



**MINUTES OF SPECIAL JOINT MEETING OF THE CITY
COUNCIL/HOUSING AUTHORITY/ REDEVELOPMENT
AGENCY OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, December 20, 2005, 8:00 p.m.

MEETING

The Special Joint City Council/Housing Authority/Redevelopment Agency Meeting was called to order by Mayor/Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Mayor/Chair Cooper.

ROLL CALL

Present: COUNCIL/HA/RA MEMBERS Jimenez, Quirk, Halliday, Ward, Dowling,
Henson
MAYOR/CHAIR Cooper
Absent: COUNCIL/HA/RA MEMBERS None

PRESENTATION: Signature Properties

Mayor Cooper asked Mr. Eric Harrison, Senior Project Manager of Signature Properties to come forward. Mr. Harrison asked that certain refundable funds accumulated by the City for development purposes are distributed to two special projects. Mr. Harrison presented \$50,000 to a representative of the Rotary Club towards the completion of the tot lot located at the corner of Mission and D Street. Then Mr. Harrison presented \$75,000 to Lisa Rosenblum, the City's new Library Director, to implement an automatic check out system for the Library, who thanked the donor. Mayor Cooper appreciated the generous donation to the Library as well.

Kathy Delaney, Immediate Past President of Rotary accepted the funds on behalf of the Rotary Club and stated that the funds will assist in purchasing play structures to complete the project.

PUBLIC COMMENTS

Lou Filipovich spoke on local elections, commented on the Code of Fair Campaign statement, a letter he received from former Secretary of State Shelley and one that he received from Attorney General Lockyer related to nonpartisanship.

Robert Thomas Dabney, 175 Rousseau, spoke on a recent burglary, stolen firearms and police treatment. Mayor Cooper advised him to speak with Police Chief Lowe.

CONSENT

Consent Items 1 and 5 were removed for separate vote.

1. Approval of Minutes of the Special Joint City Council/Housing Authority/Redevelopment Agency Meeting of December 13, 2005

It was moved by Council/HA/RA Member Ward, seconded by Council/HA/RA Member Henson, and carried unanimously, to approve the minutes of the Special Joint City Council/Housing Authority/Redevelopment Agency Meeting of December 13, 2005 with a revision to the motion related to the Cannery Area Development as requested by Council Member Quirk.

2. Adoption of Ordinance Amending the Zoning District Map of Chapter 10 Article 1, of the Hayward Municipal Code by Rezoning Certain Territory Located in the Cannery Area to Planned Development Pursuant to Zone Change Application No. 2005-0167

Staff report submitted by City Clerk, dated December 20, 2005, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and carried unanimously, to adopt the following:

Ordinance 05-18, “An Ordinance Amending the Zoning District Map of Chapter Article 1, of the Hayward Municipal Code by Rezoning Certain Territory Located in the Cannery Area to Planned Development Pursuant to Zone Change Application No. 2005-0167”

3. Adoption of Ordinance Amending the Zoning District Map of Chapter 10 Article 1, of the Hayward Municipal Code by Rezoning Certain Territory Located in the Cannery Area to Planned Development Pursuant to Zone Change Application No. 2005-0273

Staff report submitted by City Clerk Reyes, dated December 20, 2005, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and carried unanimously, to adopt the following:

Ordinance 05-19, “An Ordinance Amending the Zoning District Map of Chapter 10 Article 1, of the Hayward Municipal Code by Rezoning Certain Territory Located in the Cannery Area to Planned Development Pursuant to Zone Change Application No. 2005-0273”

4. Adoption of an Ordinance Amending Chapter 4 of the Hayward Municipal Code by the Addition of Article 10 Relating to Aggressive Solicitation

Staff report submitted by City Clerk Reyes, dated December 20, 2005, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and carried unanimously to adopt the following:

Ordinance 05-20, “An Ordinance Amending Chapter 4 of the Hayward Municipal Code by the Addition of Article 10 Relating to Aggressive Solicitation”



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5. Adoption of an Ordinance Amending Chapter 10, Article 5, Sections 10-5.00 and 10-5.10 of the Hayward Municipal Code Relating to Street Names and Property Numbers

Staff report submitted by City Clerk Reyes, dated December 20, 2005, was filed.

Council Member Jimenez asked that the ordinance include industrial buildings. It was noted that the current ordinance does address that.

