

MINUTES
REGULAR MEETING OF THE CITY COUNCIL
CITY OF MONTEREY
TUESDAY, May 16, 2006
4:00 – 5:30 and 7:00 – 11:00 P.M.
COUNCIL CHAMBER, FEW MEMORIAL HALL
MONTEREY, CALIFORNIA

CALL TO ORDER: 4:00 p.m.

Mayor Albert called the meeting to order at 4:00 p.m.

Council Members

Present: Councilmembers Della Sala (Arrived 4:05 p.m.), Downey, Haferman, Roberson, Mayor Albert
Absent: None

City Staff:

Present: City Manager, City Attorney, Acting City Clerk, Assistant City Manager, Community Development Director, Finance Director, Public Facilities Director, Deputy Public Works Directors, Housing and Property Manager

PRESENTATIONS

§ Recognition of Parking Maintenance Worker Mike Gamecho – Twenty-five Year Service Award for (Public Facilities 502-08)

Action: Presentation made.

Mayor Albert made the presentation.

§ Presentation by Carl Sedoryk, General Manager of Monterey Salinas Transit (Public Works 1002-02)

Action: Presentation made

Carl Sedoryk presented the report and said that bus transportation is affordable, he noted MST's recent achievements and said that they propose to increase their service from Monterey to San Jose. He answered Councilmembers' questions regarding compressed natural gas; noted that driving a vehicle costs four times more than riding the bus; and stated that Measure A would generate enough money so that fares would not have to be raised.

CONSENT ITEMS

City Manager Meurer said that Evening Session Public Hearing Item #3 regarding the Planning Commission recommendation to amend the 25% slope General Plan policy is recommended to be continued to the June 6 meeting because it was not noticed a full ten days in the newspaper.

On a motion by Councilmember Downey, seconded by Councilmember Della Sala, and carried by the following vote, the City Council approved the Consent Agenda except that Councilmember Haferman abstained from Item C1 and Councilmember Roberson requested comment on Item C4:

AYES: 5 COUNCILMEMBERS: Della Sala, Downey, Haferman, Roberson, Albert
 NOES: 0 COUNCILMEMBERS: None
 ABSENT: 0 COUNCILMEMBERS: None

Approval of Minutes

C1. May 2, 2006 (City Clerk 701-09)
Action: Approved

On a motion by Councilmember Downey, seconded by Councilmember Della Sala, and carried by the following vote, the City Council approved Item C1:

AYES: 4 COUNCILMEMBERS: Della Sala, Downey, Roberson, Albert
 NOES: 0 COUNCILMEMBERS: None
 ABSTAIN: 1 COUNCILMEMBERS: Haferman
 ABSENT: 0 COUNCILMEMBERS: None

Ordinances

C2. Second Reading - 556 Abrego Street - Rezone 556 Abrego Street from C-2 (Community Commercial) to C-2-H-1 (Community Commercial, City Historic Landmark Overlay) (Applicant - Michael Adamson; Property Owner - Monterey County Bank); (Exempt from CEQA Requirements) (Community Development 203-02)
Action: Adopted Ordinance No. 3371

Resolutions

C3. Approving Replacement of Two Patrol Cars, One Lifeguard Truck, and One Aerial Lift Truck (Public Works 1001-01)
Action: Adopted Resolution No. 06-66

C4. Approving a Contract with Winter & Company to Prepare the Downtown/ East Downtown Mixed Use Design Guidelines (Community Development 203-02)
Action: Adopted Resolution No. 06-67

Councilmember Roberson asked what do we hope to accomplish with a downtown study. Community Development Director Bill Wojtkowski said that staff and the consultant will work closely with the owners to develop mixed-use guidelines for the redevelopment of the downtown and east downtown areas and that no rezones are proposed in this study. In answer to Councilmember Haferman’s question, Mr. Wojtkowski said that no timelines have been established for development of mixed-use guidelines for the other areas in the City.

On a motion by Councilmember Roberson, seconded by Councilmember Downey, and carried by the following vote, the City Council approved Consent Agenda C4:

AYES: 5 COUNCILMEMBERS: Della Sala, Downey, Haferman, Roberson, Albert
 NOES: 0 COUNCILMEMBERS: None
 ABSENT: 0 COUNCILMEMBERS: None

C5. Appropriation of Additional Funding for the Presido of Monterey Public Works Authority Fund (Public Works 903-02)

