

CALL TO ORDER

Mayor Schroder called the meeting to order at 6:00 p.m. in the Council Chambers with all members present except Councilmember Menesini; adjourned to closed session in the City Manager's Office.

**Councilmember Menesini arrived at 6:20 p.m.

- I. CLOSED SESSION (adjourn to City Manager's Office)
 - A. *CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to California Government Code Section 54956.8.*

Property: APN 373-030-018-7 & 373-030-019-5, Ferry Street, Martinez.

Agency Negotiator: Don Blubaugh, City Manager; Jeff Walter, City Attorney; Wendy Roberts, Asst. City Attorney; Karen Majors, Assistant City Manager, Community & Economic Development.

Negotiating Parties: City of Martinez and Carlo Zocchi, Alhambra Industrial Park; Ethan Friedman, Miller Starr & Regalia.

Under Negotiation: Purchase Price.

RECONVENE - PLEDGE OF ALLEGIANCE - ROLL CALL

Mayor Schroder reconvened the meeting at 7:00 p.m. in the Council Chambers with Councilmembers Lara DeLaney, Janet Kennedy, Michael Menesini, and Vice Mayor Mark Ross present. He stated that Council met in closed session and direction was given to the property negotiators and there was nothing else to report.

PRESENTATION(S)/PROCLAMATION(S)

- A. *Proclaiming March 2008 as "American Red Cross Month."*

Mayor Schroder presented the Proclamation, reviewing some of the work and accomplishments of the organization. Mark Bryggman, member of the Red Cross Board of Directors, thanked the Council for the recognition and encouraged others to join.

B. *Swearing in of Ryan Baillie and Mark Greenwood as Police Officers.*

Chief Tom Simonetti introduced the Officers and described their backgrounds. City Clerk Gary Hernandez performed the Swearing in. Lisa Greenwood pinned her husband Officer Mark Greenwood; and Robert and Patty Baillie pinned their son Officer Ryan Baillie.

The City Council congratulated Officers Baillie and Greenwood.

A short recess was called.

Mayor Schroder announced the Item #7, Freitas General Plan Amendment at 635 Vine Hill Way, would be continued to May 21st due to attorneys' conflicts.

PUBLIC COMMENT

(COMPLETE SPEAKER CARD AND GIVE TO CLERK) Reserved only for those requesting to speak on items not listed on the Agenda.

Michael Alford stated concerns about health care in Martinez, especially with Kaiser. He noted that the Council created a subcommittee to deal with Kaiser leaving, but has never reported out. He commented on the high incidence of respiratory infections in the area, and he also expressed frustrations with bringing in specialists from a company in Vermont that could reduce or eliminate emissions, yet no one seemed interested.

Steven Coll, representing Virginia Hills Homeowners Organization, urged the Council to place the Redevelopment issue and Parks bonds on separate ballots. He also expressed interest in the Vine Hill Open Space issue, specifically whether the Council has the ability to redesignate open space as residential.

Tim Platt stated his concerns with the telephone survey asking questions on both the park bonds and redevelopment. He indicated that the two issues should not be mixed. He also discouraged the placing of the redevelopment issue on the November ballot.

Albert Turnbaugh urged the Council to keep the redevelopment measure on the November ballot, expressing that it is long overdue. He indicated that the redevelopment measure and parks bond should be able to be considered separately. If one needs to be deferred, he encouraged the Council to defer the parks bond instead.

Mark Shoemaker also agreed with Mr. Turnbaugh's comments and urged the Council to place the redevelopment measure on the ballot.

Rich Verrilli urged the Council to separate the redevelopment issue and parks bonds on different ballots. He also expressed concerns with Kaiser Permanente, noting that he too never heard the Subcommittee report out. He further urged the Council to place the City's surveillance

camera project under public hearing when it goes on the agenda. He also suggested that the Council contact the U.S. Marine Corps and suggest they open an office in one of the vacant offices in downtown Martinez.

Councilmember Kennedy noted that the Council Subcommittee did meet with Kaiser, but the Subcommittee was unable to change Kaiser's plans.

