

CITY OF PITTSBURG
Housing Authority Minutes
January 20, 2004

Chair Aleida Rios called the meeting of the Housing Authority to order at 7:04 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code regarding two cases; and Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9 regarding West Coast Home Builders Inc., and Secon Financial and Construction Company, Inc. v. City of Pittsburg, City Council of the City of Pittsburg et al, Contra Costa County Superior Court Case No. C03-02777.

Mayor Rios advised that there was nothing to report.

MEMBERS PRESENT: Beals, Glynn, Kee, Parent, Wallen, Rios

MEMBERS ABSENT: Leatherwood

STAFF PRESENT Interim Executive Director, Les White
Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Director of Public Works, John Fuller
Director of Planning and Building, Randy Jerome
City Engineer, Joe Sbranti
Police Chief, Aaron Baker
Executive Assistant to the City Manager, Alice Evenson

PLEDGE OF ALLEGIANCE

Jennifer Bonds led the Pledge of Allegiance.

Deviating from the posted agenda somewhat, Mayor Rios acknowledged the special events in the City in honor of Dr. Martin Luther King, Jr., in particular the essay contest of local students as part of that celebration. Two of the winners were from Central Jr. High School, one from Heights Elementary and two from Pittsburg High School. She introduced two of the five winners of that contest to read their essays to the audience.

Isiah Woods from Central Jr. High School read his essay "What Can I Do in My Daily Life to Honor Dr. Martin Luther King's Life and Dream?"

Rudolpho Mendez from Pittsburg High School, also an essay winner, read his essay in honor of Dr. Martin Luther King, Jr.

Chair Rios called the Housing Authority to order at 7:14 P.M.

CONSENT

On motion by Member Kee, seconded by Member Parent and carried unanimously to adopt the Consent Calendar, as follows:

- a. **DISBURSEMENT LISTS** Period Ending: November 30, 2003 and December 31, 2003

Approved Disbursement Lists periods ending November 30, 2003 and December 31, 2003.

- b. **MINUTES** Dated: November 17, 2003

Approved Minutes dated November 17, 2003.

ADJOURNMENT

The meeting of the Housing Authority adjourned at 7:15 P.M. to the next meeting set for February 17, 2004.

Respectfully submitted,

Lillian J. Pride, Secretary

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CITY OF PITTSBURG
Redevelopment Agency Minutes
January 20, 2004

Chair Aleida Rios called the meeting of the Redevelopment Agency to order at 7:16 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code regarding two cases; and Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9 regarding West Coast Home Builders Inc., and Secon Financial and Construction Company, Inc. v. City of Pittsburg, City Council of the City of Pittsburg et al, Contra Costa County Superior Court Case No. C03-02777.

Mayor Rios advised that there was nothing to report.

MEMBERS PRESENT: Beals, Glynn, Kee, Parent, Rios

MEMBERS ABSENT: None

STAFF PRESENT: Interim Executive Director, Les White
Assistant Executive Director, Nasser Shirazi
Legal Counsel, Linda Daube
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Director of Public Works, John Fuller
Director of Planning and Building, Randy Jerome
City Engineer, Joe Sbranti
Police Chief, Aaron Baker
Executive Assistant to the City Manager, Alice Evenson

At this point in the meeting, Chair Rios requested the presentation of the City Manager Report.

CITY MANAGER REPORT

1. Preliminary Assessment of Governor's Proposed State Budget

Interim City Manager Les White reported that the City's General Fund and the Redevelopment Fund was again being impacted by the Governor's proposed State Budget. As such, a Work Session would be scheduled with the City Council in March to evaluate the mid-year budget to determine to what extent the additional cuts would impact the City and Redevelopment Agency.

Finance Director Marie Simons advised that the referenced impacts were proposed and were subject to change as the Assembly and Senate deliberated the Governor's State Budget proposal. She identified the largest impact as a proposed Statewide reduction from local government and property taxes in the amount of \$1.3 million to fund the Educational Revenue Augmentation Fund (ERAF), or public schools fund Statewide, from cities, special districts, the County and redevelopment agencies.

Ms. Simons stated that the estimated impact to the City's budget next year would be an additional reduction of property taxes in the amount of \$700,000, which would be in addition to the \$2.9 million reduced from the City's property taxes on an annual basis. She commented that since 1992 the reduction in property taxes overall amounted to \$23 million, which had been shifted from the City of Pittsburg to the public education fund.

Ms. Simons explained that the Pittsburg Redevelopment Agency would also have a \$1.1 million shift, although a range of \$1.3 to \$1.5 million had been estimated given the Agency's significant growth in the past two years. To date, the State had shifted \$1.7 million from the Redevelopment Agency over the past two years. Other revenues proposed for elimination included booking fees reimbursement as well as transportation funds, neither of which was allocated in this year's operating budget.

Ms. Simons stated that staff would keep the Council informed, through the City Manager, of the impacts associated with the State Budget crises. While no immediate budget changes were recommended at this point, alternative recommendations would be recommended as needed.

With respect to the current backfill gap in this year's operating budget as a result of the State borrowing three months of vehicle license fees (VLF) from July to September 2003, Ms. Simons stated that while originally estimated to represent a \$700,000 impact to the City, the revised estimated was that would increase to \$1.1 million. It was expected that the funds would be repaid to the City in 2006, without interest, although the likelihood of that occurring was questionable. That impact would be evaluated as part of the City's mid-year budget review.

