

process forward and perhaps meet with representatives from Sausalito. She noted the Sausalito Public Facilities Bond Measure, in the amount of \$15.5 million, passed with an 81% margin. She reminded everyone that City Hall would be closed on Labor Day. The Council would hold CLASP Public Hearings on September 6th, September 20th, and, if necessary, October 11th. All three of these dates have been noticed. She participated in a focus group regarding ABAG services and strategic planning for the next five years. She received a call from Mr. Dick Spotswood inquiring about the Council's salaries.

COUNCILMEMBER REPORTS AND COMMENTS

Mayor Chu stated there were copies of the Twin Cities Shuttle service brochures on the table at the back of the Council Chambers. The Shuttle will begin September 11th and run from 11:00 a.m. to 6:00 p.m. There would be twelve runs per day. He discussed the proposed route for the shuttle and added it could be extended to the Bon Air Shopping Center area.

PUBLIC COMMENT

Mr. Rick Adler, William Avenue, asked the City to lower the fees for the installation of solar panels. He discussed his concern about global warming and suggested the Council establish an Environmental Committee consisting of interested citizens. Mayor Chu stated he spoke to the City Manager and she informed him that Larkspur's fees were not the highest or the lowest in Marin County.

PUBLIC HEARINGS

1. PROPOSED AFFORDABLE HOUSING ALTERNATIVE EQUIVALENT ACTION BY CAMPUS PROPERTIES, LLC, DEVELOPERS OF THE RESIDENTIAL PROJECT KNOWN AS 2000 LARKSPUR LANDING CIRCLE, TO ALLOW THE PURCHASE OF THE 23-UNIT APARTMENT BUILDING LOCATED AT 210 LOWER VIA CASITAS TO BE CONVERTED TO A 24-UNIT RENTAL PROJECT TO MEET 24 OF THE 25-UNIT AFFORDABLE HOUSING REQUIREMENT FOR THE 2000 LARKSPUR LANDING CIRCLE PROJECT

The Planning Consultant presented the staff report. She indicated staff received two pieces of late mail.

Councilmember Lundstrom noted that the staff report indicated that the units might not provide the same credit that the State requires for the City's housing goals. She asked staff if they had called the State regarding this issue. The Planning Director stated there was a provision in the law that allows conversions to be counted under certain criteria. The City Attorney is of the opinion that this section does not necessarily apply to this project.

Staff feels this project should be looked at on its merits and believes it would provide a very low-income housing component that would not otherwise be achieved. If directed by the Council, staff would contact the State. She discussed the renovation of the Blue Rock Inn and the subsequent legalization of some of the units.

Councilmember Lundstrom had questions about the very-low (less than 50% of the County median income) and low (50-80% of the County median income) income housing levels. The Planning Director stated the 50% AMI figure for one person was \$39,600.

Councilmember Hillmer asked if the proposal plans to cover both dislocation and relocation costs. The Planning Consultant stated the applicants have not submitted a proposal. They have recently hired a relocation consultant.

Councilmember Hillmer asked for a show of hands from tenants in the Council Chambers who feel they would not qualify. There were approximately 10 to 15 tenants who raised their hands.

Councilmember Hillmer noted there were some improvements and upgrades planned for the building and he asked if there would be any change in rents. The Planning Consultant stated the rents might actually decrease since they would be based on the 50% and 60% AMI numbers.

Councilmember Arlas asked what would happen to the tenants during the proposed construction (seismic upgrade, etc.). The Planning Consultant stated the applicants are hoping to remodel without moving the residents. The Planning Director stated the applicants have mentioned that they would assist the tenants to relocate, if necessary, during construction.

Councilmember Arlas asked if they would be in violation of the Housing Element if these units were not counted. He was concerned that they would be 25 units "light" and he asked about the consequences. The Planning Director stated staff would contact the State with these questions. Councilmember Arlas felt this was a pivotal question and this application was premature. The Planning Director stated housing advocates are very much in favor of this proposal and think it is a good approach. The property is for sale and rents could go up substantially if the new owner decides to do the proposed construction.

Mayor Chu stated that the State Housing and Community Development Department (HCD) could not have it both ways. They are asking for a certain allocation of affordable units with a target number of 303 units for Larkspur. If the State does not allow this conversion to be a part of the allocation then it was arguably already in the stock of affordable units. It either exists or the City should get credit for it.

Councilmember Hartzell asked if a new buyer would be limited with respect to the amount of the repairs they could recoup. The Planning Director stated the City does not have rent control.

Councilmember Arlas asked if a private developer could alter the State Law definitions of "low income". The Planning Director stated this is dictated by the financing which requires them to be within the 60% and below.

Mayor Chu opened the meeting to public comments.

