

**CITY COUNCIL COMMITTEE ON
DEVELOPMENT AND TRANSPORTATION
Special Meeting Minutes
June 25, 2015**

CALL TO ORDER

The meeting was called to order at 5:01 p.m. in Room 1600 of the City Hall Ross Annex.

ATTENDANCE

The following Committee Members were present: Vincent Sarmiento, Michele Martinez,
David Benavides

Staff present were: David Cavazos, City Manager; Kelly Reenders, Executive Director/Community Development Agency; Fred Mousavipour, Executive Director/Public Works Agency; Hassan Haghani, Executive Director/Planning & Building Agency; Lisa Storck, Assistant City Attorney; Ryan Hodge, Assistant City Attorney; William Galvez, City Engineer; Nabil Saba, Water Resources Manager; Jason Gabriel, Principal Civil Engineer; Kenny Nguyen, Senior Civil Engineer; Melanie McCann, Associate Planner; Lorrie Ortiz, PWA Executive Secretary.

PUBLIC COMMENTS

Madeleine Spencer summarized a letter that had been previously distributed concerning the Warner Avenue Improvement project, requesting a delay to include residents, and asking the City to increase the scope of the project and assure an inclusive process, specifically to include a resident right-of-way panel that is equal to the number of city staff.

Robert Duncan, Caribou Industries, referenced agenda Item 3, Third Street Promenade; highlighted a few items that were previously submitted; showed a proposed development and a revised aerial photo of a development on Third Street, and two adjacent properties to be acquired. He stated that a hotel is being proposed and that all opportunities are being explored; a meeting is planned with a partner that specializes in affordable housing.

AGENDA ITEMS

Items taken out of order to accommodate schedules

6. HOUSING OPPORTUNITY ORDINANCE

The City Manager provided Committee members with information concerning adaptive re-use, and recommended a moratorium of new projects; noting that it would be best to also place a moratorium on the Housing Opportunities Ordinance. He advised that authority exists to waive and clarify development fees.

The Executive Director of Planning & Building, Hassan Haghani, summarized components of the Housing Opportunities Ordinance that was adopted in 2011, and referenced in the 2014 Housing Element; which requires 15 percent of new housing to be affordable; and applies to zone changes that result in residential density

increases. He stated his concern that the ordinance may constrain historic adaptive re-use of buildings and alternatives to construction; and treats new and existing development the same even when economics may vary, which may be an impediment to developers in considering affordable housing. The ordinance does not currently provide options to provide affordable housing units instead of in lieu fees, and limits alternatives that may be considered. Possible modifications were provided in the presentation, including exemptions to projects approved prior to the adoption of the original ordinance; exempt adaptive re-use from the ordinance requirement; provide for off-site construction of units; allow rehabilitation of off-site units; remove Takings Determination; apply the ordinance only to those conversions that exceed the density permitted in the General Plan; allow an in-lieu fee option up to 50 units instead of the current 20 units; simplify the in-lieu fee calculation to \$5 per square foot; and re-evaluation of the matter in 3 years. He clarified potential options including modification of the existing ordinance; or a short moratorium to prepare another ordinance and establish an interim ordinance; or do nothing.

Councilmember Benavides noted that quality, accessible and mixed income housing is important, and appreciates staff's efforts to modify issues. He suggested incentives to developers that propose mixed income developments. Councilmember Martinez called attention to the county's changing demographics and that people are leaving due to transportation and housing affordability; and specified that the needs of the community must be taken into consideration. Mayor Pro Tem Sarmiento clarified that inquiries from the community are always welcome, noting that the city has a responsibility to residents and also to developers to ensure that working families have a dignified way to live, considering the high housing costs throughout the county. He recommended revisiting the matter within 24 months; summarized that consistency in development fees is important; commented that the goal is quality market rate developments; and that other cities direct their developers' in-lieu funds to projects that are set aside for affordable housing; and he requested that a future report to the City Council include a comparison table of other local cities. This item is scheduled to go before City Council on August 4, 2015.

