

MINUTES

OF THE

SACRAMENTO CITY COUNCIL
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT COMMISSION
PARKING AUTHORITY OF THE CITY OF SACRAMENTO
SACRAMENTO CITY FINANCING AUTHORITY

REGULAR MEETING

FEBRUARY 28, 1995

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 7 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Councilmembers Cohn, Fargo, Kerth, Ortiz, Pannell, Steinberg, Waters, Yee and Mayor Serna

Absent: None

PLEDGE OF ALLEGIANCE was led by Mayor Serna

8.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

8.1 Commendation to Lisa Owens, Dispatcher for the Sacramento Police Department.

The Certificate of Appreciation was presented by Chief Venegas.

8.2 Resolution recognizing the Sacramento Youth Symphony [Cohn].

Resolution was presented to Mr. Neumann by Mayor Serna.

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9.0 STAFF REPORTS (EVENING)

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Sacramento Housing and Redevelopment Agency

- 9.1 Sacramento Cottage Housing, Inc., located at 14th and North A Streets, Richards Boulevard Redevelopment Area, Disposition and Development Agreement in the amount of \$1,404,000 for the construction and permanent loan, report regarding disposition of property acquired with Tax Increment Funds (Health and Safety Code Section 33433 Report). (D-1)
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Anne Moore, Community Development Department Director, gave a brief background and summarized the project for Council. She said the project has to go before the Tax Credit Allocation Board before March 10, 1995. All concerns have been addressed and one hundred thousand dollars has been cut from the water, sewer and school impact fees. It is anticipated another twenty thousand dollars of costs will be cut from the project. In addition the City will not build any more cottages until the County of Sacramento builds some.

Mayor Serna stated that since this item had been before the Council on two previous occasions, he did not want to discuss the entire project again. If there were any questions regarding policy or new issues not already addressed, those could be discussed.

Councilman Yee asked why the value of the land, \$3.05 million, was not included in the cost of the project.

John Dangberg, Assistant Director of Community Development Department, replied the lease value was \$400,000. Since this is a subsidy and not a loan, it was not included.

Ms. Moore added that the City was not selling the land, but rather was holding a 55 year lease on the property. That is why the value of the land was not included.

Councilman Yee questioned staff about utility charges. He said since tenants don't pay for utilities, where were those costs shown.

Mr. Dangberg replied those costs would be coming out of the management expenses.

Councilman Waters asked if each unit was costing \$23,000.

Mr. Dangberg replied the \$23,000 was the installed price, on site.

Councilman Cohn asked if the department had received any legal advice on residency requirements. He asked the criteria for screening applicants and if a referral was needed from Social Services.

Bill Kennedy, Cottage Housing, replied they could not have a

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residency requirement because federal money was involved. He said it would take 3 to 6 months for someone to qualify for a home.

Councilman Waters stated he had a real concern regarding the construction costs. He made a detailed list of costs and wanted more information from staff. He stated he fully supported the concept of homes for the homeless but felt the homes should last 25 years.

Mr. Waters said Golden West was not using high quality materials as stated in the staff report. The kitchen sinks were tin painted with porcelain, not cast iron. There were no gutters, no air-conditioning, and no ovens. Using his figures, these cottages would only cost \$14,000. He asked who was getting the \$658,000 profit. He requested that approval for the project be continued for one week in order to work with staff.

John Malloy, Director of the Sacramento Housing and Redevelopment Agency, replied that he was only familiar with the costs for site preparation and fees. He asked for a copy of the list to help cut the costs.

Tom Hoeber, Sacramento Housing Inc. board member, stated he would like an opportunity to review the list with Councilman Waters.

Mayor Serna said he would assign Councilman Waters to work with staff regarding the costs.

Mr. Malloy spoke about the Tax Credit Allocations and that the City must show local support for this project. If the project was not adopted, tax allocations would be lost. He suggested that the project could always go out for bid.

Mr. Hoeber asked for the opportunity to work with the City in order to reduce costs. He said he was prepared to do whatever he could to make this project work. He said this was the first opportunity staff had to focus on the construction.

Councilman Waters asked if he hadn't raised questions about costs who would have received the profit.

Mayor Serna asked if the Council could approve the lower figures after the policy questions had been resolved.

Stan Keesley, Executive Director of Rural California Housing Corp., replied Council could review bids at a later date, but the money had to be committed now. He said not all issues were definite, they could be changed.

Mr. Malloy said the Council could stipulate that the cottages go out to bid and they could review the bids.

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Councilman Pannell stated he possibly had a conflict of interest as he sits on the State Tax Board.

