of the expiration of the local emergency.

In addition to the passage of the Emergency Ordinance, the City also approved the following to aid its residential community members:

*The COVID-19 Grant Stimulus Program (\$1,000 stimulus for each Vernon resident)

*COVID-19 Temporary Rent Repayment Procedures (authorized by the Vernon Housing Commission)

The Los Angeles County Board of Supervisors issued an executive order for a temporary moratorium on evictions in parts of Los Angeles County in response to the COVID-19 health emergency. The County eviction moratorium, which can be extended on a month-to-month basis, will remain in place until at least January 31, 2021. This temporary eviction moratorium covers all residential and commercial tenants in Los Angeles County, except those who live or conduct business in cities that have already enacted their own eviction moratoria. The moratorium includes a ban on evictions for nonpayment of rent, if the tenant

can show they have been financially impacted by the health emergency, among other protections. Since Vernon's Emergency Ordinance No. 1268 has expired, residential tenants in Vernon would be protected under the Los Angeles County order.

In addition, the State has also taken action to protect residential renters. The COVID-19 Tenant Relief Act of 2020 (CTRA), enacted by AB 3088, was passed by the California Legislature and signed by Governor Gavin Newsom on August 31, 2020. The CTRA enacts substantial new protections from evictions for all residents, including prohibitions on ever evicting a resident who has failed to make specified rental payments provided certain requirements are met. Some highlights of the recently established legislation are as follows:

*The CTRA prohibits a landlord from evicting a resident for non-payment of rent or other charges that came due between March 1, 2020 and August 31, 2020 if the resident provides the landlord with a declaration stating their finances have been negatively affected by the COVID-19 pandemic.

*Landlords are also prohibited from evicting a resident for non-payment of rent or other charges that came due between September 1, 2020 and January 31, 2021 if the resident does both of the following: (1) provides the landlord with a declaration stating their finances have been negatively affected by the COVID-19 pandemic; and, (2) by January 31, 2021, pays 25 percent (25%) of the rental payments due between September 1, 2020 and January 31, 2021 that were missed because the resident experienced COVID-19-related financial distress.

*Landlords are required to give an informational notice about the new law to any residents who, as of September 1, 2020, have missed one or more payments that came due between March 1 and August 31, 2020.

*Requires a landlord to give a 15-day notice before seeking to evict for any unpaid rent or other charges due between March 1, 2020 and January 31, 2021.

*Prohibits any unlawful detainer actions for non-payment of rent or other charges (regardless of when due) prior to October 5, 2020.

*Prohibits unlawful detainer actions against residents with COVID-19-related financial distress for non-payment of rent and other charges due between September 1, 2020 and January 31, 2021 until February 1, 2021.

Over the course of the emergency, there have been two residents in City-owned properties that have encountered difficulties with paying their rent. One of these individuals actively worked with City staff to coordinate a responsible repayment plan in accordance with the COVID-19 Temporary Rent Repayment Procedures that were adopted by the Vernon Housing Commission at their special meeting on April 29, 2020. This particular resident is no longer behind on rental payments. The second tenant has not contacted the City to communicate any COVID-19 related hardship, nor has the individual arranged any type of payment plan to assume responsibility for rent owed to the City. Staff has been working in collaboration with the City Attorney's Office to address this issue of delinquency. In accordance with procedures set forth in the CTRA, the delinquent tenant will receive notice from the City that will offer a 15-day window to respond with a declaration stating their finances have been negatively affected by the COVID-19 pandemic. Within the notification package, the renter will be advised of their tenant rights during the COVID-19 emergency, and will be informed of their specific rental obligation to the City. The VHC will be apprised of any subsequent course of action taken by the City following notification to the renter.

The safety and welfare of our Vernon community remains of paramount importance. Fortunately, the majority of Vernon's residential population has been able to make timely rent payments, despite the volatility that has been created by the COVID-19 pandemic which has adversely affected income, caused job loss, and/or illness for many. City staff continue to explore ways in which to support the Vernon

community, particularly in light of the uptick in COVID-19 positive cases being reported in Los Angeles County and in the southern California region.

Fiscal Impact:

There is no fiscal impact associated with this report.

Attachments:

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-434-2020
Submitted by: Daniel Wall
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

Update on Business Priority Housing Policy

Recommendation:

Receive and file the update.