Harlan Strickland questioned the posting of the agenda for the Redevelopment Subcommittee, and City Manager Blubaugh responded that it was legally posted. Mr. Strickland wanted to know when the questions being used on the poll could be seen by the public. He commented on the poor audio on the website from the last Council meeting. Mayor Schroder indicated that there are plans to replace the video equipment and rewire the entire Chamber.

Paul Wilson spoke on the rising crime rate in Martinez and requested the Council to put more Police Officers on the street. At the direction of Mayor Schroder, Chief Simonetti discussed crime statistics for the City, and efforts to increase staffing.

CONSENT CALENDAR

MOTION WAIVING READING OF TEXT OF ALL RESOLUTIONS AND ORDINANCES.

Mayor Schroder pulled Item #3 for discussion. He opened and closed public comment on Items #1, 2, 4 and 5, with no speakers coming forward.

1. Motion approving Check Reconciliation Registers dated 02/14/08. [C.Heater/02.01.01]
2. Motion adopting Ordinance No. 1344 C.S. amending Title 10, Vehicles and Traffic, of the Martinez Municipal Code by deleting in its entirety Section 10.08.080, Exemption of Certain Vehicles, and adopting by reference the California Vehicle Code, 2007 Edition. [T.Simonetti/04.08.12]
4. Resolution No. 008-08 approving selection and authorize the City Manager to sign a contract with Maze & Associates for audit services. [L.Marshall&C.Heater/17.02.02]
5. Resolution No. 009-08 establishing a Proposition 1B Special Revenue Fund. [C.Heater/02.01.00]

On motion by Lara DeLaney, Councilmember, seconded by Janet Kennedy, Councilmember, to approve Items #1, #2, #4, and #5 of the Consent Calendar. Motion unanimously passed 5 - 0.

3. Motion introducing an ordinance amending the City of Martinez Municipal Code Title 2, Administration and Personnel, Chapter 2.72, Peace Officer Standards and Training, to include Section 2.72.040, Definition of a Designated Level I Reserve Police Officers, and Reserve Police Officer. [G.Peterson/04.08.12]

At the request of Vice Mayor Ross, Chief Simonetti gave brief background information on the item.

Councilmember DeLaney asked how the City's current reserve staffing compared with past levels, and Chief Simonetti discussed difficulties in recruiting.

Mayor Schroder opened and closed public comment on the item, with no speakers coming forward.

On motion by Mark Ross, Vice Mayor, seconded by Lara DeLaney, Councilmember, introduce an ordinance amending the City of Martinez Municipal Code Title 2, Administration and Personnel, Chapter 2.72, Peace Officer Standards and Training, to include Section 2.72.040, Definition of a Designated Level I Reserve Police Officers, and Reserve Police Officer. Motion unanimously passed 5 - 0.

PUBLIC HEARING(S)

6. Public hearing to introduce Inclusionary Housing Ordinance & Density Bonus Ordinance. [A.Lopez/09.02.05&09.04.04]
 - A. Resolution adopting a Negative Declaration related to a zoning ordinance amendment adding Sections 22.60, Inclusionary Housing, and 22.62, Density Bonuses, to the Martinez Municipal Code finding that no significant environmental impacts will result from approval of this project.
 - B. Introduction of an Inclusionary Housing Ordinance amending the Martinez Municipal Code by adding Chapter 22.60, Inclusionary Housing, and Chapter 22.62, Density Bonuses relating to the development of affordable housing.
 - C. Resolution approving an In-Lieu Fee Schedule as allowed by Section 22.60, Inclusionary Housing Ordinance; and provide direction to staff regarding exemptions for Planning Commission consideration and recommendation.

Deputy Director of Community Development Albert Lopez presented the staff report, discussing state regulatory requirements and funding opportunities. Mayor Schroder asked for clarification on how failure to enact an inclusionary ordinance could affect the certification of the City's Housing Element, which Mr. Lopez explained.

Councilmember DeLaney asked whether different or changed programs in an updated Housing Element would meet the state standards. Mr. Lopez indicated he thought the state would want to review the current Element and see how well the City met its commitments.

Vice Mayor Ross confirmed that while there may not be negative penalties per se, there could be consequences in terms of funding. City Attorney Veronica Nebb commented on a lawsuit that was pressed against another jurisdiction, agreeing there are significant potential liabilities if a city loses its certification.

