



## OROVILLE CITY COUNCIL

Council Chambers  
1735 Montgomery Street  
Oroville, CA. 95965

**APRIL 3, 2018**  
**REGULAR MEETING**  
**CLOSED SESSION 6:00 P.M.**  
**OPEN SESSION 6:30 P.M.**  
**AGENDA**

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### CLOSED SESSION (6:00 P.M.)

#### ROLL CALL

Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson, Mayor Dahlmeier

### CONVENE TO CLOSED SESSION (ITEMS LISTED ON PAGE NO. 4)

### RECONVENE TO OPEN SESSION

### OPEN SESSION (6:30 P.M.)

### PLEDGE OF ALLEGIANCE

### PROCLAMATION / PRESENTATION

*Proclamation* honoring the *Historic State Theatre* presented to S.T.A.G.E.

### CONSENT CALENDAR

1. **APPROVAL OF THE MARCH 20, 2018 REGULAR MEETING MINUTES OF THE OROVILLE CITY COUNCIL** – minutes attached

#### Finance

2. **SUPPORT LETTER FOR AB 2268 – staff report**

The Council may consider the support of AB 2268 which could potentially increase annual revenues for the City. **(Ruth Wright, Director of Finance)**

Council action requested: **Approve sending a letter of support for AB 2268 to Assembly Member Eloise Gómez Reyes and cc'd parties.**

### **Business Assistance & Housing Development**

#### **3. HOUSING SUCCESSOR AGENCY ANNUAL REPORT – staff report**

The City Council will receive and file the Housing Element Annual Progress Report (“Housing Element APR”) for 2017 and the Housing Successor Agency Annual Report (“Annual Report”) for fiscal year 2016-17 that will be submitted to the State Department of Housing and Community Development (“HCD”). **(Amy Bergstrand, Management Analyst III).**

Council action requested: **Receive a staff report on the 2017 Housing Element Annual Progress Report and 2016-2017 Housing Successor Annual Report.**

### **PUBLIC HEARINGS** - none

### **REGULAR BUSINESS**

#### **Public Works Department**

#### **4. DWR CORRESPONDENCE ON FRANCHISE AGREEMENT VS. ENCROACHMENT FEE FOR POWER AND FIBER OPTIC CONDUIT PROJECT IN GLEN DRIVE – staff report**

The Council may consider a letter received on March 6, 2018 by the Department of Water Resources (DWR) and provide direction to the Public Works staff on how to proceed. **(Mike Massaro, Contract City Engineer).**

Council action requested: **Provide direction to staff.**

#### **Finance Department**

#### **5. ANNUAL AUDIT SERVICES – staff report**

The Council may consider a fee increase for the services of providing an annual independent audit. **(Ruth Wright, Director of Finance)**

- Council action requested:
- **Direct staff to budget the increase of \$4,600 in the next fiscal budget**
- **OR**
- **Direct staff to begin the process of requesting new proposals for audit services**

#### **Administration**

#### **6. PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF OROVILLE AND JOANNA GUTIERREZ TO SERVE AS INTERIM CITY CLERK – staff report**

The City Council will consider an agreement for Professional Services between the City and Joanna Gutierrez for service as Interim City Clerk. **(Bill LaGrone, Acting Personnel Officer)**

Council action requested: **Adopt Resolution No. 8692 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF OROVILLE AND JOANNA GUTIERREZ TO SERVE AS INTERIM CITY CLERK (Agreement No. 3247).**

## **7. COUNCIL CODE OF CONDUCT FOR ELECTED AND APPOINTED OFFICIALS – staff report**

Council may receive information on the current Code of Conduct or a new potential Code of Conduct, and provide further direction. **(Bill LaGrone, Interim City Administrator)**

Council action requested: **Receive information and provide direction.**

**COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS** (A verbal report may be given regarding any committee meetings attended)

## **CITY ADMINISTRATOR/ ADMINISTRATION REPORTS**

## **CORRESPONDENCE**

## **HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS**

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Council is prohibited from taking action except for a brief response by the Council or staff to a statement or question relating to a non-agenda item.

## **CLOSED SESSION**

The Council will hold a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville Firefighters' Association, Oroville Police Officers Association (Sworn and Non-Sworn), Oroville Public Safety Mid-Managers Association, Oroville Management and Confidential Association, and Oroville City Employees Association.
2. Pursuant to Government Code Section 54957(b), the Council will meet with Acting City Administrator, Personnel Officer, and/or City Attorney to consider the employment related to the following positions: City Administrator.
3. Pursuant to Government Code section 54956.9(d)(2), the Council will meet with the Acting City Administrator and City Attorney regarding potential exposure to litigation – one case.

## **ADJOURNMENT**

The meeting will be adjourned. A regular meeting of the Oroville City Council will be held on Tuesday, April 17, 2018, at 5:30 p.m.

*Accommodating Those Individuals with Special Needs* – In compliance with the Americans with Disabilities Act, the City of Oroville encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at City Hall, 1735 Montgomery Street, Oroville, California.



**CITY COUNCIL MEETING MINUTES  
MARCH 20, 2018 – 5:30 P.M.**

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The agenda for the March 20, 2018, regular meeting of the Oroville City Council was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at [www.cityoforoville.org](http://www.cityoforoville.org) on Thursday, March 15, 2018, at 3:35 p.m.

**Note:** The following minutes are action minutes and provide a succinct recap of actions taken at the meeting. A complete audio recording is available by contacting the City Clerk at (530) 538-2401. You may also watch live meetings or past meetings via the internet by going to [www.cityoforoville.org](http://www.cityoforoville.org) and clicking on the City Council Agendas & Minutes page and click WATCH LIVE MEETINGS.

The March 20, 2018 regular meeting of the Oroville City Council was called to order by Vice Mayor Goodson at 5:30 p.m.

**ROLL CALL**

Present: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson  
Absent: Mayor Dahlmeier (excused)

**Staff Present:**

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Bill LaGrone, Interim City Administrator	Scott Huber, City Attorney
Ruth Wright, Director of Finance	Karolyn Fairbanks, Treasurer
Elizabeth Ehrenstrom, Human Resource Manager	Tyson Pardee, IT Manager
Gary Layman, Chief Building Official	Mike Massaro, Contract City Engineer
Rick Farley, EZ and Business Assistance Coordinator	

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The following item came to the attention of the City of Oroville staff subsequent to the posting of the agenda for this March 20, 2018 Regular Meeting. Pursuant to Government Code Section 54954.2, staff is requesting the Council take action to add these items to the agenda.

A motion was made by Council Member Berry, seconded by Council Member Hatley, to:

**Add the following item to Closed Session Agenda Item No. 2:**

**PURSUANT TO GOVERNMENT CODE SECTION 54957(B), THE COUNCIL WILL MEET WITH ACTING CITY ADMINISTRATOR, PERSONNEL OFFICER, AND/OR CITY ATTORNEY TO CONSIDER THE EMPLOYMENT RELATED TO THE FOLLOWING POSITION: ASSISTANT CITY CLERK**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson,  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member Hatley.

**RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS**

Bill Speer – Item No. 2 & 5  
John Miller-George – Item No. 5

Eric Smith – Item No. 5  
Bud Tracy – Item No. 8

**PROCLAMATION / PRESENTATION**

Neal and Mary Terrell of P.A.I.N. (Park Avenue Improvement Network) received a Proclamation from the City Council identifying their dedication and accomplishments with the P.A.I.N. program.

**CONSENT CALENDAR**

- 1. **APPROVAL OF THE MARCH 6, 2018 REGULAR MEETING MINUTES AND MARCH 8, 2018 SPECIAL MEETING MINUTES OF THE OROVILLE CITY COUNCIL** – minutes attached

A motion was made by Council Member Hatley, seconded by Council Member Berry, to:

**Approve Item No. 1, with Items No. 2 & 3 pulled from the Consent Calendar.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson,  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

**Business Assistance & Housing Development**

- 2. **THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)**

**Administration**

- 3. **THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR (SEE BELOW)**

**ITEMS REMOVED FROM THE CONSENT CALENDAR**

- 2. **SUBMITTAL OF LOCAL GOVERNMENTS HOUSEHOLD HAZARDOUS WASTE GRANT APPLICATION IN COLLABORATION WITH BUTTE COUNTY** – staff report

The Council considered authorizing staff to collaborate with Butte County to submit a 2018-19 Local Household Hazardous Waste (HHW) Program grant application to the California Department of Resources Recycling and Recovery (CalRecycle). **(Rick Farley, Enterprise Zone and Business Assistance Coordinator).**

Bill Speer provided comments to the Council regarding the agenda item.

Rick Farley provided information and answered questions for the Council

Following discussion, a motion was made by Council Member Draper, seconded by Council Member Del Rosario, to:

**Adopt Resolution No. 8690 – A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING THE COLLABORATION WITH BUTTE COUNTY TO SUBMIT A 2018/2019 LOCAL GOVERNMENTS HOUSEHOLD HAZARDOUS WASTE CYCLE HD31 PROGRAM GRANT APPLICATION TO THE CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY AND AUTHORIZES THE MAYOR, OR HIS OR HER DESIGNEE, TO SIGN THE ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES (EPPP) POLICY NOTIFICATION**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

**3. CONSIDERATION AND APPROVAL OF A NEW SALARY RANGE FOR THE POSITION OF ASSISTANT CITY CLERK AND CHANGE IN BARGAINING UNIT – staff report**

The Council considered the approval of a salary range for the position of Assistant City Clerk and approval to place the position into the Oroville City Employee's Association. **(Liz Ehrenstrom, Human Resource Manager)**

Bill LaGrone provided an update to the Council of the amendments made to the Assistant City Clerk job description.

Following discussion, a motion was made by Council Member Berry, seconded by Council Member Draper, to:

**Approve the proposed salary range for the position of Assistant City Clerk and place the position into the Oroville City Employee's Association.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

**PUBLIC HEARINGS**

**Administration**

4. **RESOLUTION OF INTENT AND ORDINANCE TO AMEND THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AGREEMENT REGARDING EMPLOYEES SHARING ADDITIONAL COST (2<sup>nd</sup> READING) – staff report**

The Council conducted a public hearing and may consider a Resolution of Intent and Ordinance to amend the California Public Employees Retirement System (CalPERS) Agreement for employees sharing additional cost. (**Liz Ehrenstrom, Human Resources Manager**).

The Vice Mayor opened the public hearing.

Hearing no comments, the Vice Mayor closed the public hearing.

A motion was then made by Council Member Hatley, seconded by Council Member Draper, to:

1. **Adopt Resolution No. 8685 – A RESOLUTION OF INTENTION BY THE CITY COUNCIL OF THE CITY OF OROVILLE, CALIFORNIA, TO APPROVE AN AMENDMENT TO THE AGREEMENT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL OF THE CITY OF OROVILLE RELATING TO EMPLOYEES SHARING ADDITIONAL COSTS.**
2. **Waive the first reading, and introduce by title only, Ordinance No. 1827 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OROVILLE, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE AGREEMENT BETWEEN THE OROVILLE CITY COUNCIL OF THE CITY OF OROVILLE, CALIFORNIA, AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.**

The motion was passed by the following vote:

Ayes:	Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson
Noes:	None
Abstain:	None
Absent:	Mayor Dahlmeier

**REGULAR BUSINESS**

**Information Technology Department**

5. **PHONE SYSTEM PURCHASE AND INTERNET SERVICE CHANGE – staff report**

The Council considered the following:

- 1) Changing the City's main internet connections to a more robust connection that includes SIP technology for a new phone system.
- 2) The purchase of a new phone system for \$67,520.13 that will service all major city offices.

Eric Smith, Bill Speer, John Miller-George, and Chris Saraga provided comments to the Council regarding the item.



Following discussion, a motion was made by Council Member Berry, seconded by Council Member Draper, to:

**Authorize the purchase of the listed upgrades in this staff report.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

### **Public Works Department**

#### **6. RSTP STREET REPLACEMENT PROJECT CONSTRUCTION MANAGEMENT SERVICES – staff report**

The Council considered approving the Contract City Engineer to add Construction Management (CM) services via a subconsultant (Flaherty Engineering) to Bennett Engineering's Contract City Engineer Contract. **(Mike Massaro, Contract City Engineer).**

Following discussion, a motion was made by Council Member Hatley, seconded by Council Member Berry, to:

**Approve the Contract City Engineer to enter into a subcontract agreement with Flaherty Engineering and Holdrege & Kull for Construction Support.**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

### **Administration**

#### **7. CODE OF CONDUCT FOR ELECTED AND APPOINTED OFFICIALS – staff report**

Bill LaGrone, Interim City Administrator, requested the item be pulled from the agenda to be presented at the April 3, 2018 City Council meeting.

#### **8. PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF OROVILLE AND TOM LANDO TO SERVE AS INTERIM CITY ADMINISTRATOR – staff report**

The City Council considered an agreement for Professional Services between the City and Tom Lando for service as Interim City Administrator. **(Bill LaGrone, Acting Personnel Officer)**

Bud Tracy provided comments to the Council regarding the item.

