

# AMENDED AGENDA

## MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY OF HOLLISTER REDEVELOPMENT AGENCY

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DATE: Thurs. April 23, 2015 Time: 3:00 P.M. City Hall 375 Fifth St., Hollister, CA

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***ANYONE WISHING TO ADDRESS THE OVERSIGHT BOARD PLEASE STEP  
FORWARD AND STATE YOUR  
NAME AND ADDRESS TO THE SECRETARY***

This Oversight Board has been created pursuant to §34161 through §34190 of the Health and Safety Code for the sole purpose of overseeing the actions of the Successor Agency to the City of Hollister Redevelopment Agency. In accordance with §34179 (h) of the Health and Safety Code, all Oversight Board ("Board") actions shall not be effective for five business days, pending a request for review by the State Department of Finance ("Department"). In the event that the Department requests a review of a given Board action, it shall have forty days from the date of its request to approve the Oversight Board action or return it to the Board for reconsideration. In the event that the Department returns the Board action to the Board for reconsideration, the Board shall resubmit the modified action for Department approval, and the modified Board action shall not become effective until approved by the Department.

Persons who wish to speak on matters set for Public Hearing will be heard when the presiding officer calls for comments from those persons who are in support of/or in opposition hereto. After persons have spoken, the hearing is closed and brought to Commission level for discussion and action. There is no further comment permitted from the audience unless requested by the Chairman.

### **Call to Order**

**Oath of Office:** Oath of Office will be given to Director Smith

### **Pledge of Allegiance**

**Roll Call:** Members: Bill Avera, Jamie De La Cruz, Raymond Friend, Steve Kinsella, Holly McWhinnie, Brandy Smith, John Tobias

## Verification of Agenda Posting

### A. Approval of Minutes:

1. Approve minutes of the February 26, 2015 meeting. [Pages 4-5]

**B. Communications from the Public on Items Not Listed on the Agenda:** This is the time for anyone in the audience to speak on any item not on the agenda and within the subject matter jurisdiction of the Oversight Board. When the Oversight Board calls your name, please come to the podium, state your name and address for the record, and speak to the Board. Each speaker will be limited to two minutes. Please note that state law prohibits the Oversight Board from discussing or taking action on any item not on the agenda.

**C. Consent – None**

### D. Public Hearing:

1. Resolution 2015-02 OB, Resolution of the Oversight Board of the Successor Agency to the City of Hollister Redevelopment Agency (RDA), approving the Correction of City CDBG Rehabilitation Loan Documents to Reflect the City as Lender or, Alternatively, Transfer of CDBG Housing Loans to City of Hollister as Housing Successor to the Former Hollister Redevelopment Agency.

The Oversight Board will hold a public hearing to consider approval of a resolution correcting City CDBG Rehabilitation Loan Documents.

**E. New Business - None**

### F. Reports of the Successor Agency, Board, and County Auditor Controller.

1. Reports from Successor Agency Staff.
2. Reports from the Oversight Board members.
3. Report from the County Auditor Controller.

## ADJOURNMENT

**NEXT REGULAR MEETING:** May, 28, 2015

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the City Clerk's office at City Hall, 375 Fifth Street, Hollister and the Development Services Department, Successor Agency Office 339 Fifth Street, Monday through Friday, 8:00 am to noon, 1:00 pm to 5 pm (offices closed between 12:00 and 1:00 p.m.). Such documents are also available on the City of Hollister website at [www.hollister.ca.gov](http://www.hollister.ca.gov) subject to staff's ability to post the

documents before the meeting.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (831) 636-4300 Ext 16. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADA Title II].

## MINUTES

### SPECIAL MEETING OF OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF HOLLISTER

February 26, 2015, 3:00 p.m.

