

## CITY COUNCIL MINUTES

**August 11, 2008**

Mayor Cannella called the City Council meeting to order at 7:00 p.m. with the following in attendance:

**ROLL CALL** Council Members Durossette, Lane, Ochoa, Vierra, Mayor Cannella

**INVOCATION** by Pastor Dave Broyles, Ceres Christian Church.

**PLEDGE OF ALLEGIANCE** to the flag led by Mayor Cannella.

**APPROVAL OF THE MINUTES** of the regular meetings of June 23, and July 28, 2008.

**MOTION:** Approve the minutes of the regular meeting of June 23, 2008.

**MOVED:** Moved by Vierra/seconded by Durossette

**VOTE:** **Motion passed unanimously. (5/0)**

**MOTION:** Approve the minutes of the regular meeting of July 28, 2008.

**MOVED:** Moved by Lane/seconded by Vierra

**VOTE:** **Motion passed with Mayor Cannella abstaining. (4/0/1)**

### CITIZEN COMMUNICATIONS

- Len Shepherd, resident, was critical of the City Council with regard to City Ordinances.
- Steve Breckenridge, resident, requested a report regarding water usage.

*Mayor Cannella directed Phil Scott, Public Works Director, to provide Mr. Breckenridge the information he requested.*

### APPROVAL OF AGENDA AS POSTED (OR AMENDED) AND CERTIFICATION OF POSTING

**MOTION:** Approve the agenda as posted and certification of posting

**MOVED:** Moved by Lane/seconded by Vierra

**VOTE:** **Motion passed unanimously. (5/0)**

### APPOINTMENTS TO BOARDS/COMMISSIONS

- A. **Resolution No. 2008-107** approving the revised composition of the Disaster Council, appointing one elected official to serve on the Council and appointing the Deputy Fire Chief to represent the City on the Operational Area.

**MOTION:** approve **Resolution No. 2008-107** approving the revised composition of the Disaster Council, appointing Mayor Cannella to serve on the Council and appointing the Deputy Fire Chief to represent the City on the Operational Area.

**MOVED:** Moved by Vierra/seconded by Ochoa

**VOTE:** **Motion passed unanimously. (5/0)**

**CONFLICT OF INTEREST DECLARATION** - none

**CONSENT CALENDAR**

1. General Correspondence – **Information Only**
  - a. Administrative Services Monthly Report for June, 2008.
  - b. Building Department Monthly Report for July, 2008.
2. Register of Audited Demands for period covering July 22 – 25, 2008.
3. **Resolution No. 2008-108** accepting the Crows Landing Well Drilling Project as complete, approving the Contract Change Order, authorizing the filing of the Notice of Completion and amending the FY 2008/09 Budget to appropriate funds. **Pulled for further discussion.**
4. Open public review period and set Public Hearing date of September 8, 2008, for review and approval of the Consolidated Annual Performance and Evaluation Report (CAPER) relating to its FY 2007/2008 Community Development Block Grant and Emergency Shelter Grant.
5. **Resolution No. 2008-109** supporting the Ceres Unified School District Student Safety Vocational Education and Classroom Repair Measure. **Pulled for further discussion.**

MOTION: approve Consent Calendar items 1a, 1b, 2 and 4 as recommended by staff.

MOVED: Moved by Vierra/seconded by Durossette

**VOTE: Motion passed unanimously. (5/0)**

**CONSIDERATION OF ITEM(S) REMOVED FROM THE CONSENT CALENDAR**

3. **Resolution No. 2008-108** accepting the Crows Landing Well Drilling Project as complete approving the Contract Change Order, authorizing the filing of the Notice of Completion and amending the FY 2008/09 Budget to appropriate funds.

MOTION: approve **Resolution No. 2008-108** accepting the Crows Landing Well Drilling Project as complete, approving the Contract Change Order, authorizing the filing of the Notice of Completion and amending the FY 2008/09 Budget to appropriate funds.

MOVED: Moved by Vierra/seconded by Ochoa

**VOTE: Motion passed unanimously. (5/0)**

4. Resolution No. 2008-109 supporting the Ceres Unified School District Student Safety Vocational Education and Classroom Repair Measure.

