

**RESOLUTION NO. 13-118 N.C.**

**AMENDING THE FISCAL YEAR 2013-2014 CIP BUDGET, AUTHORIZING THE  
IMPLEMENTATION OF (B1 PROJECT) SMALL BUSINESS GRANTS**

**WHEREAS**, Pursuant to Resolution No. 12-064 N.C. the City Council of the City of Vallejo declared its intent to establish a Participatory Budgeting process with the goal of allocating a minimum of 30% of the 1% sales tax monies, Measure B funds, collected over a 15 month period from April 1, 2012 through June 30, 2013; and

**WHEREAS**, upon the completion of the Participatory Budgeting election process, the results were presented to this Council on May 28, 2013, and twelve projects were selected by the public, including 'Small Business Grants for Mare Island and Downtown' as described in the 'Description of voter Approved Project Proposal' attached to the staff report on that date, hereinafter, the "Project"; and

**WHEREAS**, Pursuant to Resolution No. 12-138 N.C. the Council adopted the Participatory Budgeting Rulebook determining that Participatory Budgeting Projects are eligible for funding if they meet the following criteria:

1. They benefit the public.
2. Are a one-time expenditure that can be completed with funds from the FY2012/2013 budget.
3. Are implemented by the City of Vallejo, or in collaboration with the Vallejo City Unified School District, the Greater Vallejo Recreation District, or any other Public Agency, non-profit organization, or religious institution that operates in Vallejo. Projects implemented by non-city public agency must also include financial or value in kind contributions. Projects implemented by non-profit organizations or religious institutions must also meet the eligibility guidelines used by the Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program; and

**WHEREAS**, the City Council supports fiscal policies that both support economic development, including a program that fosters small business growth, but at the same time is fiscally responsible in keeping with best practices in the administration of local, state and federal grants; and

**WHEREAS**, there are no local, state or federal grants which consist of funding for startup or expanding a business for private parties due to the requirements of stringent compliance and reporting measures to ensure the taxpayer's money is well spent<sup>8</sup>; and

**WHEREAS**, the City Council of the City of Vallejo supports small business and promotes relocations to underutilized areas of Vallejo, particularly in Downtown Vallejo and on Mare Island; and

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<sup>8</sup> See U.S. Small Business Administration; Facts About Government Grants; <http://www.sba.gov/content/facts-about-government-grants>; see also Small Business Guide to Government Grants and Loans <http://www.grantsalert.com/small-business-guide>

**WHEREAS**, there are several areas in Vallejo, and particularly in Downtown Vallejo and on Mare Island where blight exists in that the following physical conditions are prevalent and substantial:

- Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
- Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
- Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
- The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions; and

**WHEREAS**, there are several areas in Vallejo and in particular, in Downtown Vallejo and on Mare Island where blight exists in that the following economic conditions that cause blight are prevalent and substantial:

- Depreciated or stagnant property values.
- Impaired property values, due in significant part, to hazardous wastes on property.
- Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Serious residential overcrowding that has resulted in significant public health or safety problems. As used in this paragraph, "overcrowding" means exceeding the standards referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California Code of Regulations.
- An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.
- A high crime rate that constitutes a serious threat to the public safety and welfare; and

**WHEREAS**, there are several areas in Vallejo, and particularly in Downtown Vallejo and on Mare Island where blight exists in that the substantial and prevalent existence of the above conditions is the cause of a reduction or lack of proper utilization of an area, the area constitutes a serious physical and economic burden on the community; and

**WHEREAS**, blighted conditions attract more blight under a 'broken window' theory and prevalent blighted conditions attract criminal elements, and increase the need for police, code enforcement and fire prevention resources; and

**WHEREAS**, this Project will help to combat blight, provide much needed resources to beautify and better access underutilized areas and relieve the economic burden on the community, thus benefiting the Vallejo residents; and

**WHEREAS**, on July 9, 2013 City Council approved a Resolution of Intention to amend the Fiscal Year 2013-2014 budget.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Vallejo finds the foregoing recitals to be true and additionally finds that implementing this Project will provide a public benefit based on the recitals above.