CITIZENS REMARKS

There were no citizens' remarks.

CONSIDERATION

Mayor Rios CONVENEED JOINTLY THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY to consider the following:

1. **RESOLUTION 04-940** Authorizing Additional Construction Contingency for
Combined w/CC 04-9989 Contract 00-03, Pittsburg-Antioch Highway Operational Safety Improvements and Making Certain Findings in Connection Herewith

On May 19, 2003, the City Council adopted Resolution No. 03-9820, awarding a construction contract to Bay Cities Paving and Grading for Contract 00-03, Pittsburg-Antioch Highway Operational Safety Improvements. During the course of construction, the contractor had encountered numerous underground utility conflicts resulting in unanticipated additional costs, which had resulted in a depletion of the project contingency. At this time, the project is 80 percent complete.

The total project budget as approved in the Fiscal Year 2002-03 Carryover Capital Improvement Program (CIP) adopted on January 21, 2003 by Redevelopment Agency Resolution 03-864 was identified as \$2,337,000, all allocated with the exception of \$137,000. On January 5, 2004, the Council and Agency had authorized \$50,000 of the \$137,000 to be transferred to the contract, leaving a remainder of \$87,000. Of the \$2,200,000 allocated amount, \$33,000 had not been encumbered and remained to be used as project contingency, which contingency had been estimated at \$120,000. Therefore, the \$87,000 remaining as part of the project budget not previously allocated needed to be allocated now to accommodate the contingency requirement.

Mr. White recommended that the City Council and Agency adopt the resolutions making certain findings and consenting to the Redevelopment Agency's expenditure of funds for the project. It was also recommended that the \$120,000 be authorized for use by the City Manager as project contingency.

In response to Member Parent as to the possibility of recouping the funds from the project, City Engineer Joe Sbranti advised that there were some possibilities and that staff would work with the City Attorney to determine whether or not it would be viable to pursue those possibilities.

On motion by Member Glynn, seconded by Member Parent and carried unanimously to adopt Redevelopment Agency Resolution 04-940.

On motion by Councilmember Glynn, seconded by Councilmember Beals and carried unanimously to adopt City Council Resolution 04-9989.

Member Kee recused himself from the next item given that some of his clients would be eligible for the fee waiver. He left the dais at this time.

2. **RESOLUTION 04-941** Reimbursement of Waived/Reduced City Development Fees Pursuant to the Enterprise Zone Fee Waiver/Reduction Program

On July 21, 2003 the City Council and Agency Board approved the Enterprise Zone Fee Waiver/Reduction Program. Seven hundred fifty thousand dollars had been allocated for the Program for Fiscal Year 2003-2004 to reimburse the City for waived and/or reduced development fees. During the period of October 1, 2003 through December 31, 2003 a total of \$2,685.63 in development fees had been waived and/or reduced.

There would be a negative fiscal impact to the Agency in an amount of \$2,685.63, which funds would reimburse the City for waived and/or reduced development fees that supplement the City's General Fund.

On motion by Member Beals, seconded by Member Parent to adopt Resolution 04-941, carried by the following vote:

Ayes: Beals, Glynn, Parent, Rios
Noes: None
Absent: Kee [Recused]

Member Kee rejoined the Redevelopment Agency Board at this time.

CONSENT CALENDAR

Member Kee requested that Item c. be removed from the Consent Calendar for discussion.

On motion by Member Kee, seconded by Vice Chair Parent to adopt Consent Calendar Items a and b, as follows:

a. **MINUTES** Dated: January 5, 2004

Approved Minutes dated January 5, 2004.

b. **REPORT** Approval of the Redevelopment Agency's Annual Report for Fiscal Year 2002-2003

Approved the Redevelopment Agency's Annual Report for Fiscal Year 2002-2003.

The following item was removed from the Consent Calendar by Member Kee.

c. **RESOLUTION 04-942** Approving the Fiscal Year 2003-2004 Pittsburg Redevelopment Agency Expenditure for a State Mandated ERAF Takeaway in the Amount of \$1,089,885

The State of California budget included as one of its deficit eliminating measures the transfer of \$135 million of tax increment funds from local government redevelopment agencies to the Education Revenue Augmentation Fund (ERAF). These shifted monies would be given to school districts to free up, for other uses, State revenues that had supported schools in past years.

In response to Member Parent, Finance Director Marie Simons stated that the payment to the State was due on May 10, 2004. It was staff's intent not to pay the

takeaway until absolutely required to do so.

Member Kee suggested that the item represented double taxation since residents had already been taxed for schools and the State was taking away money intended for another use to use for schools. He objected to the situation and suggested that the funds not be paid, making the State take the money. He would not vote for the item as a result.

Vice Chair Parent urged residents to contact Senator Torlakson and Assemblymember Canciamilla to advise that the takeaway was unfair and that it required residents to pay twice for schools. She also noted that the League of California Cities (LCC) and other county governments were seriously considering a Constitutional Amendment on the November Ballot to require such measure, a rip-off of city funds to pay for State budget shortfalls, to require a vote of the people. She suggested that might represent a possible solution. She urged members of the public to carefully monitor that issue.