Background:

At its March 11, 2020 meeting, the Vernon Housing Commission (VHC) established an Ad Hoc Committee (Ad Hoc) comprised of two of its members, Commissioner Melissa Ybarra and Commissioner Ronit Edry, to evaluate the need for a "Business Priority" in City-owned housing. The Ad Hoc explored the necessity of a Business Priority in Vernon and reported its findings and/or recommendations to the VHC for its review and deliberation. The Ad Hoc initially convened in June, along with City staff, to formulate a plan to gather feedback from the Vernon business community on the Business Priority topic.

The Ad Hoc contemplated a policy of providing housing priority to employees deemed to be essential to Vernon manufacturing businesses. At its August 13, 2020 meeting, the Business and Industry Commission (BIC) was presented with the Business Priority concept by City staff to solicit feedback. Staff indicated that there has been recent discussion about offering a Business Priority to Vernon workers who may be deemed essential employees for manufacturing businesses located in the City. A Business Priority would place the Vernon worker in this category ahead of others on the interest list when a housing lottery is held for an available City-owned residential unit. After extensive deliberation, the BIC concluded that its preference would be to have a Business Priority established for Vernon workers (excluding City of Vernon employees). Furthermore, the BIC stated that they did not favor a Business Priority that would be exclusively for essential workers at manufacturing businesses, but rather, they specified their endorsement of a Business Priority for all Vernon workers.

Subsequent to the August BIC meeting, staff included the BIC's feedback in an update regarding the VHC Ad Hoc Committee's efforts at the September 9, 2020 VHC meeting. After a discussion, the VHC board members recommended that staff return to the BIC and suggest the formation of an Ad Hoc Committee to further evaluate the need for a Business Priority in City-owned housing and engage in a dialog with the VHC Ad Hoc regarding this limited matter.

At its November 12, 2020 meeting, the BIC formed the BIC Business Priority Housing Policy Ad Hoc Committee of Chair Cline and Vice Chair Andreoli II to engage in a dialog with the VHC Ad Hoc Committee, with any resulting findings or proposals taken back to the respective Commission(s) for consideration and final action.

As next steps, staff will coordinate meetings among each Ad Hoc Committee to evaluate a policy that may work to address the needs of the Vernon community, leveraging the business perspective as a means to implement a meaningful business priority lottery list should one be desired.

Fiscal Impact:

There is no fiscal impact associated with this report.

Attachments:

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-431-2020
Submitted by: Daniel Wall
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

City Housing Quarterly Report

Recommendation:

Receive and file the December 2020 City Housing Quarterly Report.

Background:

Staff will present the City Housing Quarterly Report for the period from September 2020 through November 2020. The report consists of financial highlights including rents and expenditures, and inspection results.

Fiscal Impact:

There is no fiscal impact associated with this report.

Attachments:

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-433-2020
Submitted by: Daniel Wall
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

City-owned Housing Applicant Appeal Process

Recommendation:

Hold a discussion on the necessity of establishing an appeal process for prospective lessees that have been denied tenancy and provide direction to staff.

Background:

Once a prospective lessee has been identified from the Lottery List, the prospective lessee completes the standard application form. When the completed standard application form is submitted, Public Works staff conducts a standard background and credit check to confirm each applicant's suitability to be a lessee. Any "Authorized Occupant" of a housing unit is also subject to a background check and must pass a background check prior to being named in a lease as an "Authorized Occupant."

Background Checks: All individuals over the age of 18 who wish to be identified as either a lessee or an Authorized Occupant are subject to a background check. Background checks screen for felony convictions and whether the prospective lessee or an Authorized Occupant is a registered sex offender. In accordance with the Vernon Housing Commission's Lease-Up Procedures for New Tenants for Units Located Within the City of Vernon, a felony conviction and/or being a registered sex offender shall be presumptively disqualifying conditions for a lease and/or occupancy.

Credit checks: All individuals who wish to be identified as a lessee are subject to a credit check. Public Works staff verifies the prospective lessee's income and request/reviews a credit report provided by a third-party vendor. Income and credit scores must meet minimum standards and the credit report must not contain negative activities such as judgments and accounts in collections.

If a prospective lessee does not meet the minimum credit score or minimum income level, but is otherwise in good standing and determined to be a good candidate for a lease, he/she may be offered a lease if he/she is able to present a qualified co-signer who executes a personal guarantee.

Based on information collected from the background check, income verification, and credit check, Public Works staff uses its best judgment to determine if a prospective lessee is a good candidate for a lease. Currently, there is no appeal process in place for a prospective lessee that has been denied tenancy.

