



VALLEJO REDEVELOPMENT AGENCY

Agenda Item No. RDA
CONSENT A

BOARD COMMUNICATION

Date: August 28, 2007

TO: Chairman and Members of the Redevelopment Agency

FROM: Craig Whittom, Assistant City Manager/Community Development
Laura J. Simpson, Housing and Community Development Manager

SUBJECT: BUCHONGO SETTLEMENT AGREEMENT ANNUAL REPORT FOR
CALENDAR YEAR 2006

BACKGROUND AND DISCUSSION

In 1999, the Vallejo Redevelopment Agency entered into an affordable housing agreement with Legal Services of Northern California known as the "Buchongo Settlement Agreement." In this Agreement, the Agency agreed to provide 425 units of affordable housing to very low- to moderate-income Vallejo residents within eight years, (or by August 2007).

Low- and moderate-income, in this case, is defined as up to 120 percent of the median family income for the area. However, of the 425 units to be produced, 300 of them must be for very low-income persons (0 to 50 percent of the area median income). One hundred twenty-five (125) of these 300 units must be multi-family units, of two bedrooms or more.

Since 1999, the Agency has made significant progress toward its goal of creating 425 affordable units, and has substantially met its obligations under the Buchongo Agreement. However, the Agency must still produce eight more units of two bedrooms or more, affordable to very low-income families. In April 2007, the Agency reached agreement on a two-year extension of time to satisfy the Buchongo requirements, as allowed in the Agreement, or until August 12, 2009, (refer to Attachment "A").

The production of (and credit for) housing units under this Agreement may be accomplished by either new housing construction, or the substantial rehabilitation of housing. Substantial rehabilitation is defined in the Agreement as an amount of rehabilitation of at least \$40,000, (increased for inflation during the term of the Agreement), or 25 percent of the after-rehabilitation value of the unit.

In addition, covenants of affordability of at least 45 years for owner-occupied properties, and at least 55 years for rental properties, must be signed and recorded for properties under this Agreement, pursuant to State law.

Accomplishments and Reporting Requirements

As noted above, the Agency and the City of Vallejo have taken several actions toward reaching the goals of the Buchongo Agreement. To accomplish these goals, the City and Redevelopment Agency entered into Participation Agreements with affordable housing

developers to produce affordable units. The Redevelopment Agency has received "credit" for these units toward meeting the terms of the Buchongo Agreement.

These "credits" have been earned through the new construction and substantial rehabilitation of multi-family, senior, and for-ownership housing. Over \$12 million may ultimately be received by developers from the Redevelopment Agency or the City of Vallejo to assist in the completion of these "Buchongo-eligible" projects.

The Buchongo Settlement Agreement Annual Report for Calendar Year 2006 is enclosed as Attachment "B". This report provides the information pursuant to the terms of the Agreement, and also in the format required. This report was reviewed by the Housing and Redevelopment Commission at a regular meeting on August 8, 2007.

Completed Housing Developments

As of December 31, 2006, three developers have completed construction projects: (1) Citizens Housing, for Sereno Village Apartments; (2) BRIDGE Housing, for Marina Tower Annex, and Marina Tower; and (3) Simpson Housing, for Bay View Vista Senior Apartments. These developers obtained low-income housing tax credits.

The construction of Sereno Village (125 rental units for families) by Citizens Housing, and Bay View Vista (192 rental units for seniors) by Simpson Housing, has been completed. BRIDGE Housing has also completed the substantial rehabilitation of Marina Tower Annex, (57 rental units for very low-income seniors), and Marina Tower, (155 rental units for very low-income seniors).

In addition, Affirmed Housing Group was the developer of Avian Glen Apartments, (87 rental units for very low-income families). This development was completed in 2007. Of the 87 units planned at Avian Glen, 74 of them are two bedrooms or more. Affirmed Housing also obtained low-income housing tax credits for this development.