Mr. Michael Hooper, representing Campus Properties, introduced members of the team. He stated they would be providing 24 of the 25 required affordable units at 210 Lower Via Casitas in lieu of providing these units at 2000 Larkspur Landing Circle. They would buy the property and "give it away" to Affordable Housing Associates (AHA), a non-profit developer. Campus Properties will contribute \$4 million to finance the acquisition and rehabilitation of the building. The building was built in the early 1960's and needs seismic upgrading to tie the building together and to the parking lot and parking decks. They plan to provide handicapped access and do some work in some of the units. Seven of the units would be available at 50% of the AMI and one could be made available at 80% for a resident/manager. This building is ideally located along the backside of the Bon Air Shopping Center and near Sir Francis Drake Boulevard. Most of the tenants are on a month-to-month tenancy. They met with the tenants and explained the proposal. They fully intend to provide the tenants an assistance program, which would include short-term relocation during construction, and a long-term program for those tenants that would not qualify. There would also be a financial assistance program. He stated this is a time sensitive purchase agreement and they have had it for two to three months. They have arranged for the closing to occur in the first part of the new year.

Councilmember Hillmer referred to page 5 of the staff report and asked about the benefit that would be created by the proposed income levels. He noted they were lower than Larkspur's Inclusionary Housing requirements. He asked if more of the current tenants could remain if the levels were higher. Mr. Hooper stated it was all a function of the financing and low-income housing tax credits.

The Planning Director stated the staff report should have mentioned that the project would need a variance to the parking. The existing apartments are "under-parked". The applicant is applying for a parking variance but also intends to add two parking spaces to the project. Councilmember Lundstrom asked about the number of existing and required spaces. The Planning Consultant stated they are required to have 43 spaces and they have 33 spaces, but they could add two on-site, for a total of 35. They would be eight spaces short.

Councilmember Hillmer asked if the building had exterior exit ways. Mr. Hooper stated it was a deck-accessed building. Councilmember Hillmer asked if the stairways were code compliant. Mr. Hooper stated “yes”.

Ms. Marcia Dawson, Lower Via Casitas, stated she has lived in the apartment complex for over eight years. She received a copy of the developer’s letter from the Planning Department and was told that most of the tenants would qualify since Marin County’s low-income levels were quite high. She attended the developer’s meeting and was given different information about the qualifying income levels. The Planning Director stated she mistakenly gave Ms. Dawson the wrong standards but informed her about the error the next day. Ms. Dawson stated 19 out of the 22 apartments would be displaced, which equals about 48 to 50 people. These tenants are not affluent and live paycheck to paycheck. The current rental market is bad and this displacement would be devastating. She asked the Council to oppose this request.

Ms. Cleo Morrison, Lower Via Casitas, asked the Council not to rush into anything since there were many unanswered questions. She moved to the apartment building eight months ago and it would be a financial hardship for her to move again. She stated parking in the area was limited and this was not a child-friendly complex since there was no play area. She asked the Council to hold off on making a decision tonight.

Mr. Joseph Morelli, Lower Via Casitas, stated he received notice about this issue eleven days ago. He attended the developer’s meeting and was concerned that many of the answers were vague or not answered at all. Many of the tenants feel threatened by the proposal. He discussed the possibility for some of the tenants to take an interest in purchasing the building and, on Campus Properties behalf, converting 12 of the units to very low and low-income units. This proposal would leave Campus Properties with \$2 million that they could put into another building. The tenants are looking for something that would be to their benefit. He urged the Council to postpone this issue and allow them to look at other alternatives.

Mr. Matt Caesar, South Eliseo Drive, stated this is happening very quickly and many of the property owners in the area are opposed to the proposal. He stated the real issue was the gradation of low income and the location, either on the site or in another neighborhood. He stated there was a benefit to affordable housing units that were purchased as opposed to rented. He stated the cost for rental units was market driven and rents would not go up due to the seismic improvements.

Mr. James Holmes, Madrone Avenue, stated this was a “quality of life” issue. He discussed the issue of economic integration and stated affordable housing units should be integrated with market rate units.

Larkspur's traditional housing pattern includes a mix of housing types and diversity. He is opposed to the creation of elite enclaves in Larkspur.

Mr. Rick Adler, William Avenue, stated one way to lower the cost of housing was to eliminate the electric utility bill.

Ms. Rachel Talent, Lower Via Casitas, stated she agreed with the comments made by the previous speakers. She urged the Council to focus on the residents currently living in Larkspur. Many of the current tenants would have to leave Larkspur.

Mr. Nick Morris, Lower Via Casitas, stated the idea behind low cost housing was to create socio economic diversity in a community with very high incomes. The current tenants already fill that niche. He would be in favor of adding more affordable housing units but not at the cost of displacing people who are adding to that agenda. He was concerned that the proposal from the developer was very vague and this seemed like a "quick fix".