Sam Jackson, City Attorney, replied he tried to contact the State Board attorney, but had no success. He said Councilman Pannell's role on the Board was a non-voting role, but by being present, he could influence the vote. Mr. Jackson added that he believes Councilman Pannell could take action here tonight, but then abstain from discussion at the Board level.

Councilman Pannell stated that he was one of the four City Councilmembers who sat on the working group. He said he supported the project, but was concerned with the figures that Councilman Waters presented.

Councilman Yee stated he also sat on the working group and remembers discussing project costs of approximately \$200 per square foot. He had requested Council to look at the costs then, as he felt something was wrong. He was glad that Councilman Waters took the time to review the costs.

Councilman Steinberg stated that the Council could allocate the money, go out to bid and review the bids. The bids could be vetoed if needed. But the project needed to move forward tonight.

Virginia Diebel spoke in opposition to the cottages. She asked why anyone would approve a 55 year loan for cottages that would only last 25 years.

Peter Finn spoke in opposition to the cottages.

Gary Collier, resident of Parker Homes, spoke in opposition.

A motion was made by Councilman Steinberg, seconded by Councilman Pannell, to adopt Agency Resolution 95-011 and City Resolution 95-077, as amended, relating to the Cottages. The motion carried with a 6-3 roll call vote, with Councilman Kerth, Waters and Yee voting no.

REDEVELOPMENT AGENCY RESOLUTION NO. 95-011

COTTAGES: ENVIRONMENTAL FINDINGS;
DISPOSITION AND DEVELOPMENT AGREEMENT AND
RELATED AGREEMENTS; AND DOCUMENTS FOR LEASE
AND DEVELOPMENT AND MAKING CERTAIN FINDINGS
IN CONNECTION THEREWITH (14TH AND NORTH A
STREETS, RICHARDS BLVD. REDEVELOPMENT AREA)

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RESOLUTION NO. 95-077 AS AMENDED

COTTAGES: CONSTRUCTION AND PERMANENT LOAN FOR DEVELOPMENT OF HOUSING FOR HOMELESS PERSONS; CONSENTING TO THE DISPOSITION AND DEVELOPMENT AGREEMENT; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH (14TH AND NORTH A STREETS, RICHARDS BLVD. REDEVELOPMENT AREA)

City Council

- 9.2 Community Facilities District (CFD) No. 95-01 for the Development Fee Financing Program. (D-1,5,6)
- A. Approve CFD Boundary Map
 - B. Intention to form CFD (set hearing for April 4, 1995)
 - C. Incur Bonded Indebtedness
 - D. Approve agreement for legal services
 - E. Approve formation and reimbursement agreements
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Gary Alm, Special Districts Manager, gave a brief presentation. He stated the purpose of this project was to issue Mello-Roos bonds to finance the development fees over a ten year period. There were five industrial development projects in this CFD. He stated future development projects could join the program by submitting an application.

Councilwoman Fargo asked what risk the City was taking and what kind of recourse it had in the event of bankruptcy.

Mr. Alm replied that the City could lien the property and have the right of foreclosure. The City received a letter of credit for security. Also, this was a one hundred percent self-supporting district. No general funds were being used.

Councilwoman Fargo asked who decides about financial assistance. Was it decided by financial need?

Mr. Alm replied there is a developer manual and application form that has to be completed. Any developer in the City could apply.

Councilwoman Ortiz asked if Quimby fees were included in the project.

Mr. Alm replied that Quimby fees were paid for by residential developers only. This program was set up for industrial/commercial development. Therefore Quimby fees could not be used.

A motion was made by Councilwoman Fargo, seconded by Councilman Yee, to adopt Resolutions 95-078, 95-079, 95-080, 95-081 and 95-082

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approving Agreements 95-038, 95-039, 95-040, 95-041 and 95-042 to adopt the Community Facilities District. The motion carried with a 9-0 roll call vote.

RESOLUTION NO. 95-078

RESOLUTION APPROVING BOUNDARY MAP OF
DEVELOPMENT FEE FINANCING COMMUNITY
FACILITIES DISTRICT NO. 95-01

RESOLUTION NO. 95-079

RESOLUTION OF INTENTION TO FORM COMMUNITY
FACILITIES DISTRICT AND LEVY A SPECIAL TAX
IN DEVELOPMENT FEE FINANCING COMMUNITY
FACILITIES DISTRICT NO. 95-01

RESOLUTION NO. 95-080

RESOLUTION TO INCUR BONDED INDEBTEDNESS IN
DEVELOPMENT FEE FINANCING COMMUNITY
FACILITIES DISTRICT NO. 95-01

RESOLUTION NO. 95-081

RESOLUTION APPROVING AGREEMENT FOR LEGAL
SERVICES DEVELOPMENT FEE FINANCING
COMMUNITY FACILITIES DISTRICT NO. 95-01

RESOLUTION NO. 95-082

RESOLUTION APPROVING FORMATION AND
REIMBURSEMENT AGREEMENT FOR DEVELOPMENT FEE
FINANCING COMMUNITY FACILITIES DISTRICT NO.
95-01

10.0 PUBLIC HEARINGS

- 10.1 2010 Bikeway Master Plan with resolutions amending the General Plan and seven community plans (M94-026) (hearing opened 1/31/95, Item 10.2). (D-All)

This item was continued to March 14, 1995, 7:00 p.m.