Graham Gardens

Vallejo Neighborhood Housing Services, Inc. (VNHS) will construct 22 for-ownership duet homes, known as Graham Gardens, at the corner of Mini and Stanford Drives, beginning in 2007. The City has allocated HOME funds toward Graham Gardens. Eleven of these homes will be affordable according to HOME Program income guidelines. They will be sold to households earning at or below 80 percent of the area median income.

In addition, the HOME funds provided toward the construction of Graham Gardens will remain in the development as a deferred loan. This will enable eight of the 22 homes at Graham Gardens to be purchased by very low-income families, (at 50 percent or below the area median income). These units will consist of four bedrooms. On August 14, 2007 the Housing Authority approved an additional one year loan of \$700,000 to in order to facilitate commencement of construction. Graham Gardens is scheduled to be completed in 2008.

Conclusion

Based on the housing units produced to date, and those planned, the Agency expects to comply with the Settlement Agreement by or before August, 2009.

FISCAL IMPACT

None at this time.

RECOMMENDATION

None. This is an informational item only.

ENVIRONMENTAL REVIEW

An environmental review is not required.

PROPOSED ACTION

None. This is an informational item only.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment "A" - Compliance with Buchongo Requirements

Attachment "B" - Buchongo Settlement Agreement Annual Report for Calendar Year 2006

PREPARED BY/CONTACT:

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ATTACHMENT A

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April 26, 2007

Robert A. Stalker
Legal Services of Northern California
1810 Capitol Street
Vallejo, CA 94590

Re: Extension of Time for Satisfaction of Settlement in *Muntu Buchongo et al. v. City of Vallejo, et al.*, Solano County Superior Court Case No. L00693

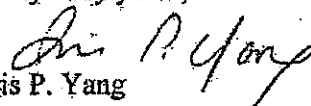
Dear Mr. Stalker:

As you know, the parties in the above-referenced matter entered into a Stipulated Settlement in July, 1999, whereby the City of Vallejo and the Vallejo Redevelopment Agency agreed to produce 425 affordable housing units within eight (8) years from the date that the Stipulated Judgment was entered, which was August 12, 1999. Pursuant to Section III.J. of the Stipulated Settlement, the City and Agency may request a two-year extension of time to satisfy the production requirement.

As you and Guy Ricca from Vallejo have discussed, all but eight (8) of those units have been produced, as shown on the enclosed chart. The purpose of this letter is to request an extension of two (2) years for the City/Agency to complete production of the remaining eight (8) units, which would be August 12, 2009.

If you agree to this extension, please sign the consent and acknowledgement below, keep one (1) original copy for your files, and return one (1) signed original to me. Thank you very much for your cooperation. If you have any questions, please feel free to give me a call.

Very truly yours,


Iris P. Yang

IPY:jjh
Enclosure

cc: Craig Whittem, Assistant City Manager
Laura Simpson
Guy Ricca

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McDonough Holland & Allen PC
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April 26, 2007

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Consent and Acknowledgement:

On behalf of Legal Services of Northern California and the plaintiffs in this matter, I hereby consent to an extension of two (2) years for the City of Vallejo and/or the Vallejo Redevelopment Agency to complete or have completed production of the remaining eight (8) units of affordable housing, as set forth in the Stipulated Settlement described above.

A handwritten signature in black ink, appearing to read "Robert A. Stalker".

Robert A. Stalker
Legal Services of Northern California

ATTACHMENT B

COMPLIANCE WITH BUCHONGO REQUIREMENTS
(as of April 13, 2007)

