



Council Meeting: December 17, 2013

SUBJECT: Follow up on Study Issue CDD 12-11, regarding Below Market Rate Ownership Program Qualifications, Criminal Background Checks (INFORMATION ONLY)

BACKGROUND

On April 9, 2013, the City Council received and considered a follow up report concerning Study Issue (CDD 12-11) – Consider Adding Criminal Background Checks to Below Market Rate (BMR) Program Qualifications. As reported in an Information Only item to the City Council on January 15, 2013, the City cannot utilize the state’s criminal database for purposes of screening applicants for the BMR ownership housing program. The City Council at its meeting of April 9, 2013, discussed utilizing private background check providers to screen applicants for the BMR program, and adopted a motion to disqualify applicants with prior convictions for violent felonies and serious drug offenses. Council directed staff to develop an 18-month pilot program incorporating these standards. This report provides an update on that program.

DISCUSSION

Sunnyvale Municipal Code section 19.67.070(f) articulates eligibility requirements for prospective buyers in the BMR ownership program, which include verification of income limits, creditworthiness, lack of conflicts, and priority for applicants who work or live in Sunnyvale. Additionally, the Director of Community Development may establish other reasonable eligibility criteria to ensure effective operation of the program. Pursuant to Council’s direction, the Director has developed neighborhood-safety eligibility criteria to be incorporated as part of the pre-qualification process under the City’s BMR Ownership Guidelines.

Verification of these criteria will be established through a private criminal background check service and only serious felony convictions pursuant to Penal Code section 11105.03(b) shall disqualify an applicant or co-applicants from eligibility. As with any eligibility criteria, applicants who are disqualified under this requirement will have the opportunity to appeal the denial under the current appeal process in the Guidelines. This safeguard will allow applicants to dispute the background results and submit documentation in the event of a reporting error. At the end of the 18-month pilot period, staff will report its program findings to Council. Staff will be reviewing appropriate background check companies and will begin implementing the pilot program early next year.

FISCAL IMPACT

The cost of criminal background checks by private providers range from \$25 to \$50 and will be paid for and obtained by the applicant/s and co-applicants from a list of City-approved providers as part of the BMR application process.

Reviewed and approved by:

Joan A. Borger
City Attorney