It was moved by Council Member Ward, seconded by Council Member Henson, and carried unanimously, to adopt the following:

Ordinance 05-21, "Ordinance Amending Chapter 10, Article 5, Sections 10-5.00 and 10-5.10 of the Hayward Municipal Code Relating to Street Names and Property Numbers"

HEARING

6. Zone Change No. PL-2005-0244 and Vesting Tentative Tract Map 7636/PL-2005-0245 – William Riddle (Applicant)/ Frank Chiu (Owner) – Request to Change the Zoning from Single-Family Residential District to Planned Development District and Subdivide Land to Accommodate 7 Detached Homes - The Project is Located at 26746 through 26762 Gading Road

Staff report submitted by Associate Planner Pearson, dated December 20, 2005, was filed.

Associate Planner Pearson made the report indicating that the project is located on Gading Road in the Harder Tennyson Neighborhood. The project consists of eight rental homes that the applicant is requesting to subdivide into seven lots by eliminating the eighth lot to provide a group open space area and to comply with the maximum density as required by the General Plan. He reported that at the previous review of the project in September, the Council recommended upgrades to the appearance of the homes. The applicant has responded and provided computer renderings of the proposed project. He noted the upgrades as new windows, new doors, new facie trim on the roof as well as brick siding. Two units facing Gading will have covered entries and stoops. Staff is recommending that this project be approved as it will improve the current neighborhood. He made the staff recommendation to approve the negative declaration, the zone change, the precise plan and the vesting tentative tract map.

Council Member Henson commented favorably on the improvements, but was concerned that the issue of street parking was not pursued. He suggested that this project may generate eight to ten automobiles and asked how this could impact Gading Road. Associate Planner Pearson indicated that it was considered, but there was insufficient space to add additional off-street parking as it would eliminate common open space. He noted that Gading Road may not be heavily impacted by this project. At the request of Council Member Ward, Associate Planner Pearson stated that staff is

suggesting a mix of the elevations so that there are three options for each of the interior units and three options for each of the two exterior units with the final approval by staff.

Council Member Ward thanked the developer for the improvements, but asked for assurance that a landscape plan is included, noting the fullness of the landscaping in the renderings. Staff affirmed that the plan is included.

Council Member Ward commented that this is a creative way to create more affordable housing by using existing housing stock.

Council Member Halliday advocated that the units will be single storied and accessible.

City Manager Armas responded to Council Member Halliday's question related to there being any conditions of approval to require the owner to offer assistance to his tenants. He noted that there are no conditions, but that the previous report submitted to Council does state that the owner intends to assist the remaining tenants with moving expenses and provide up to two month's rent. There is no City guarantee that this will be done.

Mayor Cooper opened the public hearing at 8:29 p.m.

Lou Flipovich asked for a clarification. He asked if the rental units were under the Redevelopment Agency and cautioned that there could be certain tax implications related to affordable housing if they were under the agency. It was noted that this project is not located within the City's Redevelopment Agency area.

Mayor Cooper closed the public hearing at 8:33 p.m.

Mayor Cooper stated that she would be voting against this project as there is not sufficient evidence that the project was improved over what was previously approved. She was reticent in approving the proposed project, noting that the landscaping in the simulations appear beautiful and fully grown.

Council Member Halliday stated that she will support the motion, hoped that the owners provide the assistance as they previously stated, and commented that this is a good housing product, as it will supply homes to buyers who are interested in living in a small single story home.

It was moved by Council Member Henson, seconded by Council Member Dowling, and carried, with the following roll call vote:

Resolution 05-155, "Resolution Approving the Negative Declaration, Zone Change Application No. PL 2005-0244, Precise Development Plan and Vesting Tentative Tract Map 7636/PL-2005-0245"

Introduce Ordinance 05-_, "An Ordinance Amending the Zoning District Map of Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Territory Located at 26746 through 26762



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Gading Road Pursuant to Zone Change Application No. 2005-0244”

AYES: COUNCIL MEMBERS Jimenez, Quirk, Halliday,
Ward, Dowling, Henson
NOES: COUNCIL MEMBERS None
MAYOR Cooper
ABSENT: None
ABSTAINED: None

LEGISLATIVE BUSINESS

7. Adoption of Interim Moratorium Ordinance on Condominium Conversions

Staff report submitted by Director of Community and Economic Development Ehrenthal, dated December 20, 2005, was filed.