Buchongo Requirements:	425 Total Units, Low or Moderate Income (to be Developed or Substantially Rehabilitated)	300 Units, Very Low Income (Not to exceed 50% of Median Income)		125 Units, Low or Moderate Income (Not to exceed 120% of Median Income)
		125 Newly developed MFH, 2+ bedrooms NO Senior/Elderly	175 Very Low Income	
Sereno Village 125 Units	50% of median income: 44 - 1 bedroom 41 - 2 bedroom 31 - 3 bedroom 9 - 4+ bedroom	41 31 9	44	
Avian Glen 87 Units (2 manager units)	30% of median income: 2 - 1 bedroom 3 - 2 bedroom 2 - 3 bedroom 40% of median income: 6 - 1 bedroom 8 - 2 bedroom 5 - 3 bedroom 60% of median income: 3 - 1 bedroom 27 - 2 bedroom 29 - 3 bedroom	3 +3 2 +2 8 +8 5 +5	2 6	3 27 29
Solano Vista II (Bay View Vista) 194 Units Senior Housing (2 manager units)	50% of median income: 16 - 1 bedroom 4 - 2 bedroom 60% of median income: 140 - 1 bedroom 32 - 2 bedroom 50% of median income: 45* - 1 bedroom		16 4	140 32
Marina Tower Annex 57 Units Senior Housing	* Number of units eligible to be counted, per agreement with Legal Services		45	
Marina Tower 155 Units Senior Housing (1 manager unit)	50% of median income: 80* - 1 bedroom * Number of units eligible to be counted, per agreement with Legal Services		80	
Graham Gardens** 8 Units Owner-occupied	50% of median income ** In progress. Estimated completion: May 2008.	8		
TOTALS		125	197	231

CHART 1
ANNUAL SECTION 33418 UPDATE (SUMMARY OF ALL ANNUAL REPORTS RECEIVED THIS YEAR -
OR ATTACH THIS FORM FROM EACH PROJECT AS COMPLETED BY MANAGER/OWNER)
(Income Information to be Supplied by Tenant to Owner in Certified Statement on Form Provided by Agency)

1. Name of Owner and Address/Unit # (For Owner Occupied Units) or Name and Address of Owner or Manager and Address/Unit # of Tenant (For Rental Units)	2. # BR	3. L, VL, M, or AM ¹	4. Name of New Owner (For Owner Occupied Units Only, If Ownership Has Changed)	5. Date of Any Ownership Change (For Owner- Occupied Units Only)	6. Current Rent (For Rental Units Only)	7. Current Monthly Household Income	8. Current # Persons in House- hold	9. Date Each Year Annual Monitoring Report Due	10. Date Annual Monitoring Report Submitted to Agency
See attached reports.									
— Reports Available in Housing and Community Development Division Office									

Chart 1, Page 1 of 1, Period beginning January 1, 2006 and ending December 31, 2006

¹ "VL" refers to housing units available at affordable housing cost or affordable rent to and occupied by very low income households, as defined in Part II of the Settlement Agreement; "L" refers to housing units available at affordable housing cost or affordable rent to and occupied by low income households, as defined in Part II of the Settlement Agreement; "M" refers to housing units available at affordable housing cost or affordable rent to and occupied by moderate income households, as defined in Part II of the Settlement Agreement; "AM" refers to housing units which are not affordable to low, very low or moderate income households, and are included here for clarification purposes.

NUMBERS AND TYPES OF UNITS

NEWLY CONSTRUCTED AND SUBSTANTIALLY REHABILITATED UNITS COMPLETED IN THE PERIOD BEGINNING JANUARY 1, 2006 AND ENDING DECEMBER 31, 2006

[illegible]

Chart 2, Page 1 of 1, Period beginning January 1, 2006 and ending December 31, 2006

Date Final Inspection Report Completed for Substantial Rehabilitation or Date Certificate of Occupancy Issued for New Construction.

\\Shared\\Buchongo Chart 2b 2006.doc

CHART 3
LONG TERM AFFORDABILITY INFORMATION
NEWLY CONSTRUCTED AND SUBSTANTIALLY REHABILITATED UNITS COMPLETED IN THE PERIOD BEGINNING JANUARY 1, 2006 AND ENDING DECEMBER 31, 2006