- 10.2 Willowcreek Assessment District #94-03 located within the South Natomas Community Plan area; includes 43 parcels of undeveloped land, just West of the Natomas Main Drainage Canal and South of Interstate 80 (hearing opened 1/31/95, Item 10.1; continued from 2/7/95, Item 10.1 [staff]).

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(D-1):

- A. Approve Natomas Unified School District Funding Agreement;
 - B. Overrule protests;
 - C. Finding and determining that the public convenience and necessity require the construction of the improvements (4/5ths. vote required);
 - D. Approve amended report and assessment and order improvement.
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Gary Alm, Special District Manager, gave a brief presentation. He said this project was being requested by property owners within the proposed boundaries, and was being constructed in two phases. The first phase would provide the funding to construct the pump station outfall structure for the drainage system at the Sacramento River. This phase would also purchase the right-of-way for the outfall. Plans and specifications had been prepared and bids had been received. The Natomas School District had constructed a school on a 20-acre site within the district and would benefit from the improvements being furnished with this project. The school district signed an agreement for their share of the improvement cost.

Councilman Yee stated he had concerns about the outfall placement.

Nicholas Theocharides, Associate Civil Engineer, replied that two other sites were considered. The Natomas Main Drain Canal was discussed and it was decided that it was not feasible, as it would have to have double pumping, from the pipe system of the district and then into the canal. In addition, East of the proposed site on the Sacramento River, the future development of the land and water sites would interfere. West of the proposed site was the preferable site but too many oak trees would have to be removed. Sand Cove was too remote a location to consider.

Roger Miller spoke for Donald Parr who owns 19.5 acres in the proposed district. Mr. Parr was opposed to the project as he felt the development fees being passed on to the landowners were too high.

Mr. Alm stated the fee was \$4,760 an acre which could be paid all at once with a discount, or spread out over 15 years.

Councilwoman Fargo asked if there were any options for the landowners. What if someone doesn't want to participate.

Mr. Alm replied if the project was adopted, all landowners would have to join the district.

A motion was made by Councilman Pannell, seconded by Councilwoman Fargo, to close the hearing. The motion carried with a 9-0 roll call vote.

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Mr. Alm stated a portion of this district fee is to purchase the design plans for the drainage pump station. The plans are being prepared by a private consultant in co-operation with the landowners. The plans are now complete and an additional plan will be needed for design work. Staff is requesting that a written agreement between the engineer, Spink Corporation be approved to assure that the plans will be completed. In consideration of this, Staff requests that Council continue all actions on this district until March 14, 1995. At that time, staff will return to Council with the agreement for Council approval along with the resolutions necessary to form this district.

A motion was made by Councilwoman Fargo, seconded by Councilman Pannell, to continue this item and to support staff recommendation as described. The motion carried with a 9-0 roll call vote.

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11.0 CITIZENS ADDRESSING COUNCIL, AGENCY OR AUTHORITIES ON MATTERS NOT ON THE AGENDA

(A three minute time limit is imposed on speakers addressing the Council under this heading)

NONE

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12.0 GENERAL COMMUNICATIONS

NONE

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13.0 COUNCIL IDEAS AND QUESTIONS

13.1 Mayor Serna asked SETA Board Members to prepare a resolution showing support of the Summer Youth Employment Program for the March 7, 1995 agenda.

13.2 Mayor Serna thanked Council for their support on McClellan AFB and gave an update on its status.

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14.0 ANNOUNCEMENTS

NONE

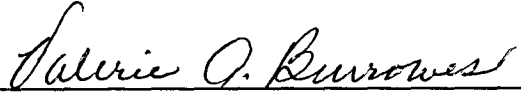
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15.0 ADJOURNMENT

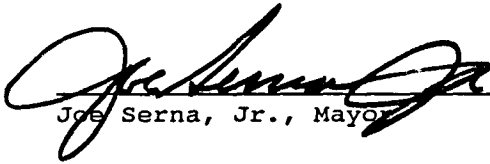
There being no further business to come before the City Council, the meeting was adjourned at the hour of 9:35 p.m.

Submitted



Valerie A. Burrowes, City Clerk

Approved



Joe Serna, Jr., Mayor

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