

**UNOFFICIAL MINUTES
OF THE
SALINAS PLANNING COMMISSION**

March 15, 2017

The meeting was called to order at 3:33 p.m. in the City Council Chamber Rotunda.

ROLL CALL

PRESENT: Chairperson Meeks, Commissioners Anzo, Griffin, Huerta, Lutes, and Nohr. Commissioner Giffin arrived at 3:38 p.m.

ABSENT: None

STAFF: Director of Community Development, Megan Hunter; Planning Manager, Courtney Grossman; Senior Deputy City Attorney, Anais Aquino; Administrative Secretary, Jordynne Chacon; City Attorney, Christopher Callihan; Community Development Analyst, Christopher Valenzuela; Planning Manager, Anastacia Wyatt; Housing Services Supervisor, Joel Alvarez

COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None

APPROVAL OF THE MINUTES: March 1, 2017

Commissioner Lutes motioned to approve the minutes. Commissioner Nohr seconded the motion.

AYES: Chairperson Meeks, Commissioners Anzo, Griffin, Lutes, and Nohr

NOES: None

ABSTAIN: Commissioner Huerta

ABSENT: Commissioner Giffin

COMMUNICATIONS

Christopher Callihan, City Attorney, did not receive any new comments regarding the uniform bylaws.

PUBLIC HEARINGS

Commissioner Huerta stated he is excusing himself from participating in the public hearing due to a conflict of interest.

Christopher Valenzuela, Community Development Analyst, presented a PowerPoint presentation regarding the Inclusionary Housing Ordinance Update. This presentation is stored at the Community Development Department.

Commissioner Lutes questioned if there is a way to work with developers at the pre-development stage to determine where inclusionary units will be located on site. Mr. Valenzuela described the proposals and phasing plans would be reviewed to meet compliance. In addition, Mr. Valenzuela mentioned the inclusionary housing units are a percentage of the units on site. Developers would be required to include inclusionary units throughout the development.

Commissioner Lutes asked how offsite construction allows the inclusionary units to be geographically disbursed to prevent a high density, like in the Alisal area. Mr. Valenzuela noted that the future growth area allows placement for inclusionary housing to expand to other locations.

Commissioner Lutes questioned who is monitoring the inclusionary housing trust fund and how it is monitored. Mr. Valenzuela explained the inclusionary housing trust fund is already established, and fees are generated through in-lieu fees or fees from multifamily properties. Mr. Valenzuela mentioned the fees are not currently being collected due to a lack of development, but Housing is developing a plan to recover loans and gain more grant funding.

Commissioner Lutes asked if it is possible to restrict the inclusionary units for citizens who work in the City as primary occupants. Mr. Valenzuela stated in this ordinance there is a priority system for displaced households due to City responsibility, a household displaced at a market-rate rental, and local residents and employees to become inclusionary unit occupants.

Commissioner Lutes questioned why the \$12 per square footage rental fee dropped to \$2 per square footage. Joshua Abrams, a representative of Baird and Driskell Community Planning, explained the figure is lower because it is much easier to build ownership housing rather than to build for rental housing.

Commissioner Nohr asked why there is such a difference from the nine unit and over ten units in Table 1. Mr. Valenzuela explained it balances the threshold to allow economic feasibility to pencil out and prevent a burden for small developers.

Commissioner Nohr questioned how many low-income versus moderate-income units will be determined. Mr. Abrams explained the units will be designated as low-income and

moderate-income units based on the number of units to meet percentage guidelines required.

Commissioner Nohr asked if the Palmer vs. Los Angeles case causes the City legal exposure if the Inclusionary Housing Ordinance Update is adopted. Mr. Valenzuela responded the consultant conducted studies reviewed by the City's contracted legal counsel.

Chairperson Meeks opened the public comment at 4:17.

Two comment letter were received from Building Healthy Communities submitted by Cesar Lara and from Future Growth Area Owners/Developers submitted by Brian Finegan. Public comments are kept on file at the Community Development Department.

Paul Farmer, CEO of Salinas Valley Chambers of Commerce, stated affordable housing is needed and he is concerned this ordinance will prevent developers from building affordable units.

Brian Finegan, representative of the Future Growth Area developers, expects the City of Salinas to make the process as easy as possible for development to continue to grow in the City. Mr. Finegan mentioned there has not been significant new housing built in the last twenty years.

Alfred Diaz-Infante, a representative of CHISPA and affordable housing developer, encourages the Commissioners to study the proposal. Mr. Diaz-Infante mentioned the Palmer case has made this ordinance complicated. He stated this ordinance is just one tool that creates affordable housing for developers to abide by land use policies.

Cesar Lara, the Policy Communications Director for Building Healthy Communities, recommends the Commissioners request to increase the in-lieu fee per square footage from \$2.00 to \$5.00; and if a developer chooses to accept Section 8 vouchers from 12% to 15% of the housing units. Mr. Lara mentioned the Nexus study could be reviewed by a third party to evaluate validity and clarity.

