

MINUTES OF THE MEETING OF THE DAVIS CITY COUNCIL
FEBRUARY 15, 2005

The City Council of the City of Davis met in regular and closed session at 6:00 p.m. in the Community Chambers, 23 Russell Blvd., Davis, California. The meeting was called to order by Mayor Asmundson.

Roll Call: Councilmembers Present: Sue Greenwald, Ted Puntillo, Don Saylor, Stephen Souza, Ruth Asmundson.

 Councilmembers Absent: None.

 Other Officers Present: City Manager James Antonen, City Attorney Harriet Steiner, City Clerk Bette E. Racki

Approval of Agenda T. Puntillo moved, seconded by S. Souza, approval of the agenda as submitted. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Ceremonial Presentation

Golden Heart Awards Presentation Mayor Asmundson related the background of the Golden Heart Award created in the wake of the April 1992 death of Andrew Mockus, a 14-year-old student at Holmes Junior High School. She said there are two separate awards given, one for youth involved in giving service to the community and the second is given to youth who have overcome personal challenges. She thanked the staff and the judging panel.

Receiving awards for Community Service was Amber Hadley and Dawn McDonald. Awards for Personal Challenge was Cristian Altamirano, Regine Muhamaboro, Jairon Popel and Michelle Thompson. A reception followed the presentation.

Council, City Attorney & City Manager Communications.

Yolo County Transportation District Meeting. Councilmember Puntillo attended the Yolo County Transportation District meeting and reported the District voted to keep the proposed Davis parking structure at the top of the list of projects for federal funding.

Housing Allocation Subcommittee. Councilmember Souza reported on the meetings he has attended in the past week: (A) Housing Allocation Subcommittee meeting indicating a report will come to Council in the near future.

3rd and B Street Visioning Committee (B) 3rd and B Street Visioning Committee is close to sending a report to the appropriate bodies.

City/UCD Student Liaison Commission (C) City/UCD Student Liaison Commission have established goals, project implementation plans and outlined their agendas into June.

Student Affairs Roundtable Meeting (D) Attended a Student Affairs Roundtable on discussion about alcohol risk reduction.

Senior Citizens Commission	Mayor Pro Tem Greenwald reported on the meetings she attended: (A)Senior Citizens Commission meeting stating the guest speaker was Assembly-woman Lois Wolk . Her presentation was on elder financial abuse.
Water Resources Board	B) Water Resources Board meeting discussed the Draft Water Resources Chapter and the Integrated Regional Water Management Plan grant funding.
Finance & Budget Commission	(C) Finance and Budget Commission indicated they would like to see the final project plans for Covell Village before proceeding to make more recommendations.
Roundtable Discussions on Alcohol Intervention	Councilmember Saylor attended the Student Affairs Roundtable on Alcohol Intervention indicating a report was prepared using a sample at each of the UC Campuses to identify problem behaviors and the environment in which these behaviors take place. For Davis the array of problem behaviors most likely takes place at off-campus parties in non-campus housing. The Davis Student Health Center has targeted environmental intervention grant funding to set the beginning of some additional activities to prevent the alcohol consumption in certain environments.
Grande Site Discussion	Councilmember Saylor spoke about the proposed discussion of the Grande site by the Davis Unified School District. He remarked that the item is on the next School District Board agenda and will also be discussed at the City/School 2X2 meeting.
Letter Supporting AB 56 – Bicycle Signal Lights	Mayor Asmundson requested that the Council approve the draft letter to Assembly-woman Wolk in support of AB 56 which is the enforceability of bicycle signal lights. Council approve sending letter.
Consent Calendar	Resolution No. 05-19 - Final Map for Los Robles Manors, Subdivision No. 4630, and Authorizing the City Manager to Execute Subdivision Agreement (Fouts Landscape, Inc.). <u>This item was removed by T. Puntillo for further discussion and separate vote.</u> Resolutions Authorizing Cable Franchise Extension: 1. Resolution Extending Ordinance 1482, the Cable Television Franchise, Through June 30, 2005. 2. Resolution Extending Agreement for Educational Television Services Between Davis Joint Unified School District and the City of Davis Through June 30, 2005. 3. Resolution Extending Agreement for Public Television Services Between Davis Community Television and the City of Davis Through June 30, 2005. <u>This item was removed by T. Puntillo for further discussion and separate vote.</u> Resolution No. 05-18 - Authorizing the City Manager to Enter Into an Agreement with the Davis Joint Unified School District for Maintenance of the Eastern Portion of Landscaped Area Next to the Bike Path Located to the East of the Lake Alhambra Estates Section of Mace Ranch. <u>Approved.</u> Resolution No. 05-13 - Authorizing the City Manager to Execute an Amended Contract for Increase in Funding From the Yolo County Department of Employment and Social Services for Child Care -Budget Adjustment #49 (\$25,000). <u>Approved.</u> Update on Covell Subsidence – Covell Boulevard Between Anderson Road and Sycamore Lane. <u>This item was removed by S. Souza for further discussion.</u> Memorandum of Understanding Annual Report on Explorit Science Center. <u>Informational.</u>

