

REGULAR MEETING STARTS AT 6:00 PM

Mayor Diane Wratten

Vice Mayor Stacy Rhoades

Council Member Dominic Atlan

Council Member Dan Epperson

Council Member Tom Reed

Public Teleconference Line: 1-312-757-3121

Access Code: 827-179-813

IN COMPLIANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-25-20, THE CITY OF IONE WILL BE CONDUCTING ITS MEETING VIA TELECONFERENCE. THE MAYOR WILL CALL THE MEETING TO ORDER AND AFTER COUNCIL INPUT, WILL INVITE THE PUBLIC TO COMMENT VIA PHONE TO RECEIVE PUBLIC COMMENT. PUBLIC COMMENT WILL ALSO BE ACCEPTED BY EMAIL AT jtraverso@ione-ca.com – ALL EMAILS MUST BE RECEIVED PRIOR TO THE START OF THE MEETING AND WILL BE INCORPORATED INTO THE RECORD

Tuesday, May 5, 2020

Ione City Hall

1 E. Main Street

Ione, CA 95640

***THE CITY OF IONE IS A GENERAL LAW CITY DEDICATED TO
PROVIDING LEADERSHIP, ACCOUNTABILITY, AND FISCAL INTEGRITY
WHILE PROMOTING ECONOMIC OPPORTUNITIES AND MAINTAINING
A HIGH QUALITY OF LIFE FOR OUR CITIZENS***

PLEASE LIMIT PUBLIC COMMENT/TESTIMONY TO FOUR MINUTES

Gov't. Code §54954.3

The Ione City Council welcomes, appreciates, and encourages participation in the City Council Meeting. The City Council reserves the right to reasonably limit the total time for public comment on any particular noticed agenda item as it may deem necessary.

Full staff reports and associated documents are available for public review at the Office of the City Clerk, City Hall, 1 E. Main Street, Ione, CA. Hard copies may be obtained for \$3.60 for pages 1-5 and \$.45 for each additional page. Documents that are not available when the agenda is posted will be made available for public review at the meeting.

AGENDA

- A. CALL TO ORDER**
- B. PLEDGE OF ALLEGIANCE TO THE FLAG**
- C. ROLL CALL**

D. APPROVAL OF AGENDA

E. PRESENTATIONS/ANNOUNCEMENTS/PROCLAMATIONS: None

F. PUBLIC COMMENT: EACH SPEAKER IS LIMITED TO 4 MINUTES

NOTE: This is the time for members of the public who wish to be heard on matters that do not appear on the Agenda. Persons may address the City Council at this time on any subject within the jurisdiction of the Lone City Council.

*Please be mindful of the **4 minute time limit per person**. Pursuant to the Brown Act, the City Council may not take action or engage in a detailed discussion on an item that does not appear on the Agenda. However, matters that **require Council action will be referred to staff for a report and/or recommendation for possible action at a future Council meeting**. Is there anyone in the audience who wishes to address the Council at this time?*

G. CONSENT CALENDAR: None

Notice to the Public: All matters listed under this category are considered to be routine and will be enacted by one motion. Any item may be removed for discussion and possible action and made a part of the regular agenda at the request of a Council Member(s).

1. Approval of Minutes: March 9, 2020, and March 20, 2020
2. Waive the Second Reading by Substitution of Title Only and Adopt Ordinance No. 520 – Rescinding Ordinance No. 494, and Amending the Lone Municipal Code, Title 17 (Zoning), Chapters 17.62 (Second Dwelling Units), and 17.82 (Allowed Use Definitions), Relating to Accessory Dwelling Unit

H. PUBLIC HEARING: None

I. REGULAR AGENDA:

3. COVID-19 Fiscal Impact on California Cities State and Federal Assistance Needed
4. Approve City Attorney Contract to include Human Resource Functions
5. Use of CDBG Funds for Emergency Small Business Loan Program

J. CITY MANAGER REPORTS

K. CITY COUNCIL COMMITTEE REPORTS

L. CITY COUNCIL COMMENTS/FUTURE AGENDA ITEMS

M. CLOSED SESSION AGENDA: None

N. ADJOURNMENT

NOTICE REGARDING CHALLENGES TO DECISIONS

Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning and/or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the City at, or prior to, this public hearing.

ADA COMPLIANCE STATEMENT

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Clerk Janice Traverso at (209) 274-2412, ext. 102. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

I, Janice Traverso, the City Clerk of the City of Ione declare under penalty of perjury that the foregoing agenda for the Tuesday, May 5, 2020 meeting of the Ione City Council was posted on May 1, 2020.