**CALL TO ORDER:** Director Avera called the meeting to order at 3:04 p.m.

**PLEDGE OF ALLEGIANCE:** Director Avera led the pledge of allegiance.

**VERIFICATION OF AGENDA POSTING:** The meeting agenda was posted at City Hall February 20, 2015 at 3:15 p.m. per Government Code Section 65954.2(a).

**ROLL CALL:**

Present: Bill Avera, Steve Kinsella, Brandi Smith, John Tobias

Absent: Jaime De La Cruz, Raymond Friend, Holly McWhinnie

Staff Present: Brett Miller, Mary Paxton, Renee Perales

San Benito County Staff Present: None

**1. Approval of Minutes:**

**ACTION:** Director Tobias moved to approve the minutes of the September 25, 2014 Oversight Board meeting. Director Kinsella seconded. Motion passed 4-0-3.

**COMMUNICATIONS FROM THE PUBLIC:** None

**CONSENT CALENDAR:** None

**OLD BUSINESS:** None

**NEW BUSINESS:**

**Report D-1 Recognized Obligation Payment Schedule 15-16A:**

**ACTION:** The Board received the report on Recognized Obligation Payment Schedule 15-16A and a memo recommending the addition of 2009 bond proceeds as an enforceable obligation. Director Kinsella moved to approve Resolution 2015-01 OB approving Recognized Obligation Payment Schedule 15-16A and Director Tobias seconded. Motion passed 4-0-3.

**Report D-2 Appointment of Department of Finance Contact Person:**

**ACTION:** The Board received the report on a request to designate Mary Paxton as an interim replacement to the City of Hollister contact person for submittal of Oversight Board actions to the California Department of Finance until the vacant Development Services Director position is filled. The new Development Services Director will then become the designated contact. Director Kinsella moved to appoint Mary Paxton and Director Smith seconded the motion. Motion passed 4-0-3.

**Report E-1 Reports from Successor Agency Staff.** Staff reported there may be a request for a special meeting in March related to Housing Assets.

**Report E-2 Reports from the Oversight Board Members:** None.

**Report E-3 Reports from the Oversight County Auditor Controller:** None

**ADJOURNMENT:**

**ACTION:** Director Kinsella made a motion to adjourn the meeting at 3:10 p.m. Director Tobias seconded. Motion carried 4-0-3.

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Chair of the Oversight Board

ATTEST:

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Mary M. Paxton, Secretary



**STAFF REPORT  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE CITY  
OF HOLLISTER REDEVELOPMENT AGENCY AGENDA**

**DATE:** April 17, 2015  
**STUDY SESSION DATE:** N/A

**AGENDA ITEM:** Public Hearing  
**MEETING DATE:** April 23, 2015

- **TITLE OF ITEM:** Resolution 2015-02 OB, Resolution of the Oversight Board of the Successor Agency to the City of Hollister Redevelopment Agency (RDA), approving the Correction of City CDBG Rehabilitation Loan Documents to Reflect the City as Lender or, Alternatively, Transfer of CDBG Housing Loans to City of Hollister as Housing Successor to the Former Hollister Redevelopment Agency.
- **BRIEF DESCRIPTION:** The Oversight Board will hold a public hearing to consider approval of a resolution correcting City CDBG Rehabilitation Loan Documents.
- **STAFF RECOMMENDATION:** Open the Public Hearing, Adopt Resolution No. 2015-02 OB, directing correction of the lender on the CDBG Housing Loans documents to show the City as the lender under those loans.

**DEPARTMENT SUMMARY:** At its regular meeting of January 9, 2012, the City Council of the City of Hollister adopted Resolution No. 2012-06, affirming that the City of Hollister (the "City") would elect to retain the housing assets and functions previously performed by the Hollister Redevelopment Agency (the "Redevelopment Agency ") and would serve as the housing successor agency for the Redevelopment Agency, effective February 1, 2012.

