

MINUTES OF THE DAVIS CITY COUNCIL
Meeting of March 26, 2013

The City Council of the City of Davis met in regular session beginning at 5:30 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Mayor Joe Krovoza.

Roll Call: Councilmembers Present: Lucas Frerichs, Joe Krovoza, Brett Lee, Rochelle Swanson

Councilmembers Absent: Dan Wolk

Other Officers Present: City Manager Steve Pinkerton, City Attorney Harriet Steiner, City Clerk Zoe Mirabile

Approval of Agenda R. Swanson moved, seconded by L. Frerichs, to approve the agenda. Motion passed by the following vote:
AYES: Frerichs, Lee, Swanson, Krovoza
NOES: None
ABSENT: Wolk

Closed Session City Council convened a closed session pursuant to Government Code §54954.5 for a Conference with Labor Negotiators.
Agency Designated Representatives: City Manager Steve Pinkerton; Assistant City Manager/Administrative Services Director Yvonne Quiring; City Attorney Harriet Steiner; Human Resources Administrator Melissa Chaney; Tim Yeung, Renne Sloan Holtzman Sakai, LLP
Employee Groups/Organizations (under discussion): Davis City Employees Association and Firefighters Local 3494
City Council returned to open session at 6:00 p.m. with no reportable action.

Workshop: Debt Financing for the Surface Water Project – An Overview Mark Northcross: Information presented included the following: Debt structure choices; Costs: interest expense is primary, compensation to bond traders, attorneys, consultants, etc.; Credit strength factors for bond investors; Credit evaluation for water revenue bonds: delinquency management, mandated demand reductions, cost overruns on a major project; Funding options for the surface water project; Bond covenants; Financing plan choices. Next steps: financing plan, master authorization for bonds sufficient to fund surface water project, issuance of first series of bonds and disclosure document/official statement.

Public comment:

- Matt Williams: El Macero residents are interested in paying off capital associated with their amount of capacity; if infrastructure bond is part of parcel tax, can be tax deductible.

By consensus, Council requested staff provide analysis of potential income tax deductions derived from parcel taxes for pro rata share of capital cost of surface water project.

Ceremonial Presentation

R. Swanson presented Proclamation Honoring techDAVIS for the Newly Established Public-Private Partnership to Enhance Connections Between the City and the Technology Industry to David Morris. City Council welcomed Chief Innovation Officer Rob White.

Will Arnold, on behalf of Senator Lois Wolk, offered a thank you and a welcome to Rob for taking on responsibility. Presented a Senatorial Certificate honoring techDAVIS in creating public private partnership. Thanks to everyone involved in techDAVIS.

Council recessed at 6:47 p.m. for a reception and reconvened at 7:09 p.m.

City Manager Brief Communications

S. Pinkerton: Annual Cesar Chavez celebration in Central Park on March 30. Davis Community Meals successful in receiving grant for assistance with transitional housing from HUD; also received \$47,000 in housing grants; city assists in making competitive and in oversight administration.

Public Comments

- Joe Sherman: Difficult to find gainful employment.
- Chris Granger, Cool Davis: Encourage Council and public to read and consider the impacts of the 2010 Greenhouse Gas Inventory.
- Ken Wallace and Richard Kennedy, Yolo County Health Council: Urge Council to adopt community water fluoridation.
- Kemble Pope, Davis Chamber of Commerce: Chamber supports city analyzing how to meet affordable housing needs in today's economic climate.

Consent Calendar

Grant Application – Downtown Streetscape Visioning Process
Approved Resolution 13-032 Authorizing Application to the California Department of Transportation and Authorizing City Manager to Execute Agreement for the Envision Downtown Davis Planning Grant

Special Agreements Setting Fees for Industrial Users of the City's Wastewater Treatment Plant

1. Approved Resolution 13-033 Approving Special Contract Fees for Industrial Users of the City's Wastewater Treatment Plant and Authorizing the Public Works Director to Execute the Agreement, setting appropriate industrial sewer fees based on characteristics of the industrial waste discharged or the level of use of the City's system
2. Directed staff to adjust the fees set by special agreement to account for future increases in the standard industrial sewer rates as set forth in the City's Municipal Code

Second Reading: Ordinance Amending Chapter 39 of the Davis Municipal Code Related to Water Rates
Adopted (Introduced 03/19/2013)

Second Reading: Ordinance Adding Section 39.03.055 to Chapter 39 of the Davis Municipal Code to Establish a Lifeline Water Utility Rate Program for Qualifying Households
Adopted (Introduced 03/19/2013)