Janice Traverso, City Clerk, City of Ione

ITEM #1

MINUTES OF MARCH 9, 2020 AND MARCH 20, 2020

WILL BE AVAILABLE ON

SATURDAY, MAY 2, 2020

CITY OF IONE

ORDINANCE NO. 520

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IONE, RESCINDING ORDINANCE 494, AND AMENDING THE IONE MUNICIPAL CODE, TITLE 17 (ZONING), CHAPTERS 17.62 (SECOND DWELLING UNITS), and 17.82 (ALLOWED USE DEFINITIONS), RELATING TO ACCESSORY DWELLING UNITS

WHEREAS, the City of Ione maintains a Zoning Code, incorporated as Title 17 of the Municipal Code, as an implementation tool of the General Plan, which regulates the allowed uses, setbacks, parking regulations, and other requirements for development in the City of Ione; and

WHEREAS, in order to conform with California law and for the benefit of the community regarding accessory dwelling units, amendments to Title 17 are necessary; and

WHEREAS, the City Council adopted Ordinance 494 at the October 17, 2017 regular meeting; and

WHEREAS, the adopted Ordinance 494 has been found to be legally insufficient to conform with California law; and

WHEREAS, the proposed revisions are exempt from review under the California Environmental Quality Act (CEQA), pursuant to Public Resources Code section 21080.17 and 14 Calif. Code of Regs. section 15282(h); and

WHEREAS, the proposed amendments are consistent with the General Plan, as the amendments maintain consistency with the Land Use Element and the Housing Element.

NOW THEREFORE BE IT ORDAINED, that the City Council of the City of Ione, State of California, does hereby rescind Ordinance 494; and

BE IT FURTHER ORDAINED, that the City Council of the City of Ione, State of California, adopts the following proposed Ordinance Amending Title 17 (Zoning), Chapters 17.62, 17.80, and 17.82, as required under AB 2299 and SB 1069.

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IONE, RESCINDING
ORDINANCE 494, AND AMENDING THE IONE MUNICIPAL CODE, TITLE 17
(ZONING), CHAPTERS 17.62 (SECOND DWELLING UNITS), 17.80 (GLOSSARY OF
TERMS), and 17.82 (ALLOWED USE DEFINITIONS), RELATING TO ACCESSORY
DWELLING UNITS**

Ordinance 494 is rescinded in its entirety and shall be replaced with the following:

Section 1: Amendment of Title 17 (Zoning), Chapter 17.62

Ione Municipal Code, Title 17 (Zoning), Chapter 17.62 (Second Dwelling Units) is hereby amended in its entirety to read as follows:

Chapter 17.62

ACCESSORY DWELLING UNITS

Sections:

- 17.62.010 Purpose.
- 17.62.020 Applicability.
- 17.62.030 Development Standards.
- 17.62.040 Permit Requirements.
- 17.62.050 Review Process for Accessory Structure Not Complying with Development Standards.
- 17.62.060 Findings.
- 17.62.070 Definitions.

17.62.010 Purpose.

The purpose of this Section is to establish procedures for permitting accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) on lots zoned for residential uses, and to implement state law as required for such uses. ADU and JADU are defined in Section 17.82. In accordance with state law, ADUs and JADUs are accessory uses and shall not be counted as an additional dwelling for the purposes of calculating permitted General Plan or residential zoning density.

17.62.020 Applicability.

The provisions of this Chapter apply to all lots that are occupied with a residential dwelling unit and to all vacant lots that are zoned for residential development. The addition of an ADU shall not be considered to result in an increase of the allowable density for the lot upon which the

ADU is located. When established consistent with the following regulations, an ADU is a use consistent with the General Plan and Zoning designation for the lot.

17.62.30 Development Standards.

A. Restrictions. All ADUs and JADUs shall comply with the following regulations:

- No ADU or JADU shall be sold separately from the primary residence.
- An ADU or JADU may only be rented, leased, and/or occupied for residential purposes. If an ADU or JADU is rented, it shall not be rented for a period of less than 30 consecutive days.
- All ADUs and JADUs shall comply with the California Building Standards Code, as amended by the City.
- No additional parking shall be required to be provided for either an ADU or a JADU.
- If a fire sprinkler system is required for the primary residence, a fire sprinkler system is also required in any accompanying ADU or JADU.

