



City of East Palo Alto MINUTES

TUESDAY, JANUARY 29, 2019

CITY COUNCIL SPECIAL MEETING - 6:30 P.M.

1. CALL TO ORDER AND ROLL CALL

Vice-Mayor Wallace-Jones called the meeting to order at 6:43 p.m.

PRESENT: Romero, Wallace-Jones

ABSENT: Moody, Abrica, Gauthier

2. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no comments made from the public.

Vice Mayor, called for a brief recess.

3. ADJOURNMENT INTO CLOSED SESSION

Due to a lack of quorum, Closed Session Items 4A and 4B below were continued to next City Council meeting.

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code section 54957)

TITLE: City Attorney

B. PUBLIC EMPLOYMENT

(Government Code Section 54957)

TITLE: City Manager

4. APPROVAL OF THE AGENDA

(Government Code Section 54957.7(a))

Action: Upon motion by Councilmember Romero and seconded by Council member Moody, the City Council **voted 3-0-2-0** to approve the Agenda and **move the closed session items 4A and 4B until next city council meeting.**

AYES: Romero, Moody, Wallace-Jones

NOES: None

ABSENT: Abrica, Gauthier

ABSTAIN: None

**5. APPROVAL OF CONSENT CALENDAR
City Council Ordinances, Resolutions/ Informal Reports/ Approval of Actions
and Motions**

Recommendation: That the City Council adopts the Consent Calendar as indicated below.

Action: Upon motion by Councilmember Romero and seconded by Council member Moody, the City Council voted 3-0-2-0 to approve the Consent Calendar, minus Item 8A.

AYES: Romero, Moody, Wallace-Jones

NOES: None

ABSENT: Abrica, Gauthier

ABSTAIN: None

A. Adopt a Proclamation Congratulates The Menlo-Atherton Football Team For Winning The CIF State Division 3-AA Championship
(Lisa Gauthier, Mayor)

Council member Moody congratulated the Football team from Menlo-Atherton and Coach, all of who are present at the meeting. Coach Adhir Ravipati received the Proclamation and thanked City Council for their support and presence at the parade.

Action: Upon motion by Council member Moody and seconded by Council member Romero, the City Council **voted 3-0-2-0.**

AYES: Moody, Romero, Wallace-Jones

NOES: None

ABSENT: Abrica , Gauthier

ABSTAIN: None

B. Accept and File the Treasury Report for the second quarter ending December 31, 2018.
(Brenda Olwin, Finance Director; Agnes Pabis, Financial Services Manager)

There were no comments from the public.

C. Adopt a resolution:

- 1. Ratifying a three-year contract with West Publishing Corporation for Westlaw online legal research and publications in an amount not to exceed \$31,082.49; and**
- 2. Waive the formal bid procedures under section 2.84.070(D) of the Municipal Code due to the special circumstances that West Publishing Services provides robust online legal research and continuing legal education services at a competitive price.**

(Rafael E. Alvarado, Jr., City Attorney; Vadim Sidelnikov, Deputy City Attorney)

The City Council approved Resolution No. 5072

D. By motion, approve an amended 2019 Calendar of City Council meetings
(Maria Buell, City Clerk)

9. ORAL REPORTS

A. Staff Reports

- Sean Charpentier had no report.
- Chief of Police reported that there was toy give away held at City Council chambers on New Year's day' Council member Abrica joined the evening patrol; on January 7, officers participated in a Memory run; on January 15, 2019 Pastor Bains and Council member Abrica joined a symposium in san Francisco and Mrs. Wilks funeral; he reminded citizens to drive safely in upcoming rainy weather.

B. City Council Reports

- Council member Moody had no report.
- Council member Romero had no report.
- Vice Mayor reported participating in the new Council members training California League of Cities in Sacramento.

10. COMMUNITY FORUM

There was 1 speaker from the public. The topic mentioned was the Ordinance restricting oversized vehicles.

11. INFORMATIONAL REPORT - NONE

12. SPECIAL PRESENTATION – NONE

13. STUDY SESSION

A. Development Impact Fee Program Nexus Study and Financial Feasibility Analysis

(Hansom Hom, Interim Community Development Director)

Recommendation

Provide comments and direction on the Development Fee Program Nexus Study and Development Fee Program Financial Feasibility Analysis to assess development impact fees on new development to fund transportation, storm drainage, parks and trails, and community facilities projects as defined in the City's Capital Improvement Program.