Fiscal Impact:

There is no fiscal impact associated with this report.

Attachments:

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-421-2020
Submitted by: Daniel Wall
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

Appliance Policy

Recommendation:

Consider the prospect of implementing a policy regarding appliances in City housing units and provide direction to staff.

Background:

In California, appliances, such as refrigerators and dishwashers, are considered amenities, and their absence in a rental does not make the property uninhabitable, and so there is no mandate that appliances be provided. In the Los Angeles area, stoves are generally provided with rental units, and refrigerators are sometimes provided. When other appliances are provided by property owners, it is to make properties more attractive to prospective tenants.

The City of Vernon provides appliances in the majority of its housing units, as shown below:

Furlong Place

Eight of the Furlong Place houses have a City provided washer, dryer, stove, microwave, dishwasher, and refrigerator.

4324 & 4326 Furlong Place have no City provided appliances.

Fruitland Avenue

Each of the Fruitland Avenue houses has a City provided washer dryer, stove, microwave, dishwasher, and refrigerator, except for the newly remodeled house at 3361 Fruitland which, currently, only has a dishwasher and microwave. The other appliances for this house have not been purchased pending direction provided by the Commission.

Vernon Avenue

Each of the two Vernon Avenue Houses has a City provided washer, dryer, stove, microwave, dishwasher and refrigerator.

Apartments

Each of the 50th Street Apartments has a City provided stove, microwave, dishwasher and refrigerator. There is a communal laundry room.

Section 18 of the VHC adopted lease reads, "Any appliances installed or placed in the Premises by the Landlord shall remain the property of the Landlord and shall not be removed by the Tenant." The City is not required to provide appliances, but any appliances provided by the City are the property of the City, and must be maintained until there is a change in tenancy.

The average cost of providing appliances over the past three years has been less than \$5,000 per year. This cost includes appliance replacement, repairs, and maintenance.

Staff seeks direction from the Vernon Housing Commission on whether appliances should continue to be provided by the City.

Fiscal Impact:

The average annual cost of providing appliances at City owned housing over the past three years has been less than \$5,000 per year. Changes in policy will have an incremental impact on this cost.

Attachments:

Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-432-2020
Submitted by: Daniel Wall
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

Los Angeles County Possessory Interest Tax for City-owned Housing

Recommendation:

- A. Approve and authorize the City to pay tenants' Possessory Interest Tax directly to the County Assessor on behalf of residents in City-owned housing units; and
- B. Approve and authorize revisions to the Vernon Housing Commission approved lease agreement and any relevant policies and procedures to reflect the change from a Possessory Interest Tax reimbursement to a direct payment from the City to the County Assessor on behalf of residents in City-owned housing units.

Background:

Government agencies do not pay property taxes on property owned within their jurisdiction. When a person leases or rents government owned real estate, a taxable possessory interest is created. The taxation of this interest is similar the property tax that a private owner would pay, and is used to help pay for government services provided to the tenant.

Section 45 of the Vernon Housing Commission (VHC) approved lease reads as follows:

“POSSESSORY INTEREST TAX: Landlord hereby informs Tenant that a form of property tax called a ‘possessory interest tax’ may apply to Tenant’s interest under this Lease. Tenant shall pay all such possessory interest taxes, as assessed to Tenant, before they become delinquent, and may submit proof of payment of such tax to Landlord for prompt reimbursement.”

Over the past three years, Tenants from 20 housing units have requested reimbursement for this tax. During this period, reimbursements have ranged from a low of \$164.09 to a high of \$1,177.84, with an average annual reimbursement per tenant of \$525.03.

Staff recommends that the VHC consider authorizing the City to pay the Possessory Interest Tax directly to the County Assessor on behalf of tenants upon presentation of the bill, rather than reimbursing the tenant after the bill has been paid.

Fiscal Impact:

There is no fiscal impact associated with this report. No additional fiscal impact would result from the proposed change as the Possessory Interest Tax paid by tenants is already being reimbursed by the City. Reimbursements for Possessory Interest Tax are budgeted in and paid out of the Municipal Housing budget account 011.1048.530015.

Attachments:

1. [Assessor's Guide to Possessory Interest Tax](#)

GUIDE TO TAXABLE POSSESSORY INTEREST

For Publicly-Owned Real Property

Taxable Possessory Interest (PI) – What is It?