1. Name of Project & Address/Zip Code	2. # of VL Units	3. # of L Units	4. # of M Units	5. # of AM Units	6. Date Covenant Recorded and Title(s) of Recorded Document	7. Length of Coven. (Yrs)	8. Date Coven. Expires	9. Date Each Year Monitoring Report Due	10. Amounts & Sources of City or Agency Funding	11. Amounts & Sources of Other Funding
Marina Tower, 601 Sacramento Street, Vallejo, CA 94590	155	0	0	0	8/31/05, Affordable Housing Covenant	55	8/31/60	2/15	\$500,000, City HOME Funds; \$750,000, Agency Funds	\$17.5M, Tax Exempt Housing Revenue Bonds

Chart 3, Page 1 of 1, Period beginning January 1, 2006 and ending December 31, 2006

"VL" refers to housing units available at affordable housing cost or affordable rent to and occupied by very low income households, as defined in Part II of the Settlement Agreement; "L" refers to housing units available at affordable housing cost or affordable rent to and occupied by low income households, as defined in Part II of the Settlement Agreement; "M" refers to housing units available at affordable housing cost or affordable rent to and occupied by moderate income households, as defined in Part II of the Settlement Agreement; "AM" refers to housing units which are not affordable to low, very low or moderate income households, and are included here for clarification purposes.

4A. RENTAL UNITS

[illegible]

Chart 4, Page 1 of 2, Period beginning January 1, 2006 and ending December 31, 2006

1. Name of Owner and Address/Unit #	2. # BR	3. L, VL, M, or AM	4. Initial Sales Price or Rehab Cost	5. Initial Total Affordable Housing Cost, As Defined in Part II of Settlement	6. Initial Monthly Household Income	7. # Persons in Household	8. Date Each Year Annual Monitoring Report Due
None completed.							

Chart 4, Page 2 of 2, Period beginning January 1, 2006 and ending December 31, 2007

Chart 4, Page 2 of 2, Period beginning January 1, 2006 and ending December 31, 2006

“VL” refers to housing units available at affordable housing cost or affordable rent to and occupied by very low income households, as defined in Part II of the Settlement Agreement; “L” refers to housing units available at affordable housing cost or affordable rent to and occupied by low income households, as defined in Part II of the Settlement Agreement; “M” refers to housing units available at affordable housing cost or affordable rent to and occupied by moderate income households, as defined in Part II of the Settlement Agreement; “AM” refers to housing units which are not affordable to low, very low or moderate income households, and are included here for clarification purposes.

CHART 5

[illegible]

Chart 5, Page 1 of 1, Period beginning January 1, 2007 and ending December 31, 2007

CHART 6

See Chart 5.

"V" refers to housing units available at affordable housing cost or affordable rent to and occupied by very low income households, as defined in Part II of the Settlement Agreement; "L" refers to housing units available at affordable housing cost or affordable rent to and occupied by low income households, as defined in Part II of the Settlement Agreement; "M" refers to housing units available at affordable housing cost or affordable rent to and occupied by moderate income households, as defined in Part II of the Settlement Agreement; "AM" refers to housing units which are affordable to low, very low or moderate income households, and are included here for clarification purposes.

7A. RENTAL UNITS

Chart 7, Page 1 of 2, Period beginning January 1, 2007 and ending December 31, 2007

7B. OWNER-OCCUPIED UNITS

1. Name of Owner and Address/Unit #	2. # BR	3. L, VL, M, or AM	4. Proposed Initial Sales Price or Rehab Cost	5. Proposed Initial Total Affordable Housing Cost, As Defined in Part II of Settlement	6. Proposed Initial Monthly Household Income (Range)	7. Proposed # Persons in Household
None.						

Chart 7, Page 2 of 2, Period beginning January 1, 2007 and ending December 31, 2007

"VL" refers to housing units available at affordable housing cost or affordable rent to and occupied by very low income households, as defined in Part II of the Settlement Agreement; "L" refers to housing units available at affordable housing cost or affordable rent to and occupied by low income households, as defined in Part II of the Settlement Agreement; "M" refers to housing units available at affordable housing cost or affordable rent to and occupied by moderate income households, as defined in Part II of the Settlement Agreement; "AM" refers to housing units which are not affordable to low, very low or moderate income households, and are included here for clarification purposes.