Plans and Specifications Approval for Third Street Corridor Improvements, CIP No. 8140.

Item discussed under the Redevelopment Agency Board.

Commission Minutes:

Civic Arts Commission Regular Meetings of November 8 and December 13, 2004 and January 10, 2005.

Informational with the exception of January 10, 2005 meeting - Item 5 - 2005 Arts

Contract Applications: Approved Commission recommendation to fund ten community-based art projects for total expenditure of \$22,500.

S. Greenwald moved, seconded by Don Saylor, approval of the Consent Calendar as amended. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.

NOES: None.

Resolution No. 05-12 - Approving Final Map for Los Robles Manors, Subdivision No. 4630, and Authorizing the City Manager to Execute Subdivision Agreement (Fouts Landscape, Inc.).

Following further discussion, D. Saylor moved, seconded by T. Puntillo, approval of Resolution No. 05-12 - Approving Final Map for Los Robles Manors, Subdivision No. 4630, and Authorizing the City Manager to Execute Subdivision Agreement (Fouts Landscape, Inc.). The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.

NOES: None

Resolutions Authorizing Cable Franchise Extension.

City Attorney Harriet Steiner in response to question from the City Council regarding the progress of the Comcast negotiations, stated they have been meeting on a weekly basis and that the delay in coming to Council is because the documents are very detailed. There should be a draft documents to Council in March.

T. Puntillo moved, seconded by S. Souza, approval of:

(1) Resolution No. 05-15 - Extending Ordinance 1482, the Cable Television Franchise, Through June 30, 2005.

(2) Resolution No. 05-16 - Extending Agreement for Educational Television Services Between Davis Joint Unified School District and the City of Davis Through June 30, 2005.

(3) Resolution No. 05-17 - Extending Agreement for Public Television Services Between Davis Community Television and the City of Davis Through June 30, 2005.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.

NOES: None

Update on Covell Subsidence – Covell Boulevard Between Anderson Road and Sycamore Lane

City Engineer Pat Fitzsimmons responded to Council question regarding the underground utilities on Covell Boulevard where there is subsidence between Anderson and Sycamore Lane, stated that the utility pipes were constructed in mid-1960. The cause of failure is the poor compaction in the trench. Staff is reviewing the steps that will be necessary to remove the subsidence.

Public Comment.

None.

Public Hearing: 435 G Street Roe Building Mixed-Use Project – Core Area Specific Plan Amendment; Negative Declaration; Conditional Use Permit; Affordable Housing Plan; Design Review

Cultural Services Manager Esther Polito summarized the staff report stating 435 G Street is a proposed three-story, 18,700 sq. ft. mixed-use building at the southwest corner of Fifth and G Streets to include 6,000 sq. ft. of retail on the ground floor and eight two-bedroom townhouse units on the second and third floors. The proposal includes eight on-site parking spaces and four off-site to meet the requirement of 12 total spaces for the residential units.

The Planning Commission discussed the remediation process as this site was previously occupied by a gas station. The commission voted in favor of the project and added a condition to include the following sentence: “The applicant shall submit verification that the site has been remediated to the satisfaction of the applicable regulatory agencies for the proposed use prior to the issuance of a building permit.”