Action: Adopted Resolution No. 06-68

- C6. Ordering Engineer's Report - Alvarado Maintenance District (Public Works 407-08)
Action: Adopted Resolution No. 06-69
- C7. Ordering Engineer's Report - Calle Principal Maintenance District (Public Works 407-08)
Action: Adopted Resolution No. 06-70
- C8. Adopting an Expense Reimbursement Policy for Elected and Appointed Officials Who Serve on Legislative Bodies (Finance 405-01)
Action: Adopted Resolution No. 06-71
- C9. Monterey Visitor Center Participation Criteria for Other Jurisdictions (Public Facilities 307-01)
Action: Adopted Resolution No. 06-72
- C10. Amending Position Control List Eliminating One Senior Park Maintenance Worker and Adding One Pest Control Advisor Position (Public Works 502-03)
Action: Adopted Resolution No. 06-73

Other

- C11. Approving Cherry's Jubilee Request to Close Streets and Use of City Properties for an Event on September 7, 8 and 9, 2006 (Recreation 302-04)
Action: Approved
- C12. Reject Claim of Ching Hsia Yen (Finance 408-04)
Action: Approved

End of Consent Agenda

PUBLIC COMMENTS

Mayor Albert opened the floor for Public Comments on items not on the agenda. Peggy Chandler, Chair of the Library Board, thanked the Council for investing in City staff by implementing the salary adjustments at their last meeting. She said that Council commitment will help to retain and recruit great staff.

PUBLIC HEARINGS

1. Recommendation from the Planning Commission to the City Council for Approval of the FY 2006/07 Annual Action Plan for Community Development Block Grant (CDBG) Funds and Adoption of the FY 2006/07 Housing and CDBG Program Budget (Community Development 201-09)
Action: Adopted Resolution No. 06-74

City Manager Meurer complimented the organizations that apply for City funding for their efforts and the extraordinary job they do. Housing/Property Manager Geiger presented the report and answered Councilmembers' questions regarding the eligibility of the Shelter Outreach program; the availability of State grant funding due to the City's affordable housing accomplishments; and clarified why this year's Community Services budget was less than last year's budget.

Tina Del Piero of the Visiting Nurses Association thanked the City and Ms. Reeder for the funding to continue their program. Phillip Wood, Executive Director of Shelter Outreach Plus, said that they were delighted that Ms. Reeder worked hard and recommended the funding for those who have a difficult time due to circumstances in their life.

On a motion by Councilmember Downey, seconded by Councilmember Haferman, and carried by the following vote, the City Council approved the FY 2006/07 Annual Action Plan for Community Development Block Grant (CDBG) Funds and Adoption of the FY 2006/07 Housing and CDBG Program Budget:

AYES:	5	COUNCILMEMBERS:	Della Sala, Downey, Haferman, Roberson, Albert
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None

Council adjourned to a Redevelopment Agency Meeting.

Redevelopment Agency – Public Hearing

RDA1. Recommendation from the Planning Commission to the Monterey Redevelopment Agency for Adoption of the FY 2006/07 Housing and CDBG Program Budget (Community Development 406-05)

Action: Adopted RDA Resolution No. 827

On a motion by Board Member Downey, seconded by Board Member Haferman, and carried by the following vote, the City Council approved the FY 2006/07 Annual Action Plan for Community Development Block Grant (CDBG) Funds and Adoption of the FY 2006/07 Housing and CDBG Program Budget:

AYES:	5	BOARD MEMBERS:	Della Sala, Downey, Haferman, Roberson, Albert
NOES:	0	BOARD MEMBERS:	None
ABSENT:	0	BOARD MEMBERS:	None

Chair Albert adjourned the meeting back to the City Council Meeting.

CLOSED SESSION

2. Conference with Legal Counsel - Anticipated Litigation – Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 – Number of Potential Cases: Two (City Attorney 703-06)

Action: Confidential direction to Legal Counsel.

Mayor Albert called a recess at 5:30 p.m., then reconvened the meeting in open session at 7:00 p.m., where all Councilmembers were present.

ANNOUNCEMENTS FROM CLOSED SESSION

Announcements from the Closed Session were moved to the end of the evening session and were made as noted.

PRESENTATIONS

- § First Night Awards (City Manager 701-17)
Action: Presentation made

Susan Britton, President of First Night Monterey, gave the presentation reporting on last year's accomplishments and that the Art Works Outreach Program component was successful. She said that this year she hopes to have MST buses bring outreach citizens from Salinas and that program is a partnership with the CSUMB graphics art department. She said this year they will be offering both children and adult buttons to hopefully make it more affordable for more families. Ellen Martin, Executive Director, said that the theme for 2006 is "A Night of a Thousand Stars" and that 400 children of the Outreach Program researched the Arabian Nights and won an award, which illustrates the great example of a true community project. Bill Wiltchko said that their budget is supported from local businesses, donations from the City, grants for the outreach programs, and from button and ticket sales. He said that the Steering Committee is becoming increasingly smarter on how to spend the money and that many sites are free as they are outdoors. Mayor Albert said that First Night is a great community event in downtown Monterey and that the City will do what they can to support this event in years to come.

