

MINUTES
CITY OF MARTINEZ
PLANNING COMMISSION
January 29, 2008

CALL TO ORDER/ROLL CALL

Chair Frank Kluber called the meeting to order at 7:10 p.m. with all members present except Commissioners Allen, Busby, and Korbmacher.

Staff present: Veronica Nebb, City Attorney
Karen L. Majors, Assistant City Manager/Community Development Director
Albert V. Lopez, Deputy Community Development Director

AGENDA CHANGES

Deputy Community Development Director Albert Lopez said the Inclusionary Housing Ordinance (Item #3) would be heard before the General Plan Update process (Item #2), which would be postponed to a later meeting if there is no time tonight.

PUBLIC COMMENT

PAUL WILSON commented on the recent trend towards higher density and expressed concern about fire safety with buildings so close together. He requested additional fire sprinklers requirements.

CONSENT ITEMS

1. *Minutes of November 13, 2007, meeting.*

On motion by Harriett Burt, Planning Commissioner, seconded by Mark Hughes, Planning Commissioner, the Commission present voted to approve the minutes of November 13, 2007, meeting.

Motion unanimously passed 4 - 0 (Commissioners Allen, Busby, and Korbmacher absent).

REGULAR ITEMS

Item #3 taken out of order.

3. *Inclusionary Housing - Study session to review proposed zoning text amendments to the Martinez Municipal code Chapter 22.60 - Inclusionary Housing, and Chapter 22.62 - Density Bonuses, to create an affordable housing program including both an inclusionary housing and density bonus component. At this meeting the Planning Commission will consider and discuss a proposed affordable housing (inclusionary) ordinance, that would require new housing developments (4 units and greater) to set-aside 15% percent of the total units for low-income households; and allow density bonuses and concessions /incentives to housing developments offering below market rate (BMR) units to eligible households. No formal action is taken in the Study Session. Applicant: City of Martinez (AL)*

Deputy Community Development Director Albert Lopez presented the staff report, highlighting members of the Housing Task Force listed at the back of the document. He reviewed the background history of the ordinance, the work of the Housing Task Force, and details of the proposed new sections for the Municipal Code.

Commissioner Burt asked about eligibility requirements, specifically who and how the list will be formed, and how the notice will be given. City Attorney Veronica Nebb said primarily through newspaper notice, but other outreach methods can be used as well - either marketing by the developer or an associated lender. She reviewed various possibilities for handling the list, based on what other jurisdictions have done.

Mr. Lopez also noted that some exemptions could be allowed, with City Council approval, and Ms. Nebb gave information on the term of the inclusionary requirement. Mr. Lopez added that developers would be required to enter an Inclusionary Housing agreement covering all the conditions and requirements of the Ordinance. He also noted that in-lieu fees will go into the City's housing trust fund to be used for various assistance programs.

Mr. Lopez briefly discussed the density bonus provisions, as required by state law. Commissioner Burt expressed concern about the 35% bonus; Ms. Nebb said it was unfortunately straight from state law.

Mr. Lopez noted the City is also required to offer other concessions and incentives. Ms. Nebb commented that such concessions are rarely requested, due to additional review allowed of the developer's books as a result. Commissioner Avila noted that the Housing Task Force spent much time on this to be sure it will work with state law and the needs of the community. Mr. Lopez commented further on how density bonuses are calculated, based on affordability of the units.

Commissioner Burt asked whether more noticing options should be listed in the Ordinance, as currently it only mentions the newspaper. Staff agreed additional language could be added, although Ms. Nebb was concerned that there be sufficient clarity for the developer in knowing how and where noticing should occur.

Commissioner Avila explained how the information can be transmitted, usually through the housing coordinator (whether a City employee, the Housing Authority or another agency). She noted most cities have some information on their websites as well. She also noted that a marketing plan is usually required for below-market housing.

Commissioner Hughes asked why the line for the inclusionary requirement was drawn at 20+ units. He also asked what future uses staff contemplated for the housing trust fund. Mr. Lopez acknowledged that nonprofit groups might have better fund leverage, but the Housing Task Force felt that development market in Martinez seems to be focusing on smaller projects.

Ms. Nebb said it would be difficult to justify charging a disproportionate fee, which would be necessary if an increased in-lieu fee was allowed instead of requiring affordable units be built. She also noted that typically, more developers will opt for in-lieu fee payment which means fewer units will be built.

Commissioner Hughes asked why not make the fee higher, and Ms. Nebb discussed economy of sale considerations for developers and nonprofit groups, as well as market conditions that might deter development. Commissioner Avila noted that the Housing Task Force also looked at the parcels identified in the Housing Element and the lower likelihood for larger developments.