Following discussion, a motion was made by Council Member Draper, seconded by Council Member Del Rosario, to:

**Adopt Resolution No. 8691 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF OROVILLE AND TOM LANDO TO SERVE AS INTERIM CITY ADMINISTRATOR (Agreement No. 3246).**

The motion was passed by the following vote:

Ayes: Council Members Berry, Del Rosario, Draper, Hatley, Thomson, Vice Mayor Goodson  
Noes: None  
Abstain: None  
Absent: Mayor Dahlmeier

### **COUNCIL ANNOUNCEMENTS/COMMITTEE REPORTS**

Council Member Del Rosario reported on the following:

- Met with Craig Construction regarding Parking Lot A as well as a phone call with Rosana regarding charging stations for electric cars.
- Spoke at the arbor Day event at St. Thomas the Apostle School.
- Attended Butte County Health Care Coalition meeting, spoke at California Public Utilities Commission meeting regarding Broadband, attendance to the Downtown Business Association meeting, and the S.T.A.G.E. meeting.
- Additionally, attended the Continuum of Care meeting for Council Member Draper, Chaired the NAACP meeting, also attended by vice Mayor Goodson.

Council Member Thomson reported on the following:

- Attendance to the California Public Utilities Commission meeting regarding Broadband.

Vice Mayor Goodson reported on the following:

- Attendance to the SC-OR board meeting, Chamber of Commerce and the NAACP meetings.

### **CITY ADMINISTRATOR/ ADMINISTRATION REPORTS** - None

Interim City Administrator Bill LaGrone reported on the following:

- Received a request from Council Member Draper and Vice Mayor Goodson for a job study survey from each employee.
- Received phone call from Mark Fairbanks regarding a partnership with Bud Tracy to repave the City owned parking lot at the corner of Bird Street and Downer Street.

### **CORRESPONDENCE** - None

### **HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS**

Bill Speer provided comments to the Council regarding the Constitution of California and prayed for

Oroville.

John Miller-George provided comments regarding his support for the commercial sale of cannabis.

**CLOSED SESSION**

The Council held a Closed Session on the following:

1. Pursuant to Government Code section 54957.6, the Council will meet with Labor Negotiators and City Attorney to discuss labor negotiations for the following represented groups: Oroville Firefighters' Association, Oroville Police Officers Association (Sworn and Non-Sworn), Oroville Public Safety Mid-Managers Association, Oroville Management and Confidential Association, and Oroville City Employees Association.
2. Pursuant to Government Code Section 54957(b), the Council will meet with Acting City Administrator, Personnel Officer, and/or City Attorney to consider the employment related to the following positions: City Administrator and Assistant City Clerk.
3. Pursuant to Government Code section 54956.9(d)(2), the Council will meet with the Acting City Administrator and City Attorney regarding potential exposure to litigation – one case.

Following Closed Session, Vice Mayor Goodson reported that direction had been given and no action taken. As to Item No. 1 on Closed Session, the Council has carefully considered alternatives at to the provision police services, including discussion with the Butte County Sheriff for contracting for police services to the City. The Council has determined that at this time, the City will discontinue discussions with the County Sheriff and will continue to provide police services through the City's police department.

**ADJOURNMENT**

The meeting was adjourned at 7:51 p.m. A regular meeting of the Oroville City Council will be held on Tuesday, April 3, 2018, at 5:30 p.m.

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Bill LaGrone, Acting City Clerk

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Janet Goodson, Vice Mayor

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: RUTH WRIGHT, FINANCE DIRECTOR**

**RE: SUPPORT LETTER FOR AB 2268**

**DATE: APRIL 3, 2018**

**SUMMARY**

The Council may consider the support of AB 2268 which could potentially increase annual revenues for the City.

**DISCUSSION**

In 2011, a budget trailer bill, SB 89 was rushed through the legislative process with no public hearings and swept away over \$200 million annually in vehicle license fee (VLF) revenues from cities. Over 140 annexing cities lost revenue from SB 89 that they relied upon to provide essential community services to new residents. The total annual loss for the 140 affected cities in 2011 was \$4.3 million.

While some cities lost smaller portions, others suffered significant annual losses. The annual lost revenue for the City of Oroville is approximately \$38,807.

In February 2018, Assembly Member Eloise Gómez Reyes introduced AB 2268. This bill would restore both the revenue lost by the affected cities and incentives for future annexations going forward.

**FISCAL IMPACT**

None

**RECOMMENDATION**

Approve sending a letter of support for AB 2268 to Assembly Member Eloise Gómez Reyes and cc'd parties.

**ATTACHMENTS**

AB 2268 Support Letter



# City of Oroville

## OFFICE OF THE DEPARTMENT OF FINANCE

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1735 Montgomery Street  
Oroville, CA 95965-4897  
(530) 538-2410 FAX (530) 538-2525  
[www.cityoforoville.org](http://www.cityoforoville.org)

April 4, 2018

The Honorable Eloise Gómez Reyes  
California State Assembly  
State Capitol Building, Room 2175  
Sacramento, CA 95814  
VIA FAX: 916-319-2147

RE: AB 2268 (Reyes) – ANNEXATION FINANCE: RESTORATION OF LOST REVENUE  
**Notice of Support (as introduced 2/13/18)**

Dear Assembly Member Reyes:

The City of Oroville supports AB 2268 (Reyes), which would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives provided by AB 1602 (Laird) of 2006, then suffered significant fiscal harm when those funds were swept away due to the passage SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents.

The funding formula used in AB 2268 is identical to the formula approved by the Legislature to restore funding to four recently incorporated cities that were also harmed by SB 89 in last year's SB 130. The state fiscal impact of SB 130 is estimated to be up to \$19 million annually; the fiscal costs of addressing the losses cities suffered on annexations in AB 2268 would be comparatively less at approximately \$5 million.

The City of Oroville lost approximately \$38,807 annually following the passage of SB 89, and AB 2268 would help restore the revenue our city relied upon when making the policy decision to annex and serve new residents.

The loss of revenue is significant to our small City as expenditures continue to rise exponentially compared to our revenues. Service levels are at an all-time low as budget cuts continue to plague us. Any increase in our revenues are significant at this time.

For these reasons, the City of Oroville supports AB 2268.

Sincerely,

Ruth Wright with the full support of the Oroville City Council  
Finance Director  
City of Oroville

cc: Senator Jim Nielsen & Assembly Member James Gallagher  
Dan Carrigg, League of Cities Deputy Executive Director and Legislative Director (via email)  
Meg Desmond, League of California Cities, [cityletters@cacities.org](mailto:cityletters@cacities.org)  
*"Oroville – California's best opportunity for a safe and diverse quality of life"*

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO:** MAYOR AND COUNCIL MEMBERS

**FROM:** AMY BERGSTRAND, MANAGEMENT ANALYST III  
BUSINESS ASSISTANCE/HOUSING DEVELOPMENT

**RE:** HOUSING SUCCESSOR AGENCY ANNUAL REPORT

**DATE:** APRIL 3, 2018

**SUMMARY**

The City Council will receive and file the Housing Element Annual Progress Report (“Housing Element APR”) for 2017 and the Housing Successor Agency Annual Report (“Annual Report”) for fiscal year 2016-17 that will be submitted to the State Department of Housing and Community Development (“HCD”).

**DISCUSSION**

**Housing Element Annual Progress Report**

*New Legislative Requirements*

California’s 2017 Legislative Housing Package sought to improve the practices of maintaining and creating affordable housing for all. Fifteen bills were passed that enact new housing regulations in California. Assembly Bill (AB) 879 and Senate Bill (SB) 35 placed increased importance on Housing Element Annual Progress Reports that are due to HCD by April 1 each year. While the new bills are aimed at streamlining processes, as well as increasing the accountability and implementation of practices that advance affordable housing efforts, they also come with new consequences. In addition, charter cities must now also submit a Housing Element APR.

New consequences for failing to complete the Housing Element APR are twofold. Failure to submit a Housing Element APR within 60 days of the April 1<sup>st</sup> due date could result in court orders to compel compliance, and court sanctions if not completed as ordered. Failure to submit the Housing Element APR for two or more consecutive years triggers SB 35 provisions streamlining affordable multifamily housing development approvals, losing significant local control over the entitlement process.

New annual reporting regulations require local jurisdictions to track new housing production data in 2018 to include in the Housing Element APR due in 2019, and ongoing years. This includes data on:

- Housing development applications and approvals,

- Housing production in progress (via entitlement, building permit, or certificate of occupancy), and
- Sites identified or rezoned to accommodate Regional Housing Need Allocation (“RHNA”) need, related to “No Net Loss” provisions passed by AB 166.

HCD will use new Housing Element APR data to determine if a locality has not issued enough building permits to satisfy its RHNA allocation by income category for a reporting period, subjecting it to SB 35 streamlining provisions until the next reporting period.

While state law has previously required general law cities to prepare a Housing Element APR to monitor fulfillment of regional housing needs as set forth in a local housing element, charter cities were not subject to this requirement. However, new laws in 2017 now also require charter cities to complete these annual Housing Element APRs. The City of Oroville has typically prepared and filed a Housing Element APR annually because not only is it an effective way to track activities during housing element cycles, they are often required to be submitted as part of several grant programs, even if the local agency is a charter city.

#### *Oroville’s 2017 Housing Element APR*

The 2017 Housing Element APR summarizes activities for the 2017 calendar year and the duration of the 2014-2022 planning cycle. During the review of building permit data for 2017, it was discovered that there were units previously not counted, or low and very-low income units counted as “Above Moderate” units because the income data was not previously available. As such, new Housing Element APR report tables have been prepared for 2014, 2015, and 2016, which will be submitted to HCD along with the 2017 Housing Element APR.

As summarized in the table below, based on the City’s building permit data, data from the Housing department on the City’s Homeownership Assistance Program and the Community Housing Improvement Program (“CHIP”), the City has produced 106 units of the 1,793 RHNA allocation requirement between 2014 – 2017. In 2017, only 3 new units were issued building permits, all in the above moderate category. The 2017 Housing Element APR also incorporates information on housing programs from the Housing Element.

## Regional Housing Needs Allocation Progress

### Permitted Units Issued by Affordability

Enter Calendar Year starting w with the first year of the RHNA allocation period. See Example.		2014	2015	2016	2017	Total Units to Date (all years)	Total Remaining RHNA by Income Level	
Income Level		Year 1	Year 2	Year 3	Year 4			
Very Low	Deed Restricted	419		1	8	9	410	
	Non-deed restricted							
Low	Deed Restricted	284	50			50	216	
	Non-deed restricted		7	5	6			18
Moderate	Deed Restricted	306					306	
	Non-deed restricted							
Above Moderate		784	14	11	1	3	29	755
Total RHNA by COG. Enter allocation number:		1,793	71	17	15	3	106	1,687
Total Units ▶ ▶ ▶								
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶								

### Housing Successor Annual Report for FY 2015-16

Housing Element APRs due by April 1 must continue to include the Housing Successor Annual Report (“Annual Report”) for redevelopment housing successors that are not Housing Authorities. The City of Oroville is the Housing Successor entity of the former Oroville Redevelopment Agency (“Agency”), which was dissolved on February 1, 2012. This is the fourth annual report of the City with respect to the inherited affordable housing obligations from the former Agency. The Annual Report summarizes housing successor duties under Senate Bill 341, Assembly Bill 1793, and Senate Bill 107. The Annual Report outlines total cash flow and balance of the Housing Asset Fund, the inventory of properties held in the Asset Fund, as well as the how the City is performing thus far in meeting the project expenditure requirements towards very low and extremely low-income housing. A few important sections from the report are summarized below.

#### *Low and Moderate-Income Housing Asset Fund*

The Housing Asset Fund includes all assets that were transferred from the former Agency to the City. The assets include:

- Real properties
- Affordable housing covenants
- Personal property



- Loans receivable
- Residual receipts

Per the City's 2016-17 Comprehensive Annual Financial Report ("CAFR"), the City deposited \$195,980 into the Housing Asset Fund during Fiscal Year 2016-17. Housing Asset Fund expenditures totaled \$93,615. At the close of fiscal year 2016-17, the ending balance in the Housing Asset Fund was \$1,157,142.

### *Expenditure Limitations*

The City expended funds on administrative costs within the annual limits in fiscal year 2016-17. Within the five-year compliance period, the City has spent \$160,000 on Lease to Purchase Program loans for low income households. Presently, the \$160,000 spent on low income housing projects is approximately 70% of the total project expenditures. In order to avoid a temporary moratorium on spending more Housing Asset Funds on low income housing projects, the City will need to first spend at least \$640,000 on very low and extremely low-income housing projects. Of the \$640,000 that should be expended on very low or extremely low-income housing projects, at least \$240,000 must be spent on rental housing affordable to extremely low-income households. The City has made a preliminary commitment of \$660,000 towards the development of Sierra Heights project which may have as many as 6 extremely low-income units if developed as anticipated during the next few years.

### *Real Property and Loan Receivables*

The Agency transferred 19 real properties and 59 loan agreements to the City on the Housing Asset Transfer Form in 2012. Since that time, ten properties have sold and two are in contract to be sold since assets were transferred to the City. One property was sold in FY 2015-16 and two were sold in FY 2016-17; the remaining properties were sold in prior years. The City is developing a strategy for the disposition or development of remaining seven properties, taking several factors into consideration, including whether it is more beneficial to develop properties to provide housing, or to receive sales proceeds to spend on affordable housing activities within the expenditure limitations set by SB 341.