B. Design. All ADUs and JADUs shall comply with the following design standards:

○ **ADU Standards.**

- Location and number of ADUs.
 - Subject to the requirements in this section, one ADU is permitted on a lot where (1) a single-family or multi-family dwelling is a permitted use, and (2) where there is an existing or proposed single-family or multi-family dwelling.
 - One detached ADU and one JADU may be permitted on a property with a proposed or existing single-family dwelling where the requirements of Government Code Section 65852.2(e)(1)(A) and (B) are satisfied.
 - One or more ADUs may be permitted on a lot with an existing multi-family dwelling where the requirements of Government Code Section 65852.2(e)(1)(C) or (D) are satisfied. For purposes of this section 17.62.30, “multi-family dwellings” are those that contain more than one dwelling unit, including but not limited to duets, duplexes, triplexes, apartment buildings, and condominium buildings.
- Development Standards. Except for those ADUs exempt from obtaining an ADU Permit, as provided in above, ADUs shall comply with the following:
 - Unit Size and Height.
 - An attached ADU shall not exceed 50 percent of the floor area of the primary dwelling or 1,200 square feet, whichever is less.
 - A detached ADU shall not exceed 1,200 square feet.
 - The maximum height for a detached ADU shall be 16 feet, measured to the roof peak.
 - An attached ADU shall comply with the maximum height restriction applicable to the primary dwelling. When more than 50% of the gross floor area of an ADU is located above an existing or proposed garage, the entire combined structure shall not exceed 25 feet in height.

- Setbacks.
 - No setbacks shall be required for conversion of an existing living area or accessory structure into an ADU, or the new construction of an ADU in the same location and to the same dimensions as an existing structure.
 - For all other ADUs, the required setback from side and rear lot lines shall be four feet, and the ADU shall conform to the front yard setback regulations applicable to the zoning district in which it is located.
 - A detached ADU shall be a minimum of five feet from the primary dwelling, measured from the closest point of the ADU (whether wall, balcony, eave, etc.) to the closest point of the primary dwelling.
- ADUs shall comply with the development standards applicable to the zoning district in which they are located, except as modified herein. Where the application of lot coverage, floor area ratio, setbacks, or other development regulations would not permit construction of an 800-square-foot ADU that is 16 feet in height with four-foot side and rear yard setbacks, the regulation(s) at issue shall be waived, to the extent permitted by law, to permit such an ADU.
- Architectural Design.
 - An ADU shall have a separate exterior access point independent from the primary dwelling.
 - Where a proposed ADU will likely be visible from a public street or thoroughfare, design elements shall be used that are similar in materials, color, style, and form to the primary dwelling, including the exterior siding, trim and color, roof materials, and window placement and type. An ADU that will be located behind the primary dwelling and that will not be visible from the public street shall use decorative exterior cladding and window treatments suitable for a permanent residence.
 - All windows that face a side yard adjoining a side yard of an adjacent property and are located within 15 feet of the shared property line shall be a minimum of 6.5 feet above the finished floor height (“clerestory”), except that this standard does not apply if a structure on the adjacent property does not have any non-clerestory windows on the building elevation that faces the ADU.
 - Exterior lighting shall be shielded or directed so that it does not glare off-site or illuminate the primary residence or an adjacent property.
 - All ADUs must have permanent foundations.
- **JADU Standards.**
 - Subject to the requirements in this section, one JADU is permitted on any property where single-family residential use is a permitted use and there is an existing or proposed single-family dwelling.
 - The owner of a parcel with a JADU shall occupy as a principal residence either the single-family dwelling or the JADU, except where the owner is another governmental agency, land trust, or housing organization.

- Development Standards.
 - JADUs shall comply with the development standards applicable to the zoning district in which they are located, except as modified herein.
 - A JADU shall be a minimum of 220 square feet and a maximum of 500 square feet.
 - A JADU must be contained entirely within the walls of an existing or proposed single-family dwelling.
 - A JADU shall, at a minimum, include an efficiency kitchen meeting the requirements of Government Code Section 65852.22.
 - A JADU may contain separate sanitation facilities or may share sanitation facilities with the principal dwelling unit. JADUs that share sanitation facilities with the principal dwelling unit are required to maintain an interior connection between the JADU and the primary dwelling.
 - Any exterior improvements associated with the development of a JADU shall conform to the zoning regulations applicable to the property.

C. Covenants and Recordation. A covenant, in a form acceptable to the City of Ione, shall be recorded with Amador County, prior to issuance of any building permit for an ADU. Failure to record the covenant shall be grounds for code enforcement action by the City. The purpose of recording the covenant is to ensure that future property owners are made aware of the requirements under which the ADU shall be maintained, including:

- A deed restriction shall be recorded that: prohibits the sale of the ADU separate from the sale of the single-family residence; includes a statement that the deed restriction may be enforced against future purchasers; and restricts the size and features of the ADU in accordance with this section.

