SANTA ROSA CITY COUNCIL MINUTES
REGULAR MEETING
TUESDAY, JUNE 26, 2012
COUNCIL CHAMBER, CITY HALL
100 SANTA ROSA AVENUE, SANTA ROSA

1. CALL TO ORDER AND ROLL CALL
Mayor Olivares called the meeting to order at 3:01 p.m. in the Mayor’s Conference Room. Council Members present: Mayor Olivares, Vice Mayor Sawyer, Council Members Bartley, Gorin, and Ours. Council Members Vas Dupre and Wysocky arrived at 3:10 p.m.

2. ANNOUNCEMENT OF CLOSED SESSION ITEM(S) IN MAYOR’S CONFERENCE ROOM (ROOM 10, CITY HALL)
2.1 PUBLIC COMMENT ON CLOSED SESSION ITEMS – None.
2.2 ADJOURN TO CLOSED SESSION IN MAYOR’S CONFERENCE ROOM
Mayor Olivares adjourned the meeting to closed session at 3:01 p.m.

2.3 CONFERENCE WITH LABOR NEGOTIATORS
Agency Designated Representatives: Fran Elm, Human Resources Director, Chris Sliz, Employee Relations Manager and Jennifer Phillips, Assistant City Manager.
Employee Organizations: Santa Rosa Firefighters Association – Local 1401 (representing City Employee Unit 2); Operating Engineers Local 3, Maintenance and Utility System Operators (Employee Units 3 and 16); Santa Rosa City Employees Association (Employee Units 4, 6, 7); Santa Rosa Police Officers Association, (Employee Unit 5); Service Employees International Union Local 1021, (Employee Units 8 and 14); Public Safety Management Association (Employee Unit 9); Santa Rosa City Attorneys’ Association (Employee Unit 17), Santa Rosa Management Association (Employee Unit 18).

2.4 CONFERENCE WITH LABOR NEGOTIATOR
Agency Designated Representative: Kathleen Millison, City Manager. Unrepresented Executive Management, Middle Management, and Confidential Employees (Employee Units 10, 11 and 12).

2.5 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b)(1) of Government Code section 54956.9. One potential case. Sonoma County landfill.

2.6 ADJOURN CLOSED SESSION(S) AND RECONVENE TO OPEN SESSION IN THE COUNCIL CHAMBER
Mayor Olivares adjourned the closed session at 3:30 p.m. and reconvened the City Council meeting to open session at 4:00 p.m.

3. STUDY SESSION – NONE

4. ANNOUNCEMENT OF ROLL CALL
Council Members present: Mayor Olivares, Vice Mayor Sawyer, Council Members Bartley, Gorin, Ours, Vas Dupre, and Wysocky.

5. REPORT, IF ANY, ON STUDY AND CLOSED SESSION(S)
City Attorney Fowler reported that the Council did not meet in closed session with its labor negotiators regarding Items 2.3 and 2.4. Ms. Fowler further announced that the Council met in closed session with its legal counsel on Item 2.5 and there was no action taken during the closed session.
6. PROCLAMATIONS/PRESENTATIONS

6.1 PROCLAMATION – PRIDE MONTH
Vice Mayor Sawyer presented the Proclamation to Anette Townley, who accepted on behalf of the Inclusion Council.

7. STAFF BRIEFINGS

7.1 2012 AMGEN TOUR OF CALIFORNIA RECAP
On May 13th, the City of Santa Rosa hosted the Overall Start to the 2012 Amgen Tour of California. It was estimated that over 40,000 people watched the race from Santa Rosa and in Sonoma County and many more watched the coverage on NBC Sports. Raissa de la Rosa, Economic Development Manager, and David Guhin, Deputy Director Utilities Operations, provided a recap of the event and its impacts and acknowledged sponsors and individuals who were critical in helping to make the event a success.

8. APPROVAL OF MINUTES
Council approved the June 12-13, 2012, Regular and Adjourned Regular City Council Meetings Minutes as submitted.

9. MAYOR'S/COUNCILMEMBERS’ REPORTS

9.1 STATEMENTS OF ABSTENTION BY COUNCILMEMBERS
No statements of abstention were made.

9.2 MAYOR /COUNCILMEMBERS’ REPORTS
The Mayor and members of the Council made announcements and reports of interest to the Council.