One other issue of concern raised by the owners of the neighboring parcel is the parking access. The proposed project has a parking lot with one driveway. The neighboring project would like to consider a shared access arrangement between the two parcels. In this project the 5th street access will not have a negative impact to 5th Street as vehicles are only stacking up to move onto 5th Street but not entering the project at 5th Street. The applicant is willing to study the issue when the neighboring parcel application is considered by the City.

Inasmuch as the project is downtown it is in the Core Area Specific Plan and has the current land use of service commercial it will require a land use change from service commercial to residential.

Staff responded to questions from the City Council.

Mayor Asmundson opened the public hearing.

Chuck Roe, applicant, spoke about the issue of shared access and shared parking stated he is not interested in creating an alley indicating it would double the number of cars disrupting the sidewalk for his customers. In terms of a restaurant there may be a small amount of outdoor eating and would not like to have cars passing close to the eating area. He said this does not need to be a condition, but he is happy to discuss it at the time the neighboring project comes to the City and if it is mutually beneficial.

Bruce Winterhalder stated this project has gotten better at every stage and will be a good neighbor to Old North Davis on the south side of 5th Street. As development in the Core Area approaches the northern boundary of the Core Area it is especially important to recognize that 5th Street is a significant zoning boundary. It marks the beginning of residential conservation district zoning and the overlay residential design guidelines. Old North Davis will continue to watch development while welcoming projects like this.

Rita Seiber asked for clarification on the status of handicap parking for this project.

Mayor Asmundson closed the public hearing.

In response to question about handicap parking, staff stated there is no requirement for handicap parking for this project as there is an assessable path of travel from 4th and G parking structure to this project for those that shop and use the retail and office components of this project.

Following discussion, D. Saylor moved, seconded by S. Greenwald, certification of the Negative Declaration #07-04. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

D. Saylor moved, seconded by T. Puntillo, approval of Resolution No. 05-14 - Resolution of Intent to Approve General Plan Amendment and Core Area Specific Plan Amendment. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

S. Souza moved, seconded by T. Puntillo, approval of Conditional Use Permit #7-04, Design Review #18-04 and Affordable Housing Plan #02-04 subject to the findings and conditions.

Councilmember Saylor requested amendment to the condition that there is storage for a minimum of twelve bicycles. Mover and second accepted the amendment. The motion as amended passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

D. Saylor moving, seconded by R. Asmundson, to include a condition that states "At the time new projects are proposed on adjacent properties, the owner of 435 G Street will cooperate with the city to explore the feasibility of planning mutually beneficial shared driveways, with the goal of closing the Fifth Street egress if possible. exploring the feasibility of planning mutually beneficial shared driveways." The motion passed by the following vote:

AYES: Saylor, Souza, Asmundson.
NOES: Greenwald, Puntillo.

Continued Public
Hearing: Affordable
Housing Ordinance
Update

Housing Coordinator Danielle Foster explained on January 11, 2005 Council created a Council subcommittee consisting of Councilmember Stephen Souza and Mayor Ruth Asmundson to review aspects of the proposed Affordable Housing Ordinance. The subcommittee recommendations have been incorporated into the language of the proposed ordinance. At a future date, staff will bring to Council recommendations on in-lieu fees, owner-occupancy section of the Municipal Code, affordable ownership unit prices, and percentages to be used in regards to assets contributing to household income, and details of maintenance credit for affordable ownership units.

Foster outlined the seven key issues reviewed by the subcommittee. Staff responded to questions from the City Council.

Mayor Asmundson opened the public hearing.

John Gianola, Chairperson of the Affordable Housing Task Force, stated there are projects in Davis that do have rent restrictive units affordable to 80% of medium income where they actually have to charge less than what they are allowed to meet the market. He is proud that the updating of the ordinance was a community effort to meet the needs of the community.

Mayor Asmundson closed the public hearing.

Incorporation Assets Into the Income Qualifying Standards

D. Saylor moved, seconded by S. Souza, to direct the subcommittee and staff to explore the definition of assets under the incorporating assets into the Income Qualifying Standards.

S. Greenwald requested an amendment to the motion to explore the possibility of some type of cap to assets. Mover and second accepted the amendment.

The motion as amended passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Evaluation of the Income Percentage permitted for use towards Affordable Ownership Housing Costs.