Steve Breckenridge, resident, asked what would be the collection mechanism for the tax and who would have the opportunity to vote for it.

Dr. Walt Hanline, Ceres Unified School District Superintendent, responded that the measure requires a 55% approval rating and all registered voters will have the opportunity to vote on the tax. The tax, if approved, will appear on the property tax rolls.

MOTION: approve **Resolution No. 2008-109** supporting the Ceres Unified School District Student Safety Vocational Education and Classroom Repair Measure.

MOVED: Moved by Durossette/seconded by Lane

**VOTE: Motion passed unanimously. (5/0)**

Betty Davis, representing the CUSD School Board thanked Council for their support.

**UNFINISHED BUSINESS - None****PUBLIC HEARING**

6. Public Hearing – approve **Resolution No. 2008-110** authorizing the City to enter into a Joint Exercise of Powers Agreement with the California Statewide Communities Development Authority (CSCDA) to allow the City to participate in the Economic Development Financing Programs offered through the authority; hold Host Jurisdiction Public Hearing regarding the issuance of Tax Exempt “Private Activity Bonds” pursuant to Section 147(f) of the Internal Revenue Code.

Bryan Briggs, Redevelopment/Economic Development Manager, introduced the item stating that Intercontinental Affordable Housing, Inc., (applicant) has entered into a purchase agreement with Willow Apartments to purchase Casa Grande Apartments, located at 3100 East Whitmore Avenue. The applicant is proposing to rehabilitate the existing units, and construct 36 new affordable units. One of the financing sources the applicant is applying for are tax-exempt private activity bonds from California Statewide Community Development Authority (CSCDA). Intercontinental Affordable Housing will be solely obligated for the repayment of the tax-exempt revenue bonds. The City does not have any financial liability or obligations with respect to the repayment of the bonds. The applicant was asked by Redevelopment Agency staff to pursue all available funding sources prior to seeking Agency funding assistance. This application for revenue bonds will bring approximately 50% of the total project costs, if approved for the full request, which will reduce the amount of “gap financing” the applicant will be seeking from the Redevelopment Agency. In order to issue the tax-exempt revenue bonds, a public hearing is required.

Jay Samuel, representing Intercontinental Affordable Housing, addressed Council stating that the Casa Grande multi-family apartment complex was constructed in 1971. The apartment complex consists of 100 affordable family apartment units located within 14 two-story buildings. This project is experiencing considerable deferred maintenance and is in need of modern upgrades. The existing HUD Financing for the project has reached the end and the existing owner wanted to opt out of the project so Intercontinental Affordable Housing approached the owner to discuss trying to maintain the affordability of the project. Intercontinental Housing has approached HUD regarding a 20-year contract to keep the subsidized portion from HUD so that the tenants only have to pay 30% of their income.

Mayor Cannella commented that the Redevelopment Agency has not voted as a body to contribute to this project, and if the Council approves this item tonight it in no way guarantees that the Redevelopment Agency will approve the project.

Mr. Samuel responded that he understood.

7:34 Public Hearing was opened.

Steve Breckenridge, resident, asked who would be subsidizing the remainder of the rents.

Mr. Briggs responded that the additional the rents would be subsidized by the Federal Government.

7:35 p.m. Public Hearing was closed.

**MOTION: Resolution No. 2008-110** authorizing the City to enter into a Joint Exercise of Powers Agreement with the California Statewide Communities Development Authority (CSCDA) to allow the City to participate in the Economic Development Financing Programs offered through the authority; hold Host Jurisdiction Public Hearing regarding the issuance of Tax Exempt "Private Activity Bonds" pursuant to Section 147(f) of the Internal Revenue Code.