When a person or entity leases, rents, or uses real estate owned by a government agency for its exclusive use, a taxable possessory interest occurs.¹ The taxation of this interest is similar to the taxation of owners of privately owned property. However, a holder of a possessory interest frequently pays significantly less property tax than the private owner of a similar property.



SPECIAL POINTS OF INTEREST:

Three Approaches to Value are Utilized:

- ◆ Income
- ◆ Comparative Sales
- ◆ Cost

Possessory Interest Property Tax

Possessory interest tax helps pay the holders fair share of services and benefits that owners of similar taxable properties enjoy. These services and benefits include fire and police protection, schools, and local government.

The person or entity in possession of the property on the lien date (January 1) is liable for the entire subsequent fiscal year’s taxes. Unfortunately, no provision is made for the Assessor to prorate the taxes if the possessory interest is terminated after the lien date.

Assessor’s Responsibility

By law, every governmental agency in the county must respond to the Assessor’s annual request for information. The information assists the Assessor in conducting fair and accurate possessory interest assessments.

By law, every governmental agency in the county must respond to the Assessor’s annual request for information. The information assists the Assessor in conducting fair and accurate possessory interest assessments.

Valuing Taxable Possessory Interest

A base year value is established for taxable possessory interests upon a change in ownership or completion of new construction under the guidelines of Proposition 13.² This value, by law, will only increase by a maximum of 2% per year, until a new reappraisable event (change of ownership or completion of new construction) occurs, or the property suffers a decline-in-value.

The valuation of possessory interests is different from other forms of property tax appraisal in two ways:

1. Only the rights held by the private user are valued.
2. The Assessor must not include the value of the lessor’s retained rights in the property or any rights that will revert back to the public owner (the “reversionary interest”) at the end of the lease.

As a result, possessory interest assessments are frequently less than the assessments of similar privately-owned property.

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1. For an expanded definition see Revenue and Taxation (R&T) Code Section 61, 107-107.9, 480.6 and Property Tax Rules 20,21-22, and 27-28 available online at www.boe.ca.gov/info/links.htm.

2. A change in ownership occurs when a possessory interest is created, assigned, or upon the expiration of the lease per Revenue & Taxation Code Section 61 available online at www.boe.ca.gov/info/links.htm.

APPROACHES TO VALUE



When a new base year value is computed for a possessory interest property, the Assessor uses the income, comparative sales, or cost approach.³

The quality and quantity of the available market information, the type of interest being valued, and the estimated reasonable term of possession will determine which of the three valuation approaches is most appropriate to use.

“(THE INCOME APPROACH) IS THE MOST COMMONLY USED METHOD FOR VALUING A POSSESSORY INTEREST...”

Income Approach.

This is the most commonly used method for valuing a possessory interest.

Using this approach, the PI value is estimated by first determining the net income. The net income results from subtracting the anticipated vacancy rate, collection loss, and management expenses from the economic income. The net income is then multiplied by a present worth factor to arrive at the PI value.

Using the economic net income for the term of possession allows the Assessor to value only the rights “possessed” by the tenant and exclude any non-taxable rights retained by the government landlord.

Comparative Sales Approach.

In this approach to value, the sales price of the property or similar possessory interest properties is used to determine possessory interest value. Rent paid on the property and any other obligations assumed by the buyer are valued at present worth and added to the sales price.

Cost Approach

In the cost approach, the land and improvement values are determined separately. The land value is determined using the comparative sales approach or the income approach.

Consideration is given for the reversionary value of the land at the end of the anticipated term of possession. The improvement value is estimated by subtracting the accrued depreciation from the replacement cost.

Consideration is given for the estimated value of the improvements at the end of the anticipated term of possession. The total value of the PI is determined by adding the estimated land value to the estimated improvement value.



3. Base year value computation is fully explained in Property Tax Rule 21 available online at www.boe.ca.gov/info/links.htm.

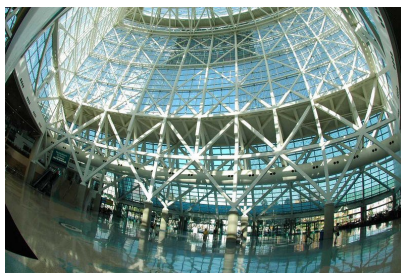


Examples of Possessory Interests

Taxable PI's are created by almost any use of government-owned real property including the following examples.