9.3 REPORTS BY MAYOR/COUNCILMEMBERS REGARDING VARIOUS AGENCY MEETINGS ATTENDED AND POSSIBLE COUNCIL DIRECTION TO ITS REPRESENTATIVES ON PENDING ISSUES BEFORE SUCH BOARDS (IF NEEDED)
• Sonoma County Transportation Authority (SCTA) – Council Member Wysocky provided a report regarding the Measure M Subcommittee meeting held June 25, 2012.

9.4 DESIGNATION OF VOTING DELEGATE/ALTERNATE TO LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE
MOVED by Vice Mayor Sawyer, seconded by Council Member Ours, and carried unanimously to designate Mayor Olivares as the voting delegate and Council Member Bartley as the alternate at the League of California Cities 2012 Annual Conference to be held in San Diego from Wednesday, September 5 through Friday, September 7.

10. CITY MANAGER’S/CITY ATTORNEY’S REPORTS – None.

11. CONSENT ITEMS
City Manager Millison pulled Item 11.3 from the consent calendar for further discussion by the City Attorney.

PUBLIC COMMENT

Jack Osborne spoke on Items 11.3, 11.8 and 11.10 and expressed concerns regarding the City’s practice of contracting with outside engineers.

Peter Tscherneff spoke regarding Item 11.1 and encouraged employing homeless people to perform the work and planting cactus fences.

Clay Thistle, Associate Civil Engineer, responded to Council questions regarding the reasons the project costs exceed the engineer’s estimates on Items 11.4 and 11.5.

MOVED by Vice Mayor Sawyer, seconded by Council Member Ours, and carried unanimously to waive reading of the text and adopt Items 11.1, 11.2, and 11.4 through 11.11 as follows:
11.1 MOTION – CONTRACT EXTENSION AWARD - LANDSCAPE SERVICES

MOTION TO AUTHORIZE AMENDMENT NO. 5 TO CONTRACT 009013 FOR A TWO-YEAR CONTRACT EXTENSION FOR LANDSCAPE SERVICES TO TRUGREEN LANDCARE, WINDSOR, CALIFORNIA, WITH NO INCREASE IN CONTRACT UNIT PRICES, IN THE AMOUNT OF $938,214.74, FUNDS FOR WHICH EXPENDITURE HAVE BEEN ALLOCATED IN THE FY 2012-13 AND SUBSEQUENT YEAR BUDGETS UNDER VARIOUS OPERATIONAL KEY NUMBERS UPON APPROVAL BY COUNCIL.

11.2 MOTION – CONTRACT AWARD – AUDIO/VIDEO SYSTEM UPGRADE TO COUNCIL CHAMBER AND UTILITIES FIELD OPERATIONS TRAINING CENTER

MOTION TO APPROVE A CONTRACT FOR THE AUDIO/VIDEO SYSTEM UPGRADE TO COUNCIL CHAMBER AND UTILITIES FIELD OPERATIONS TRAINING CENTER TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER CODA TECHNOLOGY GROUP, PETALUMA, CALIFORNIA, IN THE TOTAL AMOUNT OF $296,800 PLUS A 10% PROJECT CONTINGENCY, FUNDS FOR WHICH PROCUREMENT HAVE BEEN BUDGETED UNDER CITY COUNCIL PEG FACILITY UPGRADE AND SECONDARY PEG FACILITY UPGRADE PROJECT KEY NUMBERS 02061 AND 02062.

11.4 MOTION – CONTRACT AWARD – ANNUAL SLURRY SEAL 2012

MOTION TO AWARD CONSTRUCTION CONTRACT NUMBER C01700, ANNUAL SLURRY SEAL 2012, IN THE TOTAL AMOUNT OF $512,004.60 TO THE LOWEST RESPONSIBLE BIDDER, CALIFORNIA PAVEMENT MAINTENANCE CO., INC. OF SACRAMENTO, CALIFORNIA, EFFECTIVE JULY 1, 2012, AND ESTABLISH A TOTAL CONTRACT AMOUNT OF $563,205.06 (THE ORIGINAL CONTRACT AMOUNT PLUS A 10% CONTINGENCY), FUNDING FOR WHICH PROJECT WILL BE APPROPRIATED TO PROJECT KEY 17014 BY THE 2012/13 CAPITAL IMPROVEMENT PROGRAM.