Chair Rios concurred with the comments.

On motion by Vice Chair Parent, seconded by Member Glynn to adopt Resolution 04-942, carried by the following vote:

Ayes: Beals, Glynn, Parent, Rios
Noes: Kee

ADJOURNMENT

The meeting of the Redevelopment Agency adjourned at 7:33 P.M. to the next meeting set for February 2, 2004.

Respectfully submitted,

Lillian J. Pride, Secretary

CITY OF PITTSBURG
City Council Minutes
January 20, 2004

Mayor Aleida Rios called the meeting of the City Council to order at 7:34 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California, after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code regarding two cases; and Conference with Legal Counsel - Existing Litigation pursuant to Section 54956.9 regarding West Coast Home Builders Inc., and Seecon Financial and Construction Company, Inc. v. City of Pittsburg, City Council of the City of Pittsburg et al, Contra Costa County Superior Court Case No. C03-02777.

Mayor Rios advised that there was nothing to report.

MEMBERS PRESENT: Beals, Glynn, Kee, Parent, Rios

MEMBERS ABSENT: None

STAFF PRESENT: Interim City Manager, Les White
Assistant City Manager, Nasser Shirazi
City Attorney, Linda Daube
City Clerk, Lillian Pride
Director of the Redevelopment Agency, Garrett Evans
Director of Economic Development, Brad Nail
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Director of Public Works, John Fuller
Director of Planning and Building, Randy Jerome
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AUDIENCE REMARKS

MARY THOMAS, speaking for her partner, Tommy Lee Anderson, spoke to the janitorial services for the City of Pittsburg, noted that the janitorial contract had not been competitively bid for three to five years and stated that amounted to unfair treatment for local vendors, a misuse of taxpayer and city monies, and favoritism to the current vendor for Unlimited Janitorial Services. She stated that her investigation had found that the current vendor was not a reputable operating company in that no physical place, building or location for the business had been found, the City of Pittsburg was its only account, it was not listed in the telephone book and the vendor was not a resident of the City of Pittsburg.

Ms. Thomas inquired of the dollar amount and frequency that required the City to

competitively bid for janitorial services. She also sought public record information, the expenditure amount being paid for Unlimited Janitorial Services each month and where a member of the public could get that information. She reiterated her belief that the situation represented a violation of City procedures and a misuse of City funds. She sought a date when the bid would get underway and the contracts would be distributed.

Interim City Manager Les White advised that he had asked staff for a response on that issue.

Mr. White was not aware of the conditions involved and had just learned that the janitorial services had not been bid. He stated that answers would be gathered in response to Ms. Thomas' inquiries and he would review the matter with the City Attorney.

Ms. Thomas stated that she and her partner had waited several years for the bids, had made three personal visits and a number of phone calls and had received no contact or response from the City.

Mr. White stated that he would get a response for Ms. Thomas and would address the questions that had been raised at this time.

Ms. Thomas noted that she would be present at the next meeting of the Council.

To staff, Mayor Rios noted that the situation had been ongoing for some time. She sought a meeting on the issue with Ms. Thomas next week.

JENNIFER BONDS, Pittsburg, thanked the Council for its help, specifically Mayor Rios and Councilmember Kee and Captain Baker and Chief Baker for all his/her work on West Boulevard, along with Recreation Director Paul Flores for bringing services to the children in the area. She supported Mr. Flores' plan for the grant to schedule summer activities for the kids on West Boulevard.

WENDY CERVANTES, Pittsburg, announced a Planning Meeting to Revitalize West Boulevard, a brainstorming session scheduled for January 26 from 1:00 to 3:00 P.M. at the Briefing Room at the Pittsburg Police Department to help create a Neighborhood Center for the children of the area. She noted that there were many tradespeople who were ready and willing to donate their time in that regard.

Ms. Cervantes also noted a question that had been raised as to the age of the sewer pipes, specifically those at 14 West Boulevard. It was her understanding that the pipes were new in that area. She sought some help from the City to verify that situation.

City Engineer Joe Sbranti stated that he would speak with Ms. Cervantes to help her get the information she needed for 14 West Boulevard.

Ms. Cervantes requested that the Council consider live telecasts of Council meetings to the community.

Mr. White noted the referral item that the recorded versions of City Council meetings be televised. He expected a response in a couple of weeks.

BERTHA STOBBS, Pittsburg, commented that she had attended a three-hour meeting this date when the State Budget had been discussed. She noted that not only the City of Pittsburg but also the County was being negatively impacted by the State Budget, as were others. She also commented that the Council's action to terminate funding for the Non-profit Center had eliminated the Community Relations Officer, which was a concern.

Ms. Stobb sought a full time dedicated Community Relations Officer, an officer who would be primarily dedicated to community relations. She referred to Sergeant Calia, noted that he did well, but that along with the full-time officer, a part-time officer was also needed.

Ms. Stobb added that not only Neighborhood Watch, but Business Watch was also required, as were health fairs, workshops to identify the local Police Officers, child identifications which were to have been provided as part of a \$10,000 Calpine grant and bicycle registration, conflict resolution, and community relations presentations to schools. She also urged the funding of the inspections for mobile home parks. She otherwise took this opportunity to thank the Police Chief and the City's Police Officers.