Ray Harrod Jr. stated the Nexus study does not support any inclusionary housing or fees and deems inclusionary housing as infeasible. Mr. Harrod mentioned this ordinance will increase the price of developing units and will cause owners to buy housing that is out of market by imposing this fee.

Chairperson Meeks closed comments received from the public at 4:28 p.m.

Commissioner Lutes asked what the time consideration for Commission's decision on this ordinance. Mrs. Hunter stated postponing the decision of the Commission will throw off the schedule for the ordinance to go forward with the Community Development Block Grant (CDBG)/Housing Subcommittee meeting on Friday, March 17, 2017 and City Council on

April 18, 2017. Mrs. Hunter also mentioned the Inclusionary Housing Ordinance could stay as is.

Commissioner Lutes commented Salinas is the fifth-least affordable housing in the nation and the Inclusionary Housing Ordinance Update is very clear and community driven.

Commissioner Nohr is concerned adding another fee will prevent developers from building because it will increase the cost for development.

Commissioner Giffin stated the inclusionary housing fees should be reconsidered because the housing market has not been restored.

Commissioner Anzo asked how conflicted staff and developers were to decide the \$2.00 per square foot rental impact fee. Mrs. Hunter mentioned not many were happy, but the proposal strikes the middle for balance as a compromise. Mr. Valenzuela also commented there are options to consider when in the planning stage for affordable housing to cost a developer less.

Commissioner Anzo mentioned he is concerned there is not an attraction for developers to build affordable housing. Commissioner Giffin agreed with this concern.

Commissioner Giffin asked if any grant money is received for the City of Salinas. Mrs. Hunter responded last year a little over \$500,000 was received, but the funding might not continue.

Commissioner Lutes stated there must be more affordable housing for the work force in the City and this Inclusionary Housing Ordinance Update will help.

Commissioner Lutes motioned to recommend approval of the Inclusionary Housing Ordinance Update to City Council. Commissioner Meeks seconded this motion.

AYES: Chairperson Meeks and Commissioner Lutes

NOES: Commissioners Anzo, Giffin, Griffin, and Nohr

ABSTAIN: Commissioner Huerta

ABSENT: None

This motion was denied with a 4 to 2 vote.

Anais Aquino, Senior Deputy City Attorney, confirmed the item does not have to come back to Planning Commission and moves forward to the CDBG/Housing Subcommittee.

Chairperson declared a recess break to invite Commissioner Huerta back to the Commission at 5:02 p.m.

Chairperson Meeks called the meeting back to order at 5:10 p.m.

COMMISSION CONSIDERATIONS

Commissioner Lutes asked if a report of the housing market is available and a review of other City's affordable housing developments. Courtney Grossman, Planning Manager, responded that staff can provide a report in an upcoming Planning Commission meeting.

Chairperson Meeks mentioned it would benefit the Commission to receive updates regarding the status of newly developed projects. Mr. Grossman stated staff can provide a follow up report of the major projects.

Commissioner Huerta asked the amount of investment paid to the Haciendas project by the City. Mr. Valenzuela stated Phase II costed \$941,281; Phase III costed a little over \$1.6 million; and Phase IV/Phase Seniors costed about \$390,000 from funding. Anastasia Wyatt, Planning Manager, mentioned this funding was all federal funding.

Commissioner Huerta recommends having a discussion what the City does and does not do as a Public Official and how a meeting is conducted. Mr. Grossman stated staff and Legal could complete this task.

OTHER BUSINESS

None

FOLLOW UP REPORTS

Mrs. Hunter mentioned the Future Growth Area are mainly three areas: The West Area Specific Plan, The Central Area Specific Plan, and The East Area Specific Plan. Mrs. Hunter also stated the West Specific Plan may come to Planning Commission this December and the Central Specific Plan may be presented to City Council early 2018.

FUTURE AGENDA ITEMS

Mr. Grossman stated there is an alcohol off-sale license coming to the Commission located in the Acosta Plaza area, a ministorage project on Martella Street, a telecommunications facility by the airport, and a Zoning Code Amendment regarding an exception to the three and four bedroom requirement in the downtown area.

COUNCIL CONSIDERATIONS

Mr. Grossman will attend the March 21, 2017 City Council meeting when the Conditional Use Permit 2016-019 appeal will be discussed.

Mrs. Hunter mentioned a farmer's market at the Rodeo Grounds might be on the City Council Agenda for the meeting on April 4, 2017.

ATTENDANCE AT NEXT MEETING

The next scheduled meeting is scheduled on April 5, 2017.

ADJOURNMENT

The meeting was adjourned at 5:44 p.m.

JOHN MEEKS
Chairperson

COURTNEY GROSSMAN
Executive Secretary