CONTINUED PUBLIC COMMENTS

Mayor Albert reopened the floor for Public Comments on items not on the agenda.

City Manager Meurer recommended that Public Hearing Item #3 regarding the 25% slope General Plan Amendment be continued to the June 6, 2006 City Council Meeting because the notice was not published in the Monterey Herald ten days prior to this meeting.

Dr. Michael Allen said that he came before the Council two weeks ago to demand that the City prove that the second bed and bath of his home was built in 1990 and that he has not had any response to his demands. He said the Councilmembers have taken an oath to uphold the Constitution and he asked that his request be placed on their next agenda, as he wants this matter to be resolved. Mr. Meurer said that when Mr. Allen comes forward with a coherent statement of his points that in some way will make him believe that the court is in error, then his item would be put on the agenda. Councilmember Haferman said that he would like to respond to this request under this evening's Council Comments, and that he will be recommending that this request be placed on the next agenda.

Rusty Areias said that he has worked with Mayor Albert and City Manager Fred Meurer for many years, including the time during the Ft. Ord base transition. He said that in his estimation Monterey is the best-run city in California and that there is no one more competent than Mr. Meurer.

Having no further requests to speak, Mayor Albert closed Public Comments.

PUBLIC HEARINGS

3. Recommendation of Planning Commission to Certify Negative Declaration and Amend General Plan Safety Element Policy b.1 to Allow Consideration of Development on Slopes Greater than 25%.- Resolution (Community Development 203-04)
Action: Action: Continued to June 6, 2006 (5-0-0)

On a motion by Councilmember Roberson, seconded by Councilmember Della Sala, and carried by the following vote, the City Council continued the 25% slope General Plan Amendment item to June 6, 2006:

AYES:	5	COUNCILMEMBERS:	Della Sala, Downey, Haferman, Roberson, Albert
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None

PUBLIC APPEARANCE

4. Policy Direction Regarding Sales Prices for Glenwood Circle (Kimberly Place) Condominium Conversion (Community Development 203-02)
Action: Presentation heard; public comments received; continued to June 6, 2006 to report on a more favorable plan for low and moderate-income citizens as well as one that has a fair return to the investor. (5-0-0)

Action: The report will include suggested City funding that may be applied in order to bring the cost down for low- and moderate-income citizens. (5-0-0)

Community Development Director Wojtkowski made the staff presentation. He said that today's hearing is to deal with the housing prices and that other matters will come back at a later time. Staff answered Councilmembers' questions regarding the down payment assistance program and the amendment to the Inclusionary Housing Ordinance; other possible condo conversion projects; and the difference between currently proposed Inclusionary pricing versus those noted in the July 5, 2005 City Council report.

Mayor Albert opened the Public Hearing to the applicant. Eric Donnelly, Lyon Realty Advisors, reported on the project's history. He said that the July 5 pricing chart was based on what the payment was then and the new scenario is to include principal, interest, homeowner's dues, as well as property tax. He said one suggestion to help make it work is that Mortgage Credit Certificates can be used for every inclusionary unit and the market rate units may also qualify.

Mayor Albert opened the floor for public comments. Ms. Wong Lee said that the price is much higher than what she heard from the City; that she does not want to share a one-bedroom unit with her child in order to qualify; and it needs to be affordable. Sharon Winter said she is concerned about the current pricing and that it needs to be affordable; that she sees only one scenario where one would pay less for inclusionary housing; and she currently pays 40-44% of her income to rent. Bonnie Bondoran said she is the daughter of Ann Benjamin who is 94 and her father-in-law who is 95, and they are concerned that her mother will have to move because she is in a two-bedroom unit and she may not qualify to stay in that unit. Housing and Property Manager Geiger said that State law says that an existing unit must be sold to the resident if they are interested in buying it and that staff will need to research the issue.

Eric Donnelly explained that no matter what phase of the project, if a tenant is not an inclusionary buyer, but they want to buy their unit designated as affordable, State law says that they are to be given the right to buy it. He said the conclusion is that they should not designate these affordable units on the final map. When each phase goes on sale, they will have a covenant as an inclusionary unit.

Councilmember Downey said that the City wants inclusionary housing and that there is a fiduciary responsibility to do the best we can for this kind of negotiations. She asked for a report on that information so that the Council can make a more intelligent decision. In answer to Councilmember Della Sala, Mr. Donnelly said that the interest rate does affect the sales price of an inclusionary unit; that as interest rates rise, fewer can afford a home; and that they do not know where interest rates are going.