**BE IT FURTHER RESOLVED** that the following conditions must be met prior to the disbursement of funds:

1. The Project will be administered by the City Manager or his designee.
2. The Project is hereby modified to provide small business grants on a reimbursement basis for those Project Proponents whose properties suffer from blight as described above.
3. The Project will serve to fund 'hard costs' of façade and capital improvements in the following categories:
  - a. Façade and building improvements that combat blight or provide other public benefit.
  - b. Adding ADA bathrooms or other ADA improvements to increase public accessibility.
  - c. Repair of construction that is vulnerable to serious damage from seismic or geologic hazards.
4. Grant applications(s) with specific eligibility requirements will be established by the City Manager in a form as approved by the City Attorney. Each location can proceed individually to meet their requirements and obtain grant funds. The Grant application must include proof of eligibility as follows:
  - a. A description of the proposed improvements to be constructed, including the purpose of the improvement (e.g., to alleviate blight, increase accessibility, or address seismic concerns), the cost of constructing the improvements, and the timeline of construction.
  - b. Pursuant to Cal.Gov. Code § 1090, no person who participated in any capacity (whether as a delegate, proponent or advisor) during the Participatory Budgeting Process for this Project may personally benefit by receipt of any funds contained in any grant agreement for this Project authorized by this resolution.
5. Key Conditions prior to Disbursement of Funds. Grants are on a reimbursement basis.
  - a. Process administrative approval as required for repairs/ upgrades.
  - b. Execute grant agreement in amounts consistent with Project Proposal Form, which incorporate above principles needs to be executed, in a form to be approved by the City Attorney.
  - c. Private nonprofit project proponents need to show proof of eligibility, ability to contract, and delivery of services to the public among other requirements consistent with this resolution.
  - d. Full accounting of costs for project, including original receipts documenting the cost of improvements and the identity of the person or business entity furnishing the good/services. No 'soft' costs are eligible for reimbursement.

6. Disbursement of Grant Fund.

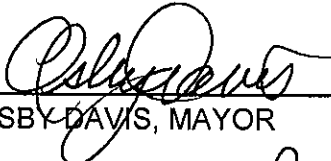
- a. Project funds will be disbursed through a structured program.
- b. The program will allow a credit for city fees and permits necessary for physical improvements. The program will also include reimbursement to local vendors for materials used and progress payments made directly to local professional contractors after work has been verified.
- c. All labor and materials will be required to be purchased at or completed by local vendors.
- d. Project applicants will not receive City funds directly, and therefore will not be allowed to perform the reimbursable work themselves.

**FURTHER, BE IT RESOLVED** that subject to the findings and the conditions set forth in this resolution, the City Council hereby:

1. Amend the Fiscal Year 2013-2014 General Fund and Capital Improvement Program (CIP) Budgets, redistributing \$300,000 from Project Number PB-000 in the CIP Budget to the City's General Fund to implement the Project, and authorizes the City Manager the administrative authority to determine eligibility, disburse funds, and to take any and all required actions to implement the Project, consistent with this Resolution, the Vallejo Municipal Code, the PB Rule book and any other applicable authority and additionally authorizes him to amend the project so as to ultimately promote the goals of the Project as set forth in the 'Description of voter-approved Project Proposal'.
2. Directs the City Manager to report to the City Council once all funds have been expended and the project is complete.

Adopted by the City Council of the City of Vallejo at a regular meeting held on July 23, 2013 by the following vote:

AYES: Mayor Davis, Vice Mayor Gomes and Councilmembers Brown, Malgapo, McConnell, Sampayan, and Sunga  
NOES: None  
ABSTAIN: None  
ABSENT: None

  
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OSBY DAVIS, MAYOR

ATTEST:

  
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DAWN G. ABRAHAMSON, CITY CLERK