Ms. Janet Schonbren, Lower Via Casitas, stated she was a widow who moved to the complex from the East coast to be close to her family. She asked the Council to take the tenants needs into consideration.

Mr. Kevin Zwick, representing AHA, stated he would be available to answer any questions from the Council.

Mr. Hooper stated they gave the tenants eleven months notice because they were unsure whether or not things would proceed. He reiterated these were month-to-month tenancies and stated they would try to be fair to everybody. He stated this program would work and they are leveraging \$4 million of their own money.

Mayor Chu closed the meeting to public comments.

Councilmember Hillmer asked staff if an estimate was done of what compliance with the Inclusionary Housing ordinance would cost at the 2000 Larkspur Landing site. The Planning Director stated "no" and added staff does not have enough data for such an analysis. Councilmember Hillmer asked if it would cost more than \$4 million. Councilmember Arlas stated he spoke to Mr. Hooper who indicated that this proposal was driven more by economics than altruism. It would be less profitable for them to build the required housing at the Campus Properties site and \$4 million was cheap compared to what it would cost to build and sell 25 units.

Councilmember Hillmer asked if there were any discussions about using the Sanitary District office-building site for affordable housing. The Planning Director stated "not for the 25 units".

Councilmember Hillmer asked if this could be considered as a possible location. The Planning Director stated it was a possibility.

Councilmember Hartzell stated she attended the last meeting of the Central Marin Sanitary Agency (CMSA) and there was some discussion regarding this issue. They are looking for some type of maximum return. Councilmember Arlas stated State law requires that the property be first offered to other public entities. However, Campus Properties does have the right of first refusal.

Councilmember Hillmer stated everyone's interests need to be considered, including the current residents. The Sanitary District is in contract with a buyer to develop a housing project. The City of Larkspur is in the process of entitling the property for much more development property than was considered long ago. This added value created a benefit for the Sanitary District and Campus Properties. Part of the responsibilities of developing that property included compliance with all the City's rules and regulations, including inclusionary housing. He would like to make sure they keep an eye on what is fair to everyone.

Councilmember Lundstrom agreed they need to look at the City's perspective in terms of laudable goals. She noted the following problems with the proposal: 1) there is a shortage of parking, 2) they do not know how many tenants would be displaced, 3) they do not know how the State would view this project in terms of affordable housing units, 4) the magnitude of the fix (seismic upgrade, drainage and slope stability, etc.). She could not support the proposal because of the unique characteristics of this particular building and the numerous unknowns.

Councilmember Arlas stated he agreed with Councilmember Lundstrom's comments. It would not be appropriate to act on this proposal without knowing the State's position on the affordable housing units. He stated the tenants made great points and they did not do anything to deserve this action. He did not think the Council had the right to disrupt these people's lives. He was concerned about the lack of available rental units in the area. He would like to see the developer build what he is required to build. He agreed with Mr. Caesar's point about renting vs. owning and he stated they owe it to the community to provide the opportunity to own units. He stated there was no reason to kick out good tenants. He could not support this proposal.

Councilmember Hartzell stated there was evidence that affordable housing projects do not adversely impact adjacent properties. She stated affordable housing is intended to provide a place for "people camping on sofas" and not to increase diversity. She has a problem with the City facilitating the evictions. She stated they need more information. She agreed with the comments made by Councilmember Arlas and stated this was premature.

Mr. Hooper agreed there were too many unanswered questions. He stated they have a critical timeline of September 30th and he asked for a 30-day continuance.

Councilmember Hillmer stated anytime the Council has sole discretion on an action they must make sure they take a “do no harm” approach. All things considered, this is a good idea in many circumstances. However, he did not want to hurt anybody in the process, including the tenants.

Mayor Chu stated there were some positive aspects to the proposal. The mandates imposed by the State were extremely difficult to achieve in a community that is built-out. He felt the City should not be working towards these affordable mandates at the expense of the community. He was concerned that many of the current tenants would not qualify. He discussed the issue regarding in-lieu fees and stated any alternate equivalent action should represent something that is relatively equal and one choice over the other should not have such a large economic difference. He could not support this proposal.

The Council discussed whether or not to continue this application. Councilmember Arlas stated a continuance would not change his decision.

M/s, Arlas/Hillmer and approved 5-0 to deny the Affordable Housing Alternative Equivalent Action.

The Council took a 10-minute break at 9:30 p.m.

The meeting reconvened at 9:40 p.m.

BUSINESS ITEMS

1. ADOPT RESOLUTION NO. 44/06, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LARKSPUR OPPOSING THE SONOMA MARIN RAIL TRANSIT (SMART) DISTRICT'S MEASURE R ON THE NOVEMBER 7, 2006 BALLOT

The City Manager presented the staff report.

Mayor Chu opened the meeting to public comments.