City staff has recently discovered that five loans made with federal Community Development Block Grant (CDBG) funds inadvertently listed the Redevelopment Agency as the lender under the five sets of loan documents. These loans were approved for the following amounts by City Council Resolution No. 2017-16 and are as follows (collectively, the "CDBG Housing Loans"). It should be noted that the actual funding request and loan amounts on some of the loans were less that the amounts listed below:

1.	Lora and Douglas Allen	\$46,370
2.	Kenneth Duran	\$40,000
3.	James Pedro Villa	\$50,000
4.	Patricia Paetz	\$47,920
5.	Dolores Garcia	\$15,925
	<b>TOTAL</b>	<b>\$200,215</b>

The CDBG Housing Loans were always intended to be assets of the City and were funded with federal CDBG funds administered by the City as set forth in City Council Resolution No. 2007-16 and related staff report, attached as Exhibit A to this Staff Report. The former City of Hollister Redevelopment Agency's Low Moderate Income Housing Funds were not used to assist with the five loans. Furthermore the loans were not included on the Housing Asset List approved by the Department of Finance in September of 2012 or a Housing Asset list posted on the internet for the former RDA .

The Successor Agency desires to correct the lender on the documents for the CDBG Housing Loans and requests the Oversight Board's direction to quitclaim the Successor Agency's interests in the CDBG Housing Loan documents to the City to reflect the correct lender. Alternatively, if the State Department of Finance (the "DOF") does not approve the correction of the name of the lender under the CDBG Housing Loans to the City, then the Successor Agency requests that the CDBG Housing Loans be transferred to the City as the housing successor to the Redevelopment Agency. The CDBG Housing Loans are "housing assets", as defined in Health and Safety Code Section 34176(e), since the CDBG Housing Loans documents are "loan documents" that were acquired for low- and moderate-income housing purposes, through a loan, in whole or in part, with any source of funds" and since the CDBG Housing Loans funds were used solely for rehabilitation of homes owned by low-income households as set forth in the 2007 City staff report attached as Exhibit A.

#### **DISCUSSION:**

As required by AB 1484, the Successor Agency published a notice on April 10, 2015 stating that the Oversight Board would consider at this meeting approving the transfer of housing assets to the City in its capacity as housing successor.

To correct inadvertent errors made in 2007, the Successor Agency requests that the Oversight Board adopt the attached resolution directing correction of the lender on the CDBG Housing Loans documents to show the City as the lender under those loans or, alternatively, to direct the transfer of the CDBG Housing Loans, as housing assets, to the City as the housing successor for the former Redevelopment Agency.

#### **FISCAL IMPACT:**

Should the Oversight Board approve the request, there is no fiscal impact on any taxing agencies. Correction of the lender on the CDBG Housing Loan documents will not provide additional funds to the taxing agencies as any repayments on those loans are required to be treated as CDBG program income under federal law and will not be available for distribution to taxing agencies. Alternatively, transfer of the CDBG Housing Loans to the City does not create any new enforceable obligation, but rather allows the City to continue to manage the housing assets.

**ATTACHMENTS:** Resolution, Exhibit A: City Council Resolution No. 2007-16  
and Related Staff Report  
**CEQA:** Not a project as defined by CEQA  
**DEPARTMENT:** Development Services Department, Successor Agency  
**CONTACT PERSON:** Renee Perales  
**PHONE NUMBER:** (831) 636-4316

**EXHIBIT A  
CITY COUNCIL RESOLUTION NO. 2007-16  
& RELATED STAFF REPORT TRANSMITTAL**

480-10

Page 1 of 2

DUPLICATE OF ORIGINAL  
ON FILE IN THE  
OFFICE OF THE CITY CLERK  
CITY OF HOLLISTER

**RESOLUTION NO. 2007-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER  
AWARDING COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)  
REHABILITATION LOANS IN ACCORDANCE WITH THE CDBG REUSE  
PLAN AS RECOMMENDED BY THE CDBG GRANT COMMITTEE**