S. Souza moved, seconded by D. Saylor, approval that no more that thirty-five percent of the targeted household income shall be applied to affordable ownership housing expenses, as defined by the ordinance. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Project Size that requires a Lottery to be used for Tenant/Owner Selection

T. Puntillo moved, seconded by S. Souza, approval of tenant/owner selection process for all new affordable housing units be include in a lottery. Single unit affordable projects shall be given the opportunity to request an exemption from the lottery requirement and be reviewed by the City. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Consideration of a General Exemption Provision within the Ordinance

D. Saylor moved, seconded by T. Puntillo, that the updated ordinance be introduced without the addition of a general exemption provision and that the first review coincide with the revision of the General Plan. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Standards for Project Individualized Plans

S. Souza moved, seconded by T. Puntillo, to adopt the language as it was recommended by staff, the commissions, and task force, with a slight change in the requirement of increased affordability. The language will state "the City will consider a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements.

S. Greenwald requested an amendment to the motion to add "...amount of affordability equal to or greater than the amount and sustainability that would be generated under the standard affordable requirements." Accepted by the mover and second.

The motion as amended passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Small Projects in the Downtown

S. Souza moved, seconded by T. Puntillo, includes clarifying language that the developer include the project's ability to accommodate options (a) City subsidy for the affordable units or the mix of on-site affordable units and (b) in-lieu fee payments.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Definition of Small Projects

T. Puntillo moved, seconded by S. Greenwald, that small projects should be defined as "small developments of fifteen ownership units or fewer, and totaling no greater than 38 bedrooms in the project that are located within the Core Area and are found to meet a specified community goal." The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Following discussion, S. Souza moved, seconded by Don Saylor, to continue the Affordable Housing ordinance public hearing to March 1, 2005. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

The City Council thanked the Affordable Housing Task Force for their continued guidance on the revision to the Affordable Housing ordinance.

Middle Income and
Local Employee
Preference System

Principal Planner Bob Wolcott explained on October 12, 2004 Council directed staff to review initial key issues relative to middle income housing and a preference system where Council directed staff to look at a twenty-five percent middle income requirements in addition to the existing affordable housing ordinance. To implement a preference system for local employees to help link new housing to local workers to the extent possible. Staff stated they have received comments from various sources and wants to do more work on a couple of the key issues as result of the comments. Staff will return to Council with a supplemental report at a later meeting addressing the comments.

Staff discussed the use of a lottery system, maximum number of lottery tickets, how the categories of income eligible households will be defined, should cosigners be permitted, should land dedication be provided as an option and should other requirements from the existing affordable housing ordinance be applied to the middle income housing requirements. Staff responded to questions from the City Council.

Mayor Asmundson opened the public comment period.

Steve Greenfield, Chamber of Commerce Board Member, stated the concerns expressed by the Chamber regarding appreciation really speaks toward this type of household being a different income category and should have a different type of program. For local workers there are different needs and goals pointing out that workers can afford homes in other communities. The Chamber is willing to meet with staff to review issues of concerns. He said Davis businesses look on this report as a benefit for employees that both live and work in the community.

Chuck Roe spoke about the infill aspect as a different category than housing on the edge of town. Small infill projects do not create big mansions inasmuch the infill projects are smaller units especially the 5 to 8 units. The last thing the city wants to do is create an incentive to tear down houses and build a mansion in its place. The ordinance would also create an incentive to develop rental properties over ownership properties just to avoid the ordinance. The idea is to get ownership housing in town. He doesn't think there should be an in-lieu fee option here and suggest that Council

raise the threshold for infill from 5 to something like 15 units.

Blaine Jachau stated the Green Terrace apartments are a good model as it has a 5 ½ percent escalator with exterior maintenance. This report has a baseline of 3% and then a maintenance program which requires that the individual keeps their receipts and make a claim for those costs. These are complex problems. While the 5 ½% is low and modest in Green Terrace, but reasonable, the 3% is less than 60% of that so it is a dramatic change that is clearly insufficient in terms of a return and will not attract the type of people the City is targeting for this group of middle income. Also what percentage of income is accounted for when calculating the amount of funds the applicant can afford? He distributed a letter from Young Mortgage showing what people can afford depending on income, etc.

Mayor Asmundson closed the public comment period.

Should the City use a lottery system to implement the preference system in the sale and resale of new affordable ownership units? How should ticket amounts be assigned to groups of household within the lottery system?