Second Reading: Ordinance Amending Section 40.26.150 and Section 40.10.010 of the Davis Municipal Code Regarding Home Occupation Uses
Adopted (Introduced 03/19/2013)

Development Impact Fee Annual AB1600 Report
Received and accepted the Report prepared for public and City Council review pursuant to the requirements of Government Code Section 66006

City Council Minutes from the Meetings of July 10, August 21 and September 11, 2012
Approved

Commission Minutes (actionable recommendations):

1. Civic Arts Commission Meeting of February 11, 2013
 - A. Received Civic Arts Commission action item from February 11, 2013.
 - B. Accepted the gift of the Compassion Corner Earthbench as a piece of public art to be added into the City inventory.
 - C. Approved Resolution 13-034 Authorizing the City Manager to Enter into Agreement with Pacific Bell Telephone Company for Placement of the Compassion Corner Earthbench on Pacific Bell Property.
2. Recreation and Park Commission Meetings of October 18, 2012, and January 17 and February 21, 2013:
 - A. Received minutes as informational
 - B. October 18, 2012: Confirmed recommended appointment of Ira Bray as the primary inter-commission liaison, and Cecilia Escamilla-Greenwald as alternate liaison, to the Finance and Budget Commission through the 2013 calendar year.
 - C. January 17, 2013: (1) Approve Commission recommendation to appoint Travie Westlund as Chair and Ira Bray as Vice Chair for the 2013 calendar year. (2) Approve the 2013 Commission Work Plan
 - D. February 21, 2013: Approve Commission recommendation to approve the project concept and Redwood Park location for the Warm Remembrance Family Play Area, so that private fundraising and design efforts can begin. When sufficient funds have been raised and appropriate input has been received, direct staff to return to the Commission with the specific project design and name.

Commission Minutes:

1. Historical Resources Management Commission Meeting of February 25, 2013
 2. Recreation and Park Commission Meeting of January 31, 2013
 3. Social Services Commission Meeting of February 25 and March 4, 2013
- Informational

R. Swanson moved, seconded by L. Frerichs, to approve the consent calendar as listed above. Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

Removed from
Consent Calendar:

Item removed by L. Frerichs.

Community Services Supervisor Carrie Dyer: Update on forum held February 19; follow up meetings scheduled.

Cultural Arts and
Entertainment
Forum Update

Community Development & Sustainability Director Ken Hiatt: Current operating model is not ideal; intent is to build more formal partnership to allow facilitation and involve entire community.

L. Frerichs moved, seconded by R. Swanson, to receive the report as informational. Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

2012 Community
Greenhouse
Gas (GHG)
Emissions Inventory
Update

Item removed by R. Swanson.

Sustainability Program Manager Mitch Sears: Climate Action and Adaptation Plan requires GHG update every 5 years. Generally speaking, city is doing better in energy usage than it was in 2006-7, but transportation sector comes in as higher percentage of GHG inventory. Staff will return in May to provide on update on the Climate Action Plan.

R. Swanson moved, seconded by L. Frerichs, to receive the Davis GHG Inventory Update. Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

Final Engineering and Construction of the Surface Water Project Facilities

Item removed by J. Krovoza.

General Manager Utilities, Development and Operations Herb Niederberger: Revised resolution incorporates the city cost share of \$114 million.

J. Krovoza moved, seconded by L. Frerichs, to approve Resolution 13-035 Authorizing Woodland-Davis Clean Water Agency to Proceed with Final Engineering and Construction of the Surface Water Project Facilities, as amended. Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

Presentation – Yolo-Solano Air Quality Management District

Mat Ehrhardt, Air Pollution Control Officer/Executive Director: Yolo-Solano Air Quality Management District activities during 2012 to protect the area’s clean air and plans for 2013.

J. Krovoza: Request staff work with YSAQMD on Safe Routes to Schools grant, collaborate regarding matching funds.

Public Hearing: Amendment to the Resale of Property Ordinance and Elimination of the Resale Exemption Fee

Chief Building Official Greg Mahoney: City has provided resale inspection services for quite some time. Proposed revisions will ensure that all properties will have to go through resale inspection process, no provision for exemptions.

Mayor Krovoza opened the public hearing.

Dave Taormino, Coldwell Banker: Exemption has been problematic for realtors, support elimination; concern is that there will be more inspections and City may not be able to provide in timely manner.

