

## **PLEDGE OF ALLEGIANCE - ROLL CALL**

Mayor Schorder called the meeting to order at 7:00 p.m. in the Council Chambers.

**PRESENT:** Lara DeLaney, Councilmember, Janet Kennedy, Councilmember, Michael Menesini, Councilmember, Mark Ross, Vice Mayor, and Rob Schroder, Mayor.

**EXCUSED:** None.

**ABSENT:** None.

## **PRESENTATION(S)**

### **A. Parking Meters Upgrades.**

City Engineer Tim Tucker gave a parking meter presentation: "The Next Innovation In Parking." City Engineer Tucker reviewed trends in the parking industry and indicated that cities are moving to cashless payment methods, primarily credit card solutions. Mr. Tucker also reviewed the efficiencies and advantages in using this new technology over traditional parking meters. He indicated there would be a 90-day trial and the meters will be placed downtown.

Councilmember DeLaney asked if there would be an evaluation of meter rates at the same time, and Mr. Tucker said there had been discussion about that. She also asked about the free parking provided to jurors and suggested the State pay for that. Vice Mayor Ross confirmed with Mr. Tucker that the meters would still accept coins. He also asked about protection of credit card numbers.

## **PUBLIC COMMENT (COMPLETE SPEAKER CARD AND GIVE TO CLERK)**

**Reserved only for those requesting to speak on items not listed on the Agenda.**

Bill Jones expressed his appreciation to the Council for appointing him to the Council on Aging, and he indicated that he would keep the Council informed.

Mike Alford stated that he would like to speak on Item 8 and wanted to make sure the Item would not be pulled. Mayor Schroder assured him that it would not. Mr. Alford reiterated his past comments regarding Patch. He acknowledged the Mayor on the well-informed film on his father. Mayor Schroder indicated that this was a documentary by Walnut Creek TV about his father including his service as a Walnut Creek Councilmember and as a Contra Costa County Supervisor.

Kristin Henderson spoke on historic buildings and retrofits and described a few incentives.

Scott Alstad announced the second fundraising event for the Boys and Girls Club which will be held on February 17th.

## CONSENT CALENDAR

### MOTION WAIVING READING OF TEXT OF ALL RESOLUTIONS AND ORDINANCES.

1. Motion approving City Council Minutes of December 7, and December 21, 2011. [M.Cabral]
2. Motion rejecting claim against the City by Carlos A. Gomez, #11-26. [M.Cabral]
3. Resolution No. 001-12 authorizing the City Manager to execute Master Cooperative Agreement for No. 12C.02 between the City of Martinez and the Contra Costa Transportation Authority for use of CC-TLC funds in the amounts of \$75,000 for the Alhambra Valley Road Sidewalk Gap Closure Project and \$305,000 for the Shell Avenue Pedestrian/Bicycle Improvement Project. [T.Tucker/6.7.15&12.02.04]
4. Resolution No. 002-12 authorizing destruction of files specifically pertaining to the Personnel Division. [M.Cabral/40.10.01]

Councilmember DeLaney requested that Item #5 be removed from the Consent Calendar. On motion by Lara DeLaney, Councilmember, seconded by Janet Kennedy, Councilmember, to approve Items #1 through #4 of the Consent Calendar. Motion unanimously passed 5 - 0.

5. Resolution No. 003-11 authorizing the City Manager to execute an Agreement between the City of Martinez and the IPS Group, Inc., for implementing the Parking Meter Field Trial Upgrade Project in the amount of \$7500. [T.Tucker/8.4.00]

Councilmember DeLaney asked if the trial period could be extended to six months. Mr. Tucker stated that the company prefers one- to two-month trial periods, and suggested that an update be given after three months to determine if the period would need to be extended.

Mayor Schroder opened the Item for public comment.

Rachael Ford commented on how easy it is for identity thieves to put skimmers on credit card readers in public places. Mr. Tucker noted that the different construction of the meters would make it difficult to install those. The machines would also be able to alert the City staff if they were tampered with.

Mike Alford asked if the City would be able to provide refillable debit cards for that purpose. Mr. Tucker stated that it was possible, although not easy. Councilmember Menesini also asked if gift cards with credit card logos could be used, which Mr. Tucker confirmed.

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

On motion by Michael Menesini, Councilmember, seconded by Lara DeLaney, Councilmember, to approve Resolution No. 003-11 authorizing the City Manager to execute an Agreement between the City of Martinez and the IPS Group, Inc., for implementing the Parking Meter Field Trial Upgrade Project in the amount of \$7500. Motion unanimously passed 5 - 0.