**WHEREAS**, the City Council of the City of Hollister has adopted a CDBG Reuse Plan; and

**WHEREAS**, the City Council of the City of Hollister has provided up to 25% of the City's available CDBG funds for rehabilitation loans; and

**WHEREAS**, several families have completed a Rehabilitation Loan Program application and seven families have satisfied all program criteria; and

**WHEREAS**, seven families participated in a lottery facilitated by Mayor Brad Pike, Sr., on January 11, 2007, and were ranked in order; and

**WHEREAS**, five families were designated loans due to funding availability; and

**WHEREAS**, the City of Hollister budget has included funds to be used for the CDBG rehabilitation loan program;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Hollister, that the City Manager is hereby authorized and directed on behalf of said City Council to execute all necessary loan documents not to exceed \$200,215 to the following program participants:

1.	Lora and Douglas Allen	\$46,370
2.	Kenneth Duran	\$40,000
3.	James Pedro Villa	\$50,000
4.	Patricia Paetz	\$47,920
5.	Dolores Garcia	\$15,925
	<b>TOTAL</b>	<b>\$200,215</b>

**PASSED AND ADOPTED** at a regular meeting held this 5th day of March, 2007, by the following vote:

**EXHIBIT A - CONTINUED  
CITY COUNCIL RESOLUTION NO. 2007-16  
& RELATED STAFF REPORT TRANSMITTAL**

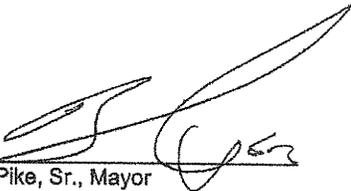
Resolution No. 2007-16  
Page 2 of 2

AYES: Council members Sanchez, Valdivia, Emerson, Johnson and Mayor Pike.

NOES: None.

ABSENT: None..

ABSTAINED: None.

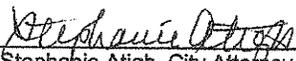
  
\_\_\_\_\_  
Brad Pike, Sr., Mayor

ATTEST:

  
\_\_\_\_\_  
Geri Johnson, MMC, City Clerk

DUPLICATE OF ORIGINAL  
ON FILE IN THE  
OFFICE OF THE CITY CLERK  
CITY OF HOLLISTER

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Stephanie Atigh, City Attorney

**EXHIBIT A - CONTINUED  
CITY COUNCIL RESOLUTION NO. 2007-16  
& RELATED STAFF REPORT TRANSMITTAL**



**STAFF REPORT  
CITY COUNCIL OR STUDY SESSION AGENDA**

**DATE:** February 16, 2007

**AGENDA ITEM:** Consent *A3, #3*

**STUDY SESSION DATE:** N/A

**MEETING DATE:** March 5, 2007

- **TITLE OF ITEM:** City of Hollister CDBG Rehabilitation Loan Program
- **BRIEF DESCRIPTION:** The City Council will consider a Resolution approving a Rehabilitation loans to local property owners in the amount not to exceed \$200,215.
- **STAFF RECOMMENDATION:** City Council approve the following motion:  
Adopt Resolution 2007- 16

**DEPARTMENT SUMMARY:**

City Council recently adopted a Community Development Block Grant (CDBG) Reuse Program. Twenty-Five percent (25%) or approximately \$250,000 of this program income is designated to provide low-income owner-occupied property owners rehabilitation loans for home improvements. The CDBG Rehabilitation Loan Program application deadline was in December 2007.

Seven families qualified to participate in the program. All seven families were ranked via a lottery which was facilitated by Mayor Brad Pike. Only the top five families could be designated loans due to funding availability. Since the lottery, one family has abandoned their participation in the program. Staff is now working with the family ranked as number six as a program participant.