11.5 MOTION – CONTRACT AWARD – PAVEMENT PREVENTIVE MAINTENANCE 2012

MOTION TO AWARD CONSTRUCTION CONTRACT NO. C01701, PAVEMENT PREVENTIVE MAINTENANCE 2012 IN THE TOTAL AMOUNT OF $406,091.76 TO THE LOWEST RESPONSIBLE BIDDER, WESTERN PAVEMENT SOLUTIONS OF BREA, CALIFORNIA, AND ESTABLISH A TOTAL CONTRACT AMOUNT OF $467,005.52 (THE ORIGINAL CONTRACT AMOUNT PLUS A 15% CONTINGENCY), FUNDING FOR WHICH PROJECT HAS BEEN APPROPRIATED TO JL KEY 17450.

11.6 MOTION – BID AWARD – 2012 VARIOUS FLEET VEHICLES

MOTION TO APPROVE A MULTIPLE AWARD AND ISSUANCE OF PURCHASE ORDERS FOR FLEET VEHICLES TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDERS PLATINUM CHEVROLET, SANTA ROSA, CALIFORNIA, IN THE AMOUNT OF $48,704.65 AND VICTORY CHEVROLET, PETALUMA, CALIFORNIA, IN THE AMOUNT OF $109,599.39, FOR A TOTAL AMOUNT OF $158,304.04, FUNDS FOR WHICH PROCUREMENT HAVE BEEN BUDGETED IN FISCAL YEAR 2011-12 UNDER THE PUBLIC WORKS - E & R REPLACEMENT - KEY 300106-5384.

11.7 RESOLUTION -- AGREEMENT FOR THE OPERATION AND USE OF THE SAMUEL L. JONES HALL HOMELESS SHELTER


11.8 RESOLUTION -- WAIVER OF COMPETITIVE BIDDING AND SOLE SOURCE CONTRACT – NETWORK SERVICES

RESOLUTION NO. 28144 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA WAIVING COMPETITIVE BIDDING AND APPROVING A SOLE SOURCE FIVE-YEAR CONTRACT FOR NETWORK SERVICES TO COMCAST BUSINESS COMMUNICATIONS, LLC, PHILADELPHIA, PENNSYLVANIA, IN THE AMOUNT OF $436,800.
11.9 RESOLUTION -- TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE IV AND STATE TRANSIT ASSISTANCE (STA) CLAIM SUBMITTAL


11.10 RESOLUTION -- REVISED AGREEMENTS WITH GHD INC. FOR PROFESSIONAL SERVICES TO ENGINEERING

RESOLUTION NO. 28146 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING THREE REVISED NOVATION AGREEMENTS WITH GHD INC. TO PROVIDE PROFESSIONAL SERVICES TO ENGINEERING

11.11 ORDINANCE ADOPTION - GENERAL PLAN AMENDMENT AND ZONING CODE ORDINANCE TEXT AMENDMENT FOR GROCERY STORES

ORDINANCE NO. 3987 ENTITLED: ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA ROSA AMENDING SECTIONS 20-23.020 (PURPOSE OF COMMERCIAL ZONING DISTRICTS), 20-23.030 (COMMERCIAL DISTRICT LAND USES AND PERMIT REQUIREMENTS), TABLE 2-6 (ALLOWABLE LAND USES AND PERMIT REQUIREMENTS FOR COMMERCIAL ZONING DISTRICTS), 20-23.050 (CN ZONING DISTRICT STANDARDS), AND 20-70.020 (DEFINITIONS OF SPECIALIZED TERMS AND PHRASES), AND ADDING TWO NEW SECTIONS 20-23.080 (CSC ZONING DISTRICT STANDARDS) AND 20-42.200 (LARGE GROCERY STORE STANDARDS) - FILE NUMBER REZ12-001

MOVED by Vice Mayor Sawyer, seconded by Council Member Ours, and carried unanimously to waive reading of the text and adopt Item 11.3, subject to approval by the City Attorney, as follows:

11.3 MOTION – COOPERATIVE PURCHASE – MICROSOFT ENTERPRISE AGREEMENT

MOTION TO AUTHORIZE A COOPERATIVE PURCHASE AND THREE-YEAR “ENTERPRISE AGREEMENT” WITH MICROSOFT FOR SOFTWARE LICENSES AND SUPPORT OF DESKTOPS AND SERVERS TO BE PURCHASED THROUGH EN POINTE TECHNOLOGIES SALES, INC., GARDENA, CALIFORNIA, TOTALING $365,652.15, FUNDS FOR WHICH CONTRACT HAVE BEEN ALLOCATED IN THE FY 2012-13 BUDGET AND WILL BE ALLOCATED IN FUTURE FISCAL YEAR BUDGETS, WHEN APPROVED BY COUNCIL, IN THE INFORMATION TECHNOLOGY DEPARTMENT KEY 140703-5321.