Of the 59 loan agreements, 26 loans have been paid off since they were transferred to the City. They include 12 Rehabilitation Program loans, 10 Front Yard Landscape Improvement Program loans, three First-Time Homebuyer Loan, and one loan for a senior affordable housing development. Total Fiscal Year 2016-17 loan repayments totaled \$172,674.

### *Excess Surplus*

This calculation cannot be performed until four years of deposits have been made into the Housing Asset Fund. The purpose of this requirement is to ensure that Housing Asset Fund monies are spent on low income housing. The City should plan to encumber or expend funds to meet excess surplus requirements.

### *Deposits from City to Agency Loan Repayments*

There were no loan repayments made to the City in FY 2016-17, so no monies were deposited in to the Low and Moderate-Income Housing Asset Fund based on this provision of the law. However, beginning in FY 2018-19, the Successor Agency will begin City Loan repayments as approved on the Last and Final ROPS, and 20% of the repayment amount will be deposited in the Low and Moderate-Income Housing Asset Fund until the City loan is repaid in full in FY 2022-23.

### **FISCAL IMPACT**

There is no Fiscal Impact associated with this action.

### **RECOMMENDATION**

Receive a staff report on the 2017 Housing Element Annual Progress Report and 2016-2017 Housing Successor Annual Report.

### **ATTACHMENTS**

1. 2014 Housing Element Annual Progress Report
2. 2015 Housing Element Annual Progress Report
3. 2016 Housing Element Annual Progress Report
4. 2017 Housing Element Annual Progress Report
5. 2016-2017 Housing Successor Annual Report

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202 )

**Jurisdiction** City of Oroville  
**Reporting Period** 1/1/2014 - 12/31/2014

**Table A**

#### Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information								Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development  See Instructions	Deed Restricted Units  See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income					
Orange Tree Senior Apartments	5+	R		50			50	0	RDA, HOME, CDBG, TCAC	Regulatory Agreement	
44 Russell Proctor Way	SF	O		1			1	0	HOME		
31 Vaquero Dr	SF	O		1			1	0	HOME		
50 Russell Proctor Way	SF	O		1			1	0	HOME		
48 Russell Proctor Way	SF	O		1			1	0	HOME, CDBG		
54 Russell Proctor Way	SF	O		1			1	0	HOME		
26 Vaquero Dr	SF	O		1			1	0	HOME, CDBG		
133 Calle Vista Dr	SF	O		1			1	0	HOME, CDBG		
(9) Total of <b>Moderate and Above Moderate</b> from Table A3				0		14	14				
(10) Total by income Table A/A3				57		14	71				
(11) Total <b>Extremely Low-Income</b> Units*			0								

\* Note: These fields are voluntary

## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction** City of Oroville  
**Reporting Period** 1/1/2014 - 12/31/2014

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>						0	0
No. of Units Permitted for <b>Above Moderate</b>	9		5			14	0

\* Note: This field is voluntary

## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville

**Reporting Period**      1/1/2014 - 12/31/2014

**Table B**

### Regional Housing Needs Allocation Progress

#### Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2014	2015	2016	2017	2018	2019	2022			Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	419										419
	Non-deed restricted											
Low	Deed Restricted	284	50								50	227
	Non-deed restricted		7								7	
Moderate	Deed Restricted	306										306
	Non-deed restricted											
Above Moderate		784	14								14	770
Total RHNA by COG. Enter allocation number:		1,793										
Total Units ▶ ▶ ▶			71								71	1,722
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.



**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2014 - 12/31/2014

**General Comments:**

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2015 - 12/31/2015

**Table A**

#### Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information						Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions			
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development	Deed Restricted Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income					
58 Russell Proctor Way	SF	O		1			1		HOME, CDBG		
33 Onyx Cir	SF	O	1				1		HOME, CDBG		
24 Onyx Cir	SF	O		1			1		HOME, CDBG		
32 Onyx Cir	SF	O		1			1		HOME, CDBG		
20 Vaquero Dr	SF	O		1			1		HOME, CDBG		
30 Onyx Cir	SF	O		1			1		HOME		
(9) Total of <b>Moderate and Above Moderate</b> from Table A3			▶	▶	0	11	11				
(10) Total by income Table A/A3			▶	▶	1	5		11			
(11) Total <b>Extremely Low-Income</b> Units*											

\* Note: These fields are voluntary



## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction** City of Oroville  
**Reporting Period** 1/1/2015 - 12/31/2015

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>						0	
No. of Units Permitted for <b>Above Moderate</b>	10				1	11	

\* Note: This field is voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2015 - 12/31/2015

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.													Total Units to Date (all years)	Total Remaining RHNA by Income Level
<b>Income Level</b>		<b>RHNA Allocation by Income Level</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9			
Very Low	Deed Restricted	419											1	418
	Non-deed restricted		1											
Low	Deed Restricted	284	50										50	222
	Non-deed restricted		7	5									12	
Moderate	Deed Restricted	306												306
	Non-deed restricted													
Above Moderate		784	14	11									25	759
Total RHNA by COG. Enter allocation number:		1,793												
Total Units ▶ ▶ ▶			71	17									88	1,705
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶														

Note: units serving extremely low-income households are included in the very low-income permitted units totals.



**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2015 - 12/31/2015

**General Comments:**

## ANNUAL ELEMENT PROGRESS REPORT

### Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Oroville  
 Reporting Period 1/1/2016 - 12/31/2016

Table A

#### Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

Housing Development Information						Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions			
1	2	3	4				5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Est. # Infill Units*	Assistance Programs for Each Development  See Instructions	Deed Restricted Units  See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income					
19 Vaquero Dr	SF	O	1				1		USDA Rural Dev		
29 Vaquero Dr	SF	O		1			1		USDA Rural Dev		
27 Onyx Cir	SF	O		1			1		USDA Rural Dev		
25 Vaquero Dr	SF	O	1				1		USDA Rural Dev		
21 Vaquero Dr	SF	O		1			1		USDA Rural Dev		
28 Vaquero Dr	SF	O	1				1		USDA Rural Dev		
29 Onyx Cir	SF	O	1				1		USDA Rural Dev		
135 Calle Vista Dr	SF	O		1			1		USDA Rural Dev		
24 Vaquero Dr	SF	O	1				1		USDA Rural Dev		
25 Onyx Cir	SF	O		1			1		USDA Rural Dev		
27 Vaquero Dr	SF	O	1				1		USDA Rural Dev		
22 Vaquero Dr	SF	O	1				1		USDA Rural Dev		
23 Vaquero Dr	SF	O		1			1		USDA Rural Dev		
56 Russell Proctor Way	SF	O	1				1		USDA Rural Dev		
(9) Total of Moderate and Above Moderate from Table A3			0	1			1				
(10) Total by income Table A/A3			8	6			15				
(11) Total Extremely Low-Income Units*											

\* Note: These fields are voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

Jurisdiction City of Oroville  
Reporting Period 1/1/2016 - 12/31/2016

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>						0	
No. of Units Permitted for <b>Above Moderate</b>	1					1	

\* Note: This field is voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
(CCR Title 25 §6202 )

Jurisdiction City of Oroville  
Reporting Period 1/1/2016 - 12/31/2016

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	419									9	410
	Non-deed restricted		1	8								
Low	Deed Restricted	284	50								50	216
	Non-deed restricted		7	5	6					18		
Moderate	Deed Restricted	306										306
	Non-deed restricted											
Above Moderate		784	14	11	1						26	758
Total RHNA by COG. Enter allocation number:		1,793										
Total Units ▶ ▶ ▶			71	17	15						103	1,690
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.





**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2016 - 12/31/2016

**General Comments:**



## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202 )

**Jurisdiction** City of Oroville  
**Reporting Period** 1/1/2017 - 12/31/2017

**Table A2**  
**Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)**

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	TOTAL UNITS	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

\* Note: This field is voluntary

**Table A3**  
**Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>						0	
No. of Units Permitted for <b>Above Moderate</b>	3					3	

\* Note: This field is voluntary

**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2017 - 12/31/2017

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
Very Low	Deed Restricted	419									9	410
	Non-deed restricted		1	8								
Low	Deed Restricted	284	50								50	216
	Non-deed restricted		7	5	6						18	
Moderate	Deed Restricted	306										306
	Non-deed restricted											
Above Moderate		784	14	11	1	3					29	755
Total RHNA by COG. Enter allocation number:		1,793										
Total Units ▶ ▶ ▶			71	17	15	3					106	1,687
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.



**ANNUAL ELEMENT PROGRESS REPORT**  
***Housing Element Implementation***  
(CCR Title 25 §6202 )

**Jurisdiction**      City of Oroville  
**Reporting Period**      1/1/2017 - 12/31/2017

**General Comments:**

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**HOUSING SUCCESSOR AGENCY ANNUAL REPORT**

**City of Oroville  
(Housing Successor to the former  
Oroville Redevelopment Agency)**

**FY 2016-17**



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## INTRODUCTION

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The City of Oroville (“City”) is the Housing Successor entity of the former Oroville Redevelopment Agency (“Agency”). The Agency was dissolved by California State law on February 1, 2012. The former Agency’s affordable housing rights, powers, assets, liabilities, duties, and obligations, excluding any amounts in the Agency’s Low and Moderate Income Housing Fund, were transferred to the City. Housing assets and liabilities were transferred to the City through a Housing Asset Transfer Form approved by the Department of Finance (“DOF”) on September 7, 2012. Unlike the former Agency, the City does not collect a recurring stream of funds to fulfill affordable housing obligations and needs.

This annual report contains information regarding expenditures and program activity to comply with legal requirements imposed by Senate Bill (“SB”) 341 (effective January 1, 2014), Assembly Bill (“AB”) 1793 (effective January 1, 2015), SB 107 (effective September 22, 2015), and AB 346 (effective June 28, 2017).

### **DEFINITION OF HOUSING ASSETS**

According to Health and Safety Code (“HSC”) Section 34176(e), housing assets may include the following.

- Real property
- Restrictions on the use of property
- Personal property in a residence
- Housing-related files
- Office supplies and software programs acquired for low-and moderate-income purposes
- Funds encumbered by an enforceable obligation
- Loan or grand receivable funded from the former LMIHF
- Funds derived from rents or operation of properties acquired for low-and moderate-income housing purposes
- Rents or payments from housing tenants or operators of low-and moderate-income housing
- Repayment of Supplemental Educational Revenue Augmentation Fund loans

Most assets transferred from the former Agency to the City include real properties, affordable housing covenants, and loans receivable.

## REPORTING REQUIREMENTS FOR HOUSING SUCCESSOR AGENCIES

SB 341 and related legislation clarified that all former redevelopment agency housing assets, regardless of their originating redevelopment agency, must be maintained in a separate fund called the Low and Moderate Income Housing Asset Fund (“Housing Asset Fund”). In accordance with HSC Section 34176.1(f), the following data must now be reported annually for the Housing Asset Fund. Please note that while annual reporting is required, compliance periods may be longer, as described below. Not all items are applicable to all housing successors.

1. Total amount deposited in the Housing Asset Fund for the Fiscal Year.
2. Statement of balance at the close of the Fiscal Year.
3. Description of expenditures for Fiscal Year broken out as follows:
  - a. Rapid rehousing or homelessness prevention (maximum of \$250,000 per year)
  - b. Administrative expenses (greater of \$200,000 or 5% of “portfolio”)
  - c. Monitoring expenses (included as an administrative expense)
  - d. All other expenditures must be reported as spent for each income group (extremely low-, very low-, and low income)
4. Sum of other “Portfolio” balances
  - a. Statutory value of real property either transferred from the former Agency or purchased by the Housing Asset Fund.
  - b. Value of loans and grants receivable.
5. Descriptions of any transfers to another housing successor for a joint project.
6. Description of any project still funded through the Recognized Obligation Payment Schedule (“ROPS”).
7. Update on property disposition for any property owned more than five years or plans for property owned less than five years.
8. Description of any outstanding production obligations of the former redevelopment agency that are inherited by the Housing Successor.
9. Compliance with proportionality requirements (income group targets). Compliance must be upheld on a five-year cycle.
10. Percentage of deed-restricted rental housing restricted to seniors and assisted by the entity assuming housing functions, the former Agency, or the City within the past 10 years compared to the total number of units assisted by any of those three agencies.

- 11. Amount of excess surplus, and if any, the plan for eliminating the surplus.
- 12. An inventory of homeownership units assisted by the former Agency or its housing successor subject to covenants or restrictions.
- 13. The amount the City receives from the repayment of City loans to the former Agency pursuant to HSC 34191.4(b)(3)(C) (if any).

**LOW AND MODERATE INCOME HOUSING ASSET FUND**

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The Housing Asset Fund includes all assets that were transferred from the Agency to the City via the Housing Asset Transfer form, which included:

- 1. Real properties,
- 2. Affordable housing covenants,
- 3. Personal property (a staff vehicle),
- 4. Loans receivable, and
- 5. Residual receipts.

A copy of Oroville’s Housing Asset Transfer Form listing all transferred assets is included as Appendix A.

**HOUSING ASSET FUND DEPOSITS AND ENDING BALANCE**

The City deposited \$195,980 into the Housing Asset Fund during Fiscal Year 2016-17. The source of the deposits was from interest earnings, fees, loan repayments, and other miscellaneous sources. No deposits were held for items on the Oroville Successor Agency’s ROPS.