Staff is recommending the City Council approve the attached Resolution to provide a loan to five participating families to include Douglas and Lora Allen, Kenneth Duran, James Pedro Villa, Patricia Paetz and Dolores Garcia in the amount of \$200,215. Although the total amount currently requested from program participants is \$200,215, there is a total of approximately \$250,000 designated for the Program. Any remaining balance is set aside for any potential unforeseen expenses. At the completion of these first five homes, staff will proceed with the possible rehabilitation of the final home that participated in the lottery if sufficient funding exists.

**FINANCIAL IMPACT:** \$200,215 from Fund 201

**DEPARTMENT:** Development Services Department

**CONTACT PERSON:** Maria De Leon

**DEPARTMENT HEAD:** William B. Avera *WB*

**PHONE NUMBER:** 636-4316

**THIS REPORT WAS REVIEWED BY THE EXECUTIVE DIRECTOR AND  
CONCURS WITH THE STAFF RECOMMENDATION:** AD

Clint Quilter, Executive Director

**RESOLUTION NO. 2015-02 OB**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
SUCCESSOR AGENCY FOR THE HOLLISTER REDEVELOPMENT  
AGENCY DIRECTING CORRECTION OF LOAN DOCUMENTS FOR  
CITY CDBG REHABILITATION LOANS TO REFLECT THE CITY AS  
LENDER**

**WHEREAS**, the Hollister Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Hollister ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26" or "Dissolution Act") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

**WHEREAS**, pursuant to the Dissolution Act, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-06 on January 9, 2012, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under the Dissolution Act pursuant to Health and Safety Code Section 34173, the ("Successor Agency") and electing for the City to retain the housing assets and functions previously performed by Redevelopment Agency and declaring the City would serve as the housing successor agency for the former Redevelopment Agency, effective February 1, 2012, pursuant to Health and Safety Code Section 34176; and

**WHEREAS**, as part of the FY 2012-2015 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 imposes additional statutory provisions relating to the activities and

obligations of successor agencies and to the wind down process of former redevelopment agencies (reference hereinafter to the Dissolution Act means AB 26 as amended by AB 1484); and

**WHEREAS**, the Dissolution Act at Health and Safety Code Section 34179 establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board include approving certain actions taken by the Successor Agency, directing the Successor Agency to take certain actions, and taking action on other matters in connection with the wind down process of former redevelopment agencies. Such duties and responsibilities are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act, although additional provisions of the Dissolution Act require Oversight Board action; and

**WHEREAS**, the City staff has recently discovered that five loans made with federal CDBG funds inadvertently listed the Redevelopment Agency as the lender under the five set of loan documents. These loans are as follows (collectively, the “CDBG Housing Loans”):

1.	Lora and Douglas Allen	\$46,370
2.	Kenneth Duran	\$40,000
3.	James Pedro Villa	\$50,000
4.	Patricia Paetz	\$47,920
5.	Dolores Garcia	\$15,925
	TOTAL	\$200,215

; and

**WHEREAS**, the CDBG Housing Loans were always intended to be assets of the City and were funded with federal CDBG funds administered by the City as set forth in City Council Resolution No. 2007-16 and related staff report, attached as Exhibit A to this Resolution and were never funded with the former Hollister Redevelopment Agency’s Low Moderate Income Housing Fund

**WHEREAS**, the actual loan amounts recorded for some of the CDBG Housing Loans were less than the amounts approved by City Council Resolution No. 2007-16;

**WHEREAS**, the Successor Agency desires to correct the lender on the documents for the CDBG Housing Loans and requests the Oversight Board’s direction to quitclaim the Successor Agency’s interests in the CDBG Housing Loan documents to the City to reflect the correct lender;

**WHEREAS**, if the State Department of Finance (the "DOF") does not approve the correction of the name of the lender under the CDBG Housing Loans to the City, then the Successor Agency alternatively requests that the CDBG Housing Loans be transferred to the City as the housing successor for the CDBG Housing Loans are "housing assets", as defined in Health and Safety Code Section 34176(e), since the CDBG Housing Loans documents are "loan documents" that were acquired for low- and moderate-income housing purposes, through a loan, in whole or in part, with any source of funds" and since the CDBG Housing Loans funds were used solely for rehabilitation of homes owned by low-income households as set forth in the staff report attached as Exhibit A; and