## **PUBLIC HEARING(S)**

### **CITY MANAGER**

#### 6. City Manager Comment(s)/Update(s)/Report(s).

City Manager Phil Vince reported that the City made its presentation to LAFCO for the North Pacheco Annexation. There were two protest votes which causes a 30-day waiting period; however, everything else seemed to go very well.

Councilmember DeLaney asked how the protest votes and waiting period worked. Mayor Schroder stated that two residents of the annexation area had submitted written protests, which leads to a 30-day waiting period and a protest hearing to be held at the LAFCO office. For the annexation to be stopped, 25% of the registered voters in the annexation area would need to attend the meeting to protest. He confirmed that the process applies to the Alhambra annexation as well.

### **CHIEF OF POLICE**

#### 7. Chief of Police Comment(s)/Update(s)/Report(s).

Chief Peterson expressed his appreciation to the Council for sending him to Quantico, Virginia to attend the FBI academy for 11 weeks. He complimented Captain Ghisletta for his handling of the school incident and for his leadership in his absence.

## **APPOINTMENTS TO COMMISSIONS AND/OR AGENCIES**

### **CITY COUNCIL**

#### 8. Discuss pending HUD financing for the construction of a 49 Multiple Dwelling Unit Project for Seniors (55 years of age or older), with Rents Restricted to Affordable Levels, 310 Berrellesa Street (RCD, "Berrellesa Palms"), as approved by the City Council, September 2009. [P.Vince/09.06.01.40]

Mayor Schroder gave opening remarks. He noted that this was coming before the Council again for discussion and direction because Resources for Community Development had applied for a new grant, whose terms would change the tenancy of the project.

Senior Planner Corey Simon presented staff report. The previous financing required seniors who were earning at most 50% of the median income, which meant that the residents would still have disposable income and contribute to the downtown economy. With the new financing restrictions, the residents would be required to qualify for convalescent care, and the income would be decreased to 35% of the median income. There were no proposed physical changes to the design, but there would be greater need for on-site staff, some of which could be addressed by the extra parking already included.

Councilmember Menesini asked if a copy of the grant had been provided to the City to clarify the residency restrictions, and Mr. Simon stated that would be provided once the grant agreement was completed. He also confirmed that in today's dollars the income limit would be about \$23,000/year.

Councilmember DeLaney asked if the density bonus would be affected, and Mr. Simon confirmed it would not. She asked what leeway the City had to adjust the restrictions to what the City needed. Mr. Simon stated the purpose of today's discussion was to try to enter into an agreement that would satisfy both parties.

Vice Mayor Ross asked why the requirements had changed, and Mr. Simon stated that the applicant had not qualified for the HUD financing they were originally seeking and had to apply for new financing. He indicated that the applicant would clarify more. Vice Mayor Ross confirmed that the Council would have to approve the change in usage in order for the project to go forward. He asked if a new CEQA would be required, and Mr. Simon stated it would depend on whether the new usage would be changed to independent living.

Councilmember Menesini noted that "assisted living" was not included in the uses for this area stated in the Specific Plan.

Councilmember DeLaney asked if the applicant's other funding sources were guaranteed after the State's new budget cuts. Mr. Simon indicated that the applicant would respond to that, and Councilmember DeLaney suggested that the City should confirm it as well. Councilmember Kennedy confirmed that the funds were available under Prop. 1C, if the applicant qualified for it. She also added that this project had had to compete with many other senior dwelling projects in Contra Costa County.

Councilmember Kennedy asked if the Council could take lawful action on this Item. Assistant City Attorney Veronica Nebb stated there were not enough facts yet to determine if the usage would have to be changed, which would require the applicant to re-apply for the change. Funding sources are not included in the City's conditions of approval. The City could require more affordability but not less.

Councilmember Menesini confirmed that a change in usage would require action by the City Council.

Daniel Sawislack, Executive Director for RCD, discussed how much the environment had changed for providers of affordable housing since the project had been initiated.

Lisa Motoyama, Director of Housing Development, explained that the project was still independent living and was not a licensed facility of any kind. The change was that the definition of "senior" became more restrictive. The physical design of the project remained the same. She stated they had performed a new economic benefits analysis and the project was expected to generate \$660,000 in annual consumer spending, even with the new restrictions. She also noted the economic benefits and City revenue generated by the construction process. Ms. Motoyama explained the new restrictions, noting that the income level had decreased and the minimum age had increased, and added that a doctor's note documenting a chronic condition was required. The facility would provide some assistance such as meal services for those who needed it.