Fiscal year 2016-17 Housing Asset Fund expenditures totaled \$93,615. Expenses included costs for general administration, monitoring of affordability covenants, property maintenance and operations, and outside service fees such as appraisals and credit checks.

**Fiscal Year 2016-17 Housing Asset Fund Activity** **Table 1**

**City of Oroville**

Beginning Balance	\$	1,054,777
Revenues	\$	195,980
Expenditures	\$	(93,615)
Transfers In	\$	-
Transfers Out	\$	-
<hr/>		
Ending Balance	\$	1,157,142

*Source: City of Oroville 2016-17 CAFR*

At the close of fiscal year 2016-17, the ending balance in the Housing Asset Fund was \$1,157,142. No amounts are held for enforceable obligations on the ROPS.

**EXPENDITURE LIMITATIONS**

The HSC provides the following guidelines for expenditures from the Housing Asset Fund:

1. Administrative costs, which include housing monitoring, are capped at \$200,000 or 5% of the statutory value of any land owned by the housing successor and of loans and grants receivable. Oroville's administrative cost cap for Fiscal Year 2016-17 was \$360,024 based on this formula.
2. A housing successor is authorized to spend up to \$250,000 per year on homeless prevention and rapid rehousing services if the former Agency did not have any outstanding housing production requirements. The former Agency had a surplus of affordable housing production units; therefore, the City can spend money on this category if it chooses and funding is available.
3. Remaining allowable expenditures must be spent on the development of housing affordable to households earning 80% or less of the area median income ("AMI"). This means that no funding may be spent on moderate-income households, as was previously authorized by redevelopment law. Of the money expended, a minimum of 30% must go towards the development of rental housing affordable to households earning 30% or less of the AMI, and a maximum of 20% may go towards the development of housing affordable to households earning between 60% and 80% of the AMI.

“Development” in this context means new construction, acquisition and rehabilitation, substantial rehabilitation, the acquisition of long-term affordability covenants on multifamily units, or the preservation of an assisted housing development (i.e. extending the term of affordability restrictions).

Note that housing successors must report expenditures by category each year, but compliance is measured every five years. For example, a housing successor could spend all of its funds in a single year on households earning between 60% and 80% AMI, as long as it was 20% or less of the total expenditures during the five-year compliance period. The first five-year compliance period began on January 1, 2014 and ends on June 30, 2019. Compliance will be evaluated in the annual report for Fiscal Year 2018-19.

Table 2 summarizes Housing Asset Fund expenditures on administrative costs and rapid rehousing solutions in Fiscal Year 2016-17, and affordable housing activities by income level made in the first five-year compliance period thus far.

**Compliance Period Housing Asset Fund Expenditures**

**Table 2**

**City of Oroville**

	Admin/ Monitoring	Rapid Rehousing/ Homeless Prev	Ext. Low Rental <30% AMI	Very Low 30-60% AMI	Low 60-80% AMI	Total Project Related
<b>Fiscal Year 2016-17 Expenditures</b>						
Administration	25,601					-
Project Related <sup>1</sup>		-	-	-		-
<b>FY 2016-17 Total</b>	<b>\$ 25,601</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Compliance Period Expenditures</b>						
	Annual Limit		Five-Year Limits (1/1/14 to 2018-19)			
FY 2013-14	119,707	-	-	-	95,000	95,000
FY 2014-15	71,179	-	-	-	-	-
FY 2015-16	56,358	-	-	-	65,000	65,000
FY 2016-17	25,601		-	-		
FY 2017-18	TBD				TBD	
FY 2018-19	TBD				TBD	
<b>Total Expenditures<sup>1</sup></b>	<b>N/A</b>	<b>N/A</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>
<b>Percent of Total</b>			<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>
<i>SB 341 Limitation<sup>2</sup></i>	<i>\$ 360,024</i>	<i>\$ 250,000</i>	<i>&gt;30%</i>	<i>N/A</i>	<i>&lt;20%</i>	
<b>Compliant (Yes/No)</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>		<b>No</b>	
<i>Minimum Ext. Low Rental &amp; Very Low Expenditures</i>			<i>\$ 240,000</i>	<i>\$ 400,000</i>	<i>\$ 160,000</i>	<i>\$ 800,000</i>
<i>Required for Future Compliance</i>			<i>30%</i>	<i>50%</i>	<i>20%</i>	<i>100%</i>

<sup>1</sup> Consists of Lease to Purchase Program paper loans that are recorded as an expense and revenue.

<sup>2</sup> Displays 2016-17 Annual Limits for Admin/Monitoring. The Annual Limit changes each year based on the value of real properties and loans receivable.

Source: City of Oroville, Fund 141 Accounting Records

From January 1, 2014 through June 30, 2017, the City has spent \$160,000 on Lease to Purchase paper loans for a low income households from the Housing Asset Fund. The City may exceed the 20% maximum limit on expenditures for low income housing, unless it can substantially increase expenditures towards both extremely low and very low income housing within the next few years. Presently, the \$160,000 spent on low income housing projects is approximately 70% of the total project expenditures. In order to avoid a temporary moratorium on spending more

Housing Asset Funds on low income housing projects, the City will need to first spend at least \$640,000 on very low and extremely low income housing projects. Of the \$640,000 that should be expended on very low or extremely low income housing projects, at least \$240,000 must be spent on rental housing affordable to extremely low income households. The City has made a preliminary commitment of \$660,000 towards the development of Sierra Heights project which may have as many as 6 extremely low income units if developed as anticipated during the next few years.

**STATUTORY VALUE OF REAL PROPERTIES AND LOAN RECEIVABLES**

The City must report the statutory value of real properties formerly owned by the Agency or purchased by the City with Housing Asset Funds, and the value of loans and/or grants receivable transferred on the Housing Asset Transfer Form. The City inherited 19 real properties and 59 loan agreements from the former Agency. Table 3 shows the total value of real properties and loans receivable. The Housing Asset Transfer Form in Appendix A shows more detailed information about each property and loan receivable.

<b>Fiscal Year 2016-17 Real Properties and Receivables</b>		<b>Table 3</b>
<b>City of Oroville</b>		
Value of Real Properties		\$ 1,140,296
Value of Loans Receivable		\$ 6,060,181
Total Value		\$ 7,200,477

*Source: City of Oroville 2016-17 CAFR*

Since the Housing Asset Transfer form was adopted, the City has sold seven single-family homes through the Lease to Purchase Program, and is in contract to sell two more homes. Lease to Purchase Program sales have totaled \$810,000; however these are paper loan transfers documenting loans made to assist homebuyers and not cash revenues. The City also sold a plot of land at 1511 Robinson Street to develop a senior housing project in Fiscal Year 2013-14. In Fiscal Year 2016-17, the City sold two properties on the open market, 770 Robinson Street and 3054 Spencer Avenue for a total of \$156,975. Additionally, 26 loans have been paid off since they were transferred to the City. This includes 12 Rehabilitation Program loans, 10 Front Yard Landscape Improvement Program loans, three First-Time Homebuyer Loan, and one loan for a senior affordable housing development. Total Fiscal Year 2016-17 loan repayments totaled \$172,674.

## PROPERTY AND PROJECT DESCRIPTIONS

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The Agency transferred 19 real properties to the City on the Housing Asset Transfer Form. Table 4 describes each property and their current development or disposition status. Ten properties have sold and two are in contract to be sold since assets were transferred to the City. One property was sold in FY 2015-16 and two were sold in FY 2016-17; the remaining properties were sold in prior years. The City is developing a strategy for the disposition or development of remaining seven properties (see the first seven properties listed on Table 4). It is taking several factors into consideration, including whether it is more beneficial to develop properties to provide housing, or to receive sales proceeds to spend on affordable housing activities within the expenditure limitations set by SB 341.



**Properties Transferred from the Former Redevelopment Agency**

**Table 4**

**City of Oroville**

<b>HAT Item</b>	<b>Address</b>	<b>Property Type</b>	<b>Status / Desired Action</b>	<b>Notes</b>
2	1550 & 1560 Veatch St.	Vacant land	Considering sale	Former mobile home lots
5	3265 Glen Avenue	Single-family	Considering sale	Foreclosure purchase
17	APN 033-232-021 (Oroville Dam Blvd)	Vacant land	Considering sale	
18	APN 033-232-001 (Oroville Dam Blvd & Highlands)	Vacant land	Considering sale	
1	1130 Pomona Avenue	Vacant land	Considering sale or developing single-family home	
6	1289 Robinson St.	Single-family	Demolish (unsafe), then retain or sell	Foreclosure purchase
3	1729 Boynton Avenue	Single-family	Hold as relocation house for rehabilitation program	Foreclosure purchase
8	33 Canyon Highlands	Single-family	In contract for LPP	
11	115 Worthy Avenue	Single-family	In contract for LPP	
9	2712 Spencer Avenue	Single-family	Sold through LPP	
10	3027 Florence Avenue	Single-family	Sold through LPP	
12	218 Windward Way	Single-family	Sold through LPP	
13	1800 Pine Street	Single-family	Sold through LPP	
14	2178 Bridge St.	Single-family	Sold through LPP	
15	2950 El Noble Ave.	Single-family	Sold through LPP	
16	1930 Grant Ave.	Single-family	Sold through LPP	
4	3054 Spencer Avenue	Single-family	Sold on 12/28/16	
7	770 Robinson St.	Single-family	Sold on 7/21/16	
19	1511 Robinson St.	Vacant land	Sold to PEP housing to develop Orange Tree Senior Housing	

## PROPERTY DISPOSITION COMPLIANCE

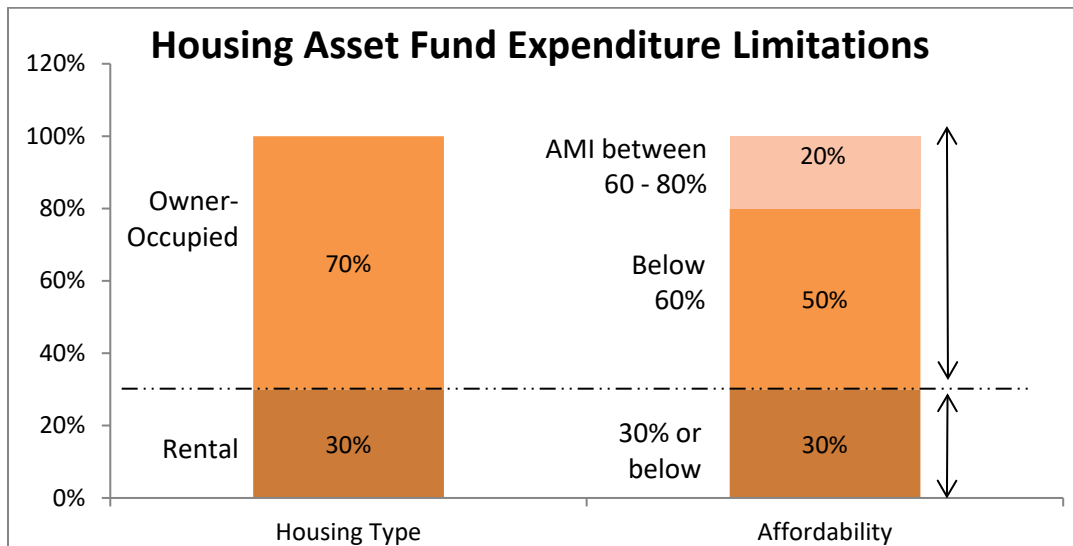
HSC Code Section 34176(e) requires that all real properties acquired by the Agency prior to February 1, 2012 and transferred to the City be developed for affordable housing purposes or sold within five years from the date DOF approved the Housing Asset Transfer Form. Oroville’s original Housing Asset Transfer Form was approved by DOF on September 7, 2012, setting a five-year deadline of September 7, 2017. If the City is unable to develop these properties within the five-year period, the law allows for a five-year extension via adoption of a resolution. The City Council adopted Resolution No. 8649 on September 5, 2017 extending the time-period for the development and or disposition of housing properties transferred from the former Oroville Redevelopment Agency to September 5, 2022.

## OUTSTANDING INCLUSIONARY AND REPLACEMENT HOUSING OBLIGATIONS

The former Agency had a surplus of over 200 affordable housing units as of February 1, 2012. There are no outstanding inclusionary or replacement housing obligations to be fulfilled by the City.

## INCOME EXPENDITURE PROPORTIONALITY

Expenditures from the Housing Asset Fund shall be limited to the development of housing affordable to and occupied by lower income households earning 80% or less of the AMI. At least 30% of expenditures must be on the development of rental housing for households earning 30% or less of the AMI. Not more than 20% of expenditures may be spent on the development of housing for households earning between 60% and 80% of the AMI.



Failure to comply with the extremely low income requirement in any five-year compliance period will result in the City having to ensure that 50% of remaining funds be spent on extremely low income rental units until in compliance. Exceeding the expenditure limit for households earning between 60% and 80% of the AMI in any five-year compliance period will result in the City not being to expend any funds on these income categories until in compliance.

As depicted in Table 2, the City has expended funds on low income households. Staff will ensure that the City meets expenditures proportionality requirements by the end of the first five-year compliance period in Fiscal Year 2018-19.

### SENIOR HOUSING EXPENDITURE PROPORTIONALITY

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This report must include an accounting of deed-restricted senior rental units that were produced over the last 10 years. The City must expend no more than 50% of the aggregate total number of senior housing units produced by either the City or former Agency during the past 10 years. Exceeding this limitation will prohibit the use of Housing Asset Funds to subsidize any senior rental units.