Following discussion, T. Puntillo moved, seconded by S. Souza, approval of staff recommendation to implement a lottery system and approval of how ticket amounts are assigned to groups of households within the lottery system as follows: local workforce would receive four tickets a household with a local employer or employee; persons with disabilities will receive three tickets a household with adult person(s) with a disability; seniors will receive two tickets a household with a senior(s); and general public will receive one ticket a household that does not fit in any category above.

S. Greenwald requested an amendment to consider seniors the same as long term residents. The amendment was not accepted by the mover of the motion.

S. Greenwald moved substitute motion, seconded by D. Saylor, to remove seniors from special category and put seniors in the same category as general public. The motion failed by the following vote:

AYES: Greenwald.
NOES: Puntillo, Saylor, Souza, Asmundson.

The original motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

What is the maximum number of tickets that an income eligible household may receive?

T. Puntillo moved, seconded by S. Souza that the maximum number of tickets permitted for a single household will be 4 tickets and the minimum will be 1 ticket. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

How should categories of income eligible households be defined for the purpose of the preference system?

D. Saylor moved, seconded by S. Souza, to approve the following categories definitions:

Local Workforce: A household with an adult who works a minimum of thirty hours per week at a business or other organization that is located within the Davis Planning Area. In order to qualify, the individual must have been a member of the workforce of a local business or other organization a minimum of 6 months, as evidenced at the time of application.

Senior: A household that includes a head of household, spouse, or sole member that is at least 62 years of age. A copy of the individual's birth certificate will be required at the time of application.

Persons with Disabilities: A household with an individual who has a physical or mental impairment that limits one or more major life activities, as defined in the Fair Employment and Housing Act (FEHA) of California Government Code section 12926(i)(1), (2) and (k)(1), (2).

General Public: A household that does not fit into any of the other categories provided within the preference system.

Special Circumstances: The Community Development Director shall determine The number of lottery tickets that shall be granted in special circumstances, Where the qualification of the applying household into one of the above categories is unclear.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Should cosigners be permitted?

S. Souza moved, seconded by T. Puntillo, that cosigners shall not be permitted. All persons who apply for the mortgage loan must also put their name on the deed of the house. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Should land dedication be provided as an option for the middle income requirement?

S. Souza moved, seconded by T. Puntillo, that no land dedication shall be provided as an option for middle income unit requirements. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Should other requirements from the existing affordable housing ordinance be applied to the middle income housing requirements?

D. Saylor moved, seconded by T. Puntillo, that the middle income housing ordinance be crafted separately from the other ordinances so that this special concern regarding that particular category can be examined. Staff will return with recommendations. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Proposed Financial Commitments for Cantrill/Eleanor Roosevelt Circle Affordable Housing Project

Social Services Administrator Jerilyn Cochran summarized the request from Davis Senior Housing Cooperative for \$2,350,000 in new funding commitments for the Cantrill/Eleanor Roosevelt Circle project, 60 units of housing affordable to seniors at low, moderate and middle incomes, by a tax credit allocation with an application deadline of March 2, 2005. Cochran explained that the project would take advantage of several pending state funding commitments, and funds committed by the City would be matched over 4 to 1 with other funding sources. She responded to questions from the City Council.

Bill Powell, President of Davis Senior Housing Cooperative, Inc. and members of the Cooperative spoke in support of the project.

Following discussion, S. Greenwald moved, seconded by S. Souza, approval of Resolution No. 05-20 – Resolution Authorizing Housing Loans for Davis Senior Housing Cooperative Eleanor Roosevelt Housing Project with the following conditions:

- a. That pending State funding sources California Housing Finance Agency (CalHFA), California State Department of Housing and Community Development (HCD) or another entities formalize commitments to the project and that adequate tax credit allocations are made to the project.
- b. That an adequate services plan, meeting all of the conditions and standards enumerated by the California Department of Housing and Community Development Multi-family Housing Program, needs to be developed.
- c. That adequate reserves and funding sources are identified and committed to fund the project, and especially the special needs components of the project. Funding of the special needs services components of the project shall meet any of the conditions and standards enumerated by the California State Department of Housing and Community Development (HCD).
- d. That a sustainable and stable housing organization(s), with adequate experience in operation of the type of special needs housing planned for the project, be included in the partnership of the project, and shall be approved and acceptable to state funding sources.
- e. That, the Eleanor Roosevelt Affordable Housing co-sponsors, Neighborhood Partners, LLC, Davis Senior Housing Cooperative, and Yolo County Housing Authority, should provide a project ownership strategy and management plans which enumerate 1) how the operating and management requirements of the HCD Multi-family Housing Program will be met, and 2) how the project-related interests of all lenders will be met during the 55-year term of the project, including any need for bonding among the project sponsor(s). The city attorney and staff will return to Council with an evaluation of this plan no later than May 1, 2005.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

By consensus the Council extended the meeting to 11:30 p.m.

FY 2004/05 Mid Year Budget Update

Finance Director Paul Navazio provided a summary of the final, audited year-end General Fund revenue and expenditure results for FY2003/04 and General Fund revenue and expenditure results through the first seven months of FY2004/05. He said more detail will be provided in the upcoming budget workshop scheduled in March.

He reported the City's General Fund balance ended about \$600,000 above the level that was assumed when this year's budget was developed and is actually higher than the level than reported on the preliminary basis in the first quarter report. Revenue estimates are being increased by about \$200,000. The expenditures are anticipated to end the year about \$2.2 million below budgeted level which is consistent with the trends that were explored at the December workshop.

Property tax receipts have come in favorable so that is being adjusted for both property tax and property transfer tax showing overall strength in the real estate property values. Primary concern on initial review is the results showing up on sales tax. There are two issues, one is the general trend from year-to-year and this year shows that sales tax receipts are essentially flat from year-to-year in fact lost money. It does not appear that the growth that was expected from sales tax and built into the budget materialize. Next is the auto sales. He said that out-of-town sales by people attracted to Davis' auto center, the city did not receive credit. Also if a Davis resident goes to a dealer outside of Davis, the city should be credited for the Measure P half-cent sales tax. So far the city is not seeing the results that would indicated that the city is receiving as much as was expected. Staff recently received the report and is current reviewing the data. Staff will be providing more information at the budget workshop. He responded to questions from the City Council.

Council requested information on sales tax results from surrounding communities.

Consider City Participation in Vehicle License Fee Loan Financing Program

Finance Director Paul Navazio explained the Vehicle License Fee (VLF) Loan Program was instituted to enable cities and counties to sell their respective VLF Receivable for an up-front fixed purchase price estimated at 90% of the VLF Gap Repayments. The City's share of the VLF Gap Repayment is \$1,089,658; the purchase price is estimated to be \$983,749, dependant upon the total number of participants in the VLF Program and the bond market conditions at the time.

Following discussion, D. Saylor moved, seconded by T. Puntillo, approval Resolution No. 05-12 -- Authorizing City Participation in the Statewide VLF Loan Financing Program. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Update on Proposed Annexation to Sacramento Municipal Utility District

Public Works Director Bob Weir stated a public hearing on the proposed annexation to Sacramento Municipal Utility District (SMUD) has been scheduled for the Natural Resources Commission meeting. In response to question regarding the dollar numbers between the Beck figures and Pacific Gas & Electric (PG&E), he stated PG&E is not a willing seller and they know this will end up in litigation or negotiations. Since PG&E's dollar number has been made public, the city has received a lengthy document which is the "details" of their dollar figure. Staff recommendation to the Natural Resources Commission is to accept the Beck report and formally ask the SMUD board to proceed with annexation.

Appointment of Alternate to Governance Task Force

S. Souza moved, seconded by T. Puntillo, that alternate Susan Getfer be moved to a regular member position on the task force. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

S. Greenwald moved, seconded by S. Souza, appointment of Chris Jerdoick as an alternate to the task force. The motion failed by the following vote:

AYES: Greenwald, Souza.

NOES: Puntillo, Saylor, Asmundson.

Consensus of the Council is to leave the alternate position vacant.

By consensus the Council extended the meeting to 11:45 p.m.

Written Communica-
tions

Correspondence from homeowners of Estaban Court regarding rentals and absent landlords.
Referred to Code Enforcement.

Correspondence from Dan Cornford regarding Covell DEIR.
Referred to Community Development Department.