Mayor Rios advised at this point in the meeting that West Boulevard residents had submitted signatures of Pittsburg citizens in support of a Neighborhood Center in the West Boulevard area.

COUNCIL REMARKS

Vice Mayor Parent reported that she had learned from the Pittsburg Chamber of Commerce Bulletin that the Pittsburg Municipal Band was being resurrected. She noted that there had not been a municipal band for 15 years. Through the cooperation of Adult Education and a Hillview Jr. High School teacher, there would now be a band. The cost would be \$19 a semester to participate in the band. Rehearsals would be at Hillview Jr. High School on Mondays from 7:00 to 9:00 P.M. in the Music Room. She offered a number of contacts for those interested in participating and she expressed her hope that the group would be successful.

PROCLAMATION

1. Loaves and Fishes

Councilmember Beals read the Proclamation in honor of the services offered by Loaves and Fishes in Contra Costa County, which had been founded in 1983 by two Pittsburg residents. As an Agency Relations Coordinator for the Contra Costa/Solano County Food Bank, Councilmember Beals thanked and congratulated Loaves and Fishes for its service to the community.

RICK RICHARDSON, Danville, accepted the proclamation and advised of Loaves

and Fishes intent to continue to serve the community now and into the future.

2. National Volunteer Blood Donor Month

Councilmember Kee read the proclamation for National Volunteer Blood Donor Month, January 2004 and presented the proclamation to Kay Crull.

Vice Mayor Parent noted that as a blood donor herself, she would like to coordinate the Mobile Blood Bank in the City of Pittsburg to make it easier for people in Pittsburg to donate blood without having to travel to Pleasant Hill to do so.

KAY CRULL, CEO, American Red Cross, Blood Services of Northern California accepted the proclamation and thanked the Council for its support of Blood Donor Month. She noted that it was the blood on the shelves that saw America through an emergency and she agreed that it would be easier for Pittsburg residents to be able to give blood through a Mobile Unit. She stated that there was a Blood Center open six days a week in Pleasant Hill. The American Red Cross would also be available on January 26, 2004 from 1:30 to 6:30 P.M. at the Church of Christ in Antioch and Pittsburg High School students would hold a Blood Drive on February 3, 2004 from 8:30 A.M. to 2:30 P.M.

PUBLIC HEARING

1. **ORDINANCE 04-1214** Introduction of an Ordinance to Rezone Two Parcels for Empire Business Park Rezoning. AP-03-46 (RZ)

Interim City Manager Les White reported that the public hearing was an introduction of an ordinance to rezone a 4.22 acre parcel from IP-O (Industrial Park with a Limited Overlay) to a new IP-O and a 35.95 acre parcel from IP (Industrial Park) to IP-O. The properties are located on the south side of Willow Pass Road. The 4.22-acre parcel lies between the 35.92 acre parcel (7801 Willow Pass Road) and Heritage Pointe Residential Subdivision (Builder's Circle).

There was no direct fiscal impact to the City as a result of the project.

Mr. White recommended that the City Council introduce, waive further reading, and pass to second reading Ordinance 04-1214 to rezone a 4.22-acre parcel from IP-O to a new IP-O and a 35.95-acre parcel from IP to IP-O.

Mayor Rios opened the public hearing for Ordinance 04-1214. There were no comments for or against Ordinance 04-1214. Mayor Rios closed the public hearing

On motion by Vice Mayor Parent, seconded by Councilmember Kee and carried unanimously to introduce Ordinance 04-1214 by title only and waive second reading.

2. **ORDINANCE 04-1215** Ordinance Establishing Interim Zoning Regulations Providing for Issuance of Land Use Entitlements

Consistent with the General Plan

Mr. White advised that the City Council was asked to adopt an Interim Zoning Ordinance to facilitate continued development within the City until completion of the comprehensive zoning update, which was anticipated to be completed in 2006. An Interim Zoning Ordinance was necessary to provide regulatory procedures that would allow land use proposals and permit applications consistent with the General Plan to be processed.

Mr. White explained that given the concerns related to the Housing Element, there would be an ability for the Council to separate from the ordinance some of the special provisions related to that element, particularly inclusionary housing provisions, if it was the Council's desire to do so.

Planning Manager Melissa Ayres stated that the draft ordinance had been prepared as an Interim Zoning Ordinance while the Zoning Ordinance was being updated, expected to be completed in 2005 or 2006. The ordinance included some inclusionary housing provisions, some related to policies in the General Plan that staff would like to implement in the near future.

Ms. Ayres explained that the State Housing and Community Development Department (HCD) had requested the elimination of the need for a use permit for a density bonus application, and there was a provision to allow residential uses immediately with a conditional use permit on properties designated for government and quasi-public districts if it was determined that land was no longer needed for a public use. Other changes included provisions to allow multifamily uses as a permitted use above ground floor retail and office uses. Still other policies would allow the Planning Commission to grant parking exceptions in certain circumstances related to small family infill developments and multifamily when those were close to BART or other transit facilities.