**WHEREAS**, public notice of the proposed actions set forth in this Resolution was published in the Successor Agency's newspaper of general circulation, on April 10, 2015 in compliance with the requirement of Health and Safety Code Section 34181(f); and

**WHEREAS**, the Successor Agency requests that the Oversight Board direct correction of the lender on the CDBG Housing Loans documents to show the City as the lender under those loans or, alternatively, to direct the transfer of the CDBG Housing Loans, as housing assets, to the City as the housing successor for the former Redevelopment Agency.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Successor Agency for the Hollister Redevelopment Agency, as follows:

SECTION 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Oversight Board's approvals, authorizations and determinations as set forth in this Resolution are based upon the foregoing recitals, information and documents provided by the Successor Agency staff, and any comments and other information received by the Oversight Board during the public meeting on this matter held on April 23, 2015.

SECTION 3. Pursuant to Health and Safety Code Section 34180(h), the Oversight Board does hereby direct the Successor Agency to take all actions necessary to correct the name of the lender in the CDBG Housing Loans to the City, including quitclaiming any interests the Successor Agency may have in the CDBG Housing Loans to the City.

SECTION 4. Alternatively, pursuant to Health and Safety Code Section 34181(c), the Oversight Board does hereby direct the transfer of the CDBG Housing Loans as housing assets to the City acting as the housing successor to the former Redevelopment Agency.

SECTION 5. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to (i) submit copies of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, to the DOF (electronically); (ii) post a copy of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, on the Successor Agency's internet website; and (iii) take all other actions necessary pursuant to the Dissolution Act to file, post, mail, or otherwise deliver by electronic mail, internet posting, and/or hardcopy all notices and transmittals necessary or convenient in connection with the actions taken by this Resolution.

SECTION 6. The Oversight Board hereby authorizes the Executive Director, or designee, of the Successor Agency to take such other actions and execute such other documents, including without limitation quitclaims, on behalf of the Successor Agency as are necessary to effectuate the intent of this Resolution.

SECTION 7. This Resolution shall take effect upon the date of its adoption, subject to the DOF's review pursuant to Health and Safety Code Sections 34181(f) and 34179(h).

**PASSED AND ADOPTED** this 23rd day of April, 2015, at a meeting of the Oversight Board of the Successor Agency for the Hollister Redevelopment Agency by the following vote:

AYES:  
NOES:  
ABSTAINED:  
ABSENT:

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Chair, Jaime De La Cruz

ATTEST:

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Mary Paxton, Board Secretary

EXHIBIT A  
CITY COUNCIL RESOLUTION NO. 2007-16

480-10

Page 1 of 2

DUPLICATE OF ORIGINAL  
ON FILE IN THE  
OFFICE OF THE CITY CLERK  
CITY OF HOLLISTER

RESOLUTION NO. 2007-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOLLISTER  
AWARDING COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)  
REHABILITATION LOANS IN ACCORDANCE WITH THE CDBG REUSE  
PLAN AS RECOMMENDED BY THE CDBG GRANT COMMITTEE**

**WHEREAS**, the City Council of the City of Hollister has adopted a CDBG Reuse Plan; and

**WHEREAS**, the City Council of the City of Hollister has provided up to 25% of the City's available CDBG funds for rehabilitation loans; and

**WHEREAS**, several families have completed a Rehabilitation Loan Program application and seven families have satisfied all program criteria; and

**WHEREAS**, seven families participated in a lottery facilitated by Mayor Brad Pike, Sr., on January 11, 2007, and were ranked in order; and