There were 3 comments from the public.

Vice Mayor Wallace-Jones asked how Palo Alto got a high housing impact fee; discussed models used by private schools and churches; SF for office space; and need for working sessions for community and developers.

Council member Moody provided comment on two letters.

Council member Romero did not concur with models presented and stated there is no need for additional creation of data.

14. PUBLIC HEARINGS

Mayor Gauthier joined meeting at 10:03 p.m.

A. Adoption of Zoning Change at Light Tree Apartments- R-HD-3 to R-HD-5 and CEQA Compliance

(Rafael E. Alvarado, Jr., City Attorney; Guido Persicone, Planning Manager; Daniel Berumen, Senior Planner)

Recommendation

1. Waive the first reading and introduce an Ordinance approving a Zone Change from R-HD-3 to R-HD-5 for 1805 East Bayshore Road, East Palo Alto, CA 94303 (Light Tree Apartments).
2. Adopt a Resolution:
 - a) Approving the Design Review, Zone Change (DR18-026, ZC18-001), and Density Bonus based on the findings listed in this staff report and subject to the standard requirements and conditions of approval included in Exhibit A of the resolution;
 - b) Finding that the Initial Study and Mitigated Negative Declaration have been done in compliance with the California Environmental Quality Act (CEQA); and
 - c) Authorizing the City Manager to File a Notice of Determination within five working days of adoption pursuant to Section 15075 of the CEQA Guidelines.

Action: Upon motion by Mayor Gauthier and seconded by Council member Moody, the public hearing was opened and City Council **voted 4-0-1-0**.

Daniel Berumen, Senior Planner, and Michelle from Hexagon made a presentation to City Council and answered questions.

There were 23 comments from the public.

Council member Romero thanked the Planning Commission for the great job on this item.

Council member Moody concurs with his comment and asked if additional parking spaces would be provided.

Vice Mayor Wallace Jones asked how the number of Units was arrived at; concerned with a potential delay on project resulting with less funding; wants safety features in the project; parking passes and creation of possibilities to amenorate number of parking; perhaps shared parking structures like IKEA. Mayor Gauthier stated we have a crisis with housing and need to work on providing a solution to parking; she wants to hear more about “protections.”

Action: Upon motion by Council member Romero and seconded by Mayor Gauthier, the public hearing was closed and City Council **voted 4-0-1-0.**

Action: Upon motion by Council member Romero, and seconded by Mayor Gauthier, to extend the meeting beyond midnight, the City Council voted 4-0-1-0.

AYES: Romero, Gauthier, Moody, Wallace-Jones

NOES: None

ABSENT: Abrica

ABSTAIN: None

Action: Upon motion by Mayor Gauthier and seconded by Council member Moody, the City Council **voted 4-0-1-0.**

AYES: Gauthier, Moody, Romero, Wallace-Jones

NOES: None

ABSENT: Abrica

ABSTAIN: None

The City Council approved Resolution No. 5073

15. POLICY AND ACTION

A. Affordable Housing and Sustainable Communities (AHSC) Grant for the Light Tree Apartment Project at 1805 East Bayshore Road, Transportation-Related Capital Improvements, and Catalyst Fund Loan Commitment

(Rafael E. Alvarado, Jr., City Attorney; Guido Persicone, Planning Manager; Daniel Berumen, Senior Planner)

Recommendation

Adopt two Resolutions necessary to implement essential elements of the Light Tree Apartments Project, a substantial renovation of 57 existing apartments, selective demolition of 37 townhomes, and construction of 128 new apartments, resulting in 182 affordable apartments and three management staff units, yielding a new total of 185 apartments and a net increase of 91 new affordable apartments (Project).

I. Adopt a Resolution (*Attachment 1*) related to the Affordable Housing and Sustainable Communities (AHSC) Program funding opportunity that authorizes and directs the City Manager to:

1. Apply for and jointly submit an Application, with the Eden Housing, Inc., to the HCD as detailed in the NOFA dated November 1, 2018, for Round

4 in a total amount not to exceed \$20,000,000 of which \$13,500,000 is requested as a loan for an Affordable Housing Development (“AHSC Program Loan”) and \$6,500,000 is requested for a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities (“AHSC Program Grant”) as defined in the AHSC Program Guidelines published by SGC on October 29, 2018;

2. Negotiate and execute a Cooperative Agreement with the San Mateo County Transit District (SamTrans) as a non-applicant for the purpose of acquiring and operating three electric buses as part of the new East Palo Alto-San Bruno route;
3. Seek City Council approval of the Standard Agreement, if the Application is successful, with terms and conditions that AHSC Program funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement in a total amount not to exceed \$20,000,000 (\$13,500,000 for the AHSC Program Loan and \$6,500,000 for the AHSC Program Grant); and
4. Seek City Council approval of an agreement with the Developer (Cooperation and Indemnification Agreement), if the Application is successful, to allocate responsibilities and liabilities between the City and the Developer.