Councilmember Haferman said that he recalls that Mrs. Benjamin attended the last City Council meeting with the same concerns and he remembers saying that he did not want her to worry about where she was going to live at 95 years old. He said that Ms. Winter also attended the last meeting and his other concern is that professional people are currently renting, but when the condominium conversion takes place, they will potentially be displaced because it will no longer be affordable for them.

Mayor Albert said it seems that this is an opportunity to get 42 affordable units, this seems as if it can work, and the staff recommendation is a worthy goal. Councilmember Roberson concurred and said that it sounds like Mr. Donnelly and his team are willing to do a lot of work; and if there are any other concerns, they can refer to staff. He suggested that a Council subcommittee might work regarding the affordable housing idea, that each affordable housing project needs to be fine-tuned, and the City does not have control over certain formulas. He said that there may be some people who will not be able to get what they want, but overall it is a great program.

Councilmember Downey said that the rates went up for various units since July of last year and that the developer should submit a financial plan showing profits in the 20% range; and if it is more than that, the residents will suffer. City Manager Meurer said that the concerns are what is a fair price, how much of a profit is being made and how to take care of those people on the threshold of low income.

Councilmember Downey moved to continue this item to the next Council meeting and for staff to come back with a plan more favorable to low- to moderate-income citizens and that is a fair return to the investor. Councilmember Haferman seconded the motion. Councilmember Della Sala said that he agrees with the motion and that he is strongly in favor of converting apartments into condominium housing. Councilmember Roberson said that he will support the motion, but asked if the motion could include City funding to help bring the cost down to low income. Councilmember Downey said that she does not want to make that part of the motion. She said that she wants to know what the developer is profiting; and once that is established, then do what it takes, but not to immediately contribute funding from the City.

In answer to Councilmembers questions, Mr. Wojtkowski said that the developer could come back with the same figures as what is currently reported, as long as the profits are reasonable. He said that in the past the City has made decisions based on profit, but those has been City projects such as the Osio Plaza. Mr. Meurer said there is no law against asking questions about profit margin, but that the City should not anticipate any developer to discuss that in a public forum. He said that this developer is interested in seeing the project move forward and that possibly this item will be back in two weeks with the same numbers from the developer and with a better appreciation of the financial aspect of the project. Mayor Albert said that the main objective is that this project comes back so that the City has 42 inclusionary-zoned units.

On a motion by Councilmember Downey, seconded by Councilmember Haferman, and carried by the following vote, City Council continued this hearing to June 6, 2006 to report on a more

favorable plan for low and moderate-income citizens as well as one that has a fair return to the investor.

AYES: 5 COUNCILMEMBERS: Della Sala, Downey, Haferman, Roberson, Albert
 NOES: 0 COUNCILMEMBERS: None
 ABSENT: 0 COUNCILMEMBERS: None

Councilmember Roberson moved to explore what type of City funding might be available to close the gap for low-income citizens. Mayor Albert seconded the motion. Councilmember Della Sala said that he supports looking into any feasible solution.

On a motion by Councilmember Roberson, seconded by Councilmember Albert, and carried by the following vote, the City Council concurred that the report will include suggested City funding that may be applied in order to bring the cost down for low and moderate-income citizens.

AYES: 5 COUNCILMEMBERS: Della Sala, Downey, Haferman, Roberson, Albert
 NOES: 0 COUNCILMEMBERS: None
 ABSENT: 0 COUNCILMEMBERS: None

OTHER BUSINESS

5. Authorizing Staff to Issue a Request for Proposal (RFP) for the Redevelopment of the City-Owned Leasehold Parcel at 595 Munras Avenue (AP#001-691-001) Lessee is Selby Petroleum Inc. - d.b.a. Valero Gas. (Community Development 203-02) *Continued from May 2, 2006*

Action: Authorized RFP as amended, to include the potential for a gas station. (3-1-1, Downey voting no, Della Sala not participating due to a potential conflict of interest)

Councilmember Della Sala recused himself due to a potential conflict of interest.

Mr. Wojtkowski made the staff presentation. He said if Council desires they could change staff recommended Criteria #1 to add more commercial projects including a new service station. He said that the Old Monterey Business Association submitted a letter supporting the RFP process as recommended by staff. There were no public comments.