Multi-family projects that had affordability agreements executed within the last 10 years are listed in Table 5. These projects had a total aggregate number of 179 deed-restricted units, of which 50 (28%) are restricted to seniors. The City may spend more money subsidizing senior rental units in the future; however, it must ensure that no more than 50% of the total aggregate number of rental units produced within the preceding 10 years are restricted to seniors.

**Deed-Restricted Rental Units Assisted in 2006-07 through 2016-17** **Table 5**

**City of Oroville**

Property	Year Assisted	Senior Units	%	Non-Senior Units	%	Total Units
Orange Tree Senior Apartments	2012	50	100%	0	0%	50
Hillview Ridge Apartments	2008		0%	72	100%	72
Hillview Ridge Apartments II	2011		0%	57	100%	57
<b>Total</b>		<b>50</b>		<b>129</b>		<b>179</b>

**Total Deed-Restricted Senior Units: 28%**

### EXCESS SURPLUS

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Excess surplus calculations were once performed by redevelopment agencies on an annual basis, and are intended to ensure that funds are expended to benefit low-income households in an expeditious manner. Generally speaking, funds should be encumbered within four years of receipt. SB 341 reinstated this calculation for housing successors. Excess surplus is defined by HSC Section 34176.1(d) as “an unencumbered amount in the account that exceeds the greater of one million dollars, or the aggregate amount deposited into the account during the housing successor’s preceding four fiscal years, whichever is greater.”

The first meaningful calculation of this total cannot be performed until the close of the fifth fiscal year. After four years of deposits have been established, the City must perform a true excess surplus calculation at the close of the fifth year, comparing the unencumbered fund balance to the prior four years of deposits. As the general purpose of the excess surplus calculation is to ensure that money is expended for low-income purposes, the best action for the City is to encumber or expend money currently on deposit.

#### INVENTORY OF HOMEOWNERSHIP UNITS

AB 1793 requires this report to include an inventory of homeownership units assisted by the former Agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former Agency’s investment of moneys from the LMIHF. This inventory is attached as Appendix B.

#### DEPOSITS FROM CITY TO AGENCY LOAN REPAYMENTS

HSC Section 34191.4(b)(3)(C) requires that twenty percent of any loan repayment made from a successor agency to a City for a loan to the former redevelopment agency be deducted from the loan repayment amount and transferred to the Housing Asset Fund. There were no loan repayments made to the City in FY 2016-17, so no monies were deposited in to the Housing Asset Fund based on this provision of the law. On January 19, 2018, the Department of Finance make their final determination on the Oroville Successor Agency’s Last and Final ROPS. With the approval of the Last and Final ROPS, the Oroville Successor Agency will be able to make loan repayments to the City beginning in fiscal year 2018-19.



APPENDIX A – HOUSING ASSET TRANSFER FORM

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## APPENDIX B – HOMEOWNERSHIP UNIT INVENTORY

### Inventory of Homeownership Units w/ Affordability Restrictions

#### City of Oroville

Program	Address	Restriction Start Date	Restriction End Date
First Time Home Buyer Program	10 Ruxton	12/30/2008	12/29/2028
First Time Home Buyer Program	Various	11/22/2008	11/21/2038
First Time Home Buyer Program	Various	11/23/2008	11/22/2038
First Time Home Buyer Program	Various	11/24/2008	11/23/2038
In-Fill Construction FT HB	Gray Street	11/25/2008	11/24/2038
In-Fill Construction FT HB	Florence Ave.	11/26/2008	11/25/2038
In-Fill Construction FT HB	Pine St	11/27/2008	11/26/2038
Landscape Improvement Program	Various	11/28/2008	11/27/2038
Landscape Improvement Program	Various	11/29/2008	11/28/2038
Landscape Improvement Program	Various	11/30/2008	11/29/2038
Landscape Improvement Program	Various	12/1/2008	11/30/2038
Landscape Improvement Program	Various	12/2/2008	12/1/2038
Landscape Improvement Program	Various	12/3/2008	12/2/2038
Landscape Improvement Program	Various	12/4/2008	12/3/2038
Landscape Improvement Program	Various	12/5/2008	12/4/2038
Landscape Improvement Program	Various	12/6/2008	12/5/2038
Landscape Improvement Program	Various	12/7/2008	12/6/2038
Landscape Improvement Program	Various	12/8/2008	12/7/2038
Landscape Improvement Program	Various	12/9/2008	12/8/2038
Landscape Improvement Program	Various	12/10/2008	12/9/2038
Landscape Improvement Program	Various	12/11/2008	12/10/2038
Landscape Improvement Program	Various	12/12/2008	12/11/2038
Landscape Improvement Program	Various	12/13/2008	12/12/2038
Landscape Improvement Program	Various	12/14/2008	12/13/2038
Landscape Improvement Program	Various	12/15/2008	12/14/2038
Landscape Improvement Program	Various	12/16/2008	12/15/2038
Landscape Improvement Program	Various	12/17/2008	12/16/2038
RDA Housing Rehabilitation Program	Grand View Dr., Boynton Ave., Bird St.	12/18/2008	12/17/2038
First Time Home Buyer Program	Various	12/19/2008	12/18/2038
First Time Home Buyer Program	Various	12/20/2008	12/19/2038
First Time Home Buyer Program	Various	12/21/2008	12/20/2038
First Time Home Buyer Program	Various	12/22/2008	12/21/2038
First Time Home Buyer Program	Various	12/23/2008	12/22/2038
First Time Home Buyer Program	Various	12/24/2008	12/23/2038
First Time Home Buyer Program	Various	12/25/2008	12/24/2038
First Time Home Buyer Program	Various	12/26/2008	12/25/2038
First Time Home Buyer Program	Various	12/27/2008	12/26/2038

**Inventory of Homeownership Units w/ Affordability Restrictions**

**City of Oroville**

Program	Address	Restriction Start Date	Restriction End Date
First Time Home Buyer Program	Various	12/28/2008	12/27/2038
First Time Home Buyer Program	Various	12/29/2008	12/28/2038
In-Fill Construction FTHB	Various	12/30/2008	12/29/2038
In-Fill Construction FTHB	Various	12/31/2008	12/30/2038
In-Fill Construction FTHB	Various	1/1/2009	12/31/2038
Landscape Improvement Program	Various	1/2/2009	1/1/2039
Landscape Improvement Program	Various	1/3/2009	1/2/2039
Landscape Improvement Program	Various	1/4/2009	1/3/2039
Landscape Improvement Program	Various	1/5/2009	1/4/2039
Landscape Improvement Program	Various	1/6/2009	1/5/2039
Landscape Improvement Program	Various	1/7/2009	1/6/2039
Landscape Improvement Program	Various	1/8/2009	1/7/2039
Landscape Improvement Program	Various	1/9/2009	1/8/2039
Landscape Improvement Program	Various	1/10/2009	1/9/2039
Landscape Improvement Program	Various	1/11/2009	1/10/2039
Landscape Improvement Program	Various	1/12/2009	1/11/2039
Landscape Improvement Program	Various	1/13/2009	1/12/2039
Landscape Improvement Program	Various	1/14/2009	1/13/2039
Landscape Improvement Program	Various	1/15/2009	1/14/2039
Landscape Improvement Program	Various	1/16/2009	1/15/2039
Landscape Improvement Program	Various	1/17/2009	1/16/2039
Landscape Improvement Program	Various	1/18/2009	1/17/2039
Landscape Improvement Program	Various	1/19/2009	1/18/2039
Landscape Improvement Program	Various	1/20/2009	1/19/2039
Landscape Improvement Program	Various	1/21/2009	1/20/2039
RDA Housing Rehabilitation Program	Grand View Dr	1/22/2009	1/21/2039
RDA Housing Rehabilitation Program	Boynton Ave.	1/23/2009	1/22/2039
RDA Housing Rehabilitation Program	Bird St	1/24/2009	1/23/2039
RDA Housing Rehabilitation Program	Various	1/25/2009	1/24/2039
RDA Housing Rehabilitation Program	Various	1/26/2009	1/25/2039
RDA Housing Rehabilitation Program	Various	1/27/2009	1/26/2039
RDA Housing Rehabilitation Program	Various	1/28/2009	1/27/2039
First Time Home Buyer Program	Various	1/29/2009	1/28/2039
First Time Home Buyer Program	Various	1/30/2009	1/29/2039
First Time Home Buyer Program	Various	1/31/2009	1/30/2039
First Time Home Buyer Program	Various	2/1/2009	1/31/2039
First Time Home Buyer Program	Various	2/2/2009	2/1/2039
First Time Home Buyer Program	Various	2/3/2009	2/2/2039
First Time Home Buyer Program	Various	2/4/2009	2/3/2039
First Time Home Buyer Program	Various	2/5/2009	2/4/2039
First Time Home Buyer Program	Various	2/6/2009	2/5/2039



**Inventory of Homeownership Units w/ Affordability Restrictions**

**City of Oroville**

Program	Address	Restriction Start Date	Restriction End Date
First Time Home Buyer Program	Various	2/7/2009	2/6/2039
First Time Home Buyer Program	Various	2/8/2009	2/7/2039
First Time Home Buyer Program	Various	2/9/2009	2/8/2039
First Time Home Buyer Program	Various	2/10/2009	2/9/2039
First Time Home Buyer Program	Various	2/11/2009	2/10/2039
First Time Home Buyer Program	Various	2/12/2009	2/11/2039
First Time Home Buyer Program	Various	2/13/2009	2/12/2039
First Time Home Buyer Program	Various	2/14/2009	2/13/2039
First Time Home Buyer Program	Various	2/15/2009	2/14/2039
First Time Home Buyer Program	Various	2/16/2009	2/15/2039
First Time Home Buyer Program	Various	2/17/2009	2/16/2039
First Time Home Buyer Program	Various	2/18/2009	2/17/2039
CALHOME Fund Rehabilitation Program	Various		2/18/2039
CALHOME Fund Rehabilitation Program	Various		2/19/2039
CALHOME Fund Rehabilitation Program	Various		2/20/2039
First Time Home Buyer Program	1 Bremer	1/1/2007	1/1/2057
Housing Rehabilitation Project	Various	10/23/2008	10/22/2058
Housing Rehabilitation Project	Various	10/24/2008	10/23/2058
Housing Rehabilitation Project	Various	10/25/2008	10/24/2058
Housing Rehabilitation Project	Various	10/26/2008	10/25/2058
Housing Rehabilitation Project	Various	10/27/2008	10/26/2058
Housing Rehabilitation Project	Various	10/28/2008	10/27/2058
Housing Rehabilitation Project	Various	10/29/2008	10/28/2058
Housing Rehabilitation Project	Various	10/30/2008	10/29/2058
Housing Rehabilitation Project	Various	10/31/2008	10/30/2058
Housing Rehabilitation Project	Various	11/1/2008	10/31/2058
Housing Rehabilitation Project	Various	11/2/2008	11/1/2058
Housing Rehabilitation Project	Various	11/3/2008	11/2/2058
Housing Rehabilitation Project	Various	11/4/2008	11/3/2058
Housing Rehabilitation Project	Various	11/5/2008	11/4/2058
City Housing Construction	Various	11/6/2008	11/5/2058
City Housing Construction	Various	11/7/2008	11/6/2058
City Housing Construction	Various	11/8/2008	11/7/2058
City Housing Construction	Various	11/9/2008	11/8/2058
City Housing Construction	Various	11/10/2008	11/9/2058
City Housing Construction	Various	11/11/2008	11/10/2058
City Housing Construction	Various	11/12/2008	11/11/2058
City Housing Construction	Various	11/13/2008	11/12/2058
First Time Home Buyer Program	Various	11/14/2008	11/13/2058
First Time Home Buyer Program	Various	11/15/2008	11/14/2058
First Time Home Buyer Program	Various	11/16/2008	11/15/2058

**Inventory of Homeownership Units w/ Affordability Restrictions**

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**City of Oroville**

Program	Address	Restriction Start Date	Restriction End Date
First Time Home Buyer Program	Various	11/17/2008	11/16/2058
First Time Home Buyer Program	Various	11/18/2008	11/17/2058
First Time Home Buyer Program	Various	11/19/2008	11/18/2058
First Time Home Buyer Program	Various	11/20/2008	11/19/2058
First Time Home Buyer Program	Various	11/21/2008	11/20/2058

*Note: Inventory does not include units assisted prior to 2003-04 due to limited records*

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND CITY COUNCIL MEMBERS**

**FROM: MIKE MASSARO, PE, CONTRACT CITY ENGINEER  
PUBLIC WORKS DEPARTMENT**

**RE: DWR CORRESPONDENCE ON FRANCHISE AGREEMENT VS.  
ENCROACHMENT FEE FOR POWER AND FIBER OPTIC CONDUIT  
PROJECT IN GLEN DRIVE**

**DATE: APRIL 3, 2018**

**SUMMARY**

The Council may consider a letter (Attachment A) received on March 6, 2018 by the Department of Water Resources (DWR) and provide direction to the Public Works staff on how to proceed.

DWR was advised in January that the City prefers to enter into Franchise Agreements for Fiber Optic Underground Projects and that a precedent had been set for a fiber optic franchise agreement with Butte County's Hall of Records Project in May of 2015. (Resolution No. 8355, Agreement No. 3121).