12. REPORT ITEMS

12.1 REPORT – FIRST AMENDMENT TO AGREEMENT WITH AMERICAN MEDICAL RESPONSE USE OF CITY OF SANTA ROSA OPTICOM SYSTEM

BACKGROUND: On October 1, 2009, American Medical Response (AMR) and the City of Santa Rosa entered into an agreement to jointly use the resources of both parties to achieve improved ambulance response times. The City of Santa Rosa has a traffic signal preemption system known as Opticom. Currently AMR does not have the ability to operate the Opticom System within the City of Santa Rosa.

RECOMMENDATION: It is recommended by the Fire Department that the City Council adopt a resolution, approving the first amendment to the agreement with AMR for use of the City’s Opticom system and authorizing the Fire Chief or designee to execute the agreement.

Tony Gossner, Deputy Fire Chief, provided the staff report.

MOVED by Council Member Wysocky, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28147 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING FIRST AMENDMENT TO AGREEMENT DATED AUGUST 17, 2010 WITH AMERICAN MEDICAL RESPONSE FOR USE OF CITY OF SANTA ROSA OPTICOM SYSTEM
12.2 REPORT – GRANT APPLICATION AND ADMINISTRATION POLICY

BACKGROUND: In 2011, the City’s Grants Team came together to brainstorm about ways to improve and expedite the City’s internal grant application, acceptance, and administration processes. One common theme throughout the discussion was a lack of clarity and policy related to the process of applying for grants and accepting grant awards. This policy also outlines a process and delegates authority for the appropriation of funds and adjustments to the budget to reflect the grant funding.

RECOMMENDATION: It is recommended by the City Manager's Office that the Council, by resolution, approve the Council Policy for Grant Application and Administration.

Jennifer Phillips, Assistant City Manager, provided the staff report and responded to Council questions.

Following Council discussion, it was MOVED by Council Member Gorin, seconded by Council Member Vas Dupre, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28148 ENTITLED: A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA, CALIFORNIA ADOPTING A GRANT APPLICATION AND ADMINISTRATION POLICY

12.3 REPORT – FOUNTAINGROVE LODGE DETENTION BASIN - EASEMENT

BACKGROUND: Fountaingrove Lodge is a community care facility for seniors located at 4110 and 4210 Thomas Lake Harris Drive. This facility is currently under construction and will consist of 97 care units, 12 employee housing units and associated private outdoor recreation area and parking.

Drainage from the Fountaingrove Lodge buildings and site would be directed into an existing underground drainage system, to the existing drainage basin and ultimately into Piner Creek. The drainage basin and surrounding open space was installed as a subdivision improvement in 1992 and dedicated to and accepted by the City of Santa Rosa. The scope of this 1992 easement, does not however cover the intensification of use from the development of the Lodge or the right to access and use of the City property for modifications to the current basin to comply with applicable SUSMP standards.

City staff proposes to grant to OSL Santa Rosa Fountaingrove LLC, the necessary easement of 0.372 acres (16,204 sq. ft) for the drainage basin and access to the basin for maintenance purposes. In consideration for granting this easement, Oakmont Senior Living has agreed to pay $27,385.00.

RECOMMENDATION: It is recommended by the Department of Recreation, Parks and Community Services and the Department of Community Development that the City Council, by resolution, grant OSL Santa Rosa Fountaingrove LLC a permanent drainage easement for the Fountaingrove Lodge detention basin.

Chuck Regalia, Director of Community Development, provided the staff report and responded to Council questions.

PUBLIC COMMENT

Jack Osborne questioned who would pay for future modifications.

Following Council discussion, it was MOVED by Council Member Vas Dupre, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28149 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH OSL SANTA ROSA FOUNTAINGROVE LLC TO GRANT AN EASEMENT OVER CITY-OWNED PROPERTY FOR THE FOUNTAINGROVE LODGE DETENTION BASIN AT 4110 & 4210 THOMAS LAKE HARRIS DRIVE
12.4 REPORT – ACCEPTANCE OF FUNDING RECOMMENDATIONS FOR MEASURE O CHOICE GRANT PROGRAM FUNDED AGENCIES AND THE APPROVAL OF BREAKOUT PRISON OUTREACH DOING BUSINESS AS CALIFORNIA YOUTH OUTREACH FUNDING AGREEMENT FOR CYCLE VI FISCAL YEAR 2012-2013