Ms. Ayres stated that the most controversial items related to inclusionary housing for single family and multifamily housing projects in Medium Density designated areas. She stated that the Council was being asked as to whether or not it wanted to implement something at this point. She offered for discussion a provision that 15 percent of the units would be affordable to Very Low and Low-Income households with a third of those not designated for seniors to accommodate large family households.

Further, a provision had been proposed for single family housing projects on land designated for Low Density Residential and Hillside Low-Density Residential development of five or more units to incorporate secondary units on 1/10 of the lots within the project. The details of those provisions had been included in Exhibit D to the draft ordinance.

Ms. Ayres stated that a detailed Zoning Ordinance was expected within the next year and a half. The submitted document offered basic provisions and the flexibility to work out the details and affordable housing agreements that would be prepared for each developer. She explained that if the developers sought flexibility to meet the requirements, those agreements should be negotiated with staff and returned to the Council on a case by case

basis to be apprised of the alternatives.

Ms. Ayres described the various exhibits that had been attached to the staff report dated January 20, 2004 along with the draft ordinance, as: Exhibit A, the bridge agreement between the Zoning Amendment and the General Plan for purposes of consistency; Exhibit B, a Table allowing developers to expedite the review process through the City rather than follow cumbersome rezoning applications, and allow moving forward with a "best-fit" zoning district already in place.

Exhibit C related to the Alcohol Beverage and Control (ABC) license regulations that were part of the original Downtown Specific Plan which already provided for conditional use permits with entertainment facilities in the downtown. Exhibit D related to the Housing Element considered to be minor and non-controversial in nature. Paragraphs H and I of Exhibit D related to inclusionary housing.

Ms. Ayres reported that staff had made every attempt in the last several days to contact every developer and contact everyone on the Housing Element mailing list to urge participation in the public process. She added that comments from the development community related to the zoning code update and when that might be completed and comments had implied that the ordinance was written not to allow General Plan Amendment applications that were inconsistent with the current General Plan. She stated that was not the intent.

To address that concern, Ms. Ayres referred to Exhibit A, Page 2 of 2, and stated that if adopted by the City Council paragraph G, in SECTION 2 should be modified to read as follows:

- G. *If a proposed use and/or development activity are determined to be inconsistent with the General Plan, City staff shall not process the application unless accompanied by an application for a General Plan Amendment, which, if approved, would bring the activity into conformance with the General Plan*

Ms. Ayres also referenced the findings that had to be made when approving an Interim Zoning Ordinance, and stated that in order to adopt and subsequently extend an interim ordinance, the ordinance must contain legislative findings that there is a current and immediate threat to the public health, safety, or welfare, and that the approval of additional subdivisions, use permits, variances, building permits, or any other applicable entitlement for use which is required in order to comply with a Zoning Ordinance, would result in a threat to public health, safety, or welfare.

Ms. Ayres explained therefore that if the City could not do business because it did not have a consistent Zoning Ordinance and General Plan, the City would limit its ability to move forward with economic development opportunities, and stagnation or blight could occur, creating a threat to the public health, safety and welfare. Further, if continuing to allow development to occur without some form of inclusionary housing component, that would limit the City's ability to meet the affordable housing requirements without

significantly more public subsidy. She sought a balance between the demand of affordable housing as well as the use of funds through the public sector. If eliminating those opportunities the Council had the ability to find that a health and safety issue could be created.

Director of Building and Planning Randy Jerome stated that if adopted, the Interim Ordinance would be valid for 45 days only and another public hearing would be required in March to extend the interim ordinance to a two-year process.

Mr. Jerome reiterated that if adopted at this time, the ordinance would return to the City Council for reconsideration in March 2004.

In response to the Vice-Mayor, Ms. Ayres referred to Attachment 4 in the staff report, a two-page table identifying the vacant and underutilized land in the City, which currently had residential designations. Pending applications had been included in that table for the Council's information. Most single family product currently had pending applications. Most Medium density did not. As to whether or not any item would be considered in the near future, she explained that the Bailey Estates, St. Vincent de Paul and Bancroft Gardens projects were ongoing or expected within the next six months.

Ms. Ayres explained that most of the applications were incomplete at this point. Some might be in the environmental review stage. She verified that there was no plan by staff to slow down the ongoing projects. The projects would move forward. She emphasized that even without the inclusionary ordinance as a component of the proposal, the Planning Commission and the City Council had the ability to require inclusionary zoning through policies in the General Plan. An adoption of the provisions at this time would allow the development community to know for certain what would be applied now as opposed to later.

Councilmember Kee referred to residential over commercial and noted that multifamily residential above ground floor retail or office would be permitted. He questioned whether or not single family would be allowed. He was advised by Ms. Ayres that the typical definition of single family was one house on one lot. A single unit above retail or office would be acceptable.

Councilmember Glynn suggested that the modification earlier referenced by Ms. Ayres for paragraph G be modified to clarify the "current" General Plan. He therefore recommended another change to that paragraph as follows:

- G. If a proposed use and/or development activity are determined to be inconsistent with the General Plan, City staff shall not process the application unless accompanied by an application for a General Plan Amendment, which, if approved, would bring the activity into conformance with the **current** General Plan*

City Attorney Linda Daube clarified that could be done.

Councilmember Glynn noted that the impact of those projects currently in process was unknown. He wanted to sit down with staff to talk specifically about what the impacts would mean to projects fully improved but not yet built out. He referred to the Bailey Estates project as an example.