**MOVED:** Moved by Lane/seconded by Durossette

**VOTE: Motion passed unanimously. (5/0)**

7. Public Hearing to consider a proposal to change the General Plan Land Use Designation from Community (CC) and Low Density Residential (LDR) to High Density Residential (HDR) and a rezoning to change the zoning designation from Community Commercial (C-2) and Single Family Residential (R-1) to Medium-High Density Multiple Family Residential (R-4) to allow for the development of a 48-Unit apartment complex located at 1448 E. Whitmore Avenue.
  - a. **Resolution No. 2008-\_\_\_\_\_** adopting a Mitigated Negative Declaration for the Project.
  - b. **Resolution No. 2008-\_\_\_\_\_** approving the General Plan Amendment (GPA 08-04) to change the General Plan Land Use Designation from Community Commercial (CC) and Low Density Residential (LDR) to High Density Residential (HDR).
  - c. **Ordinance No. 2008-\_\_\_\_\_** approving a Rezone to change the zoning designation from Community Commercial (C-2) and Sing-Family Residential (R-1) to Medium High Density Multiple-Family Residential (R-4) at 1448 E. Whitmore Ave., Application Number RZ 08-03.

Barry Siebe, Planning Manager introduced the item briefly introduced the item. The Planning Commission is recommending the General Plan Amendment and Rezone based on the following:

- The current split zoning of the site places limitation on the viability of projects for either of these zones as the mixture of R-1 Single Family to the South with C-2 Commercial on the north would create minimal parcel sizes for these uses individually.
- The site is located within a vicinity of the City where the availability of multi-family housing is limited.
- The City is only at 53% of its Regional Housing Needs Allocations (RHNA) as outlined in the City's General Plan Housing Element.
- The proposal establishes an appropriate housing density consistent with the General Plan.

Mayor Cannella asked if the applicant has confirmed that this will be an affordable housing project.

Mr. Siebe responded that he believes that the applicant is attempting to apply to the City for redevelopment funds.

7:39 p.m. Public Hearing was opened.

Mike Kelly, Pacific Companies, Applicant, addressed Council giving a brief overview of his company and various projects they have developed. He further stated that in order to move forward with the project, he would need to enter into a financing partnership with the Redevelopment Agency for approximately \$4.3 million

Those speaking in opposition to the rezone at this location:

- Kathleen Casey, resident and business owner.
- James Casey, resident and business owner.
- Mildred Vine, resident and business owner.
- Becky Barton Nicholes, resident and business owner.

Mr. Kelly, urged Council support for his project.

8:06 p.m. Public Hearing was closed.

Mayor Cannella asked if the Redevelopment Agency had any money available.

Bryan Briggs, Redevelopment/Economic Development Manager responded that the applicant has stated that their project would require \$4.3 million in Redevelopment Agency Funds. The current reserve for 20% set-aside is \$3.4 million.

Mayor Canella reiterated that not only are there are insufficient funds for Mr. Kelly's request, there are also other applicants requesting those funds.

Mr. Briggs responded that there are currently three requests for funding currently in front of staff.

Councilmember Durossette commented that he did not feel this was a good location for a multifamily housing unit.

Vice-Mayor Vierra stated that while this looks like a very nice project, he does not feel this was the right location for it.

Councilmember Lane concurred with Councilmember Durossette and Vice-Mayor Vierra.

After further Council discussion, the following motion was made:

**MOTION: To deny the requested General Plan Amendment and the requested rezone.**

**MOVED:** Moved by Durossette/seconded by Lane

**VOTE: Motion passed with Councilmember Ochoa abstaining. (4/0/1)**

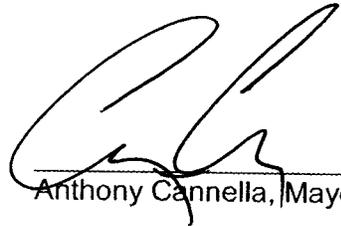
**NEW BUSINESS** - None

**COUNCILMEMBER REFERRALS** - None

**REPORTS**

City Council and Staff reported on various activities including the National Night Out event that was held on August 5, 2008.

There being no further business, Mayor Cannella adjourned the meeting at 8:21 p.m. to the City Council Study Session will be held on August 21, 2008 at



Anthony Cannella, Mayor

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Cindy Heidorn, CMC, City Clerk