BACKGROUND: In November 2004, Santa Rosa voters passed a Transaction and Use tax measure to fund critical public safety improvements in Police, Fire and Recreation & Parks. Expected to generate a total of about $7 million per year for the next 20 years, the sales tax will provide the Recreation & Parks Department with roughly $1.4 million per year to fund crucial youth development programs and other activities designed to address the community’s gang prevention and intervention needs. This includes coordination of the Mayor's Gang Prevention Task Force Policy Team and Operational Team and start-up and operation of 17 new after-school recreation programs that will provide safe places for children to learn and grow in schools and neighborhood centers throughout Santa Rosa. 35% of the Recreation and Parks share of the revenue each year will fund in-school violence prevention and conflict resolution education, as well as grants to local non-profits providing related services that will enhance youth asset development and reduce risk factors.

RECOMMENDATION: It is recommended by the Department of Recreation, Parks & Community Services that the Council, by resolution, accept the funding recommendations of the Grant Review Team as shown in Attachment C for Cycle VI of the CHOICE gang prevention/intervention grant program for Fiscal Year 2012-13 and direct staff to finalize funding agreements with service providers. It is further recommended that the Council, by resolution, approve the funding agreement with Breakout Prison Outreach doing business as California Youth Outreach (CYO) in the amount of $127,000; and authorize the Director of Recreation, Parks & Community Services to act as the signing authority for contracts and payments related to the CHOICE Cycle VI funded agencies.

Serena Lienau, Administrative Technician, provided the staff report and responded to Council questions. Jennifer O'Donnell, Program Officer, United Way of the Wine Country, and Detective John Cregan of Santa Rosa Police Department’s Gang Unit, also provided a report. Grant Review Team members Sherrine Wilson, Recreation Supervisor, and Donna Zapata, Executive Director of the Hispanic Chamber of Commerce, were also in attendance.

PUBLIC COMMENT

Peter Tscherneff encouraged putting youth to work on urban gardens and various other topics.

Following Council discussion, it was moved by Council Member Bartley, seconded by Council Member Ours, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28150 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA ACCEPTING THE FUNDING RECOMMENDATIONS FOR CYCLE VI OF THE CHOICE GANG PREVENTION/INTERVENTION GRANT PROGRAM FOR FISCAL YEAR 2012-13 AND APPROVING THE FUNDING AGREEMENT WITH BREAKOUT PRISON OUTREACH DOING BUSINESS AS CALIFORNIA YOUTH OUTREACH IN THE AMOUNT OF $127,000

12.5 CONTINUED REPORT – CHARTER REVIEW COMMITTEE REPORT

BACKGROUND: On June 12, 2012, City Council received the Charter Review Committee recommendations. Council will continue its review and discussion of the recommendations.

RECOMMENDATION: It is recommended by the City Attorney's Office that Council, by motion, direct staff regarding preparation of amendments to certain sections of the Santa Rosa City Charter for ratification by the electors of the City of Santa Rosa.

Caroline Fowler, City Attorney, provided the staff report regarding the Charter Review Committee's recommendation as to the use of design-build procurement and responded to Council questions. Tasha Wright, Utilities Administrative Analyst, also responded to Council questions regarding the use of design-build procurement.

Following Council discussion, it was moved by Council Member Bartley, seconded by Vice Mayor Sawyer, and carried unanimously to direct staff to prepare a ballot measure adding the use
of design-build procurement to the City Charter, the language and packaging of which measure will be brought back to Council for further consideration.

City Attorney Fowler provided the staff report regarding the Charter Review Committee’s recommended changes to the binding arbitration provision and responded to Council questions.

Sonia Taylor, member of the Binding Arbitration Subcommittee, provided a report. Alan Schellerup, President of the Santa Rosa Police Officers Association, also provided comments in support of the proposed measure.

**PUBLIC COMMENT**

Jack Osborne expressed concerns regarding the lack of an enforcement provision in the City Charter.

Peter Tschermef spoke regarding labor strikes and various other topics.

Following Council discussion, it was **MOVED** by Council Member Ours, seconded by Council Member Bartley, and carried unanimously to direct staff to prepare a ballot measure amending City Charter Section 56, Binding Arbitration.

Mayor Olivares recessed the meeting at 6:20 p.m. and reconvened the meeting at 6:37 p.m. All Council members were present.