D. Utilities and Fees. Notwithstanding any other provision of this Code, or any ordinance or resolution of the City of Ione, the development impact fees for an ADU and a JADU shall be applied as follows:

- ADUs and JADUs shall be subject to the payment of all water, sewer, or other utility fees, except as otherwise provided in this section or in Government Code Sections 65852.2 and 65852.22.
- Except where constructed with a new single-family dwelling, an ADU or JADU that meets the requirements of Government Code Section 65852.2(e)(1)(A) shall not be required to install a new or separate utility connection directly between the ADU/JADU and the utility, and shall not be charged a connection fee or capacity charge.
 - For any ADU or JADU not exempted under subsection (a) above, the City may require a new or separate utility connection between the ADU/JADU and the utility and may charge a connection fee or capacity charge, at the discretion of the Building Official. The connection fee or capacity charge shall be proportionate to the burden of the proposed ADU/JADU, based on its square feet or the number of drainage fixture unit (DFU) values, upon the water or sewer system.

- An ADU or JADU shall not be considered a new residential use for purposes of calculating connection fees or capacity charges, except where constructed with a new single-family dwelling.
- JADUs and ADUs less than 750 square feet shall not be subject to any impact fees. ADUs that are 750 square feet or larger shall be subject to applicable impact fees, charged proportionately in relation to the square footage of the primary dwelling. For purposes of this section, “impact fee” shall have the same meaning as defined in Government Code Section 65852.2(f).

E. Approval. Before constructing an ADU or JADU, an applicant shall obtain necessary permits in accordance with this section. The application for planning review and for a building permit to construct an ADU on an existing residentially-zoned lot shall be ministerially approved if the requirements of this code are met.

- Projects Subject to ADU Permit Review.
 - For all proposed ADUs, an application shall be submitted to the Planning Division on prescribed forms that demonstrates that the ADU complies with the requirements of this section.
 - An application for an ADU permit shall be processed and considered ministerially, without discretionary review or a public hearing, consistent with the requirements of this section and state law, within 60 days of submittal of a complete application. The 60-day review period shall not apply when:
 - An ADU permit application is submitted contemporaneously with an application for a single-family or multi-family dwelling that is subject to discretionary review under this Chapter. The ADU permit application shall be considered separately without discretionary review or a public hearing, following action on the portion of the project subject to discretionary review.
 - The applicant seeks a delay.
 - In addition to obtaining an ADU permit, the applicant shall be required to obtain a building permit and any other applicable construction-related permits prior to construction of the subject unit.
- Projects Exempt from Obtaining an ADU Permit.
 - An ADU permit shall not be required if the proposed unit meets the requirements of Government Code Section 65852.2(e)(1) and the California Building Standards Code, as amended by the City. Any ADU which does not require an ADU permit may submit a building permit application directly to the Building Division.
 - JADUs are exempt from obtaining an ADU permit and may submit a building permit application directly to the Building Division.
- Except for ADUs and JADUs that are exempt from obtaining an ADU permit under subsection (2) above, any building additions or accessory structures located on the parcel that are not in compliance with the City Code of Ione shall be brought into compliance with the City Code prior to approval of an ADU.

- The City of Ione shall not issue a certificate of occupancy for an ADU or JADU before issuing a certificate of occupancy for the primary dwelling.
- Applications to construct an ADU or JADU on a property that is designated as a historic resource by the City of Ione, the State of California, or by the National Register of Historic Places, shall show substantial compliance with the guidelines of the Secretary of the Interior for development on such a property.

F. Parking. A minimum of one parking space per ADU or per bedroom, whichever is less, shall be required. These spaces may be provided as tandem parking, may be covered or uncovered, and may be located on an existing driveway if the use of such driveway does not decrease required parking for the primary structure. Parking is not required if the ADU is located:

1. Within one-half mile walking distance of public transit;
2. Within the City of Ione's downtown residential overlay district;
3. Where on-street parking permits are required but not offered to the occupant of the ADU;
4. Where a car-share vehicle is located within one block of the ADU;
5. Entirely within a legally existing primary or accessory structure.

17.62.050 Review Process for ADUs and JADUs Not Complying with Section 17.62.030.

(a) A proposal to establish an ADU that does not comply with Section 17.62.030 may be permitted with an administrative use permit, at the discretion of the City Planner, subject to the required findings of Section 17.62.060.

(b) Any appeal of the City Planner's decision shall comply with Section 17.08.060 - Appeals.

17.62.060 Findings.

A. In order to deny an administrative use permit under Section 17.62.050, the City Planner shall find that the ADU would result in known risks to the public health or public safety, including fire safety, that cannot be mitigated or would introduce more than insignificant privacy impacts to any adjacent property.