DWR's letter requests a one-time encroachment fee instead of a franchise agreement.

**DISCUSSION**

Public Works Staff was first contacted about an underground power and fiber optic cable project in July of 2017 by Brad Johnson at the California Department of Water Resources (DWR). The project is part of DWR's emergency recovery project for the Dam Spillway and will provide redundancy on their communications between the Hyatt Power Plant and the Thermalito Diversion Dam. Preliminary design plans were provided (attachment B) that indicated a project built on the eastern frontage of Glen Drive. This project alignment would have required two crossings of Glen Drive and would likely be processed under the City of Oroville's typical encroachment fee process for limited underground work in streets.

In December of 2017, Public Works Staff was informed that DWR's preference was to move the alignment into the road right of way to speed up construction and avoid easement acquisition from private properties along Glen Drive. At this time, the City Engineer was informed by the Acting City Administrator that the City would prefer an annual payment under a franchise agreement rather than an encroachment fee and that this had been done before between the County and the City for Butte County's Hall

of Records Project.

Public Works staff met with DWR staff regarding the project and Franchise Agreement on February 20, 2018. Public Works staff provided DWR with a copy of the resolution used on Butte County Franchise Agreement for reference. DWR expressed their preference for the one-time encroachment fee over the Franchise Agreement at that time.

## **FISCAL IMPACT**

One time revenue from an encroachment fee is anticipated to be about \$42,000 for plan review and road inspection during and post construction of the project.

A Franchise Agreement annual fee would be based on ROW (right-of-way) valuation appraisal yet to be determined plus an annual encroachment fee. Comparing the length of the DWR project to the Butte County Project, staff anticipates the annual franchise fee would be between \$800 - \$1300/year with a 2% annual escalation. It would take about 25 years to generate the equivalent revenue of the one-time encroachment fee.

## **RECOMMENDATIONS**

Provide direction to staff.

## **ATTACHMENTS**

- A – DWR Letter
- B – DWR's original project alignment exhibit

**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791



MAR 6 2018

ATTACHMENT "A"

City of Oroville  
Mr. Donald L. Rust  
Community Development Director  
1735 Montgomery Street  
Oroville, California 95965

Dear Mr. Rust,

The Department of Water Resources (DWR) is requesting the continued use of City of Oroville (City) owned property, identified as a portion of Glen Drive, for the purposes of installing a new fiber optic communication cable. The fiber optic cable installation project (Project) upgrades an existing cable which was installed in 1991 under an encroachment permit. The purpose of the cable is to transmit critical information between the Oroville Operations and Maintenance Center, and both the Hyatt Power Plant and the Thermalito Diversion Dam. This communication is vital to the operation of the California State Water Project.

Initial discussions between DWR and the City indicated an Encroachment Permit would be required to authorize the construction of this project within the City right of way along Glen Drive. This type of permitting structure is ideal for a project of this nature because it allows for all administrative, engineering review, and inspection costs incurred by the City to be paid by DWR up-front. According to discussions with the City, a project of this scale would require a single payment that is three percent (3%) of the engineers cost estimate for the Project, which is due to the City prior to construction. Based on DWR's estimate for the Project, the City fee structure would indicate a payment of approximately \$42,000 and would be made to City for the Encroachment Permit to install a fiber optic cable along Glen Drive.

However, during the February 20<sup>th</sup>, 2018 meeting between the City and DWR, it was conveyed to DWR that the City would prefer to enter into a franchise-type agreement, or "Agreement to Right-Of-Entry/Possession", for the Project. Under this agreement and payment structure, an annual fee would be paid (in an amount to be determined by an appraisal of the encumbered area) in lieu of a one-time inspection/application fee. The sample agreement provided by the City referenced a similar fiber optic installation project, constructed by Butte County, which involved the annual payment of \$134 with an annual escalation of 2%. It was suggested this mechanism is preferred over the \$42,000 (3% engineers estimate) compensation to cover the application and inspection fees.

Mr. Donald L. Rust  
MAR 6 2018  
Page 2

DWR does not believe that an agreement of this type is the appropriate mechanism to permit DWR's installation of a second fiber optic cable along Glen Drive, nor has DWR entered into this type of an agreement for a fiber installation historically. A Utility Franchise Agreement is typically a contract between a city or county and a private utility provider who needs the public rights of way to deliver those services, and DWR is not installing this cable for the purpose of selling or providing communications services to the public.

Further, under the franchise agreement structure, the City would incur much of the administrative and inspection costs associated with this project instead of DWR, and depending on the concluded value of the appraisal, these costs may take several decades to recuperate. Additionally, the overall administrative costs associated with processing an annual payment, both by the State to make the payment and the City to receive and process such a payment is significantly increased.

DWR feels that it would be in the best interest of both agencies to coordinate the permitting of this project via an encroachment permit and one-time lump sum payment, as opposed to annual compensation through a Franchise Agreement. DWR requests the City Council reconsider the issuance of an Encroachment Permit for this project and place this topic on their agenda for discussion.

If you need additional information or would like to discuss this further, you may contact me by telephone directly at (916) 657-3836, or via e-mail at [Bradley.Johnson@water.ca.gov](mailto:Bradley.Johnson@water.ca.gov).

Sincerely,



Bradley Johnson  
Associate Right of Way Agent





DIVISION OF OPERATIONS & MAINTENANCE/ENGINEERING

TITLE  
**ORVILLE EMERGENCY RECOVERY PROJECT - POWER LINE**

13.8 kV POWER AND FIBER UNDERGROUND LINE RENOVATION

ROAD CROSSING CLEARANCE EXHIBITS AND DETAILS

DISCIPLINE  
**ELECTRICAL**

ADDITIONAL DETAIL  
**STANTEC DWG# 30440-STN-00209-01**



**LEGEND**

- EXISTING UNDERGROUND FIBER ROUTING
- PROPOSED UNDERGROUND FIBER ROUTING
- EDGE OF PAVEMENT

SURVEY MARKER COORDINATES			SURVEY G PAVEMENT COORDINATE		
MARKER	EASTING	NORTHING	MARKER	EASTING	NORTHING
SM1	6701782.80	2312461.14	CP1	6701479.76	2313318.99
SM2	6701500.82	2313328.17	CP2	6700794.99	2314239.62
SM3	6700808.63	2314264.75	CP3	6700395.39	2315080.19
SM4	6700420.28	2315076.50	CP4	6700520.96	2315941.11
SM5	6700547.33	2315951.01	CP5	6700162.11	2316846.36
SM6	6700467.71	2316956.54			

PLAN 1 - GLEN DRIVE FROM POST LANE INTERSECTION TO ORVILLE DAM BLVD.

SCALE: NOT TO SCALE



PLAN 2 - GLEN DRIVE FROM O&M BLDG TO POST LANE INTERSECTION

SCALE: NOT TO SCALE

NO.	DATE	REVISIONS DESCRIPTION	SUB. APP. COH KLD			
0A	07/17	REDESIGN FOR ALL UNDERGROUND ROUTING ISSUED FOR 90% REVIEW AND PERMITTING				

DESIGNED	CQH/STN	DATE	07/17	ORIGINALLY DRAWN	CQH/STN	DATE	07/17
CHECKED	KLD/STN	DATE	07/17	REDRAWN		DATE	
ORIGINATOR	STANTEC	DATE	06/17				
DWR FILE NO.							
MANUFACTURERS DWG. NO.							
USBR/D&C DWG. NO.				REVIEWED/SUBMITTED		DATE	
APPROVAL RECOMMENDED					DATE		
APPROVED	KLD/STN	DATE	07/17	SENIOR TRANSMISSION LINE ENGINEER			
DRAWING STATUS							
SPEC NO.		DRAWING NO.		SHEET NO.	1		
M DRAWING NUMBER							
30440-STN-00209-01							



**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: RUTH WRIGHT, FINANCE DIRECTOR**

**RE: ANNUAL AUDIT SERVICES**

**DATE: APRIL 3, 2018**

**SUMMARY**

The Council may consider a fee increase for the services of providing an annual independent audit.

**DISCUSSION**

On October 21, 2014 the City of Oroville entered into a contract with Chavan and Associates, LLP after issuing a Request for Proposals for audit services on May 30, 2014. The contract agreement between Chavan and Associates, LLP and the City of Oroville is for a cost of \$21,900 with no cost increases for up to five years. We have completed 4 years of annual audits with Chavan with the upcoming audit year 2017-18 being the 5<sup>th</sup>.

Since the time the agreement was entered into, many new compliance standards have been issued causing a significant impact on the audit workload. Chavan and Associates, LLP has requested a fee increase for year 5 from \$21,900 to \$26,500. This is an increased cost of \$4,600.

Reasons for the requested increase are to account for new pension audit requirements, new audit and disclosure requirements related to Governmental Accounting Standards Board (GASB) pronouncement 75 effective on June 15, 2017. Also, new single audit requirements and other reporting requirements related to new GASB pronouncements.

These GASB requirements have caused a significant workload to increase on both Finance staff and our independent auditors.

**FISCAL IMPACT**

Potential increase in annual audit cost of \$4,600 would be budgeted in the next fiscal year.



## **RECOMMENDATION**

2 Options:

- Direct staff to budget the increase of \$4,600 in the next fiscal budget **OR**
- Direct staff to begin the process of requesting new proposals for audit services

## **ATTACHMENTS**

None

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: BILL LAGRONE, ACTING PERSONNEL OFFICER  
SCOTT E. HUBER, CITY ATTORNEY**

**RE: PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF  
OROVILLE AND JOANNA GUTIERREZ TO SERVE AS INTERIM CITY  
CLERK**

**DATE: APRIL 3, 2018**

**SUMMARY**

The City Council will consider an agreement for Professional Services between the City and Joanna Gutierrez for service as Interim City Clerk.

**DISCUSSION**

The Council directed staff to fill the position of Interim City Clerk while the City searches for a candidate for Assistant City Clerk. With an upcoming City Council Election and the potential of several local referendums being placed on the ballot, it is essential that this position be filled and staffed by an experienced person. An experienced Clerk will ensure the processes are done correctly and all procedures are followed. Without an experienced Clerk the City Election could be jeopardized and invalidated.

City staff has been in discussions with Joanna Gutierrez to reach an agreement related to her service as Interim City Clerk. Ms. Gutierrez has many years of experience as a Clerk, and has processed several prior elections. Ms. Gutierrez has also agreed to assist with the hiring of a new Assistant City Clerk and will also assist with the training and mentoring of the new Assistant City Clerk.

Ms. Gutierrez has agreed to serve as Interim City Clerk from April 3, 2018 through December 31, 2018. If approved, Ms. Gutierrez would be paid \$50.00 per hour and \$175.00 per month vehicle allowance in lieu of mileage. Ms. Gutierrez would not be provided any medical benefits, retirement accruals, or any other benefits that the City offers to full time employees.

**FISCAL IMPACT**

Appropriations are available in the City Clerks budget for this item. There is a balance of \$40,228.90 in unused budget for salaries & benefit. This contract will cost approximately \$16,125 through fiscal year end.

## **RECOMMENDATIONS**

1. Adopt Resolution No. 8692 - A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF OROVILLE AND JOANNA GUTIERREZ TO SERVE AS INTERIM CITY CLERK (Agreement No. 3247).

## **ATTACHMENTS**

- Resolution 8692
- Professional Services Agreement 3247

**OROVILLE CITY COUNCIL  
RESOLUTION NO. 8692**

A RESOLUTION OF THE OROVILLE CITY COUNCIL AUTHORIZING AND  
DIRECTING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES  
AGREEMENT BETWEEN THE CITY OF OROVILLE AND JOANNA GUTIERREZ TO  
SERVE AS INTERIM CITY CLERK

**(Agreement No. 3247)**

**BE IT HEREBY RESOLVED** by the Oroville City Council as follows:

1. The Mayor is hereby authorized and directed to execute a professional services agreement between the City of Oroville and Joanna Gutierrez for service as Interim City Clerk. A copy is attached hereto as Exhibit "A".
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting held on April 03, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Linda Dahlmeier, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Scott E. Huber, City Attorney

\_\_\_\_\_  
Bill Lagrone, Acting City Administrator

## **AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement is made and entered into as of April 3, 2018 by and between the **City of Oroville** ("City") and **Joanna Gutierrez** ("Consultant").

### **RECITALS**

- A. The Consultant is specially trained, experienced and competent to provide professional services as required by this Agreement.
- B. The Consultant possesses the skill, experience, ability, background, license, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.
- C. City desires to retain Consultant to render the professional services as set forth in this Agreement.

### **AGREEMENT**

1. Scope of Services. The Consultant shall furnish City Clerk consultant services in a professional manner. Consultant shall perform the scope of services described as City Clerk to perform the functions and duties specified for the position in the Oroville City Charter, The Code of the City of Oroville and such other legally permissible and proper duties and functions as the Council shall from time to time assign to her. Consultant shall have the rights and responsibilities of the City Clerk during the term of this Agreement. Consultant shall provide 24 hours per week of City Clerk Consulting Services to the City during the time this Agreement is in effect.