Correspondence from Joe Sherman regarding cars blocking sidewalks.
Informational.

Correspondence from Walt Whitfield regarding parking citation.
Referred to appeal process.

Adjournment

The meeting adjourned at 11:40 p.m. to the next regularly scheduled meeting.

Respectfully submitted,

BETTE E. RACKI
City Clerk

MINUTES OF THE DAVIS REDEVELOPMENT AGENCY
February 15, 2005

The Davis Redevelopment Agency of the City of Davis met in regular session at 6:30 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Chair Ruth Asmundson.

Roll Call. Present:, Sue Greenwald, Ted Puntillo, Don Saylor, Stephen Souza, Ruth Asmundson

Absent: None.

Other Officers Present: Executive Director James Antonen, RDA Counsel Harriet Steiner, Secretary Bette E. Racki.

Approval of Agenda. T. Puntillo moved, seconded by S. Souza, approval of the agenda as submitted. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Public Comments. None.

Plans and Specifications Approval for Third Street Corridor Improvements. City Engineer Pat Fitzsimmons stated in April 2004, the City Council authorized the Third Street Corridor Improvement Project with the primary objectives to enhance accessibility and safety by modifications to the sidewalk crossing slopes, ramps and street lighting. The intersection will resemble 4th and G intersection. The project costs have increased significantly because of adding a storm drain line, night time construction and intersection improvements. There will be improvement to the lighting. Budget adjustments will be needed as the project is short approximately \$100,000 and additional funding to cover the shortfall will come from various sources.

Economic Development Planner Michael Webb stated this project will be very beneficial for downtown Davis in safety and accessibility. Portion of the funding for the project will come from Redevelopment Agency (RDA). Staff responded to questions from the Council.

Following discussion, D. Saylor moved, seconded by T. Puntillo, approval of Plans and Specification for Third Street Corridor Improvements. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Proposed Financial Commitments for Cantrill/Eleanor Roosevelt Circle Affordable Housing Project Social Services Administrator Jerilyn Cochran summarized the request from Davis Senior Housing Cooperative for \$2,350,000 in new funding commitments for the Cantrill/Eleanor Roosevelt Circle project, 60 units of housing affordable to seniors at low, moderate and middle incomes, by a tax credit allocation with an application deadline of March 2, 2005. Cochran explained that the project would take advantage of several pending state funding commitments, and funds committed by the City would be matched over 4 to 1 with other funding sources. She responded to questions from the City Council/RDA Board.

Bill Powell, President of Davis Senior Housing Cooperative, Inc. and members of the Cooperative spoke in support of the project.

Following discussion, S. Greenwald moved, seconded by S. Souza, approval of Resolution No. 1170 – Resolution Authorizing Housing Loans for Davis Senior

Housing Cooperative Eleanor Roosevelt Housing Project with the following conditions:

- a. That pending State funding sources California Housing Finance Agency (CalHFA), California State Department of Housing and Community Development (HCD) or another entities formalize commitments to the project and that adequate tax credit allocations are made to the project.
- b. That an adequate services plan, meeting all of the conditions and standards enumerated by the California Department of Housing and Community Development Multi-family Housing Program, needs to be developed.
- c. That adequate reserves and funding sources are identified and committed to fund the project, and especially the special needs components of the project. Funding of the special needs services components of the project shall meet any of the conditions and standards enumerated by the California State Department of Housing and Community Development (HCD).
- d. That a sustainable and stable housing organization(s), with adequate experience in operation of the type of special needs housing planned for the project, be included in the partnership of the project, and shall be approved and acceptable to state funding sources.
- e. That, the Eleanor Roosevelt Affordable Housing co-sponsors, Neighborhood Partners, LLC, Davis Senior Housing Cooperative, and Yolo County Housing Authority, should provide a project ownership strategy and management plans which enumerate 1) how the operating and management requirements of the HCD Multi-family Housing Program will be met, and 2) how the project-related interests of all lenders will be met during the 55-year term of the project, including any need for bonding among the project sponsor(s). The city attorney and staff will return to Council with an evaluation of this plan no later than May 1, 2005.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None

Adjournment.

The meeting adjourned at 11:35 p.m. to the next regularly scheduled meeting.

Respectfully submitted,

BETTE E. RACKI, Secretary