B. In order to approve an administrative use permit under Section 17.62.050 that requires the waiver of required ADU parking, the City Planner shall find that requiring additional on-site parking would be detrimental to the public health or public safety, and that granting the waiver meets the purposes of the Chapter.

17.62.070 Definitions.

Terms unique to this chapter are defined in Chapter 17.80 (Glossary of Terms), and the definitions of Accessory Dwelling Unit and Junior Accessory Dwelling Unit are found in Section 17.82 (Allowed Use Definitions).

Section 2. Amendment of Title 17 (Zoning), Chapter 17.82 (Allowed Use Definitions).

Amendment of Title 17 (Zoning), Chapter 17.82, Section 17.82.020 (Allowed Use Definitions) is hereby amended as follows by replacing the following allowed use definitions in their entirety:

Accessory Dwelling Unit (ADU). An attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons, and is located on a lot with a proposed or existing primary residence. An ADU shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An ADU also includes an “Efficiency Unit” as defined in Health and Safety Code Section 17958.1 and a “Manufactured Home” as defined in Health and Safety Code Section 18007. An ADU shall be considered an accessory use.

Junior Accessory Dwelling Unit (JADU). A residential dwelling unit that provides complete independent living facilities for one or more persons, is no more than 500 square feet in size, and is contained entirely within a single-family residence.

Section 4: No Mandatory Duty of Care

This ordinance is not intended to, and shall not be construed or given effect as to impose upon the City of Ione, or any officer or employee thereof, a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 5: Severability

If any provision of this ordinance, or the application thereof to any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without said invalidated provision or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Ione hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof, and intends that the invalid portions should be severed and the remainder of the ordinance enforced.

Section 6: Environmental Review

The City Council of the City of Ione hereby finds this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14, Chapter 3, Section 15282(h) of the California Code of Regulations. A Notice of Exemption will be prepared.

Section 7: Prior Violations

Neither the adoption of this ordinance, nor the repeal or amendment by this ordinance of any ordinance, or part or portion of any ordinance, previously in effect in the City of Ione, or within the territory comprising the City, shall in any manner affect the prosecution of a violation of any ordinance, which violation was committed prior to the effective date of this ordinance, nor shall the adoption of this ordinance be construed as a waiver of any license, fee, penalty, or the penal provisions applicable to any violation of such ordinances.

Section 8: Effective Date

This ordinance shall be effective 30 days following its adoption by the City Council of the City of Ione. A summary of this ordinance shall, within fifteen (15) days after passage, be published in accordance with Section 36933 of the Government Code of the State of California, with the names of the City Council members voting for and against it.

INTRODUCED at a regular meeting of the City Council of the City of Ione on the _____ day of _____, 2020; and

PASSED AND ADOPTED this _____ day of _____, 2020 by the following vote:

AYES: Councilmembers: _____

NOES: Councilmembers: _____

ABSENT: Councilmembers: _____

ABSTAIN: Councilmembers: _____

DIANE WRATTEN, MAYOR
CITY OF IONE

ATTEST:

Janice Traverso, City Clerk

APPROVED AS TO FORM:

David A. Prentice, City Attorney

Agenda Item

3

DATE: April 29, 2020

TO: Ione City Council

FROM: Jon G. Hanken, City Manager

SUBJECT: COVID-19 Fiscal Impact on California Cities
State and Federal Assistance Needed

RECOMMENDED ACTION: The League of California Cities is asking City Councils across the state to send a letter to the Governor requesting that the State of California:

1. Establish at least a \$7 billion city revenue stabilization fund for direct aid to all cities to address the general revenue shortfall over the next two fiscal years;
2. Allocate a share of the State's \$8.4 billion CARES Act funding for cities with populations under 500,000 to support COVID-19 expenses; and
3. Create a COVID-19 financing vehicle that all cities can access to support immediate cash flow needs.

Motion: _____ / _____

FISCAL IMPACT: Not known at this time.

BACKGROUND: Cities remain on the front line helping residents stay safe and in their homes, delivering emergency services, and supporting their local businesses and community organizations. As emergency costs continue to grow, city revenues to fund local services are plummeting. COVID-19 is having devastating impacts on city budgets and services statewide.

California cities are projecting a nearly \$7 billion general revenue shortfall over the next two fiscal years. This shortfall will grow by billions of dollars if stay-at-home orders to protect public health extend into the summer months and beyond. Ninety percent of cities project that shortfalls will impact core city services, including police, fire, emergency management, and planning and housing, and anticipate lay-offs or furloughs, which will further impact core services for residents.