12.6  **PUBLIC HEARING -- REQUEST FROM REINER COMMUNITIES THAT THE CITY DECLARE ITS INTENTION TO ISSUE TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $19,000,000 TO ASSIST THE FINANCING OF THE ACQUISITION AND REHABILITATION OF BETHLEHEM TOWERS (801 TUPPER STREET)**

BACKGROUND: Reiner Communities, LP has requested that the City declare its intention to issue tax-exempt multi-family housing revenue bonds to assist financing the acquisition and rehabilitation of Bethlehem Towers, an existing, 160-unit affordable, senior housing development located at 801 Tupper Street. The U.S. Internal Revenue Code requires that the Council hold a Tax Equity Fiscal Responsibility Act (TEFRA) public hearing prior to considering approval of a resolution declaring the City’s intention to issue bonds. Multifamily housing revenue bond financing is structured so that the City has no financial liability to the bondholders. The Project owner is responsible for payment of all costs of bond issuance.

RECOMMENDATION: It is recommended by the Department of Economic Development and Housing that the Council, following the public hearing, by resolution, declare the City’s intention to issue tax-exempt multifamily housing revenue bonds to assist the acquisition and rehabilitation of Bethlehem Towers, an existing, 160-unit affordable, senior housing development located at 801 Tupper Street, and authorize City staff to apply to the California Debt Limit Allocation Committee for a bond allocation in an amount not to exceed $19,000,000.

Marjorie Jackson, Program Specialist II, provided the staff report and responded to Council questions. Douglas Abdalla, representative of Reiner Communities, responded to Council questions regarding the relocation of residents and other concerns raised during the public hearing.

**PUBLIC HEARING**

Mayor Olivares opened the public hearing at 6:46 p.m.

Jack Osborne spoke in opposition to bond financing for projects that do not provide any new housing.

Mark Johnson spoke regarding his residency in the building and expressed concerns regarding the potential effect on his rent.

Deborah Tavares expressed concerns regarding the relocation of the elderly residents and rent issues and questioned the intention of the developer’s rehabilitation work on the project.

Hearing no further requests to speak, Mayor Olivares closed the public hearing at 6:51 p.m.

Following Council discussion, it was **MOVED** by Vice Mayor Sawyer, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:
RESOLUTION NO. 28151 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

12.7 PUBLIC HEARING -- REQUEST FROM EAH HOUSING THAT THE CITY DECLARE ITS INTENTION TO ISSUE TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $6,500,000 TO ASSIST THE FINANCING OF THE ACQUISITION, REHABILITATION AND DEVELOPMENT OF SONOMA CREEKSIDES (2-110 BOAS DRIVE AND 5168-5206 SANTA ROSA CREEK DRIVE)

BACKGROUND: EAH Housing (EAH, Inc.), formerly known as Ecumenical Association for Housing, has requested that the City declare its intention to issue tax-exempt multifamily housing revenue bonds to assist the financing of the acquisition, rehabilitation and development of Sonoma Creekside, an existing 43-unit affordable rental housing development located at 2-110 Boas Drive and 5168-5206 Santa Rosa Creek Drive in the northeast quadrant of the City (the Project). The U.S. Internal Revenue Code requires that the Council hold a Tax Equity Fiscal Responsibility Act (TEFRA) public hearing prior to considering approval of a resolution declaring the City’s intention to issue bonds. Multifamily housing revenue bond financing is structured so that the City has no financial liability to the bondholders. The Project owner is responsible for payment of all costs of bond issuance.

RECOMMENDATION: It is recommended by the Department of Economic Development and Housing that the Council, following the public hearing, by resolution, declare the City’s intention to issue tax-exempt multifamily housing revenue bonds to assist the financing of the acquisition, rehabilitation and development of Sonoma Creekside, an existing affordable rental housing development located at 2-110 Boas Drive and 5168-5206 Santa Rosa Creek Drive, and authorize City staff to apply to the California Debt Limit Allocation Committee (CDLAC) for a bond allocation in an amount not to exceed $6,500,000.

Marjorie Jackson, Program Specialist II, provided the staff report and responded to Council questions.

PUBLIC HEARING

Mayor Olivares opened the public hearing at 7:05 p.m.

Jack Osborne spoke regarding the effects of bond debt on bond ratings.
Peter Tschernoff spoke in favor of the Mojave Desert housing project.
Deborah Tavares expressed concerns regarding appliances that expose the elderly to radiation.

Hearing no further requests to speak, Mayor Olivares closed the public hearing at 7:11 p.m.