3. THIRD & BROADWAY UPDATE

The City Manager provided a high level overview of the project, and he said there were several submissions for this project. Oliver McMillan was invited back to provide their background and experience, but were not interested in providing a hotel component beyond their residential proposal with ground floor retail; and the firm recommended a hotel feasibility study. Direction is currently sought from Committee members, as the only proposal to include a hotel proposal was from Caribou Industries per Mr. Duncan's earlier comments.

Mayor Pro Tem Sarmiento noted the Request for Qualifications (RFQ) was circulated for a 2nd time; and Larry Kosmont's office was sought to assist with this matter, although the meeting notification was late and the firm was not able to attend this meeting. He reiterated that Caribou Industries was the only submission that included a hotel component pursuant to the RFQ. He recommended that discussions for refinement, terms and conditions proceed with Caribou Industries; and that Larry Kosmont and other possible developers be consulted with a very short timeframe.

Councilmember Benavides commented this has been a prime potential project for several years due to its location at 3rd and Broadway, and yet another delay would not be favorable; that the project should only be delayed further if no submissions are acceptable; but noted that high quality standards are important because this can be a legacy project to be looked upon with pride for many years; and that business-friendly assistance should be offered for this development. Councilmember Martinez emphasized that community members be included as stakeholders since the project is a city asset which belongs to the voters and residents; explained that place making is important; that this should be a multi-modal transit oriented development; and should also include open space so that the community may congregate outdoors. Councilmember Martinez recommended that developers review the 5 year Housing Element and types of housing stock to meet the goals within the Housing Element; that another important issue is the opportunity to be a destination both for entertainment and visitors to the courts, and a hotel with a multi-use conference room can be successful. She emphasized that time is of the essence, so the opportunity is not lost; and stressed that an expedited 30-day process be assembled for developers, inclusive of Council's vision for the downtown area.

7. COMPLETE STREETS PLAN FOR DOWNTOWN UPDATE

Cory Wilkerson, Active Transportation Coordinator, provided information on the status of the Active Transportation program. He stated that the downtown complete streets plan had a very aggressive outreach process complete with a 3-day workshop and multiple community meetings which resulted in 5 top priority projects for downtown and transit zone areas. Mr. Wilkerson added that after careful review by staff, a final draft will be provided to the public to allow additional comments and ultimate presentation to the City Council.

Councilmember Martinez summarized the process, and noted that much preliminary effort through the years has been extended for the current result; a huge milestone has been accomplished, and no residents have had negative comments to her knowledge; encouraged close coordination with the Planning & Building Agency; recommended that the final public product include the rationalization for the top five projects that are selected by the community, and should also include those projects that were not selected; and is looking forward to finalization of this project.

8. ACTIVE TRANSPORTATION PROGRAM UPDATE

William Galvez, City Engineer, summarized the status of the Active Transportation Program (ATP). The ATP encompasses the circulation element and pedestrian and bike master plan, and will also fold these programs into the pavement management plan which will show the condition of City streets and financing thereof. He stated the Safe Mobility Santa Ana (SMSA) program is studying all accidents involving pedestrians and bicyclists in order to develop a plan to address the issues. The Circulation Element and Active Transportation Program is now in draft form and on hold pending the SMSA study, which should be released in approximately September of this year. The Circulation Element should be complete by June 2016.

Councilmember Martinez requested further timing information due to safety and circulation issues in the community. Fred Mousavipour, Executive Director of Public

Works, explained that the SMSA, Circulation Element, and Pavement Management programs will be studied concurrently in order to have a timely and comprehensive program. Mr. Haghani emphasized that the principles provided from the Public Works Agency will be included as a basis for the General Plan update, and City Council will be advised accordingly. Mayor Pro Tem Sarmiento recommended coordination with the school district on this issue to ensure best practices are followed for the safety of children at every school campus in the city.