As alluded to in the League of California Cities' 2nd recommendation, The State of California is receiving \$8.4 billion in federal CARES Act funding. However, communities with populations under 500,000 people have been basically left out of the funding stream.

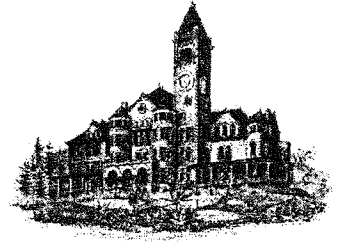
Congress is in discussions on an additional COVID-19 relief program that would help small cities and counties.

ATTACHMENTS:

Draft Letter to Governor Newsom.

Action Alert from the League of California Cities.

City of Ione



May 6, 2020

Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814
VIA E-mail: ExternalAffairs@gov.ca.gov

Dear Governor Newsom:

The City of Ione thanks you for your leadership and efforts to protect and support Californians during this unprecedented public health crisis. Cities remain on the front line helping residents stay safe and in their homes, delivering emergency services, and supporting local businesses and community organizations. However, as emergency costs continue to grow, city revenues to fund local services are plummeting. COVID-19 is having devastating impacts on city budgets and services statewide.

Based on the League of California Cities analysis, California cities are projecting a nearly **\$7 billion general revenue shortfall** over the next two fiscal years. This shortfall will grow by billions of dollars if stay-at-home orders to protect public health extend into the summer months and beyond.

The City of Ione projects that these shortfalls will impact our core city services, including police, fire service, and emergency management services. In a recent League of California City's survey, a majority of the cities anticipate lay-offs or furloughs, which will further impact core city services for residents, as well as the employees.

Since the beginning of the COVID-19 crisis, the City of Ione has stepped up to protect and serve our community. The necessary measures our city has taken are costly. In order to continue to be a full partner with the state in saving lives, protecting our communities, and ultimately recovering from this crisis, **we need your help.**

The City of Ione is calling on you to immediately support the following actions:

- Establish at least a \$7 billion city revenue stabilization fund for direct aid to all cities to address the general revenue shortfall over the next two fiscal years;
- Allocate a share of the State's \$8.4 billion CARES Act funding for cities with populations under 500,000 to support COVID-19 expenses; and

- Create a COVID-19 financing vehicle that all cities can access to support immediate cash flow needs.

The City of Ione appreciates your consideration of our requests and look forward to further discussing in the coming days how together we can continue to best protect Californians and reopen our economy. Thank you again for your leadership and partnership during these uncertain times.

Sincerely,

Diane Wratten
Mayor
City of Ione

Cc: Frank Bigelow, California State Assembly District 5
Andreas Borgeas, California State Senate District 8
Charles Anderson (via email canderson@cacities.org)
Meg Desmond, League of California Cities, cityletters@cacities.org

ITEM #4 STAFF REPORT

APPROVE CITY ATTORNEY CONTRACT TO
INCLUDE HUMAN RESOURCE FUNCTION

WILL BE AVAILABLE ON

SATURDAY, MAY 2, 2020

Agenda Item

#5

DATE: April 30, 2020

TO: Ione City Council

FROM: Jon G. Hanken, City Manager

SUBJECT: Use of CDBG funds for Emergency Small Business Loan Program

RECOMMENDED ACTION: Council is being asked to approve the creation of an Emergency Small Business Loan program and to utilize CDBG funds once the approval has been given by the State of California.

Motion: _____ / _____

FISCAL IMPACT: Not known at this time. Impact depends on receiving \$67,146 in CDBG-CV funds from the State of California and approval from the state to use \$96,745 already in City's Self Help Housing Budget.

BACKGROUND: On April 16, 2020, the League of California Cities asked that communities submit a letter to the Director of the Department of Housing and Community Development supporting changes to the distribution methodology for Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The California Department of Housing and Community Development will receive \$19,331,744 in CDBG-CV funding for non-entitlement jurisdictions "to be used to prevent, prepare for, and respond to the coronavirus". Ione expects to receive to receive \$67,146 if the change to the redistribution methodology is approved. The California Legislature is expected to be back in session starting Monday, May 4, 2020.

With the COVID-19 statewide shelter-at-home order, many local businesses have been negatively impacted. Support to re-open and keep businesses open in our community will make a significant difference in recovery. Under the guide to CDBG eligible activities to prevent and respond to the spread of infectious diseases, such as the coronavirus, communities can provide assistance to private, for profit entities, when appropriate to carry out an economic development project.