Councilmember DeLaney questioned what percentage of compliance is necessary for certification, and Ms. Nebb explained the process for changing the Housing Element and the risks involved.

Councilmember Menesini asked about the planned review of the Housing Element, and Mr. Lopez said it would probably coincide with the General Plan update.

Mr. Lopez commented on the work of the Housing Task Force which reconvened to draft the Inclusionary Ordinance, and he reviewed the various provisions of the proposed ordinance.

City Attorney Nebb gave further clarification on the state density bonus provisions, required by state law. In response to a question from Mayor Schroder, she also explained how meeting the requirements for the density bonus could also satisfy the Inclusionary requirements.

Vice Mayor Ross questioned whether the minimum of 4 units was really practical; he suggested raising it to 5 units. He also asked about the possibility of designating some of the below-market units as workforce housing. Ms. Nebb discussed some of the difficulties in giving preferences without leading to discriminatory practices.

Mark Shoemaker, People with Common Sense, questioned whether developers would be in effect paying a fee to the City to keep it from being sued over the Housing Element. He commented on the need to encourage development as much as possible, not discourage it. Ms. Nebb explained that the City is actually establishing a land use requirement for below market housing, with the in-lieu fee as an option when necessary.

Bob Hazard expressed concern that enacting this ordinance will discourage any new development in the City.

Gary Hernandez said he was confused about why the City would be giving density bonuses when more recently the focus has been on lowering density. He suggested the City look at the economic vitality of the City, noting that increasing fees will only increase the costs for someone eventually. He was also concerned about the impacts of increased density in terms of parking, etc.

Scott Busby questioned whether the standards set were appropriate for the City. He also questioned whether there was any possibility for a city to be exempt if it already has plenty of below-market housing. He suggested a housing inventory should be done first. He asked whether the financial benefit to the City would be significant, and he expressed concern about the environmental impacts from the increased density. He also discussed the current level of fees paid for residential development in the City.

Al Turnbaugh said he thought this was the worst thing the City could do at the worst time, because increasing builder costs will deter development, not encourage it.

Ana Maria Avila Farias thanked staff for their work with the Housing Task Force (of which she was a member) in developing the goals of the Housing Element and the Inclusionary Ordinance. She commented on the proposed exemptions and other custom provisions designed specifically for the needs of the Martinez community.

Richard Verrilli noted changes to the real estate market since the beginning of the process to develop the ordinance. He agreed with Vice Mayor Ross's suggestion about raising the minimum to 5 units, and he questioned how some of the standards were set.

Mike Alford agreed with Mr. Turnbaugh and others about the potential disincentive to development that could result from enacting the ordinance. He noted that it is difficult now to even define "affordable" housing, with the current real estate market. He also questioned what happened to the money set aside for the City's housing trust fund. He disagreed with the concept that Martinez is "mandated" to do anything.

Tim Platt acknowledged the social responsibility the City has to make housing more affordable, and expressed support for the direction that the ordinance is aimed. He also acknowledged the additional costs to be borne by some, noting however, that there is a benefit to be gained by those currently unable to afford housing in Martinez (including public servants like teachers, firefighters, etc.). He questioned whether exempting the downtown was a good idea, since much of the developable sites are in the downtown. He also noted that Martinez is not the only City that hasn't met their housing goals thus far, and he noted that development fees that the City charges are levied to cover increased costs to the community due to the development. He further noted that development is already occurring in the City, although maybe not at the level that everyone would like. He also asked for specifics about money that the City has received due to having a certified Housing Element, how the in-lieu fee was set (and whether it should be set higher), what commitments have been made thus far for the housing trust fund, and what safeguards need to be in the ordinance to ensure the City is not at risk of a suit being brought.

Mayor Schroder asked, and Ms. Nebb discussed risks from adding exemptions to the ordinance as well as findings that should be made to justify any exemptions included.

Councilmember Menesini agreed the exemptions need to be consistent and not arbitrary. He cautioned the Council to ensure that the exemption provisions are well articulated and have a solid basis.

Mayor Schroder asked staff whether the City has received any actual money from having a certified Housing Element. Staff mentioned Measure C and Measure J money, but Councilmember Menesini noted that it is unknown whether the Housing Element was a critical factor in getting those funds.