9. PRESENTATION: PROJECT W: SAFE TRANSIT STOPS – INPUT ON TRANSIT STOP CONCEPTS

Mr. Galvez stated that the project to upgrade the city bus shelters was made available through funding from OCTA Project W: Safe Transit Stops. Santa Ana was awarded \$687,000 for 29 highest volume transit stops in the city. An Environmental and Transportation Advisory Committee ad hoc subcommittee reviewed the issue and provided comments. Photos of sample bus shelters were provided by Mr. Galvez, and staff's recommendation features a curved roof. Councilmember Martinez noted that the needs of the community should be assessed before determining the shelters; including the need for bike racks, trash dispensaries; a digital concept which would include schedules; USB connections to charge cellular phones; and more seating for bus riders. Mayor Pro Tem Sarmiento summarized that more attention is given to the city's bus shelters because this community actually uses public transportation. He also emphasized uniformity in the design of the shelters, and he noted that the shelters should be resistant to graffiti. He noted that bus shelters in Mexico and Latin America have very creative designs, which may be possible in Santa Ana.

Omar De La Riva, resident, supported the need for bike racks in the bus shelters.

Madeleine Spencer commented that the bus shelters can be aesthetically pleasing, fun and may serve as a tool to encourage use of public transit; and "cool" shelters may be achieved in Santa Ana.

2. WARNER AVENUE IMPROVEMENTS UPDATE

Mr. Galvez provided a brief update on the Warner Avenue Improvements, providing a fact sheet with current information and project location. The project was approved in 2008. Photos of the location were shown, including photos of the areas with safety, mobility and aesthetic issues. He provided the project objectives; benefits; timeline; status; a description of the phases; and methods of public outreach starting in 2012. One-on-one meetings will be held with residents to provide factual information in the language and location of the resident/ property owner's choice.

Councilmember Martinez stated she is supportive of moving forward with the project, but is concerned about the displacement of the businesses and property owners. Mayor Pro Tem Sarmiento stated the project was initially brought about by the impacts from the development of the Legacy Project in Tustin. More traffic is expected on the street and action is needed. Residents will be treated fairly and equitably, but there is a concern about speed on the street. He has received comments that residents are concerned about the narrow sidewalks, difficult egress,

volume of current traffic that has increased through the years, and safety in general. He recommended not simply focusing on property owner rights, but also extend sensitivity to the many neighborhood tenants.

Madeleine Spencer noted that residents did not really believe that the project would actually occur; expressed resident and property owner apprehension due to issues concerning fair market values; and ensuring there is dialogue with the community so that residents and property owners can be part of the process.

5. PRESENTATION: DROUGHT WATER RATE SURCHARGE

Water Resources Manager Nabil Saba provided a summary of the city's drought water rate surcharge and he reviewed available options. Option 1 would be a surcharge of approximately \$2.40, for an average residential water bill of approximately \$58.20; and, the addition of \$1.88 to recover the penalty if the reduction is not met; he also estimates loss of revenue in the amount of \$4.4 million. Option 2 is recommended by staff and would add a surcharge of \$7.37 to customers exceeding the allocation, with an average residential bill of approximately \$63.17 per month; and the addition of \$1.88 to water use to recover the penalty. Option 3 would recover revenue loss through adding a fixed surcharge of \$11.16 on all water users which would increase the monthly bill to an average of approximately \$66.96 per month; and the addition of \$1.88 to recover the penalty.

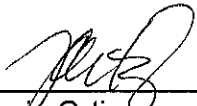
Councilmember Martinez stated a preference for Option 2, and residents that exceed allowed usage would need to pay accordingly. Mayor Pro Tem Sarmiento stated that it appears that Option 2 would probably be preferred as the most viable option, without the addition of costs for the recovery penalty at this time. Mr. Mousavipour advised that penalties for violations of the Executive Order are uncertain, so the option to assess the surcharge of \$1.88 to residents is not being taken at this time; he also added that exemptions are available to some businesses and residents with special disabilities and circumstances; and added that Santa Ana is one of the first cities to study and implement the Executive Order. Councilmember Martinez emphasized that the City is also a water customer and should also be providing records to demonstrate water reductions.

COMMITTEE MEMBER COMMENTS - None

FUTURE AGENDA ITEMS

- Streetcar Project Update
- Sewer Lines Ownership Ordinance Amendment

ADJOURNED – 7:20 P.M.



Lorie Ortiz
Recording Secretary
Public Works Agency