Mayor Krovoza closed the public hearing.

B. Lee: Suggest investigate possibility in future of charging more fees for inspections moving ahead in line.

R Swanson moved, seconded by J Krovoza, as follows:

1. Introduce Ordinance Repealing in its Entirety Article 8.10 of the Davis Municipal Code Relating to Resale of Property and Reenacting Article 8.10
2. Approve Resolution 13-036 – Approving Changes to Certain Fees and Charges for the Provision of Services Included in the Master Fee Schedule for the Community Development and Sustainability Department.

Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

Public Hearing: Mayor Krovoza opened and continued the following public hearing to April 23, 2013: STEAC / 504 and 512 Fifth Street – Appeal of Planning Application #12-47, Administrative Design Review #13-14 for New Modular Building

Council recessed at 8:15 p.m. and reconvened at 8:21 p.m.

Proposed Revisions to Inclusionary Affordable Housing Requirements
Community Development Administrator Katherine Hess: Proposed changes to Inclusionary Affordable Housing Ordinance to encourage infill and a broad range of housing types. Strategy focuses on very low income category; would be prudent to develop performance standards/limitations if Accessory Dwelling Units included. Need to incentivize developers if intend to use in lieu fees to help pay for low income rental units. Request land dedication be retained as for sale option, case by case basis.

Social Services Superintendent Danielle Foster: History of affordable housing approved since 1987 in subdivisions and infill projects.

Public comments:

- Dave Taormino: Should opt for simplest way to set fees; encourage Council to provide flexibility.
- Bill Streng: Consider accumulation of fees charged per house.
- Don Fouts, Chiles Ranch: Encourage city to move along as timely as possible; percentage of affordable housing should be lower if developers are constructing small lot subdivisions. Support inclusion of ADUs, create economic mix inside of projects.

Council comments included:

R Swanson:

- Land dedication—need criteria for sufficient size.
- In lieu fees—uncomfortable with discretionary review for in lieu fees, should have criteria.
- Suggest staff consider exemption for 4 or fewer units. Support exemption for stacked flats and vertical.
- Where possible, be cognizant of concentration. Disburse units throughout community.
- Encourage non profits. Get tax credits.
- Would like Planning Commission to evaluate a per house fee.

B. Lee:

- Interested in seeing information about accumulation of fees.
- Not comfortable with complete exemption when looking at 4 or fewer units. Consider nominal amount.
- Troubled by fact that developers are wanting to build and waiting for revisions to occur. Request check-in within 1 year to make possible changes.
- Consider single family, 2% requirement of \$50,000; required to provide

\$1,000 toward city's affordability program.

L. Frerichs:

- Should be definition of small rental developments.
- Support focus on very low income.
- In lieu fees—support examination of accumulation of fees.
- Support keeping land dedication option. Criteria doesn't necessarily have to follow current. Should not be vague language.
- Should look at land dedication sites currently vacant. Might want to consider working on entitlements for properties so that they are more enticing to developers.
- Not excited about ADUs Full credit not acceptable; would consider 50% credit. Concern that resources not available to provide monitoring on larger scale.
- Still have other affordable housing issues to consider further—GAMAT properties, down payment assistance, two vacant land dedication sites.

J. Krovoza:

- Signal that this is strong community value. Want to move toward performance based regulations. Not prescriptive.
- In order for Subdivision to be completed, land dedication site must also be completed.
- 50% credit for ADU is good place to start; be cautious of just providing undergraduate housing.
- Support idea of small, fair percentage on every unit to contribute to affordable program.

Swanson moved, seconded by L. Frerichs, to incorporate Council comments above, and direct the Planning Commission to hold a public hearing on changes to the City's Inclusionary Affordable Housing Ordinance and Housing Element Policies, including changes that would:

1. Focus on rental housing for very-low income households (households with gross annual incomes up to the \$27,000 to \$40,000 range, for one to four person households), as those with the greatest housing need not being met by the market
2. Provide a graduated scale for for-sale inclusionary obligations that is more compatible with the City's planning policies to promote infill and a greater variety of housing types, ranging from 25% for lots exceeding 5,000 square feet to 0% for stacked-flat condominiums or small rental developments
3. Provide a credit for Accessory Dwelling Units toward inclusionary requirements on a 50% basis, with no more than 50% of a project's obligation to be met by ADUs and with any qualifying ADUs to subject to compliance with standards for promoting leasability of the unit
4. Offer the ability for any project to pay fees in-lieu of providing affordable housing on a discretionary basis. Current fee to be in the range of \$50,000-\$55,000 (equivalent to midpoint between the market "gap" for for-sale af-

- fordable housing, and the average cost to subsidize an affordable rental unit)
5. Retain the land dedication option for developments of sufficient size to generate a developable parcel, to be evaluated at the time of project entitlement.

Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

Wastewater Treatment Plant Improvement Project (CIP No. 8219) – Consideration of Investigation of Regionalization

Senior Civil Engineer Michael Lindquist: Summarized analysis of local and regional alternatives including net present value, governance, wetlands, location, re-use, facility reliability, and future capital improvements.

Public comment:

- Brent Meyer: City Engineer in Woodland, resident of Davis; support regionalization; obvious conflict of interest in staff discussing regionalization, should only be executive level staff in each city.

L. Frerichs moved, seconded by B. Lee. to identify the Local Alternative as the preferred alternative. Staff to continue developing the Local Alternative's design-build procurement documents, maintaining the pace to meet the 2017 deadline, and to re-bid the Rehabilitation and Replacement Project.

B. Lee proposed a friendly amendment to direct staff to check in with UCD regarding a joint plant. Accepted by mover.

L. Frerichs: Staff to still pursue conversation with Regional Board regarding NPDES permit timelines.

Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson

NOES: Krovoza

ABSENT: Wolk

Council recessed at 10:30 p.m. and reconvened at 10:37 p.m.

City Commissions

Deputy City Manager Kelly Stachowicz: Overview of commissions and issues related to commission structure.

R Swanson moved, seconded by L Frerichs, to direct staff to review current commissions and ensure that Statement of Economic Interests financial reporting requirements are what is required by state law.

City Attorney Harriet Steiner: Staff will return with a list of filing requirements for commissions.

J. Krovoza proposed a friendly amendment to provide advice on potential appropriate replacement for Statement of Economic Interests. Accepted by mover and second.

Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

J. Krovoza moved, seconded by R Swanson, to appoint a subcommittee of L. Frerichs and B. Lee to return back to Council with recommendations encompassing all items.

R Swanson: Support creating questions coupled with interviews; would like applications to include a box to check if interested in assisting with other City efforts. Should adhere to term limits. Standard Commission workplan and less reliance on staff. Support merging Finance & Budget and Business & Economic Development Commissions.

B. Lee: Implement an interview process with a paper screening by a subcommittee.

J. Krovoza: Subcommittee should provide baseline candidates who are qualified, but not have final choice. Commissions should have strong technical expertise and be a supplement to staff. Support merging Finance & Budget and Business & Economic Development Commissions; Planning and Safety/Parking Advisory Commissions. Inter-commission liaisons: agree with will of commissions.

Inter-jurisdictional appointments difficult to attend. Consider whether Open Space & Habitat Commission Chair would be willing to serve on Putah Creek Coordinating Council and whether a Natural Resources Commissioner would serve on the Water Resources Board of Yolo County.

H. Steiner: Staff will provide list to Council to address which appointments Council has flexibility to delegate.

Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

Communication Strategy / Legislative Protocol

Communications Officer Stacey Winton: Overview of the communication strategy and legislative protocol.

J. Krovoza: Priority is new website; information should be in one location.

L. Frerichs: annual legislative platform could take significant amount of time.

R Swanson: supports annual legislative platform

J. Krovoza moved, seconded by R. Swanson, to accept the status report on the Communication Strategy and Legislative Protocol. Request the Legislative Subcommittee to pursue and incorporate legislative protocol for Council in the upcoming year. Motion passed by the following vote:

AYES: Frerichs, Lee, Swanson, Krovoza

NOES: None

ABSENT: Wolk

B. Lee left the dais at 11:34 p.m.

City Council
Brief Communi-
cations

J. Krovoza: AB1234 reporting—will turn in mileage and parking reimbursement for SACOG meeting.

Long Range
Calendar

S. Pinkerton: April 9—GAMAT properties, budget, unmet needs and infrastructure. April 23—Continued Public Hearing on STEAC Appeal. April 30 workshop: possible joint meeting with Planning Commission, budget, fire staffing. May 14—budget follow up, solid waste. May 28—cultural arts, transportation element. June 11 & 25—budget. June 25: Central Park Restroom.

Adjournment

Meeting was adjourned at 11:39 p.m. in memory of James Gomez.

Zoe S. Mirabile, CMC
City Clerk