**WHEREAS**, five families were designated loans due to funding availability; and

**WHEREAS**, the City of Hollister budget has included funds to be used for the CDBG rehabilitation loan program;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Hollister, that the City Manager is hereby authorized and directed on behalf of said City Council to execute all necessary loan documents not to exceed \$200,215 to the following program participants:

1.	Lora and Douglas Allen	\$46,370
2.	Kenneth Duran	\$40,000
3.	James Pedro Villa	\$50,000
4.	Patricia Paetz	\$47,920
5.	Dolores Garcia	<u>\$15,925</u>
	<b>TOTAL</b>	<b>\$200,215</b>

**PASSED AND ADOPTED** at a regular meeting held this 5th day of March, 2007, by the following vote:

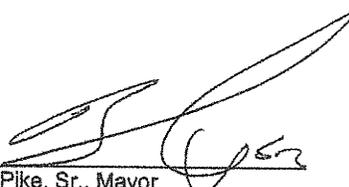
Resolution No. 2007-16  
Page 2 of 2

AYES: Council members Sanchez, Valdivia, Emerson, Johnson and Mayor Pike.

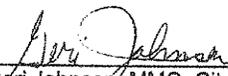
NOES: None.

ABSENT: None.

ABSTAINED: None.

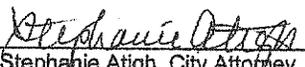
  
\_\_\_\_\_  
Brad Pike, Sr., Mayor

ATTEST:

  
\_\_\_\_\_  
Geri Johnson, MMC, City Clerk

DUPLICATE OF ORIGINAL  
ON FILE IN THE  
OFFICE OF THE CITY CLERK  
CITY OF HOLLISTER

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Stephanie Atigh, City Attorney



**STAFF REPORT  
CITY COUNCIL OR STUDY SESSION AGENDA**

**DATE:** February 16, 2007

**AGENDA ITEM:** Consent *A3, #3*

**STUDY SESSION DATE:** N/A

**MEETING DATE:** March 5, 2007

- **TITLE OF ITEM:** City of Hollister CDBG Rehabilitation Loan Program
- **BRIEF DESCRIPTION:** The City Council will consider a Resolution approving a Rehabilitation loans to local property owners in the amount not to exceed \$200,215.
- **STAFF RECOMMENDATION:** City Council approve the following motion:  
Adopt Resolution 2007- 16

**DEPARTMENT SUMMARY:**

City Council recently adopted a Community Development Block Grant (CDBG) Reuse Program. Twenty-Five percent (25%) or approximately \$250,000 of this program income is designated to provide low-income owner-occupied property owners rehabilitation loans for home improvements. The CDBG Rehabilitation Loan Program application deadline was in December 2007.

Seven families qualified to participate in the program. All seven families were ranked via a lottery which was facilitated by Mayor Brad Pike. Only the top five families could be designated loans due to funding availability. Since the lottery, one family has abandoned their participation in the program. Staff is now working with the family ranked as number six as a program participant.

Staff is recommending the City Council approve the attached Resolution to provide a loan to five participating families to include Douglas and Lora Allen, Kenneth Duran, James Pedro Villa, Patricia Paetz and Dolores Garcia in the amount of \$200,215. Although the total amount currently requested from program participants is \$200,215, there is a total of approximately \$250,000 designated for the Program. Any remaining balance is set aside for any potential unforeseen expenses. At the completion of these first five homes, staff will proceed with the possible rehabilitation of the final home that participated in the lottery if sufficient funding exists.

**FINANCIAL IMPACT:** \$200,215 from Fund 201  
**DEPARTMENT:** Development Services Department  
**CONTACT PERSON:** Maria De Leon  
**DEPARTMENT HEAD:** William B. Avera *WA*  
**PHONE NUMBER:** 636-4316

**THIS REPORT WAS REVIEWED BY THE EXECUTIVE DIRECTOR AND  
CONCURS WITH THE STAFF RECOMMENDATION:**

*CD*  
Clint Quilter, Executive Director