Mr. Lopez mentioned other alternatives for developers instead of the fee. Assistant City Manager/Community Development Director Karen Majors commented on the broad experience of the Housing Task Force members, and reports/results from other jurisdictions.

Commissioner Hughes asked if the exemption language in the ordinance was customary. Ms. Nebb responded that the first three exemptions come from lessons learned by other ordinances, with the last one allowing for unexpected circumstances on a case-by-case basis.

Commissioner Burt expressed concern with the proposed exemption process, particularly suggesting that the Planning Commission be involved and given a chance for discussion/recommendation without political overtones. Ms. Nebb acknowledged that Planning Commission review could be added to the exemption process. The rest of the Commission agreed with Commissioner Burt's suggestion.

Commissioner Burt asked about the "change in title" requirements, and staff agreed to review that section further.

Mr. Lopez concluded by stating that both programs will work together to implement provisions of the City's Housing Element, as well as meeting state law regarding density bonuses. He briefly discussed the further process for drafting and enacting the ordinance, including negative declaration, etc.

Chair Kluber asked about staff's response to Commissioner Allen's email. Mr. Lopez said her email would be included in the public record, but he had no formal response at this time. Commissioner Avila noted that some of Commissioner Allen's issues had been addressed under the section dealing with administration and fairness.

Commissioner Burt asked for clarification on the bonus and incentive for housing with a childcare facility - specifically who will oversee the facility afterwards. Ms. Nebb said the City would be responsible, adding that such requests are very rare because of the limitations and restrictions.

Chair Kluber opened public comment.

DAVID PIERSALL commented on the fact that the housing bubble has burst since the process for this ordinance had begun, as a result of concessions made to expand home ownership possibilities. He questioned whether an inclusionary ordinance will even be necessary once the current real estate situation stabilizes. He suggested the Planning Commission postpone the ordinance until a later date.

PAUL WILSON commented on the long-term ownership requirement and whether homes can be

passed on to heirs, etc. He was also concerned about potential preferential treatment for downtown property owners. He noted that the Housing Element is mainly focused on the north side of Highway 4, thereby restricting opportunities for low income families to live in more affluent neighborhoods. He indicated he would like to see the Housing Element metered equally throughout the community, with no preferential treatment for anyone.

Commission Comment

Commissioner Burt asked staff to respond to Mr. Wilson's concerns about areas eliminated from the Housing Element. Mr. Lopez said the Inclusionary Ordinance would apply to development throughout the City. He acknowledged that most of the opportunity sites were north of Highway 4, but that was not intentional, just where the properties happened to be.

Ms. Nebb noted that the ordinance does not limit an owner's ability to bequeath the property, only the recipient's ability to live in the home for more than one year. She reviewed provisions and restrictions for selling the home to another income-eligible household.

Chair Kluber asked whether the Inclusionary Ordinance was mandated by the state. Ms. Nebb said the density bonus requirements are long overdue, and although affordable housing provisions are not strict mandates, it can affect certification of the City's Housing Element. She also noted that enacting the ordinance during a downturn of the market will not affect the market either way. Commissioner Avila noted that such ordinances are fairly common now, and the loans for these property types have standard terms.

Commissioner Burt acknowledged the controversial nature of this issue and changing stresses on middle class families today. She felt that anything that can be done to promote home ownership should be supported. She complimented the members of the Housing Task Force and staff for working so hard on the ordinance. She was strongly supportive.

Commissioner Avila was also appreciative of staff's work, as well as the commitment by the Housing Task Force members to develop an ordinance custom-crafted to meet Martinez' needs.

Chair Kluber agreed, especially commenting on Mr. Lopez' commitment to the process. Mr. Lopez noted that Ms. Nebb wrote most of the language in the ordinance.

2. *General Plan Update - Study session to discuss the General Plan update process- includes powerpoint presentation by Staff. No formal action is taken in the Study Session. Applicant: City of Martinez (AL)*

Commissioner Burt expressed concern about moving forward quickly with the General Plan update, but she acknowledged the need to postpone tonight's discussion.

The Commission agreed by consensus to postpone discussion of the General Plan update to the February 26th meeting.

COMMUNICATIONS

None.

COMMISSION ITEMS

There was brief discussion of upcoming potential agenda items.

Chair Kluber expressed appreciation for the thank-you email regarding the RV ordinance.

STAFF ITEMS

None.

ADJOURNMENT

Chair Kluber adjourned the meeting at 8:45 p.m. to the next regularly scheduled meeting, February 26, 2008 at 7:00 p.m.

Respectfully submitted,

Approved by the Planning Commission

Chairperson

Transcribed by, Mary Hougey

Frank J. Kluber

DRAFT