Following Council discussion, it was moved by Council Member Wysocky, seconded by Council Member Ours, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28152 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

12.8 PUBLIC HEARING -- REQUEST FROM NORTH VILLAGE II-LOW INCOME FUND, LLC THAT THE CITY DECLARE ITS INTENTION TO ISSUE TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $4,000,000 TO ASSIST THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF NORTH VILLAGE II-LOWER INCOME RENTAL PROJECT (2406 FULTON ROAD)

BACKGROUND: North Village II Low Income Fund, LLC, an affiliate of Hugh Futrell Corporation, has requested that the City declare its intention to issue tax-exempt multifamily housing revenue bonds to assist the financing of the acquisition, construction and development of 32 new rental units (including 31 affordable units and one unrestricted manager’s unit) called North Village II-Lower Income Rental Project, located at 2406 Fulton Road in the northwest quadrant of the City (the Project). The Lower Income Rental Project is part of a larger development call North Village II, which is owned by Fulton Road Investors, LLC, also an affiliate of Hugh Futrell Corporation. North Village II is subject to the City’s Housing Allocation Plan (HAP), which requires the Project...
owner to restrict a portion of the development to Low Income households. Pursuant to the U.S. Internal Revenue Code, the Council must hold a Tax Equity Fiscal Responsibility Act (TEFRA) public hearing prior to considering approval of a resolution declaring the City’s intention to issue bonds. Multifamily housing revenue bond financing is structured so that the City has no financial liability to the bondholders. The Project owner is responsible for payment of all costs of bond issuance.

RECOMMENDATION: It is recommended by the Department of Economic Development and Housing that the Council, following the public hearing, by resolution, declare the City’s intention to issue tax-exempt multifamily housing revenue bonds to assist the financing of the acquisition, construction and development of North Village II-Lower Income Rental Project, which includes 32 new rental units (including 31 affordable units and one unrestricted manager’s unit) located at 2406 Fulton Road, and authorize City staff to apply to the California Debt Limit Allocation Committee (CDLAC) for a bond allocation in an amount not to exceed $4,000,000.

Marjorie Jackson, Program Specialist II, provided the staff report and responded to Council questions. Hugh Futrell, the project representative, responded to Council questions regarding the timing of the project.

PUBLIC HEARING

Mayor Olivares opened the public hearing at 7:16 p.m.

Anne Seeley spoke in favor of the project as it would provide affordable housing in the Northwest. Lou Tavares expressed concerns regarding the lack of housing for those who have no income and the requirement for all-electric appliances. Deborah Tavares expressed concerns regarding the smart grid and requirements to announce compliance with greenhouse gas requirements. Peter Tscherneff suggested requiring an energy-generating gym in the project if electric appliances are required.

Hearing no further requests to speak, Mayor Olivares closed the public hearing at 7:21 p.m.

Following Council discussion, it was MOVED by Council Member Bartley, seconded by Council Member Gorin, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28153 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

13. WRITTEN COMMUNICATIONS (AND POSSIBLE COUNCIL ACTION)

13.1 COMMENT LETTER FROM THE CITY OF SANTA ROSA – CALTRANS MS4 PERMIT - City Manager Millison reviewed the comment letter. No action was taken by the Council.

14. ANNOUNCEMENT OF ADDITIONAL CLOSED SESSION ITEM(S), ADJOURNMENT TO CLOSED SESSION(S), RECONVENE TO OPEN SESSION, AND ANNOUNCEMENTS – None.

15. PUBLIC COMMENTS ON NON-AGENDA MATTERS

Jack Osborne expressed concerns regarding the Successor Agency to the former Redevelopment Agency. Anne Seeley expressed concerns regarding the scheduling of too many important agenda items on the June 19th agenda. Peter Tscherneff spoke regarding various topics. Jennifer Delaney spoke regarding AB 32 and Agenda 21. Tia Rutter spoke regarding Constitutional rights, the BoDean project, and various other topics. Richard Harman spoke regarding individual rights, the BoDean project, and various other topics. John Jenkel spoke regarding the Council’s oath to support the Constitution and serve the constituents and various other topics. Shay Sanchez spoke regarding the 911 truth campaign and expressed concerns regarding her mortgage with JP Morgan Chase Bank. Orlean Koehle expressed concerns regarding the Council’s adoption of the Climate Action Plan and submitted a book she authored regarding Smart meters.
Deborah Tavares expressed concerns regarding radiation levels and PG&E Smart meters.
Lou Tavares spoke regarding the Peggy Sue’s All-American Cruise event.
Attila Nagy spoke regarding legalized sleep and the lack of shelter beds for the homeless.