Director of Community and Economic Development Ehrenthal made the report, noting that in September, staff reported that the subdivision ordinance needed revisions to address new demands, including address the provision of housing for moderate income households. The trend is to meet this by converting existing rental units into condominiums. Although there are no current condominium conversion projects in the City, there have been inquiries on this regard. Unanticipated issues yet need to be addressed include requiring that a Certificate of Occupancy be required for each unit prior to its sale and that the permit standards comply with current building codes, which could involve substantial costs. Standard condominium requirements with substantial costs need to be also addressed and researched. As these requirements are in the code and are essential in assuring the health and safety of future residents, staff is requesting this moratorium on land use approvals for condominium conversions. This urgency measure does not preclude the filing of applications for future conversion. Staff anticipates returning to Council in late spring or early summer with further recommendations. This is exempt from CEQA requirements and does not require public hearings. She reiterated the staff recommendation to adopt an urgency ordinance that allows a moratorium for 45 days, with the option to extend if necessary and that this urgency measure requires a fourth fifth vote of the Council.

Council Members asked for clarification on the Certificate of Occupancy requirement currently in the ordinance. It was noted that the ordinance currently requires standards in accordance to current code and staff did not realize that. It would make more sense to have them upgraded in accordance with the codes in effect when the units were built. There was discussion on the current ordinance that requires numerous upgrades prior to conversion such as separate water meters, new window sill heights and seismic improvements, and fire sprinkler requirements, some of which are mandated by State Code. Staff will review them for health and safety issues. Council urged that staff continue to be inclusive by advising and seeking input from various interested parties including the property owners, the Chamber of Commerce, representatives of tenant groups, such as COR and mobile home association representatives. Council was of the consensus that condo conversions need to be feasible while maintaining health and safety standards.

Mayor Cooper opened the public hearing at 8:52 p.m.

Evelyn Gertler noted possible effects of the condo conversion in her complex and asked the Council to consider her situation prior to making a decision to allow the conversion. She moved to her townhouse over 23 years ago and expressed her experience in living there. She is committed to Hayward and active in various committees.

Allegra Wilson, a teenager, spoke on her life at the Creekwood Apartments and the good experience she has had in that complex. She stated that she has lived at the Creekwood Apartments for the past fifteen years and does not want to move. She commented on Creekwood's amenities and the friendships that she has established. She asked that the conversions be affordable for the current tenants.

Bernie Rose Wilson, mother of the previous speaker, reiterated their concerns and stated that she would love to remain in her apartment.

Chris Zaballos, representing the property owners of Creekwood Apartments, agreed with staff that the moratorium is a good idea and asked that property owners be involved in the process. He reiterated Council's desire to reach its goal of 70% owner occupied housing. The moratorium will be a good process to provide further discussion. In response to Council Member Dowling's inquiry, he described a composite of tenancy at Creekwood. He noted that similar rents could be offered in other complexes in Hayward for tenants who could not afford to purchase should conversion occur, the potential for offering long-term tenants a type of discount as well as the possibility of absorbing some of the units.

Council Member Ward related to staff that perhaps this might be a creative way to include our inclusionary housing program resources to purchase homes for the current tenants by creating a pool of dollars that a developer can deposit funds into. City Manager Armas noted that the Council did address this when it was discussing the inclusionary housing ordinance that requires 15% of the units being converted to satisfy the inclusionary requirement. He also referred to the staff report that suggests coordinating this so that the City could assist with down payments for first-time home buyers and look at that to reserve units for low and moderate income households.

Mayor Cooper closed the public hearing at 9:10 p.m.

Council Member Quirk commented on the reverse mortgage method as well as urged a down payment program.

City Manager Armas reported that several of the apartment complexes were built with a condominium map and would not be under the jurisdiction of the conversion ordinance. Staff has had a few discussions on how to address those complexes that desire to sell units that include long-term rentals but were built in accordance with condo maps. The complications with these apartments increase as they were built under the condo regulations.

Council Member Dowling asked whether Redevelopment Agency funds can be used. City Manager Armas reported that some Redevelopment Agency funds have been used for the homebuyers program and the opportunity is there.



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Members of Council agreed with the excellent suggestion of Council Member Ward. Council Member Henson agreed with the Council objective to reach its 70% goal by 2011 and offered information on programs that Fannie Mae funds.