2. Time of Performance. The services shall commence April 2, 2018 and shall continue through December 31, 2018.
  
3. Compensation. Compensation to be paid to Consultant shall be \$50.00 per hour. The Consultant will also receive in lieu of mileage a once a month vehicle allowance in the amount of \$175.00. **In no event shall Consultant's total compensation exceed the amount of \$48,375 without additional written authorization from the City governing body.** Payment by City under this Agreement shall not be deemed a waiver of defects in Consultant's services, even if such defects were known to the City at the time of payment.
  
4. Method of Payment. Consultant shall be paid on a bi-weekly basis.
  
5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of Consultant's services, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without prior written authorization from City.
  
6. Termination. This Agreement may be terminated by the City immediately for cause or by either party without cause upon fifteen days' written notice of termination. Upon termination, Consultant shall be entitled to compensation for services properly performed up to the effective date of termination.

7. Ownership of Documents. All plans, studies, documents, and other writings prepared by and for Consultant, its officers, employees, and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City within three (3) days after written request.
8. Licensing of Intellectual Property. This Agreement creates a nonexclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in documents or works of authorship fixed in any tangible medium of expression including, but not limited to, data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents and Data"). Consultant shall require all subcontractors to agree in writing that City is granted a nonexclusive and perpetual license for any Documents and Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents and Data. Consultant makes no such representation and warranty in regard to Documents and Data which may be provided to Consultant by City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.
9. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written

information, and other Documents and Data either created by or provided to Consultant in connection with the performance of the Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the services under this Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs relating to project for which Consultant's services are rendered, or any public City pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television, or radio production or other similar medium without the prior written consent of City.

10. Consultant's Books and Records

- a. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of termination or completion of the Agreement.
- c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Administrator, City Attorney, City Finance Director, or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at 1735 Montgomery Street, Oroville, California when it is practical to do so. Otherwise, unless an alternative



is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

- d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment, or termination of Consultant's business, City may, by written request by any of the above named officers, require that custody of the records be given to the City and that documents be maintained by City Hall.

11. Status of Consultant. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an employee of the City. Notwithstanding Consultant's status as an employee, Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

12. Interest of Consultant. Consultant (including principals, associates, and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement. Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- a. will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the City or any City official, other than normal agreement monitoring; and

- b. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation, or counsel. (FPPC Reg. 18700(a)(2).)
13. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. All work performed by Joanna Gutierrez under this Agreement shall be managed by Joanna Gutierrez in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.
14. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations.
15. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance, and approvals which are required by the City for its business.
16. Indemnity. Consultant agrees to defend, indemnify, and hold harmless the City, its officers, officials, agents, employees, and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein), arising from its performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except for any such

claim arising from the sole negligence or willful misconduct of the City, its officers, agents, employees, or volunteers.

17. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:           **City of Oroville**  
                              **1735 Montgomery Street**  
                              **Oroville, CA 95965-4897**

If to Consultant: **Joanna Gutierrez**  
                              **XXXXXXXXXXXXXX**  
                              **XXXXXXXXXXXXXX**

18. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations are superseded in total by this Agreement.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

20. Assignments and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience, and competence of Consultant. Assignments of any or all rights, duties, or obligations of the Consultant under this Agreement will be permitted only with the express prior written consent of the City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for

all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

21. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
22. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
23. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Butte, or in the United States District Court, Eastern District of California.
24. Litigation Expenses and Attorneys' Fees. If either party to this Agreement commences any legal action against the other part arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.
25. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to American Arbitration Association (AAA) or its successor interest. AAA shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of

the five mediators selected by AAA and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

26. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. This Agreement may be signed by facsimile or electronically transmitted signatures, which shall be deemed original signatures for all purposes. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
27. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority, to make this Agreement and to bind each respective party.
28. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the date first written above.

**CITY OF OROVILLE**

**JOANNA GUTIERREZ**

By: \_\_\_\_\_  
Linda Dahlmeier, Mayor

By: \_\_\_\_\_  
Joanna Gutierrez

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Scott E. Huber, City Attorney

**OROVILLE CITY COUNCIL  
STAFF REPORT**

**TO: MAYOR DAHLMEIER AND COUNCIL MEMBERS**

**FROM: BILL LAGRONE, INTERIM CITY ADMINISTRATOR**

**RE: CODE OF CONDUCT FOR ELECTED AND APPOINTED OFFICIALS**

**DATE: APRIL 03, 2018**

**SUMMARY**

Council may receive information on the current Code of Conduct or a new potential Code of Conduct, and provide further direction

**DISCUSSION**

On March 6, 2018 the City Council asked for a potential Code of Conduct for consideration and input. To best serve the citizens and customers of the City of Oroville, the elected and appointed officials of the City must act individually and collectively to create a City government that is responsible, fair, honest and open. City officials are expected to demonstrate the highest standards of personal integrity, honesty and conduct in all activities to inspire public confidence and trust in City Officials. City officers must be independent, impartial and responsible in the performance of their duties and accountable to the members of the public." The purpose of this Code of Conduct is to establish policy and guidelines, reflecting expected values and behaviors for use by and applicable to elected and appointed City officials, City officers, including Board and Commission members.

Since Council members are elected Officials there is no mechanism for enforcement of this Code. If adopted the Council agrees to voluntarily impose the sanctions contained within the Code. The Council further agrees any sanction must be at the direction of the majority of the Council.

Staff has researched this issue and located a Code of Conduct that was adopted by Resolution 8003 at the October 16, 2012 Council meeting. The Council can reaffirm this Code of Conduct or review and revise this Code of Conduct. The Council also has the option of adopting a new Code of Conduct as presented in attachment B.

The Council is asked to review and provide feedback. Once direction is provided and all comments are received it will be added or deleted from the chosen document. Staff proposes to return to Council in April with the completed Code of Conduct for Council consideration and adoption or affirmation.

### **FISCAL IMPACT**

None

### **RECOMMENDATIONS**

Receive information and provide direction.

### **ATTACHMENTS**

- A. Resolution 8003 Code of Conduct
- B. Code of Conduct Guidelines 2012
- C. New Proposed Code of Ethics and Conduct



**CITY OF OROVILLE  
RESOLUTION NO. 8003**

**A RESOLUTION OF THE OROVILLE CITY COUNCIL ADOPTING A CODE OF CONDUCT RELATING TO THE CONDUCT OF CITY COUNCIL MEMBERS, COMMISSIONERS AND OTHER VARIOUS CITY APPOINTEES, CITY STAFF, AND MEMBERS OF THE PUBLIC**

**NOW THEREFORE**, be it hereby resolved by the Oroville City Council as follows:

1. The Council hereby adopts a Code of Conduct relating to the conduct of City Council members, Commissioners, and other various appointees, City staff and members of the public. A copy of the Code of Conduct is attached to this Resolution.
2. The City Clerk shall attest to the adoption of this Resolution.

**PASSED AND ADOPTED** by the Oroville City Council at a regular meeting on October 16, 2012, by the following vote:

AYES: Council Members Andoe, Berry, Bunker, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier


NOES: None

ABSTAIN: None


ABSENT: None

  
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:

  
Scott E. Huber, City Attorney

ATTEST:

  
Pat Clark, Interim City Clerk

## **CITY OF OROVILLE CODE OF CONDUCT**

The City Council for the City of Oroville desires the highest level of ethical conduct for the members of the City Council and members of appointed commissions and committees. The residents and businesses of the City of Oroville are entitled to fair and accountable local government and to be represented by public officials who act in an ethical manner. The City of Oroville's strong desire to fulfill this mission therefore requires that:

- Public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of government;
- Public officials be independent, impartial, and fair in their judgment and actions;
- Public office be used for the public good, not for personal gain; and
- Public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the City Council for the City of Oroville has adopted this Code of Conduct for elected officials and members of appointed commissions and committees to assure public confidence in the integrity of local government and its effective and fair operation. It is intended that this Code of Conduct apply to the designated public officials and candidates for the City Council, as well as establish expectations for the behavior of staff members and members of the public. The goal of this Code of Conduct is to promote ethical behavior and to set ethical standards, rather than be penal in nature. Asserted violations of this Code of Conduct shall not be grounds to void any action taken by the City Council, commissions or committees. Nothing in this Code of Conduct is intended to limit any powers, rights or authority inherent in the City Council.

Members of the City Council seeking election to the City Council or appointment to commissions or committees are strongly encouraged to endorse and comply with the provisions of this Code of Conduct.

City Council members and members of appointed commissions and committees are referred to generally as "public officials" or "members" in this Code of Conduct.

### **CHAPTER 1- CONDUCT OF MEMBERS**

#### **A. Suggested Norms and Expectations**

1. Members shall:
  - a. put constituents first at all times;
  - b. treat each other, staff, and members of the public with dignity, courtesy and respect;
  - c. value all opinions, be tolerant of new and different ideas, and encourage creativity and innovation;
  - d. follow through on commitments and be accountable to each other;
  - e. clarify when items are discussed in confidence and maintain appropriate confidentiality;

- f. be attentive to others, limiting interruptions and distractions;
- g. encourage dissent in debate while being mindful not to prolong discourse or block consensus;
- h. be candid with each other about ideas and feelings, and resolve conflicts directly;
- i. keep comments clear, concise, and on-topic to maximize opportunities for all to express themselves;
- j. continuously strive to improve how members works as a team;
- k. place clear and realistic demands on staff resources and time when requesting action;
- l. start and end meetings on time, work from an agenda, and be present, attentive, and prepared;
- m. present problems in a way that promotes discussion and resolution; and
- n. continually work to build trust in each other.

## **B. General Conduct**

### **1. Members shall:**

- a. treat each other and everyone with courtesy and refrain from inappropriate behavior and derogatory comments;
- b. be fair, impartial and unbiased when voting on quasi-judicial actions;
- c. use the speaker sequencing system to inform the Mayor of their wish to speak and shall be acknowledged by the Mayor before speaking;
- d. move to require the Mayor to enforce these rules and the Mayor shall do so upon an affirmative vote of a majority of the Members present;
- e. preserve order and decorum during the meeting;
- f. not delay or interrupt the proceedings or the peace of the City Council, nor disturb any Member while speaking, by conversation or otherwise, nor disobey the orders of the City Council, or the presiding officer, except as otherwise herein provided;
- g. support the laws established by the City Council; and
- h. abide by these Rules of Procedure in conducting the business of the City of Oroville

## **C. Conduct with Members**

### **1. Members shall:**

- a. value each other's time;
- b. attempt to build consensus on an item through an opportunity for dialogue; but when this is not possible, the majority vote shall prevail and the majority shall show respect for the opinion of the minority;
- c. have the right to dissent from, protest, or comment upon any action of the City Council;
- d. respect each other's opportunity to speak and, if necessary, agree to disagree;
- e. avoid offensive negative comments and shall practice civility and decorum

during discussions and debate; and

- f. assist the Mayor's exercise of the Mayor's affirmative duty to maintain order.

#### **D. Conduct with City Administrator and Staff**

1. Members shall:

- a. speak to the City Administrator directly on issues and concerns;
- b. direct the City Administrator to implement City Council's policy decisions through the administrative functions of the City;
- c. treat staff professionally and refrain from publicly criticizing individual employees;
- d. avoid involvement in personnel issues except during City Council Closed Sessions regarding City Council appointed staff such as City Administrator, City Attorney, City Treasurer, City Clerk or City Auditor including hiring, firing, promoting, disciplining and other personnel matters;
- e. discuss directly with the City Administrator, City Attorney, City Clerk, City Treasurer, or City Auditor as appropriate, any displeasure with a department or staff; and
- f. request answers to questions on City Council agenda items from the City Administrator, City Attorney, City Clerk, City Treasurer, City Auditor or department directors/division managers prior to the meeting whenever possible.

#### **E. Conduct with the Public**

1. Members shall:

- a. make the public feel welcome;
- b. be impartial, respectful and without prejudice toward the public;
- c. listen courteously and attentively to public comment;
- d. not argue back and forth with members of the public; and
- e. make no promises to the public on behalf of the Council.

#### **F. Conduct with Other Agencies**

1. Members shall:

- a. project a positive image of the City when dealing with other agencies;
- b. show tolerance and respect for other agencies' opinions and issues and if necessary agree to disagree;
- c. represent official policies or positions of the City Council when designated as delegates of a legislative body;
- d. explicitly state when their opinions and positions do not represent the City Council when representing their individual opinions and positions, and shall not allow the inference that they do; and
- e. have the ability to lobby or discuss issues that have been adopted by the legislative bodies or are standing policies of the legislative body with other legislators, government officials or developers.

#### **G. Conduct with Boards and Commissions**

1. Members shall:

- a. treat all members of boards and commissions with appreciation and respect;
- and
- b. refrain from participation in board and commission meetings for the purpose of influencing the outcome of said meetings.

#### **H. Conduct with the Media**

1. Members shall not discuss or go "off the record" with the media to discuss confidential or privileged information pertaining to closed sessions, attorney-client privileged or attorney work product communications including without limitation personnel, litigation or real property negotiations.
2. Providing non-confidential, non-privileged background information is acceptable.

#### **I. Ethical Conduct**

1. Members shall receive at least two hours of training in ethics, conflicts of interest, open meetings laws, competitive bidding requirements, bias prohibitions, etc., in accordance with Government Code sections 53234 et seq. 4 every two years commencing January 1, 2007.
2. Members shall conduct themselves in accordance with such training.