Mayor Schroder asked about the Housing Trust Fund, and staff reviewed current commitments from approved developments.

The Council and Ms. Nebb also discussed the purpose and amount of the in-lieu fee.

Paul Wilson expressed support for the Housing Element, but he was concerned that most of the proposed development is on the north side of Highway 4. He was also concerned about the preferential treatment and bonus densities for the downtown.

Seeing no further speakers, Mayor Schroder closed the public hearing.

Mayor Schroder asked Ms. Nebb about the need for an EIR. Ms. Nebb noted that to her knowledge, no jurisdiction has done an EIR as a result of enacting an Inclusionary Ordinance, and she explained why. Mr. Lopez mentioned several other cities in Contra Costa County that have done a Negative Declaration only. Councilmember Menesini noted that any development that would fall under this ordinance would require their own environmental review.

Mayor Schroder asked about staff review of the housing inventory, and Mr. Lopez explained the demographic analysis done; he acknowledged that a specific review of the units was not done. Councilmember Menesini agreed with Ms. Avila-Farias that there is a difference between subsidized housing, which Martinez has plenty of and should get credit for, and affordable housing.

Ms. Nebb noted that existing housing cannot be counted toward the City's new unit goal from ABAG.

Councilmember DeLaney asked about administrative costs for the program, and increased staff needs. City Manager Don Blubaugh explained that the work would be done by other agencies and the housing trust fund should be used to cover the costs. He made a rough estimate of costs, based on his experience with other jurisdictions.

Ms. Nebb noted that some jurisdictions pay on a per-unit basis to the local housing authority. Mr. Blubaugh clarified that whichever way it is handled, it would not impact the General Fund.

Councilmember DeLaney questioned whether Ms. Avila-Farias comments that a redevelopment agency would need an Inclusionary Ordinance were accurate. Ms. Nebb explained that a redevelopment agency would have an affordable requirement for the redevelopment plan area, and it can be very difficult to meet those requirements; an inclusionary ordinance is one tool that can be used. She also mentioned that an inclusionary ordinance can help a jurisdiction keep track of the affordable units that have been approved.

Councilmember DeLaney asked whether development incentives other than the density bonus had been considered. She reviewed some potential ideas. Mr. Lopez acknowledged that no specific incentives were discussed.

Vice Mayor Ross commented on incentives that could be given to developers in order to promote needed affordable housing. He also discussed the need for transit-oriented developments and energy-efficient projects. He mentioned an upcoming meeting on Monday, March 31st with Supervisor Federal Glover to discuss inclusionary zoning, land use, and global warming.

Councilmember Menesini acknowledged concern about the potential exemptions in the ordinance, and the timing overall. He noted that the ordinance would apply citywide (not just the area north of Highway 4), and he asked that the Council take more time to review and reconsider some of the provisions (the threshold, percentage, minimum units required, exemptions, etc.)

Councilmember Kennedy read a letter from Gail Roden, one of the Housing Task Force members, on behalf of the League of Women Voters, in support of the ordinance. She acknowledged the current market is slow, but she noted that development wasn't happening even when the market was booming. She also noted that recent rezoning of some commercial properties to residential have resulted in two new projects with affordable components. She agreed with Ms. Avila-Farias that the discussions among the task force were spirited and the members were not always in agreement, but they came out of it as friends and developed the ordinance before the Council tonight. She acknowledged that Martinez is unique, but noted that does not exempt the City from its state mandated requirements. She urged the Council to take action tonight.

Councilmember DeLaney thanked the task force and staff for their work on the ordinance, but philosophically she was opposed to the idea. She was supportive of home ownership, as a way of creating wealth for the individual, although she questioned whether units created through an inclusionary ordinance would allow owners to take advantage of the usual equity building. She expressed concern about the timing of the ordinance and the impacts on developers. She was also doubtful that failure to enact the ordinance would result in the loss of certification or lawsuits.

Mayor Schroder commented on the 300 units built during the "boom" years, noting that the City is primarily built out already. He discussed potential sites in the Downtown Specific Plan area, and the fact that most of the goals of the Plan are not being realized due to the changes in the real estate market. He was concerned about enacting additional roadblocks for future development. He acknowledged it is incumbent for all cities to work toward housing citizens at all income levels. He expressed concern about the proposed threshold, the percentage requirement, exemptions and incentives, adding that he was unwilling to approve the ordinance as presented.