Ms. Ayres referred to the second to the last column in the table, which would indicate how many units would be restricted in each project.

Ms. Ayres noted that the large homes would not be made affordable to lower income households, although secondary units would be included in the design to provide additional sources of housing on those properties. There would be no rent restrictions on those units. By virtue of their size, those units would be affordable and offer housing for parents, au pair, or other similar types of occupants. Those additions would not jeopardize the market value of the homes.

Councilmember Beals noted her understanding that the Council was to provide staff with direction to look at the situation and provide the Council with a comprehensive plan for how future developments would be impacted, and how and in what manner the City would implement the proposal for review. She noted the recommendations submitted for the Council to make a decision without the Council being aware of the recommendations. She stated that the Council was dedicated to reviewing the inclusionary zoning but she did not believe the inclusionary zoning was to be adopted without review. She suggested that the inclusionary zoning proposal now submitted had created more questions for the Council. She sought very clear direction from staff to be able to clearly apprise developers of the policy.

Councilmember Beals reiterated her expectation, as earlier directed by the Council, for a comprehensive plan. She did not support a piecemeal approach to such a vital policy and she emphasized the need for a comprehensive plan that would clearly identify the City's intent.

Mayor Rios opened the public hearing for Ordinance 04-1215.

BOB GLOVER, representing the Homebuilders Association (HBA) of Northern California, submitted a letter to the Council, which he read at this time related to the affordable housing needs driven by the fact that not enough housing was being built in the right places to address the housing demand. He added that land use and other constraints limited construction and that the Bay Area alone fell short of meeting its housing demand by 20,000 more units every year, which had increased the price of new and existing homes. He stated that inclusionary housing programs had been proposed to address that need although he suggested that it would do the opposite and impose significant detriment to the community.

Mr. Glover questioned why the City would want to adopt an interim ordinance that would need to be reconsidered in 45 days. He recommended that more information be

provided before any action was taken. He did not support a piecemeal approach. He emphasized the number of unknowns and stated that the HBA was deeply concerned about the proposed ordinance and the effect it would have on housing availability in the City of Pittsburg. He recommended an introduction of the ordinance without inclusionary provisions and recommended that inclusionary housing be scheduled for discussion at a later date.

CRAG CASTELLANET, Oakland, expressed his appreciation for the proposal and the inclusionary policy as well as the hard work of staff to bring the proposal forward. He expressed his appreciation for the other implementation elements included in the plan.

Mr. Castellanet urged the retention of the inclusionary housing element in the proposal, stated it was a serious concern and emphasized that it would be an equitable concern related to some of the existing projects and capture all of the development that would occur in the City. He noted that he had not had an opportunity to share the item with other members of Pittsburg Better Together. He urged the inclusion of the entire City and as many zones as the Council deemed appropriate to provide affordable housing. In particular, he stated that the large developments would be most able to contribute to the provisions of units both rent restricted and income restricted.

EVELYN STIVERS, San Francisco, the Livable Communities Associate Director for the Greenbelt Alliance, stated that she was encouraged by the proposed interim zoning regulations, which addressed some substantial issues. She suggested that staff had done a great job in creating the document. She looked forward to a long-term plan on inclusionary zoning and working closely with the Council to develop a long-term strategy for inclusionary zoning, including a study and assurances that inclusionary zoning would cover the entire City. She was concerned with the residential single family and hillside low density projects and suggested that to place a higher standard of development for the infill parcels and multifamily housing might not be the most fair approach, which would not be known until a study had been prepared to identify the situation. She urged a committed approach to the preparation of a study to do that.

STEVE GARRETT, representing the Castle Companies, homebuilders in Northern California for the last 35 years, which would develop the St. Vincent de Paul property and another property on North Parkside Drive, noted the consensus process that should be used to make a determination. He stated that once adopted, the homes would have to get built and if it did not make sense, development would not be encouraged. He volunteered to help the City pursue a consensus planning process. He also noted that the ordinance did not consider all the properties and their various situations, suggested that the process had been rushed, and urged that the item be continued.

PETER HELLMAN, Clayton, representing the Alves Ranch, echoed many of the statements offered by Mr. Garrett. He supported the obligation of cities to fill their affordable housing requirements. He also disagreed with the staff report. He suggested that the proposal would kill the Alves Ranch project. With the exception of the City of Davis, he described the proposal as the most onerous inclusionary housing ordinance in

effect in any community in which he had worked. He emphasized that the development process for the Alves Ranch had been commenced over a year ago, with over \$1.5 million expended so far in the planning process. The application for the proposal had been deemed to be complete on December 23, 2003.

Mr. Hellmann described the many amenities associated with the Alves Ranch project that he stated had set a new standard for the City of Pittsburg based in part on numerous representations that no affordable component would be imposed on the project. He identified the substantial benefits to the City associated with the proposal, which included the completion of West Leland Road at a cost of \$6 to \$12.4 million and the dedication of a school site to the Mt. Diablo Unified School District (MDUSD).