Mr. Rick Adler, William Avenue, stated many people could not drive or do not own cars. The transit systems in San Jose and Los Angeles were very successful.

Ms. Priscilla Bull, Kentfield, thanked the Council for their position regarding this issue. She stated she it was very disturbing that the SMART Board of Directors have ignored the concerns of Larkspur. She stated the project was a waste of money.

Mayor Chu closed the meeting to public comments.

Councilmember Hillmer stated the resolution speaks for itself and, from his perspective, this was not about being opposed to “a” train but rather “this” train. He was concerned about the lack of information in the project description with respect to impacts to Larkspur. It is apparent that this project would be a benefit to Sonoma County and there would be no benefits to Marin County or the residents of Larkspur. The costs associated with the project could not be justified, especially when there were better alternatives such as an enhanced express bus system.

Councilmember Lundstrom stated years ago she was in favor of the general concept of a train since it would relieve the congestion on Highway 101. However, the two-year EIR concluded that it would not relieve congestion. The ridership numbers that have been quoted would not be realized for another 20 years. She agreed with the comments made by Councilmember Hillmer.

Councilmember Arlas stated the SMART representatives were not being honest with the citizens of Marin and were omitting many facts. He stated this would be a Sonoma County commuter train. He stated the analysis was incomplete. He referred to the resolution, the fourth “Whereas”, and stated it should include the date the Council first addressed the issue and the number of meetings the issue was discussed. He referred to the last “Whereas”, #3, the third sentence: “SMART’s Measure R..... and *may* benefit a paltry 5,050 one-way *weekday* passenger trip...”.

Councilmember Hartzell referred to the resolution, #5 “e” and stated it should refer to the *Greenbrae* Boardwalk. She stated she was a strong advocate of public transportation. She stated large population centers have the density to support this type of transit. She agreed with the comments made by the other Councilmembers and added other alternatives have not been explored. She supported the resolution.

M/s, Lundstrom/Hartzell and approved 5-0 to adopt Resolution No. 44/06 as amended.

Councilmember Lundstrom asked staff to send the resolution to the SMART Board of Directors, the Marin County Board of Supervisors, the Transportation Authority of Marin (TAM), the Marin Independent Journal, the Pacific Sun, Marin Magazine, Mr. Jared Huffman, Assemblyman Joe Nation, and counterparts in other municipalities.

Mayor Chu stated he would like to discuss Business Item #3 before #2.

3. CONSIDERATION OF A LOAN TO THE LARKSPUR HERITAGE PRESERVATION BOARD FOR AN UPDATE/REWRITE OF LARKSPUR PAST & PRESENT, A HISTORY & WALKING GUIDE

The City Manager presented the staff report.

Mayor Chu asked if the presales of the book could help defray any cash flow problems. The City Manager stated that would not be necessary and cash flow was not an issue.

Ms. Sallyanne Wilson stated the money would be paid back immediately after the sale of the books.

Ms. Helen Heitkamp discussed the change in the demographics in Larkspur. She encouraged everyone to purchase the book when it becomes available.

M/s, Hillmer/Arlas and approved 5-0 to approve the staff recommendation and loan \$15,000 to the Heritage Preservation Board to initiate the project, funding to come from the Transient Occupancy Tax (TOT).

2. TWIN CITIES POLICE FACILITY UPATE

The City Manager presented the staff report.

Councilmember Lundstrom suggested that the Council submit to staff any questions and basic issues that keep coming up from the public. She asked about the proposed square footage. Councilmember Arlas stated it was about 14,000 square feet.

Councilmember Hartzell asked about the potential for this to be a more sustainable project. Councilmember Arlas stated this concept would be incorporated into the project.

The City Manager stated the drawings in the Council packet were conceptual and they were moving forward with the detailed drawings and design specifications. They plan to incorporate both passive and active energy efficient uses. The design of the project would be coming to Larkspur for approval. She discussed the possible incorporation of "green building" techniques.

Councilmember Hartzell asked if the architect was also looking at the costs of maintaining the facility. The City Manager stated "yes".

Councilmember Hillmer stated he would like to review the conceptual design as soon as it was available.

ADJOURNMENT TO CLOSED SESSION

The City Council and the City Manager adjourned to closed session at 10:35 p.m. to discuss the following items:

CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
(Government Code Section 54956.9) McLeran Properties, LLC vs. City of Larkspur (Marin County Superior Court action number CV-050529)

CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION-
Pursuant to Government Code Section 54956.9(b)- 3 cases

ADJOURN TO OPEN SESSION AND REPORT ANY REPORTABLE ACTION TAKEN

The Mayor adjourned to open session at 11:38 p.m. and indicated that no reportable action had been taken

ADJOURN MEETING

The Mayor adjourned the meeting at 11:40 p.m.

Respectfully submitted,

Toni DeFrancis
Recording Secretary