16. ADJOURNMENT OF MEETING

Hearing no further business, Mayor Olivares adjourned the meeting at 7:57 p.m. The next regularly scheduled meeting will take place on July 17, 2012, at a time to be set by the Mayor.

Approved on: July 17, 2012

/s/ Terri A. Griffin, City Clerk
CALL TO ORDER AND ROLL CALL

Mayor Olivares called the meeting to order at 7:57 p.m. in the Council Chamber. Council Members present: Mayor Olivares, Vice Mayor Sawyer, Council Members Bartley, Gorin, Ours, Vas Dupre and Wysocky.

PUBLIC COMMENTS

- None.

STATEMENTS OF ABSTENTION

No statements of abstention were made.

REPORT ITEM

4.1 REPORT -- RE-ENTER INTO LOANS AND AGREEMENTS WITH THE FORMER REDEVELOPMENT AGENCY

BACKGROUND: After approval of the Redevelopment Agency’s Recognized Obligation Payment Schedule by the Successor Agency and Oversight Board, the California Department of Finance (DOF) exercised its right to conduct a review of the list of Enforceable Obligations. Upon completion of that review, the DOF informed the City that it did not consider some items to be enforceable because, with very limited exceptions, Assembly Bill x1 26 does not recognize agreements between a redevelopment agency and the city that created it. The recommended course of action for the Successor Agency at this time is to take advantage of a clause in AB x1 26 that allows a Successor Agency to re-enter into an agreement with the City. Health and Safety Code Section 34178 (a) provides, in part, “that a successor entity wishing to enter or reenter into agreements with the city…..that formed the redevelopment agency that it is succeeding may do so upon obtaining the approval of its oversight board.”

The goal of this action is to protect funds owed to the City, while also reducing the debt burden of the Successor Agency. Accordingly, the Finance Department is proposing reduction of the interest rate on the City loans from 6% to 3%, a rate more consistent with current yields, and acceleration of the repayment of the Gateway and TORPA loans to satisfy debt of the former Redevelopment Agency expeditiously.

RECOMMENDATION: is recommended by the Finance Department and the Economic Development and Housing Department that the Council of the City of Santa Rosa approve, by resolutions, the following: Promissory Notes (1) to re-enter into a modified loan agreement for the Gateway Redevelopment Project Area, (2) to re-enter into a modified loan agreement for the Transit Oriented Redevelopment Project Area, (3) to re-enter into a modified loan agreement for the Merged Santa Rosa Center/Grace Brothers Redevelopment Project Area, thereby reaffirming loans between the City and the former Redevelopment Agency; and authorize, by resolution, the following: (4) to re-enter into a funding agreement for Gateway Economic Development Program, thereby reaffirming agreements between the City and the former Redevelopment Agency.

Elaine Bennett, Supervising Accountant, provided the staff report and responded to Council questions.

Following Council discussion, it was MOVED by Council Member Ours, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28154 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING EXECUTION OF ONE (1) PROMISSORY NOTE FOR A MODIFIED LOAN AGREEMENT FOR THE GATEWAYS REDEVELOPMENT PROJECT AREA

MOVED by Council Member Ours, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:
RESOLUTION NO. 28155 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING EXECUTION OF ONE (1) PROMISSORY NOTE FOR A MODIFIED LOAN AGREEMENT FOR THE TRANSIT ORIENTED REDEVELOPMENT PROJECT AREA

MOVED by Council Member Ours, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28156 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING EXECUTION OF ONE (1) PROMISSORY NOTE FOR A MODIFIED LOAN AGREEMENT FOR THE MERGED SANTA ROSA CENTER/GRACE BROTHERS REDEVELOPMENT PROJECT AREA

MOVED by Council Member Ours, seconded by Council Member Bartley, and carried unanimously to waive reading of the text and adopt:

RESOLUTION NO. 28157 ENTITLED: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA TO RE-ENTER INTO THE FUNDING AGREEMENT FOR GATEWAYS ECONOMIC DEVELOPMENT PROGRAM

5. ADJOURNMENT OF SPECIAL MEETING

Hearing no further business, Mayor Olivares adjourned the special meeting at 8:04 p.m.

Approved on: July 17, 2012

/s/ Terri A. Griffin, City Clerk