Other amenities were described by Mr. Hellmann, to also provide a 4 acre park with new public ballfields and other landscaping improvements, \$15.2 million of water infrastructure and storm drainage improvements in Bay Point that would address serious flooding problems. He emphasized that the features were all included in their application deemed complete on December 23. If the inclusionary zoning was approved, he stated that those amenities would have to be renegotiated, if possible. If not, the project would die.

Mr. Hellmann emphasized a desire to work with the City to create an inclusionary Zoning Ordinance that would work with the City and with the Alves Ranch. He also urged that the proposal would not impose a two step process that would require a General Plan Amendment prior to the subsequent standard entitlements.

RICK RICHARDSON, Danville, President of St. Vincent de Paul in Contra Costa County stated that St. Vincent de Paul had been working with Castle Companies for over a year for the sale of the property for development. While he noted that St. Vincent de Paul as a society was an advocate of affordable housing, he stated that the inclusionary housing proposal could jeopardize the current application.

CARLA HICKS, representing the Church of the Living God, 1107 Harbor Street, Pittsburg, spoke in support of affordable housing and emphasized the specific need for affordable housing in the City of Pittsburg for the City's low income residents.

Mayor Rios closed the public hearing.

Vice Mayor Parent noted that she had been contacted by developers who were also concerned with the proposed inclusionary housing ordinance. She noted that those who had followed the Council's process were aware that the Council had started discussions of inclusionary housing requirements in November 2003. She thanked staff for the information that had started the discussions. She suggested that the Council could use the process as an opportunity to impose a timeframe to adopt an inclusionary housing ordinance after careful consideration and modification, if necessary, to fit the needs of the community. She otherwise recognized the progress that was being made.

Councilmember Kee thanked staff for the information and acknowledged that the City had the attention of the development community. He clarified the Council's intent to create some type of inclusionary zoning for Pittsburg, although how that would be done had not been identified at this point.

Councilmember Kee supported a workshop or some other mechanism to discuss a fair and equitable inclusionary proposal that should not be placed entirely on the developer. He suggested that members of the development community offer some solutions to help in the process.

Councilmember Beals thanked staff for the proposal, sought an all-encompassing policy of the homebuilding community, a comprehensive plan that would work for the developers and would work for the City. She emphasized the direction of the Council and urged working through the process to craft a policy that would work best for the City.

Councilmember Glynn noted that there were 19 cities within Contra Costa County and elsewhere. He sought the receipt of an active inclusionary housing ordinance from those other cities and the County to see what would work. He sought a process of working together to develop the ordinance that would be workable for the City. He thanked staff for the proposal and urged a pursuit of a comprehensive process.

Mayor Rios concurred and requested that staff schedule a workshop to include all the items that had been discussed, to be led by staff and with staff to bring that information to the City Council within 45 days.

Mr. White noted that he had asked staff to do something similar as a result of the hillside policies. He suggested that staff schedule a study session with developers, affordable housing advocates, and others, to share specific ideas, and with a staff outline to be returned to the Council within 45 to 60 days, allowing sufficient time to offer a thorough proposal.

Vice Mayor Parent sought some type of progress report at the next Council meeting.

Mr. White stated that report might be possible under City Manager reports.

On motion by Vice Mayor Parent, seconded by Councilmember Glynn and carried unanimously to adopt Ordinance 04-1215, as proposed, with the elimination of Section 1D, 2D, 2E and 2F related to inclusionary housing, to adopt Exhibit A with the modification to Section 2G as earlier modified and remodified, and to adopt Exhibits B, C and D minus Sections H and I on Exhibit D related to inclusionary housing.

City Attorney Daube clarified that as an interim ordinance, there was no need for a second reading in this case.

CONSIDERATION

1. **RESOLUTION 04-9989** Authorizing Additional Construction Contingency for
Combined w/RDA 04-940 Contract 00-03, Pittsburg-Antioch Highway Operational
Safety Improvements and Making Certain Findings in
Connection Herewith

On May 19, 2003, the City Council adopted Resolution No. 03-9820, awarding a construction contract to Bay Cities Paving and Grading for Contract 00-03, Pittsburg-Antioch Highway Operational Safety Improvements. During the course of construction, the contractor had encountered numerous underground utility conflicts resulting in unanticipated additional costs, which had resulted in a depletion of the project contingency. At this time, the project is 80 percent complete.

In Joint Session with the Redevelopment Agency the City Council took the following action:

On motion by Councilmember Glynn, seconded by Councilmember Beals and carried unanimously to adopt City Council Resolution 04-9989.

CONSENT CALENDAR

Councilmember Kee requested the removal of Item d. from the Consent Calendar.

On motion by Councilmember Beals, seconded by Councilmember Glynn and carried unanimously to adopt the Consent Calendar, as follows, with the removal of Item d.

- a. **MINUTES** Dated: January 5, 2004

Approved minutes dated January 5, 2004.

- b. **CLAIMS** #1551 Anitra Brown; #1564 Todd Michael Billeci

Denied Claims #1551 Anitra Brown and #1564 Todd Michael Billeci.

- c. **RESOLUTION 04-9990** Authorize Funding Payment to Contra Costa County
Pittsburg Library for Additional Hours of Service in the
Amount of \$72,448.91 for Fiscal Year 2002-2003 and
\$79,400 for Fiscal Year 2003-2004.

Adopted Resolution 04-9990.