Councilmember Downey moved to approve issuance of a Request for Proposal (RFP) as recommended by staff. Councilmember Haferman seconded the motion. Councilmember Roberson said he had concerns that the service station brought in \$91,575 rent per year and wondered how long would it take to meet that revenue with a mixed-use or retail establishment. He said that there needs to be a service station in the downtown area and that a decent service station is a viable option. Mayor Albert agreed. Councilmember Haferman said that he would like to see something other than a gas station in that location because it is adjacent to the Stevenson House, but that he will remain open minded if the Council would want to allow for a gas station.

On a motion by Councilmember Downey, seconded by Councilmember Haferman, the vote to approve issuance of an RFP—without a new service station—failed by a split vote:

AYES: 2 COUNCILMEMBERS: Downey, Haferman
 NOES: 2 COUNCILMEMBERS: Roberson, Albert
 ABSTAIN: 1 COUNCILMEMBERS: Della Sala

ABSENT: 0 COUNCILMEMBERS: None

Councilmember Roberson said that in the downtown area the City needs something upgraded and options that meet all criteria. He moved to add the potential for a gas station to the RFP. Mayor Albert seconded the motion and said that he hopes to see something that is better and that may be more profitable. Councilmember Haferman said that he will support the motion because he wants to see it move forward.

On a motion by Councilmember Roberson, seconded by Councilmember Haferman, and carried by the following vote, the City Council authorized issuance of a Request for Proposal (RFP) as amended, to include the potential for a gas station.

AYES:	3	COUNCILMEMBERS:	Haferman, Roberson, Albert
NOES:	1	COUNCILMEMBERS:	Downey
ABSTAIN:	1	COUNCILMEMBERS:	Della Sala
ABSENT:	0	COUNCILMEMBERS:	None

- 6. Report on FCC Narrowbanding Requirements for Emergency Radio Communication (City Manager)
Action: Report received

Mr. Cohn made the staff presentation. He said that the Federal Communications Commission will require changes to the current Emergency Communication systems by the year 2013 and that the project will cost agencies throughout Monterey County approximately \$23 million for infrastructure and mobile radios. On question, he explained that the difference between the old and new radio equipment is the number of frequencies available to the County agencies for day-to-day business and that the new system should be able to withstand a catastrophe such as hurricane Katrina. He said if the City does not comply, there are penalties.

COUNCIL COMMENTS

Councilmember Haferman said that he had watched the previous Council meeting on the web and he was excited to know that anyone can view Council meetings anywhere in the world at the push of a button. Regarding tonight’s public comment, Councilmember Haferman said that Mr. Allen has appeared a number of times requesting that the Council consider his item to be agendized. He said that he will try to gather appropriate information from Mr. Allen for this purpose. Mr. Meurer said that the property in question is no longer in danger of foreclosure because another person paid the court-ordered fines. He said that all he needs is a written brief that is understandable and then he would be happy to pursue his request as he would for any other citizen.

Councilmember Downey said that today she attended the Measure A press conference and spoke with people who are opposed to it because they think if it passes the State will take the money. She said it is important that we get the State and Federal matching funds, otherwise that money will go to another community and she applauded Councilmember Della Sala for fighting this battle. She said that she recently went to a MST meeting regarding the costs of bussing and their efficiencies. She also commented that the City’s parking attendants are very gracious and that they do good work for the City. She commented that Cal Trans is slipping in keeping up with the litter on the highway and that she hopes they keep up the concentration she saw for awhile. She reminded the Councilmembers of the Economics of Historic Preservation workshop on May 19 and that it is being co-sponsored by the City with AMAP. She said she will also be attending

the Regional Water Forum on Thursday at Monterey Beach Hotel. Referring to the consent agenda, she said that she was happy with the pre-lighted trees on Alvarado for next Christmas that the Old Monterey Business Association and Councilmembers Roberson and Della Sala have been working on.

Councilmember Della Sala urged citizens to vote yes on Measure A. He said that the money raised will stay here, there is local control of the money, and the City knows where the improvements need to be made.

CITY MANAGER REPORTS

City Manager Meurer said that the 850 Park Avenue acquisition fell out of escrow and that Roto-Rooter will need to find another location. He reminded the Council that the Special Council Meeting on May 31 at 7:00 p.m. will be to review the Public Service Center.

Mayor Albert met with a group regarding Open Districting for Monterey Peninsula College and that the proposal is for five districts, each with a representative, but that this proposal will split Monterey. He said he supports status quo with Monterey as a whole district rather than being split.

ANNOUNCEMENTS FROM CLOSED SESSION

Acting City Clerk Lebda made the announcement from the Closed Session that confidential direction was given to Legal Counsel.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Albert adjourned the meeting at 9:55 p.m.

Respectfully Submitted,

Approved,

Terry Lebda, Acting City Clerk

Dan Albert, Mayor