Prior to the vote, Mayor Cooper declared that approval requires a four-fifths vote.

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried to adopt the following:

Introduce and Adopt Ordinance 05-22, "An Emergency Ordinance Adopting a 45-Day Moratorium on the Issuance of Use Permits, Variances, Building Permits, Subdivision Maps and Other Land Use Approvals for Condominium Conversions"

8. Adoption of the Annual Report of Redevelopment Agency Activities for FY 2004–05

Staff report submitted by Redevelopment Director Bartlett, dated December 20, 2005, was filed.

Redevelopment Director Bartlett made the report indicating that the financial report was distributed as required and upon Council's review will be forwarded to the State Controller. The Agency's tax increment increased 15% since the previous year due to property values and new development. She described the significant expenditures for parking improvements in the downtown and to implement the Cannery Area Plan by purchasing parcels for the proposed new Burbank School. She reported that the B Street Marketplace was removed from the Agency's capital asset fund with reported income from its sale. She described the loan to Eden Housing for the construction of the Sara Conner Court from the low and moderate income fund. It also received funds from Olson, a downtown developer who repaid their deferred land cost. Last year's audit noted no exceptions to the financial reporting. There were two findings that recommend that the Agency annually adopt a resolution regarding administrative expenditures costs. The second finding dealt with the implementation plan that was adopted this past month. She stated that there is a requirement to file the Statement of Indebtedness to the County. She responded to questions from Council/RA Member Henson related to State takings via the ERAF. Redevelopment Director Bartlett reported that she hasn't heard of any changes to the current regulations.

City Manager/Executive Director Armas stated that unfortunately Proposition 1A did not provide safeguards to redevelopment agencies and there could be further takings by the State. He also commented that a major issue in Sacramento is the issue of eminent domain and some legislation.

Council/RA Member Henson asked about the Gatsby 34 requirements. It was noted that this report covers it. He commented on the independent audit report and asked about the low and moderate income housing fund. It was noted that there is about \$3.5 million in that fund.

Council/RA Member Ward referred to page 29 of Appendix B and asked about the seven parcels and verified that the Redevelopment Agency is still the owner. In response to his question on the Cannery parcels, Redevelopment Director Bartlett reported that those parcels are being assembled and will be conveyed to the school district for the new Burbank Elementary School.

Council/RA Member Quirk asked about the Myrtle Street parcel and about its acquisition. It was reported by Ms. Bartlett that this was acquired prior to negotiating with the developer. It will be used as part of the street improvements. Council/RA Member Quirk also asked about future debt due to the increase in assessed valuation in the Cannery Area.

City Manager/Executive Director Armas reported that the debt that is forecast relates to the bonds that were sold and the reservation of the 20% of the housing set-aside. The other 80% that is not housing is not allocated and was not taken into account for purposes of determining the Agency's debt issuance. In the future, there will be growth in the assessed valuation based on the full development of the Cannery Area that will generate additional revenues for the Agency to decide how best to use.

Council/RA Member Jimenez congratulated staff on the Agency's assets.

With no requests to speak, Mayor/Chair Cooper opened and closed the public hearing at 9:32 p.m.

It was moved by Council/RA Member Henson, seconded by Council/RA Members Jimenez and Dowling, and unanimously carried to adopt the following:

Resolution 05-156, "Resolution Adopting the Annual Report of Redevelopment Agency Activities for Fiscal Year 2004-05"

RA Resolution 05-27, "Resolution Adopting the Annual Report of Redevelopment Agency Activities for Fiscal Year 2004-05"

COUNCIL REPORTS

Council Member Henson made a Council Report on his recent trip to the National League of Cities in Charlotte. He reported that Mayor Nagin of New Orleans spoke on the current status of the city's recovery. He highlighted some of the sessions that he attended on disaster preparedness with emphasis on state and local levels, evacuation policies and the unveiling of CityNet that provides direct access to Congress. He commented on the Save Lives Act that requires broadcast television to leave the Spectrum band width by December 2006, but there is a move to extend it to 2009. He spoke on new technologies that were demonstrated at the conference and will distribute information that he gathered including cameras on tazers.

ADJOURNMENT



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Mayor/Chair Cooper adjourned the meeting at 9:41 p.m. wishing all a Happy New Year. She announced that the next City Council meeting will be held in 2006.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Housing Authority and Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Housing Authority and Redevelopment Agency