Councilmember Menesini expressed agreement with the Mayor, although he was supportive of the concept of inclusionary zoning.

On motion by Michael Menesini, Councilmember, seconded by Mark Ross, Vice Mayor, return to staff, and meet with the Housing Element/Affordable Housing Subcommittee and address concerns regarding incentives, possible exemptions, project size threshold, and lowering the 15% requirement. Motion passed 3 - 2. Yes: Michael Menesini, Councilmember, Mark Ross, Vice Mayor, and Robert Schroder, Mayor, No: Lara DeLaney, Councilmember, and Janet Kennedy, Councilmember

The Council recessed for five minutes at 10:10 p.m.

ORDINANCE(S)

CONTINUED ITEM(S)

7. General Plan Amendment at 635 Vine Hill Way; Applicant: Gary Freitas. Note: Applicant has requested continuance to April 2, 2008. [D. Blubaugh/09.02.01]
 - A. Resolution adopting a mitigated negative declaration and a mitigation monitoring program pertinent to a General Plan Amendment redesignating approximately 3 acres located at 635 Vine Hill Way from Open Space to Residential.
 - B. Resolution approving a General Plan Amendment to re-designate approximately 3 acres from "Open Space" to "Residential," to allow the possibility of creating 4 additional single family home lots, in addition to the one existing single-family home on the 5.57 acre site at 635 Vine Hill Way.

Item Continued to May 21, 2008.

CITY MANAGER

8. Approve the reallocation of the \$100,000 Cabaret Construction Loan as a \$75,000 loan to the Willows Theatre Company for interior improvements to the Kenney Building, and approve the loan agreements; and direct staff to use the remaining \$25,000 for amphitheater improvements.[J.Tool/]

Vice Mayor Ross presented the staff report from the JMFC Council Subcommittee. Rich Elliott, Willows Theatre Company, updated the Council on their activities, progress and future plans. Mayor Schroder asked, and Mr. Elliott updated attendance and ticket sale information. Mayor Schroder commented on the "trickle down" financial impacts on the City, and Mr. Elliott agreed to provide additional information once it becomes available.

Chuck Lewis, Willows Theatre Company, discussed details of the upcoming summer program and the need for a place to build the stage sets. He expressed appreciation for the Council's willingness to consider reallocation of the loan. Councilmember DeLaney asked if the attendance numbers matched the goals, and Mr. Elliott said yes, although he acknowledged that the revenue was less because of ticket giveaways. He also discussed differences/benefits from the change in venue (Concord to Martinez).

There was no public comment on the item.

On motion by Michael Menesini, Councilmember, seconded by Lara DeLaney, Councilmember, approve the reallocation of the \$100,000 Cabaret Construction Loan as a \$75,000 loan to the Willows Theatre Company for interior improvements to the Kenney Building, and approve the loan agreements; and direct staff to use the remaining \$25,000 for amphitheater improvement. Motion unanimously passed 5 - 0.

9. Comment(s)/Update(s)/Report(s).

No comments made.

APPOINTMENTS TO COMMISSIONS AND/OR AGENCIES

CITY COUNCIL

10. Update: Oral report from City Council Redevelopment Subcommittee.

Vice Mayor Ross and Councilmember Kennedy (Redevelopment Subcommittee) presented an oral report.

Karen Tiedemann of Goldfarb & Lipman summarized changes to redevelopment law since the feasibility study was done. She responded to questions from the Council related to blight definitions, the potential for referendum by the voters, and the effects of the market fluctuation. She also discussed potential next steps in the process.

Mayor Schroder indicated he wanted to know the results of the park bond survey before making a decision about whether the park bond and redevelopment might be conflicting issues to the voters.

Councilmember DeLaney commented on the need for leaders to have the courage of their convictions, indicating she wanted to respect the will of the voters in 2002 and move forward with redevelopment in a rational, careful, thoughtful manner. She expressed confidence that both redevelopment and the parks bond could be used concurrently. Mayor Schroder said he was supportive of both, but additional information could be helpful.

Councilmember Menesini asked whether property assessments have been lowered as a result of the market decline. City Manager Don Blubaugh said there has been no decrease in property tax receipts at this point, but it was likely next year. Councilmember DeLaney noted that the tax assessor's office has indicated that requests for reassessment have been higher than ever before. Councilmember Menesini said it would be good to have actual figures, noting that there are many homeowners in the county that have been negatively affected.

Vice Mayor Ross noted that by the time a Redevelopment Plan could be adopted, the lowered assessments should be already in place.

In response to a question from Councilmember Menesini, Ms. Tiedemann discussed other upcoming conflicting ballot measures and their potential impacts on redevelopment.

Vice Mayor Ross noted that both the park bond and redevelopment work from bonded indebtedness, but he expressed confidence that both could pass with community support.

Mayor Schroder asked, and Mr. Blubaugh reviewed the timeline for the bond survey. Mayor Schroder asked that the Redevelopment Subcommittee meet to consider the results of the survey and report back at the next Council meeting.

Councilmember DeLaney suggested that discussions of the contents of the Redevelopment ordinance could be done with or without the poll results.

The Subcommittee indicated they could also have a timeline for development of a new ordinance by the next meeting. Councilmember Kennedy expressed confidence that the two issues would not conflict. She also noted that the school district and Regional Park District are considering ballot measures also.

Mayor Schroder opened public comment on the item.

Tim Platt asked for confirmation from Vice Mayor Ross that formation of the Redevelopment Agency could go ahead, with a referendum being delayed until a Redevelopment Plan is in place. Vice Mayor Ross agreed, since he felt the Plan was the critical element. Mr. Platt was concerned that once the agency is formed, the results are inevitable.

Mr. Platt asked about noticing of the Redevelopment Subcommittee, and Mr. Blubaugh said it was properly noticed. He also asked, and the Council confirmed, that no minutes are made of Subcommittee meetings.

Councilmember Kennedy expressed hope that people will allow the plan adoption process to go forward so that questions can be answered.

Paul Wilson asked about legal costs associated with the legal analysis involved. He also questioned the wisdom of forming a redevelopment agency, given the limited amount of money that would be gained. He asked what the Council has done to improve the City during their tenure - he felt more has been done to push redevelopment than to revitalize the City's economy and infrastructure. He expressed strong opposition to redevelopment.

Harlan Strickland asked if geographic information would be collected with the phone survey, and Mr. Blubaugh commented on the fact that all segments of the community would be included. Mayor Schroder said he didn't think geographic information would be gathered. Mr. Strickland commented on other cities that have successfully worked through redevelopment issues and concerns before enacting an ordinance or an agency. Vice Mayor Ross expressed his appreciation for Mr. Strickland's participation in past community meetings on the issue.

Seeing no further speakers, Mayor Schroder closed public comment on the item.

11. City Council Comments.

Councilmember Kennedy announced that she is on the School District's Budget Subcommittee and that they will probably be placing a parcel tax on the November ballot. Currently, the Committee is still in discussions, but she will keep everyone posted.

Vice Mayor Ross updated the Council on the Hidden Valley Science Fair and requested that the students be brought to a future Council meeting to be recognized, to which Mayor Schroder agreed.

Councilmember Menesini stated concern with the Carnival returning to the Home Depot lot. He was concerned with the emails received and complaints from last year's event dealing with the size of the event and parking. Assistant City Manager Community & Economic Development Karen Majors indicated that there likely will be a Planning Commission hearing on the issue; and that staff has spoken to the neighbors to see if complaints can be handled prior to the hearing and the event.

Mayor Schroder stated that he attended the Hidden Valley Science Fair and he too invited the students to attend a future Council meeting. He recognized Assistant City Manager Administrative Services Lianne Marshall, Finance Manager Cathy Heater and the rest of the Finance staff for all their hard work for keeping the City financially healthy.

ADJOURNMENT

Adjourned at 11:25 p.m. to a regular meeting on March 19, 2008 at 7:00 p.m. in the Council Chambers, 525 Henrietta Street, Martinez, California.

Approved by the City Council

Rob Schroder, Mayor

Mercy G. Cabral, Deputy City Clerk – 3/19/08