Mayor Schroder asked if the facility would provide the services or put the residents in contact with other providers. He also asked about the increase in on-site staff. Ms. Motoyama stated that the facility would provide a Resident Services Coordinator, and the preliminary analysis indicated there would be no more than the equivalent of 15 full-time staff on-site every week.

Councilmember Menesini asked for a clarification of the difference between assisted and unassisted living. Ms. Motoyama clarified that the facility would provide services-enriched housing, not assisted living. Councilmember Menesini noted that up to 100% of the residents would still require in-home care. He also asked if the City would be provided a copy of the grant agreement, which Ms. Motoyama stated they had not received yet since they had just been awarded the funds. Councilmember Menesini stated that it would be extremely helpful for the Council's understanding of the changes.

Councilmember DeLaney asked how the change would impact the parking that was provided, since the guest spaces were limited.

Carolyn Bookhart, Senior Project Manager, clarified that the original proposal had estimated that 30% of the residents would be lower-income and qualify for in-home services, so the original usage had included that. The only change was that there would be more of that type of residents. She referred to a similar RCD project in Walnut Creek that was successful. The residents would be capable of independent living, but RCD would provide additional services to those who wanted them. She added that there was plenty of extra parking since the original proposal had twice as many as needed, and residents with chronic illnesses would be less likely to have cars themselves.

Councilmember Menesini stated that 100% of people with chronic illnesses was significantly different than 30%, and added that the amount of disposable income the residents would have was also significantly different. Ms. Bookhart stated that the service providers coming to and from the facility would offset that somewhat, so the updated economic impact study only showed a decrease from \$800,000 to \$660,000. Councilmember DeLaney expressed doubt that the estimates were accurate.

Vice Mayor Ross noted that any economic analysis done now would not compare favorably with an analysis done a few years ago. He added that the project had originally been seen as something to stimulate the downtown, and suggested that was needed even more now, but the new income level did not seem likely to meet that goal. He acknowledged concern for the humanitarian side, but reiterated that the project had originally been approved for its economic benefits. He added that since the facility wasn't large, the increase in residents needing services wasn't actually that great. He requested more information about whether there would be a change in use or if the project conflicted with the zoning.

Councilmember Kennedy asked for more information about the other funding. Mr. Sawislack stated there was \$2.8 million of CDBG county money in the project. He expressed concern for construction to begin soon so that the funding that was already there wouldn't be lost.

Vice Mayor Ross asked what would happen to the property if the Council decided not to approve the changes. Ms. Motoyama stated that RCD would default and the property would return to the lender, Contra Costa County. Councilmember Kennedy added that the County could develop the

site consistent with CDBG rules or sell it to another developer, and Vice Mayor Ross noted that the City would not have jurisdiction over the County's plans. Councilmember Menesini added that a private developer would have to have the City's approval.

Councilmember Kennedy noted that the Council should also consider its obligations for development of affordable housing.

Mayor Schroder noted that the Council could not take action today and would need to give direction to staff to find out what action could be taken.

Mayor Schroder opened public comment on the Item.

Mike Alford expressed concern that this was an undesirable location for people with chronic conditions, and that the change was too great from what had already been approved.

Sally Sweetser stated that she supported the original project and she supported it now, and suggested that the project would jumpstart development in the neighborhood.

Rachael Ford stated that she supported the original project but had concerns about the changes, specifically with the economic benefits. She also noted that some of those who had expected to be able to live in the facility would now be disqualified. She asked for more community outreach from RCD to discuss the changes.

Peggy Jen stated that it was important to provide affordable housing for seniors. She added that people with chronic conditions could still be active.

Harriett Burt noted that when the project had come to the Planning Commission, the Commission was assured that there would be no changes from what was being presented. She expressed concern with the changes and whether it would fit with the zoning and Specific Plan.

Kathi McLaughlin expressed concern with the economic impact and with safety, parking, traffic and environmental issues.

Beth Iselman asked what the rent would be as a percentage of the income and noted that the units were designed for two residents, which would affect parking and income.

Kristin Henderson asked why so much money had been paid for the land, and expressed concern with the economic impact and with emergency service access. Mayor Schroder also stated that for the record an email was received from Ms. Henderson.

Bill Schiltz, owner of an assisted living facility in Modesto, noted that financing for these projects is extremely difficult to get and that it is important to provide care for seniors whose children may not be able to. He also noted the difference between convalescence and chronic conditions.

Harland Strickland stated that he had been opposed to the project because of the downtown business climate, and was even more so now.

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

Ms. Motoyama stated that the rent would be 30% of the residents' income, consistent with federal standards. She stated that they had studied the environment and would provide a high-quality facility with a sustainable design. She added that there are different health-quality standards for eligibility and that not all the residents would be convalescent. She added that the project would fulfill an important need for low-income seniors.

Eric Kennecht, Director of Finance, stated that when the residents' health deteriorated so that they could no longer live independently, they would be moved to a convalescent home or nursing facility, although the services were designed so they could stay as long as possible despite aging.

Vice Mayor Ross asked about the number of employees and estimated salary ranges. Ms. Motoyama stated it would include property management staff, maintenance and janitorial, and a resident services coordinator. Mr. Kennecht stated that the resident coordinator would earn about \$50,000/year, and maintenance staff would receive \$35,000-\$40,000/year. In addition there would be about 15 outside full-time service providers.

Vice Mayor Ross asked how the changes affected the economic model of the project. Ms. Motoyama stated that the development costs would stay the same, and the operating costs would break even because the rent is subsidized. Mr. Sawislack clarified how the rent and subsidies would work.

Mayor Schroder stated that he had been supportive of the RCD proposal because their other facilities have been well-maintained. He stated that he had been concerned about the placement because of its nearness to downtown. He acknowledged concerns about the new tenancy, and suggested that staff look into the conditions of approval and the Council's power of enforcement. He stated that he still supported RCD and understood why the changes had been made, but was concerned about the economic impact.

Councilmember Menesini stated that he had supported the project initially but was bothered by the change in usage after the Council had been assured there would not be changes. His understanding was that the new usage was inconsistent with the Council's original findings. He acknowledged the need for senior-care facilities, but noted that the resident population had changed significantly from the original proposal. He agreed that the new grant would need to be studied by planning staff to see the federal requirements, and that staff would need to determine if zoning would be affected.

Vice Mayor Ross noted that he had never expected the project to be that big of an economic catalyst, but that it would fulfill a need for real estate investment. He also stated that this type of facility was in demand. He agreed there was need for more information and community outreach.

Councilmember DeLaney stated that she had opposed the project because she did not believe it was consistent with the Specific Plan, and she felt it was even less so now.

Councilmember Kennedy stated that it was the responsibility of the developer to provide affordable housing and needed services, and economic revitalization was the responsibility of the City. She noted that this would be a needed investment in the community, with no cost to the

City, at a time when there was not much development occurring, and it also met the requirements of the housing element. She expressed concern about discriminating against one type of senior as opposed to another, and objected to incorrectly calling the project an assisted living facility. She did not see a change in use, and did not believe any action was called for. She also noted that the City had made many adjustments in response to the economy.

Staff was directed to review Conditions of Approval to determine if the proposed changes to the project violate any conditions of approval, and if so, determine the City's power to enforce; and review grant guidelines and other documents relating thereto to determine whether compliance with the guidelines would constitute a change of use under the City's Zoning Ordinance or present problems relating to the findings made by the City Council in approval of the project; and to review the housing law to determine any limitations on the City's power relating thereto.

9. Council Subcommittee Reports.

10. City Council Comments.

Councilmember Janet Kennedy announced that they received a resignation of the Executive Director of the Chamber Cynthia Murdough and expressed appreciation for all the work she has performed.

Councilmember Lara DeLaney informed the Council that the County had again received word of the potential elimination of the Department of Boating and Waterways. The California Delta Chambers requested other organizations to oppose the elimination and provided a draft letter. She stated that she will be attending a Employee Relations Policy Committee meeting for the League of California Cities on January 20th; she announced two crab feed fundraisers, for the Senior Center on Jan 28, and for the Police Department on February 4th.

Vice Mayor Ross suggested that the letter of support for DBAW should go on the next agenda and not the subcommittee. He commended Corp Yard staff for the Paul Wilson benches in Main Street Plaza, and complimented Chief Peterson for his productive experience in Quantico.

Councilmember Menesini echoed Vice Mayor Ross comments on the benches. He thanked Jim Caroompas and Harriet Burt for their article on William Smith, the founder of Martinez.

Councilmember Kennedy thanked staff for the Mayors' Conference, which had received many wonderful comments from the public and from other cities.

Mayor Rob Schroder echoed Councilmember Kennedy's comments regarding the Mayors' Conference. He requested to adjourn the meeting in memory of Hulet Hornbeck.

## **ADJOURNMENT**

The meeting adjourned at 9:40 p.m. *in memory of Hulet Hornbeck* to a Regular Meeting on January 18, 2012 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, 2/1/12