- ◇ Boat slips on public lakes, rivers, or ocean marinas
- ◇ Mini-storage facilities under freeways
- ◇ Private walkways above city streets
- ◇ Airplane tie-downs and hangars at county airports
- ◇ Cattle grazing rights on government land
- ◇ Private entities leasing government-owned buildings
- ◇ Concession spaces at convention centers and fairgrounds
- ◇ Cabins and campgrounds on U.S. Forestry-owned lands
- ◇ Ski resorts on public lands
- ◇ Pro shops or golf operators at a public golf course on tax-exempt land
- ◇ Terminal and cargo spaces at airports
- ◇ Container operations at harbors
- ◇ Cable television right-of-way easements
- ◇ Retail business operations in a publicly-owned building
- ◇ Rental car facilities at airport
- ◇ Farming on community college district land
- ◇ Mining operations on public land
- ◇ Privately owned medical clinics operating in a county hospital
- ◇ Adult/night schools operating in a public school
- ◇ Christmas tree lots on a freeway underpass
- ◇ Stables on river annex
- ◇ Concert or air show on public land
- ◇ Employee housing

“POSSESSORY
INTEREST TAX
HELPS PAY THE
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OWNERS OF
SIMILAR TAXABLE
PROPERTIES
ENJOY”





For More Information:

You may also contact us for any other general property tax questions, on a 24 hours a day basis, in the following ways:

- ◆ Assessor’s Website: To research comparable sales, verify valuations, download forms, learn how appraisals are made, and more, visit: <http://assessor.lacounty.gov>
- ◆ Assessor’s Email: Send your questions, comments, and suggestions to: helpdesk@assessor.lacounty.gov
- ◆ Los Angeles County Property Tax Website: General information regarding property taxes, including how to read your tax bill and where to find answers to your questions. Visit: <http://www.lacountypropertytax.com>
- ◆ Property Information Hotline: Minimal wait times, averaging less than a minute. Fast transfers to expert staff during normal business hours. Just call toll free 1.888.807.2111.
- ◆ Automated Interactive Voice System: Information on valuations and taxes can be obtained by entering the Assessor Identification Number from a property tax bill.
- ◆ Call 213.974.3838 or the toll free number above.



Si desea ayuda en Espanol, llame al numero 1.888.807.2111



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and Property*

Assessor’s Public Service Locations

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500 West Temple Street, Room 225
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North District Office

13800 Balboa Boulevard
Sylmar, CA 91342
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South District Office

1401 E. Willow Street
Signal Hill, CA 90755
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East District Office

1190 Durfee Avenue
South El Monte, CA 91733
626.258.6001

West District Office

6120 Bristol Parkway
Culver City, CA 90230
310.665.5300

Lancaster Regional Office

251 East Avenue K-6
Lancaster, CA 93535
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Vernon Housing Commission Agenda Item Report

Agenda Item No. COV-435-2020
Submitted by: Daniel Wall
Submitting Department: Public Works
Meeting Date: December 9, 2020

SUBJECT

Greater Los Angeles County Vector Control District Parcel Tax

Recommendation:

Consider the prospect of tenant payment of the Greater Los Angeles County Vector Control District Parcel Tax and provide direction to staff.

Background:

The City of Vernon was recently annexed into the Greater Los Angeles County Vector Control District (District). The District provides control treatment for mosquitos, midges, black flies and other disease carrying vectors. The District's services in the City of Vernon are funded through a parcel tax assessment of \$12.79 per parcel, per year.

All City-owned housing is located on just three (3) parcels:

- The Fruitland Avenue houses and the 50th Street Apartments are located on a single parcel that is shared with a fire station, the electric utility's Leonis Substation, and one of the water utility's tank farms.
- The Furlong Place houses are located on a single parcel shared with the northern wing of City Hall, the City Hall parking structure, the City Yard, Petrelli Electric's Yard, and a fire station.
- The Vernon Avenue houses are located on a single parcel shared with a water utility tank and pump house.

The combined annual total assessed by the Greater Los Angeles County Vector Control District for the three (3) parcels containing housing is \$38.37. If the entire cost for vector control for parcels were apportioned to each of the 26 City-owned housing units, the annual cost would be \$1.48 per unit.

The Vernon Housing Commission approved lease does not, at this time, provide for the collection of fees imposed on the properties from tenants.

Fiscal Impact:

If the entire cost of the Greater Los Angeles County Vector Control District parcel tax assessment for the three (3) parcels containing City-owned housing were to be collected from the tenants, the City would save \$38.37 per year.

Attachments: