

**MINUTES OF MEETING
CITY COUNCIL
SALINAS, CA**

JANUARY 13, 1998

COUNCIL MEETING: The Salinas City Council convened in regular session in the Chamber Rotunda at 4:10 p.m. the 13th day of January, 1998.

ROLL CALL Present:
Mayor Alan Styles
Councilmember Fernando Armenta
Councilmember Anna Caballero
Councilmember Jan Collins
Councilmember Steve Ish
Councilmember Roberto Ocampo
Councilmember Juan Oliverez

ALSO PRESENT City Manager Dave Mora
City Attorney James Sanchez
City Clerk Ann Camel

CONSENT RESOLUTIONS

Consent item No. 2, January 6, 1998 minutes

Councilmember Collins corrected the spelling of Steve Colbert on page 5 of the minutes to Steve Culvert.

COUNCIL ACTION

Upon motion by Councilmember Oliverez and second by Councilmember Ish, Council voted unanimously to adopt the Consent Resolution.

The Consent Resolution contained the following items:

1. Proclaimed local emergency for the rate of HIV infections from injection drug users. The City Council declared a state of local emergency on October 11, 1994 and the rate of HIV infections from injection drug users in Salinas has not decreased. Government Code Section 8630 requires the City Council to review the need for continuing the local emergency at least every fourteen days.
2. a. Approved minutes of January 6, 1998 regular session, as corrected.
3. Approved Financial Claims report.

4. Denied Claim against the City by Eunice Canchola and King Lewis. (Administrative)
5. Adopted **RESOLUTION 16414** declaring all items surplus property and authorizing their disposal for annual auction. (Finance)
6. Adopted **RESOLUTION 16415** approving award of the Abbott Street Beautification Improvements No. 9690, to Robert Bothman, Inc. in the amount of \$463,000.00. (PublicWorks)
7. Adopted **RESOLUTION 16416** awarding contract to Monterey Peninsula Engineering for the traffic signal intersection improvements at Airport/De La Torre, Project No. 9387, and Airport/Terven, Project No. 9688, for the amount of \$829,716.80, and approving a supplemental appropriation of \$119,600.00 from FAU (Federal Aid Urban) Funds. (Public Works)

CONSIDERATION

1. **Request for USDA Farm Labor Housing Grant in Support of Farm Worker Family Housing Initiative.**

Councilmember Caballero announced that she owns property within 300 feet of the subject property, and she will abstain from voting on this item. Councilmember Caballero stepped down from the dais during discussion and consideration of this item.

Robert Richelieu, Planning Manager, presented his report, which is on file in the City Clerk's Office. The project would provide between 54 and 56 farm worker housing units on this CHISPA controlled parcel in Northeast Salinas. Three exceptions to the normal grant process are required. Funds are not typically allocated to urban areas. An expansion to the definition of farm worker is being requested to include persons involved in processing. USDA projects are usually rental, and the City is requesting funds for ownership. Homes would be sold to workers at 50% to 70% of median income range. It appears they will be marketed between \$75,000 to \$85,000 and will remain affordable. The project would include a centrally located child care center. Funding for construction has not been secured, but the land cost is part of the application. The Housing Subcommittee recommends approval by the City Council. The estimated price incorporates the sweat equity.

Councilmember Ocampo stated that USDA prefers leasing, which creates a dependence on government. Homeownership creates independence. He hopes the definition of farm worker can be expanded to include managers and truck drivers for example. Perhaps the City can then convince the agriculture community to assist with the day care center, since they do prefer not to assist with housing.

Councilmember Collins asked whether the home would be designated for another farm worker family. Mr. Richelieu stated that specific details have not been refined, but there will be resale restrictions. Most likely, there will be restrictions requiring resale to another low-income farm

worker family.

Councilmember Ish stated that he has the utmost confidence in CHISPA's current leadership and the direction they are taking now. He asked that safeguards be included to ensure bricks and mortar are built.

Jim Sanchez, City Attorney, stated that the Council may include restrictions in the agreement for acquisition and funding that specific operational obligations be met. For example, if CHISPA becomes insolvent, there could be a clause that states the property comes back to the City, assuming the property has not already been resold.

Seiji Aizawa, director of Roundhill Farms Homeowners Association, asked if the surrounding properties' taxes will be lowered based on the assessed tax of the affordable units. Homes will be more difficult to sell around the area and the impact will ripple to Creekbridge. Income to the assessor's office will be reduced. The amount of students at John Steinbeck School will be impacted. With the mandated reduction of classes, he questioned where the students would be placed.

Hugh Bikle, Thrust IV President, stated that money should be pooled by government to build this type of housing. The real estate community is capable of differentiating between the farm worker housing and surrounding development. There is no economic detriment from this project, as long as 5,000 units are not being built in one location. John Steinbeck is filling up very quickly, but another school will be completed by this fall. Creekbridge, Arcadia, and Round Hill Farms will not supply enough children for these two schools.

Alfred Diaz Infante, Interim President of CHISPA, stated that CHISPA wants to promote the self-help program. They are using materials that are as good or better than private developers' with the cost savings from the sweat equity. Families are building more than just their own homes; they are building their entire community.

Juan Martinez, Hartnell College Board of Trustees, spoke in support of the partnerships which can be modeled outside of Salinas. Training will be provided by Hartnell and CHISPA to assist the homeowners in building and maintaining their homes, and maintaining the quality of the community.

COUNCIL ACTION

Councilmember Oliverez made a motion to adopt RESOLUTION 16417 to a) authorize Mayor to execute documents associated with the filing of a Request for Federal Assistance to the U.S. Department of Agriculture in support of the Farm Workers Family Housing Initiative; b) acknowledge partnerships established with Monterey County, CHISPA, and Hartnell College to develop the project at 950 Nantucket Boulevard; and c) direct staff to seek additional partnerships for the development of the child care facility within the project. The motion was seconded by Councilmember Ocampo and passed. AYES: Councilmembers Armenta, Collins, Ish, Ocampo, Oliverez, and Mayor Styles. ABSTAIN: Councilmember Caballero.

PUBLIC HEARING

1. California Statewide Community Development Authority Multifamily Housing Revenue Bonds.

Councilmember Caballero announced that she owns property within 300 feet of Steinbeck Commons, and she will abstain from voting on this item.

Councilmember Armenta announced that he owns property within 2,500 feet of the Creekbridge Court project, and he will abstain from voting on this item.

Tom Kever, Accounting Officer, stated that California Statewide Communities Development Authority is a joint powers authority whose purpose it is to issue bonds on behalf of California cities and counties. The projects will produce affordable housing in keeping with Council's goals.

In response to Councilmember Armenta, Paul Garcia, Steinbeck Commons, stated that there is substantial rehabilitation planned for the facility, and the proposal is designed to maintain 100% affordability. The owner operates the complex under the Section 8 guidelines.

In response to Councilmember Collins, Mr. Sanchez stated land use approvals are separate and apart from Council's action this evening. Councilmember Collins stated that she has serious concerns regarding the Bay Apartments, including ingress and egress and school impacts. She is concerned about proceeding with the financing.

Councilmember Ish inquired about the point at which staff meets with the School District. The developer is going through an expense, and 95 units in this area will have a tremendous impact on Laurelwood School, which is at capacity. He would not like to see the developer spend funds if there are mitigations the developer is unaware of.

Mr. Mora stated that no specific proposal has been received by the City. The current zoning is "R-M-3.6." A proposal that meets the zoning requirements would proceed through the site plan review process, without Council approval. Staff can notify Laurelwood that a financing plan has been submitted. However, no conceptual development plans have been submitted yet.

Ms. Geiger stated that if it is an allowed or permitted use, the project would go to Site Plan Review and Council would not see it unless the developer makes a proposal that requires discretionary approval.

Councilmember Collins stated the solution could be senior housing, which would not impact the schools. As it stands tonight, she is not prepared to pass this.

Mr. Kever stated that the resolutions must be adopted by January 15.

Mr. Mora stated that the financing is independent of the land use issue. Not approving the financing does not preclude the developer from submitting an application for a site plan review that would not be reviewed by Council. Absent a request for rezoning, the developer can come in and ask for something that is consistent with the General Plan.

Dwight Long, developer for Bay Apartments, stated that the project will not be feasible as affordable housing without the financing.

The Mayor opened the public hearing. No written communication was received.

Mary Ann Worden asked when the property was changed from commercial to residential. When this came before the Traffic and Transportation Commission, all the land was to be commercial. Boronda School will be impacted, and where will the parks and schools be put in.

Ms. Geiger responded that the zoning is consistent with the General Plan which was adopted in 1988.

Janet Barnes, 142 Del Mar Drive, on behalf of the School District, expressed a hope that a stipulation would be imposed regarding impacts on schools.

Mike Schulte, Bay Development principal, stated that if Council wishes them to commit to meeting with the schools, they will. They plan to meet with the neighborhood, Council, and staff on the project development. They cannot bring a financing equity partner into the project without the approval for the TEFRA hearing. There will still be discussions regarding environmental concerns and the number of units, and this does not go beyond the financing. The proposal is that, if they can meet all of the community's, Council's and School District's concerns, then the project will be dedicated to low income.

In response to Councilmember Caballero, Mr. Shulte stated they have not determined the density yet. The financing application is for 95 units on an eight-acre site. They have met with Planning, and the staff pointed them in the direction of this site. They have discussed anywhere between 60 to 120 units. There is a point where the developer cannot build it because there is not enough income, or they cannot build because it becomes too dense. The developer believes the median range will be 110 to 120 units, which is approximately 15 to 16 units per acres. He does not see it going over 120 units.

Councilmember Caballero stated that the difficulty is that the property is zoned at a density that the Council may not approve today based on what has occurred on the east side of Davis. They are concerned with the impacts on the school sites. Right now, the developer would not have to come before Council if building at the approved density. However, Councilmembers want to review the project, and they are concerned that the developer does not have to have discussions with the School District.

Ms. Geiger stated that this is a medium density zoning, and it goes to 15 units per acre

maximum.

Hugh Bikle, Thrust IV President, stated their proposal is part of Creekbridge, and it is the first apartment complex. The site was planned as an apartment complex, and the development agreement calls for the City and developer to partnership. It is on the south side of Constitution Boulevard, between Constitution and the new golf course. Below it is the community park. If you are going to build higher density, you need to surround it with open space. They are partnering with a group from Fresno, an affordable development housing corporation to construct it. Creekbridge will operate the development to ensure it is run right.

Peter Hersog, Affordable Housing Development Corporation, is proposing 80% market rate and 20% affordable units.. The City Council would not be authorizing the financing, but is stating that the developer can use this vehicle.

Ms. Geiger stated that the Thrust IV project is subject to the development agreement, that would require either a Planned Unit Development (PUD) or Planned Community (PC) district discretionary approval.

Mayor Styles noted that this is time sensitive for this funding cycle. However, another pool of funds will be available in March, 1998, which may allow Council to be able to see something more concrete as far as the proposal goes.

Mr. Schulte stated that Mayor Styles is correct regarding the second pool of funds. The competition for the taxes and financing creates a 50% chance for funding. The timing in the land purchase options creates concerns because it is quite a bit of money before that, if they stay in the project at all.

Councilmember Armenta stated that he is also concerned regarding the schools, but people are trying to play by the rules. He does not want to make a decision assuming that the impacts are not going to be mitigated. If impacts are not mitigated, they will not receive approval, so there is some assurance.

Councilmember Oliverez stated that not supporting the proposal does not mean that the project cannot happen. He would like to support the affordability, and he welcomes the opportunity to make this something the community can be proud of.

Councilmember Ocampo stated his district members perceive that a great percentage of the affordable housing is developed in East and Northeast Salinas. His constituents would like to see affordability developed throughout the City. He is concerned regarding the density, but he will support approval.

Councilmember Ish stated that the City is seeking partnerships with the School Districts. The Districts are concerned with overcrowding. Education is one of the highest priorities, and the community is having difficulty in passing school bonds that are going to meet the community's needs. The Council does not have control over the project. He will not support approval of

Davis Road and Larkin. Creekbridge Court is different. Class size should be 20 to 1 all the way through high school. He will not participate in overcrowding of schools. He has queried the Districts many times for challenging development after the fact. The District does not know anything about this. If he participated in making a mistake, he wants to go back and correct it.

Councilmember Oliverez stated that he would like to see more schools, but so much comes from the State. Stopping growth in Salinas does not have much impact, because so much depends on the State's budget for schools.

Mayor Styles stated that he will not support this because the Council does not have enough control over the project. He believes quality of life is important, and the educational facilities should accompany development. He would like the opportunity to see what the project is before the second round of funding.

Councilmember Armenta stated he is not talking about control but about mitigated impacts. The Council may not have control, but the developer has to follow a process that would include mitigations.

Councilmember Oliverez stated that it is important to keep in mind the community perception that low-income housing will not be developed in West and South Salinas. The City Council should change the policy if there are concerns. He has faith in staff to ensure developers meet the requirement, and there is a structure in place to ensure quality of life. He is concerned whether it is reality or perception that this project will exacerbate the school situation. If the citizens value education, voters would pass bonds for school construction.

Councilmember Ish stated he supports affordable housing being developed throughout Salinas. He is raising the issue simply based on education, and he does not oppose developing affordable housing in South Salinas.

Councilmember Collins noted that the Housing Authority has 120 affordable units in the Rossi-Rico area, and Mr. Harrod is putting in affordable housing in the same area. There is other affordable housing in this area, and she supports affordable housing throughout Salinas.

Mayor Styles stated that at one time, all the affordable housing was developed in East Salinas. Every member of this Council has wholeheartedly supported affordable housing. His concern is that the same situation will be created elsewhere if they do not look at it.

Mr. Bikle stated that his property is zoned unclassified, and the PC regulations have not been developed at this site. Ms. Geiger stated it is subject to the PC or the PUD process, and it will come before the City Council.

COUNCIL ACTION

Councilmember Oliverez made a motion to approve the RESOLUTION authorizing that California Statewide Community Development Authority to issue \$7.5 million for Salinas Bay Apartments. The motion was seconded by Councilmember Armenta and failed. AYES: Councilmembers Armenta, Ocampo, and Oliverez. NOES: Councilmembers Caballero, Collins, Ish, and Mayor Styles.

Councilmember Caballero made a motion to adopt RESOLUTION 16418 approving issuance of \$3.2 million for Steinbeck Commons. The motion was seconded by Councilmember Ish and passed. AYES: Councilmembers Armenta, Collins, Ish, Ocampo, Oliverez, and Mayor Styles. ABSTAIN: Councilmember Caballero.

Councilmember Caballero made a motion to adopt RESOLUTION 16419 approving the issuance of \$23 million for Creekbridge Court. The motion was seconded by Councilmember Collins and passed. AYES: Councilmembers Caballero, Collins, Ish, Ocampo, and Mayor Styles. ABSTAIN: Councilmembers Armenta and Oliverez.

COUNCILMEMBER REPORTS

Councilmember Ish asked for a comprehensive report on the history of the Vista Nueva development. Mr. Mora stated a report will return within 60 days. Councilmembers Armenta and Oliverez supported the request.

Mayor Styles announced that the Salinas Council will meet in closed session pursuant to Government Code Section 54956.9, Subdivision (c) Conference with Legal Council to decide whether to initiate litigation against Harrod Homes.

Mayor Styles announced that the Salinas Council will meet in closed session pursuant to Government Code Section 54957, Public Employee Performance Evaluation for City Manager.

ADJOURNMENT- The City Council adjourned to closed session at 6 p.m.

APPROVED:

ATTEST:

Mayor

City Clerk

January 13, 1998