In order to assist in the recovery of the Ione business community, staff is recommending that an Emergency Small Business Loan Program be created that would avoid job loss by business closure related to social distancing by providing short-term working capital assistance to small business to enable retention of jobs held by low and moderate-income persons.

If approved, the City would provide forgivable loans to approved eligible businesses in an amount ranging from \$5,000 to \$10,000. Staff recommends that eligible business meet the following criteria:

- Have a current lone Business License.
- Be locally owned and operated
- Provide proof of employees
- Business is current on taxes owed to government entities

Self-employed individuals and consultants would not be eligible as per CDBG guidelines.

The application would consist of a letter containing the following information:

- Business's Name
- Address
- Owner Name
- Contact Phone Number
- Number of Employees
- Years in Business
- Amount of Funds Requested
- Statement of How Funds Will Be Used to Retain Jobs

Loans may be forgiven if the business remains open and maintains the same levels of employment for one year following the date of the loan.

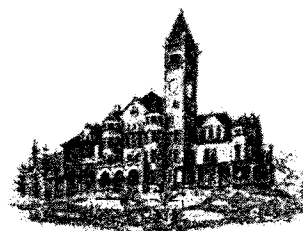
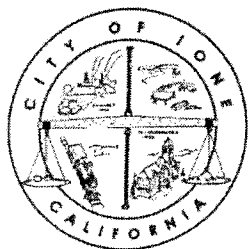
The program will be advertised once CDBG-CV funds have been allocated and the California Department of Housing and Community Development approval has been received

ATTACHMENTS:

Letter to Gustavo Velasquez, Director California HCD Supporting Distribution Plan for CDBG CARES Act Funds.

Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Diseases Response. REVISED April 6, 2020

City of Ione



April 17, 2020

Gustavo Velasquez
Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Re: Public Comment on Distribution Plan for CDBG CARES Act Funds, and Expedited Allocation of FY 2019-2020 CDBG Economic Development Funds for Non-Entitlement Communities

Dear Director Velasquez:

We are writing on behalf of the City of Ione to state our strong support for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Amendments to the 2015-2020 Consolidated Plan and 2019-2020 Annual Action Plan. More specifically, we are encouraged to see changes to the distribution methodology proposed by the Department of Housing and Community Development (HCD) for Community Development Block Grants CARES Act (CDBG-CV) funding.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding for non-entitlement jurisdictions "to be used to prevent, prepare for, and respond to the coronavirus (COVID-19)." With the COVID-19 statewide shelter-at-home order, many businesses, jurisdictions, and local economies have been negatively impacted – especially, the smallest jurisdictions that have access to fewer resources and support for response and recovery. Support to re-open and keep businesses open in these communities will make a significant difference in recovery.

In Ione, our businesses are suffering financially due to complying with the Shelter at Home order and the estimated amount we receive from the CDBG CARES Act Funds (\$67,146) will be used to provide business assistance in the forms of forgivable loans. Ione is a small, rural community and our local economy cannot afford to lose one business. These loans will be geared to the small family owned businesses who may need assistance with utility bills, payroll and inventory to continue operations until the economy gets back on its feet.

An expedited and efficient method of delivery is necessary given the urgency of the situation. Under the CARES Act, all entitlement communities will receive their initial CDBG-CV allocations within thirty days of enactment of the Act. We agree with HCD that since non-entitlement communities are facing similar impacts, it is inappropriate to use HCD's traditional lengthy Notice of Funding Availability process to distribute these funds as it simply will take too long.

Fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response. The following proposed amendments show HCD's clear intent and deliberative action to help our businesses and communities during this challenging time:

- Communities would receive the funds through a formula similar to entitlement jurisdictions, which is noncompetitive.
- Communities could use the funds for activities directly related to COVID-19 response, including economic development as an approved activity.
- There will be a streamlined application process for communities to access the funds.
- Funds would not be subject to the 50 percent rule.

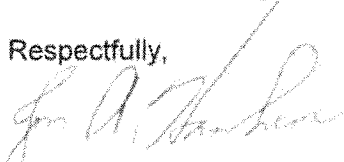
We would also encourage HCD to commit to approving applications and providing grant agreements in an expeditious way to hasten the delivery of CDBG-CV support within thirty (30) days of the approval of these plan amendments.

Furthermore, we support the effort to accelerate the allocation of FY 2019 and FY 2020 CDBG Economic Development funds through an over the counter process, and encourage HCD to facilitate access by local agencies to these funds by:

- Streamlining the application process to reduce administrative burdens on local agencies.
- Offering webinars, technical assistance and ensure the availability of knowledgeable staff to assist communities attempting to complete applications.
- Providing a quick turnaround on approved applications to ensure expedited access to funding.

With these points in mind, we strongly support HCD's efforts to amend their plans in a way that California's non-entitlement communities can access this relief as quickly as possible. If you have any questions, feel free to contact me at Ione City Hall. My telephone number is 209-274-2412 or via email at jhanken@ione-ca.com.

Respectfully,



Jon G. Hanken
City Manager
City of Ione

cc: Frank Bigelow, California State Assembly District 5
Andreas Borgeas, California State Senate District 8
Charles Anderson (via email canderson@cacities.org)
League of California Cities (Via email: cityletters@cacities.org)

Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response

REVISED April 6, 2020

Grantees should coordinate with local health authorities before undertaking any activity to support state or local pandemic response. Grantees may use Community Development Block Grant (CDBG) funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus.

Examples of Eligible Activities to Support Coronavirus and Other Infectious Disease Response

<i>For more information, refer to applicable sections of the Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).</i>	
Buildings and Improvements, Including Public Facilities	
Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements. <i>See section 105(a)(2) (42 U.S.C. 5305(a)(2)); 24 CFR 570.201(c).</i>	Construct a facility for testing, diagnosis, or treatment.
	Rehabilitate a community facility to establish an infectious disease treatment clinic.
	Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
Rehabilitation of buildings and improvements (including interim assistance). <i>See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.201(f); 570.202(b).</i>	Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
	Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
	Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.
Assistance to Businesses, including Special Economic Development Assistance	
Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project. <i>See section 105(a)(17) (42 U.S.C. 5305(a)(17)); 24 CFR 570.203(b).</i>	Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
	Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
Provision of assistance to microenterprises. <i>See section 105(a)(22) (42 U.S.C. 5305(a)(22)); 24 CFR 570.201(o).</i>	Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

Provision of New or Quantifiably Increased Public Services	
<p>Following enactment of the CARES Act¹, the public services cap² has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts.</p> <p><i>See section 105(a)(8) (42 U.S.C. 5305(a)(8)); 24 CFR 570.201(e).</i></p>	Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
	Provide testing, diagnosis or other services at a fixed or mobile location.
	Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
	Provide equipment, supplies, and materials necessary to carry-out a public service.
	Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
Planning, Capacity Building, and Technical Assistance	
<p>States only: planning grants and planning only grants.</p> <p><i>See section 105(a)(12).</i></p>	Grant funds to units of general local government may be used for planning activities in conjunction with an activity, they may also be used for planning only as an activity. These activities must meet or demonstrate that they would meet a national objective. These activities are subject to the State's 20 percent administration, planning and technical assistance cap.
<p>States only: use a part of to support TA and capacity building.</p> <p><i>See section 106(d)(5) (42 U.S.C. 5306(d)(5)).</i></p>	Grant funds to units of general local government to hire technical assistance providers to deliver CDBG training to new subrecipients and local government departments that are administering CDBG funds for the first time to assist with infectious disease response. This activity is subject to the State's 3 percent administration, planning and technical assistance cap.
<p>Entitlement only: data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans. <i>See 24 CFR 570.205.</i></p>	Gather data and develop non-project specific emergency infectious disease response plans.

Planning Considerations

Infectious disease response conditions rapidly evolve and may require changes to the planned use of funds:

- CDBG grantees must amend their Consolidated Annual Action Plan (Con Plan) when there is a change to the allocation priorities or method of distribution of funds; an addition of an activity not described in the plan; or a change to the purpose, scope, location, or beneficiaries of an activity (24 CFR 91.505).
- If the changes meet the criteria for a "substantial amendment" in the grantee's citizen participation plan, the grantee must follow its citizen participation process for amendments (24 CFR 91.105 and 91.115).
- Under the CARES Act, CDBG grantees may amend citizen participation and Con Plans concurrently in order to establish and implement expedited procedures with a comment period of no less than 5-days.

Resources

The Department has technical assistance providers that may be available to assist grantees in their implementation of CDBG funds for activities to prevent or respond to the spread of infectious disease. Please contact your local CPD Field Office Director to request technical assistance from HUD staff or a TA provider.

- Submit your questions to: CPDQuestionsAnswered@hud.gov
- Coronavirus (COVID-19) Information and Resources: <https://www.hud.gov/coronavirus>
- CPD Program Guidance and Training: <https://www.hudexchange.info/program-support/>

¹ On March 27, 2020, President Trump approved the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act). The CARES Act makes available \$5 billion in CDBG coronavirus response (CDBG-CV) funds to prevent, prepare for, and respond to coronavirus.

² Section 105(a)(8) of the HCD Act caps public service activities at 15 percent of most CDBG grants. Some grantees have a different percentage cap.