Adopt a Resolution: (*Attachment 2*) that:

1. Approves the proposed Catalyst Fund Loan Terms;
2. Authorizes the Local Initiatives Support Corporation (LISC) to appropriate \$4,000,000 in Catalyst Funds in the form of a loan to the Developer or an approved affiliate to implement the Project with the loan terms codified in Exhibit A of the attached Resolution;
3. Establishes a one-time fee of \$40,000 to the Developer that would offset the City’s legal costs of completing all transactions associated with the Project; and
4. Authorizes the City Manager to work closely with LISC to execute and deliver all documents associated with the Catalyst Fund, and all amendments thereto to close the Catalyst Fund loan.

Patrick Heisinger, Housing Projects Manager, made a presentation to City Council and answered questions.

There was one comment from the public.

Action: Upon motion by Councilmember Romero and seconded by Mayor Gauthier, the City Council **voted 4-0-1-0**.

AYES: Romero, Gauthier, Moody, Wallace-Jones
NOES: None
ABSENT: Abrica

ABSTAIN: None

The City Council approved Resolutions No. 5074 and 5075

B. Approval of In Lieu fee for Four Undeveloped Parcels within the Maple Lane Development (continued from 1/15/19 meeting)

(Hanson Hom, Interim Community Development Director; Victor I. Ramirez, Rent Stabilization Program Administrator; Patrick Heisinger, Housing Projects Manager)

Recommendation

Adopt a resolution that:

1. Amends the Conditions of Approval for Lots 16, 17, 18, and 19 (APNS 120-063-720-190, 122-063-720-180, 124-063-720-170, 126-063-720-160) of the Maple Lane Subdivision to replace the inclusionary requirement with an in-lieu fee for the four undeveloped parcels, consistent with terms in Exhibit A, equal to:
 - a. An upfront fee of \$280,000, and
 - b. A 50% share of the portion of the established Value of each parcel, sales price of each unit that exceeds \$813,000; and
2. Authorizes the City Manager to prepare, execute, and record any and all necessary documents related to this action, subject to approval by the City Attorney, including but not limited to an Agreement consistent with the terms in Exhibit A, escrow instructions, and other required documents.

Patrick Heisinger, Housing Projects Manager, made a presentation to City Council and answered questions.

There were no comments from the public.

Action: Upon motion by Councilmember Romero and seconded by Mayor Gauthier, the City Council **voted 4-0-1-0**.

AYES: Romero, Gauthier, Moody, Wallace-Jones

NOES: None

ABSENT: Abrica

ABSTAIN: None

The City Council approved Resolution No. 5076

C. Actions Related to the Refinancing of the Peninsula Park Apartments (Continued from 1/15/19 meeting)

(Hanson Hom, Interim Community Development Director; Victor I. Ramirez, Rent Stabilization Program Administrator; Patrick Heisinger, Housing Projects Manager)

Recommendations

Adopt a Resolution authorizing the City Manager to negotiate and execute amendments to existing City Loan and Regulatory Agreements relating to the Peninsula Park Apartments consistent with the terms described in this memorandum.

Patrick Heisinger, Housing Projects Manager, made a presentation to City Council and answered questions. A representative from Bridge Housing was also present.

There were no comments from the public.

Action: Upon motion by Mayor Gauthier and seconded by Council member Moody, the City Council **voted 4-0-1-0**.

AYES: Gauthier, Moody, Romero, Wallace-Jones
NOES: None
ABSENT: Abrica
ABSTAIN: None

The City Council approved Resolution No. 5077

16. ADJOURNMENT

Council member Moody closed the meeting in memory of Ms. Gertrude Wilks.

The City Council regular meeting adjourned at 12:06 a.m., January 30, 2019.

Respectfully submitted by María Buell, City Clerk.