### **CHAPTER 2 - CONDUCT OF CITY STAFF**

#### **A. General Conduct:**

1. City staff shall:
  - a. prepare well-written staff reports and provide accompanying documents on all agenda items in accordance with the agenda format and preparation schedule;
  - b. be available for questions from Members in accordance with the Brown Act prior to and during meetings;
  - c. respond to questions from the public during meetings when requested to do so by Members, or City Administrator;
  - d. refrain from arguing with the public or Members; and
  - e. switch any electronic equipment such as pagers and cellular telephones to silent or off mode during Council meetings.
2. Staff will remain objective on issues and should not be advocates for issues unless so directed by the legislative body.
3. As soon as possible, to the extent permitted by the Brown Act, the City Administrator and staff will inform the Mayor and Members of controversial issues having significant impacts to the City that are coming before the legislative body on short notice.
4. The City Administrator will advise management staff of potentially political or controversial issues coming before the legislative body and direct staff to be present and appropriately prepared.

## CHAPTER 3 - CONDUCT OF THE PUBLIC

### A. General Conduct

1. Members of the public attending City Council meetings shall observe the same rules and decorum applicable to the Members and staff as noted in Chapters 1 and 2 of these Rules.
2. All speakers must approach the podium when recognized by the Mayor and speak only from the podium. Stamping of feet, whistles, yells or shouting, and/or similar demonstrations are unacceptable public behavior and will not be allowed.
3. Lobbyists must identify themselves and the client(s), business or organization they represent before speaking to the Council.
4. Members of the public must switch any electronic equipment such as pagers and cellular telephones to a silent or off mode during Council meetings.
5. Members of the public wishing to speak to the Council should complete, and turn into the City Clerk prior to the item being called, a speaker's slip indicating the agenda item or off-agenda item which they wish to address.
6. Members of the public with questions concerning Consent Calendar items are encouraged to contact the staff person identified on the report prior to the meeting to reduce the need for discussion of Consent Calendar items.

**City of Oroville**

**Code of Ethics and Conduct  
For  
Elected and Appointed Officials**

DRAFT

## Policy Purpose

The Oroville City Council adopts this Code of Ethics and Conduct to assure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of Oroville's City government.

### A. ETHICS

The citizens and businesses of Oroville are entitled to have fair, ethical and accountable local government. To this end, the public should have full confidence that their elected and appointed officials:

- Comply with both the letter and spirit of the Laws and policies affecting the operations of government;
- Are independent, impartial and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.

Therefore, members of the City Council, City Treasurer, and City Clerk and of all Boards, Committees and Commissions shall conduct themselves in accordance with the following ethical standards:

1. Act in the Public Interest. Recognizing that stewardship of the public interest must be their primary concern, members will work for the common good of the people of Oroville and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before them.
2. Comply with both the spirit and the letter of the Law and City Policy. Members shall comply with the laws of the State of California and the City of Oroville in the performance of their public duties.
3. Conduct of Members. The professional and personal conduct of members while exercising their office must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, Boards, Committees and Commissions, the staff or public.
4. Respect for Process. Members shall perform their duties in accordance with the processes and rules of order established by the City Council.
5. Conduct at Public Meetings. Members shall prepare themselves for public issues; ~~listen~~ courteously and attentively to all public discussions before the body; and focus on the business at hand.
6. Decisions Based on Merit. Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. When making adjudicative decisions (those decisions where the member is called upon to determine and apply facts peculiar to an individual case), members shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing and the law.



7. **Communication.** For adjudicative matters pending before the body, members shall refrain from receiving information outside of an open public meeting or the agenda materials, except on advice of the City Attorney. Members shall publicly disclose substantive information that is relevant to a matter under consideration by the body which they may have received from sources outside of the public decision-making process.

8. **Conflict of Interest.** In order to assure their independence and impartiality on behalf of the common good and compliance with conflict of interest laws, members shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Members shall not use their official positions to influence government decisions in which they have (a) a material financial interest, (b) an organizational responsibility or personal relationship which may give the appearance of a conflict of interest, or (c) a strong personal bias.

A member who has a potential conflict of interest regarding a particular decision shall disclose the matter to the City Attorney and reasonably cooperate with the City Attorney to analyze the potential conflict. If advised by the City Attorney to seek advice from the Fair Political Practices Commission (FPPC) or other appropriate state agency, a member shall not participate in a decision unless and until he or she has requested and received advice allowing the member to participate. A member shall diligently pursue obtaining such advice. The member shall provide the City Attorney a copy of any written request or advice, and conform his or her participation to the advice given. In providing assistance to members, the City Attorney represents the City and not individual members.

In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and if they have a conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision and shall not discuss or comment on the matter in any way to any person including other members unless otherwise permitted by law.

9. **Gifts and Favors.** Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.

10. **Confidential Information.** Members must maintain the confidentiality of all written materials and verbal information provided to members which is confidential or privileged. Members shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.

11. **Use of Public Resources.** Members shall not use public resources which are not available to the public in general (e.g., City staff time, equipment, supplies or facilities) for private gain or for personal purposes not otherwise authorized by law.

12. **Representation of Private Interests.** In keeping with their role as stewards of the public interest, members of Council shall not appear on behalf of the private interests of third parties before the Council or any Board, Committee, Commission or proceeding of the City, nor shall members of Boards, Committees and Commissions appear before their own bodies or before the

Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.

13. Advocacy. Members shall represent the official policies or positions of the City Council, Board, Committee or Commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Oroville, nor will they allow the inference that they do. Councilmembers and Board, Committee and Commission members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during Council meetings, or Board, Committee and Commission meetings, or other official City meetings.
14. Policy Role of Members. Members shall respect and adhere to the council-Administrator structure of Oroville City government as outlined in the Oroville City Code. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by City staff, Boards, Committees and Commissions, and the public. Except as provided by the City Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.
15. Independence of Boards, Committees and Commissions. Because of the value of the independent advice of Boards, Committees and Commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of Board, Committee and Commission proceedings.
16. Positive Work Place Environment. Members shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way creates the perception of inappropriate direction to staff.

## B. CONDUCT GUIDELINES

The Conduct Guidelines are designed to describe the manner in which elected and appointed officials should treat one another, City staff, constituents, and others they come into contact with while representing the City of Oroville.

### I. Elected and Appointed Officials' Conduct with Each Other in Public Meetings

Elected and appointed officials are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may not agree on every issue.

#### (a) *Honor the role of the chair in maintaining order*

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members should honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.

- (b) *Practice civility and decorum in discussions and debate*  
Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of debate by a free democracy in action. Free debate does not require nor justify, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments.
- (c) *Avoid personal comments that could offend other members*  
If a member is personally offended by the remarks of another member, the offended member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.
- (d) *Demonstrate effective problem-solving approaches*  
Members have a public stage and have the responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

## 2. **Elected and Appointed Officials' Conduct with the Public in Public Meetings**

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

- (a) *Be welcoming to speakers and treat them with care and gentleness.*  
While questions of clarification may be asked, the official's primary role during public testimony is to listen.
- (b) *Be fair and equitable in allocating public hearing time to individual speakers.*  
The chair will announce time limits on speakers at the start of the public hearing process.
- (c) *Practice active listening*  
It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Members shall try to be conscious of facial expressions, and avoid those that could be interpreted as "smirking," disbelief, anger or boredom.
- (d) *Maintain an open mind*  
Members of the public deserve an opportunity to influence the thinking of elected and appointed officials.
- (e) *Ask for clarification, but avoid debate and argument with the public*  
Only the chair -not individual members – can interrupt a speaker during a presentation. However, a member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the member finds disturbing.

### 3. Elected and Appointed Officials' Conduct with City Staff

Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed officials who advise the elected, and City staff who implement and administer the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

(a) *Treat all staff as professionals*

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

(b) *Do not disrupt City staff from their jobs*

Elected and appointed officials should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend City staff meetings unless requested by staff – even if the elected or appointed official does not say anything, his or her presence implies support, shows partiality, may intimidate staff, and hampers staff's ability to do their job objectively.

(c) *Never publicly criticize an individual employee*

Elected and appointed officials should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's Administrator. Comments about staff performance should only be made to the City Administrator through private correspondence or conversation. Appointed officials should make their comments regarding staff to the City Administrator.

(d) *Do not get involved in administrative functions*

Elected and appointed officials acting in their individual capacity must not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.

(e) *Do not solicit political support from staff*

Elected and appointed officials should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace.

(f) *No Attorney-Client Relationship*

Members shall not seek to establish an attorney-client relationship with the City Attorney, including his or her staff and attorneys contracted to work on behalf of the City. The City Attorney represents the City and not individual members. Members who consult with the City Attorney cannot enjoy or establish an attorney-client relationship with the attorney.

### 4. Council Conduct with Boards, Committees and Commissions

The City has established several Boards, Committees and Commissions as a means of gathering more community input. Citizens who serve on Boards, Committees and Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

- (a) *If attending a Board, Committee or Commission meeting, be careful to only express personal opinions*

Councilmembers may attend any Board, Committee or Commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation – especially if it is on behalf of an individual, business or developer – could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a Board, Committee or Commission meeting should be clearly made as individual opinion and not a representation of the feelings of the entire City Council.

- (b) *Limit contact with Board, Committee and Commission members to questions of clarification*

It is inappropriate for a Councilmember to contact a Board, Committee or Commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact Board, Committee or Commission members in order to clarify a position taken by the Board, Committee or Commission.

- (c) *Respect that Boards, Committees and Commissions serve the community, not individual Councilmembers*

The City Council appoints individuals to serve on Boards, Committees and Commissions, and it is the responsibility of Boards, Committees and Commissions to follow policy established by the Council. But Board, Committee and Commission members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten Board, Committee and Commission members with removal if they disagree about an issue. Appointment and re-appointment to a Board, Committee or Commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A Board, Committee or Commission appointment should not be used as a political "reward."

- (d) *Be respectful of diverse opinions*

A primary role of Boards, Committees and Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Council members may have a closer working relationship with some individuals serving on Boards, Committees and Commissions, but must be fair and respectful of all citizens serving on Boards, Committees and Commissions.

- (e) *Keep political support away from public forums*

Board, Committee and Commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support Board, Committee and Commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

## C. SANCTIONS

(a) *Acknowledgement of Code of Ethics and Conduct*

Council members who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct shall be ineligible for intergovernmental assignments or Council subcommittees. Board, Committee and Commission members who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct are not eligible to hold office.

(b) *Ethics Training for Local Officials*

Councilmembers, City Treasurer, City Clerk, Board, Committee and Commission Members who are out of compliance with State or City mandated requirements for ethics training shall not represent the City on intergovernmental assignments or Council subcommittees, and may be subject to sanctions.

(c) *Behavior and Conduct*

The Oroville Code of Ethics and Conduct expresses standards of ethical conduct expected for members of the Oroville City Council, Boards, Committees and Commissions. Members themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The chairs of Boards, Committees and Commissions and the Mayor and Council have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention.

**Councilmembers:**

Councilmembers who intentionally and repeatedly do not follow proper conduct may be reprimanded or formally censured by the Council, lose seniority or committee assignments (both within the City of Oroville and with intergovernmental agencies) or other privileges afforded by the Council. Serious infractions of the Code of Ethics or Code of Conduct could lead to other sanctions as deemed appropriate by the Council.

Individual Councilmembers should point out to the offending Councilmember perceived infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Mayor in private. If the Mayor is the individual whose actions are being questioned, then the matter should be referred to the Vice Mayor. It is the responsibility of the Mayor (or Vice Mayor) to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor (or Vice Mayor), then the alleged violation(s) can be brought up with the full Council.

**Board, Committee and Commission Members:**

Counseling, verbal reprimands and written warnings may be administered by the Mayor to Board, Committee and Commission members failing to comply with City policy. These lower levels of sanctions shall be kept private to the degree allowed by law. Copies of all written reprimands administered by the Mayor shall be distributed in memo format to the chair of the respective Board, Committee or Commission, the City Clerk, the City Attorney, the City Administrator, and the City Council.

When deemed warranted, the Mayor or majority of Council may call for an investigation of Board, Committee or Commission member conduct. Also, should the City Administrator or City Attorney believe an investigation is warranted, they shall confer with the Council. The Council shall ask the City Administrator or the City Attorney to investigate the allegation and report the findings.

These sanctions are alternatives to any other remedy that might otherwise be available to remedy conduct that violates this code or state or federal law. In order to protect and preserve good government, any individual including the City Administrator and the City Attorney after complying with Rule 3-600(B) of the State Bar Rules of Professional Conduct, who knows or reasonably believes a member acts or intends or refuses to act in a manner that is or may be a violation of law reasonably imputable to the organization, or in a manner which is likely to result in substantial injury to the organization, may report the violation to the appropriate governmental authorities.

#### D. IMPLEMENTATION

The Code of Ethics and Conduct is intended to be self-enforcing and is an expression of the standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, this document shall be included in the regular orientations for candidates for City Council, City Treasurer, City Clerk, applicants to Board, Committee and Commissions, and newly elected and appointed officials. Members entering office shall sign a statement acknowledging they have read and understand the Code of Ethics and Conduct. In addition, the Code of Ethics and Conduct shall be periodically reviewed by the City Council, Boards, Committees and Commissions, and updated it as necessary.

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*I affirm that I have read and understand the City of Oroville Code of Ethics and Conduct for Elected and Appointed Officials.*

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Signature

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Date