- e. **RESOLUTION 04-9992** Approval of Professional Services Contractual
Agreement Between the City of Pittsburg and John
Bartley Kerr

Adopted Resolution 04-9992.

- f. **RESOLUTION 04-9995** Approve the Intent to Refund the Wastewater Revenue Refunding Bonds, Series 1994

Adopted Resolution 04-9995.

Councilmember Kee had removed the following item from the Consent Calendar.

- d. **RESOLUTION 04-9991** Approving the Plans and Specifications and Authorizing Bidding for Contract 02-07, Marina Dock Replacement Project Phase II

Contract 02-07, Marina Dock Replacement Project will include the installation of new docks and facilities at the George Lowy Marina. This project is being constructed in two phases due to environmental restrictions. Phase I is approaching completion. This resolution will authorize the City Engineer to advertise for bids to construct Phase II of the project, which includes the dock installation and other facilities.

Councilmember Kee stated that he had removed the item due to numerous wordings in the resolution related to the approval of the plans and specifications. Given his professional capacity and the higher standard to which he was held, specifically related to plans and specifications, he requested the following changes:

Section 2. The plans and specifications for Contract 02-07, Marina Dock Replacement Project, Phase II, hare hereby accepted.

Section 5. This Resolution shall take effect immediately upon adoption.

ACCEPTED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 20th day of January 2004, by the following vote:

On motion by Councilmember Kee, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 04-9991, as amended.

COUNCIL REPORTS

Councilmember Kee reported that he had attended two Martin Luther King celebrations at Dow Chemical and at City Hall where there had been a rally and a march to the Community Theater, when Councilmember Beals had been a key recipient of an award. He had also been a guest speaker at Antioch High School where he had spoken to students about leadership and perseverance at three advanced classes.

Vice Mayor Parent advised that she had attended the reorganization of the City Council of the City of Oakley. She had also attended the affair at the Pittsburg Historical Society and the Dow Chemical celebration for Dr. Martin Luther King, Jr.

Councilmember Beals reported that the Economic Development Subcommittee had

met. She congratulated the City's Director of Economic Development for his aggressive and relentless efforts to attract new business to the City. She had also attended the Martin Luther King celebration held at Pittsburg High School. She commended minister Greg Osorio for his hard work and dedication and with working with her family on the recognition afforded her at that time.

As a former Mayor, Councilmember Beals stated that she had been invited to keynote the Annual Martin Luther King celebration in the Stockton Civic Auditorium when over 500 people had attended.

Councilmember Glynn described his attendance at the reorganization and installation dinner of the Pittsburg Historical Society and the Martin Luther King celebration at Dow Chemical.

Mayor Rios advised that the Black Diamond Project Feasibility Study had been completed and would be submitted to the Council in February. Other discussions at that time had considered opening the Commercial Rehab Loan Program to all parts of the City instead of just the downtown and the First Time Homebuyers Program, all to be submitted to the Council in February.

Mayor Rios reported that she had also met with the Delta Diablo Sanitation District last week. As a result of concerns expressed by Senator Torlakson, the District was now providing 24/7-phone service to respond to street sweeping concerns. She stated that a Mercury Reduction Program would be presented to the City Council in the near future. The District would also have boat tours of the Delta as part of the Pittsburg Unified School District and the Delta Discovery Sponsor program.

Mayor Rios further reported that the Revenue and Taxation Policy Committee had met and had discussed the State Budget and prevailing wages, at which time Propositions 57 and 58, the Governor's bonds and balanced budget propositions had been discussed. The Governor had asked city mayors to support the two propositions that were tied together. The consensus decision at the meeting was that the cities needed something in return. Cities sought a reconsideration of the Educational Revenue Augmentation Fund (ERAF). More information would follow as it became available.

Mayor Rios announced that she had also recorded a Happy New Year message to the City of Shenyang, China in honor of the Year of the Monkey, she had presented nominees for Best Supporting Actor at the Shellie Awards in Walnut Creek, and she had installed officers for the Pittsburg Historical Society reorganization dinner, at which time City employees Garrett Evans and Ursula Luna had been recognized for his/her outstanding work. She had also attended the Martin Luther King celebrations earlier referenced.

Referring back to the Resolution earlier adopted, Mayor Rios explained that the Council would have to reconsider the item.

- d. **RESOLUTION 04-9991** Approving the Plans and Specifications and Authorizing

Bidding for Contract 02-07, Marina Dock Replacement
Project Phase II

Councilmember Kee reported that he had been informed by the City Clerk that one of his requested amendments was not acceptable in the resolution because it was standard language that actually had to be approved. As such, his recommended change to Section 5 was withdrawn. He deferred that amendment with the understanding that applied only to approving the resolution and in no way, shape or form applied to approving drawings, specifications or anything else where he might have potential liability.

On motion by Councilmember Kee, seconded by Councilmember Beals and carried unanimously to adopt Resolution 04-9991, with an amendment to Section 2 only, as follows:

Section 2. The plans and specifications for Contract 02-07, Marina Dock Replacement Project, Phase II, hare hereby accepted.

ADJOURNMENT

The meeting of the City Council adjourned at 9:21 P.M. to the next meeting set for February 2, 2004.

Respectfully submitted,

Lillian J. Pride, City Clerk

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