

**MINUTES**  
**JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY**  
**OF THE REDEVELOPMENT AGENCY**

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Regular Meeting – January 16, 2018  
5:30 P.M.  
CITY COUNCIL CHAMBERS

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Mayor Carbone opened the meeting at 5:30 p.m.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

Present: Mayor Mary Ann Carbone  
Vice Mayor Blackwelder  
Council Member Hubler  
Council Member McDaniel  
Council Member Hawthorne

Staff: Todd Bodem, City Administrator  
Jim Heisinger, City Attorney  
Leon Gomez, City Engineer  
Brian Ferrante, Police Chief  
Charles Pooler, City Planner  
Linda Scholink, Administrative Services Director/City Clerk

**AGENDA ITEM 4, ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR**

Mayor Carbone mentioned the handout provided to the Council of meetings she attended in December 2017 and January 2018 as well as upcoming events. The Council also received the City Administrator report.

**AGENDA ITEM 5, PUBLIC COMMENT**

5:32 P.M. Floor opened for Public Comment

There was no comment from the Public.

5:32 P.M. Floor closed to Public Comment.

**AGENDA ITEM 6, CONSENT CALENDAR**

- A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits. There was no discussion of the following use permits.

- (1) CUP #179, Roy Hubbard (2nd Floor Residential), 542 Ortiz Avenue
  - (2) CUP #191, Lifeline Food (Food Process) 426 Orange Avenue
  - (3) CUP #238, Just Andy Auto Repair (Auto Repair), 465-A Olympia Avenue
  - (4) CUP #344, Thomas Felix (Residential Unit), 672-A Dias Avenue
  - (5) CUP #375, J&D Auto (Auto Repair), 1675 Contra Cost
- B. There was no discussion of the December 19, 2017 Sand City Council Meeting Minutes.
- C. There was no discussion of the Public Works Monthly Report, December 2017.
- D. There was no discussion of the Police Department Monthly Reports, December 2017 and Annual Report for 2017.
- E. There was no discussion of the City **Resolution** making Re-Appointments to the Design Review Committee (Paul Davis, Don Davies, & Elizabeth Sofer).
- F. There was no discussion of the City **Resolution** approving Time Extensions to April 30, 2018 of Multiple Conditional Use Permits (CUPs 450, 503, 508, 527, 532, 540, 541, 548, 576, 578, 588, 590, 594, 595, 598, & 599) and Coastal Development Permits 14-01 and 15-02 to continue as Interim Uses at their respective locations within the South of Tioga Area.
- G. There was no discussion of the City Donation/Contribution to the Panetta Institute for Public Policy for \$500 and the 82<sup>nd</sup> Monterey County Fair for \$500.
- H. There was no discussion of the City **Resolution** authorizing the City Administrator to Execute an Agreement with CSG Consultants, Inc. for Code Compliance Services within the City of Sand City at a cost not to exceed \$20,000 for the Year 2018.
- I. There was no discussion of the City/Successor Agency Monthly Financial Report, November 2017.
- J. There was no discussion of the City **Resolution** authorizing the Execution of a Pavement Management Reimbursement Agreement (TAMC Exhibit D) between the City of Sand City and the Transportation Agency for its Fair Share of Consultant Costs Associated with Nichols Consulting Engineers, Inc., in an amount not to exceed \$6,538.00.
- K. There was no discussion of the City **Resolution** continuing and updating the Appointments to Various Local and Regional Agencies and Boards effective, January 17, 2018.
- L. There was no discussion of the City **Resolution** authorizing the approval

for Computer Maintenance and Replacement for the Police Department with RPMS Computer Consulting at a cost not to exceed \$12,000.

Motion to approve the consent calendar items was made by Council Member Hubler, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 7, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

There were no items pulled from the consent calendar.

## **AGENDA ITEM 8, PUBLIC HEARING**

### **A. FIRST READING: Ordinance of the City of Sand City to Amend Sand City Municipal Code Title 18 (Zoning Ordinance) Chapter 18.63 for Compliance with AB 2299 and SB 1069**

City Planner Charles Pooler presented an ordinance regarding accessory dwelling units (ADUs). In 2016 the State adopted AB 2299 and SB 1069 that took effect last year. Adoption of these new legislations would allow jurisdictions to provide accessory dwelling units due to lack of housing. Title 18, Chapter 18.63 of the City's Municipal Code requires an update to remain in compliance with State law. Mr. Pooler described the definition of an accessory dwelling unit which is a detached unit (a shed), attached unit (building an additional room), or conversion (garage into a rentable space). State legislation precludes the restrictions of dwelling units, through reduced parking standards and prohibiting local jurisdictions from requiring separate utility meters for ADUs. The biggest impact to Sand City would be the parking requirements. Under State regulations, an ADU within one-half mile of public transit does not have to require a parking space. The Ordinance before the Council would require height, building and fire code requirements, as well as color and design scheme of the house on the property. State law allows local jurisdictions to require that an applicant for an ADU permit be owner occupied, and to inhibit unwarranted duplex conversions under the guise of an ADU to prevent ADUs from being used as "vacation rentals". Mr. Pooler referred to the color highlighted changes to the municipal code in the attached ordinance, additional definitions were also provided for clarification. The proposed amendments of Chapter 18.63 are intended to bring the existing ordinance language into compliance with the new legislation and to remain consistent with the City's certified Housing Element. Staff recommends approval of the first reading.

In response to Council Member Hawthorne's question regarding how this will affect the South of Tioga project, Mr. Pooler responded that this ordinance applies to single family homes and does not apply to apartment conversions, multi-family developments, or to the Independent. It clearly

specifies single family residential structures on the property. He also clarified that the applicant for the ADU shall be the owner occupant of the existing residential single-family dwelling. There was discussion regarding an owner selling his property and whether the ADU can be a rental unit as this may be considered a duplex.

City Attorney Jim Heisinger suggested a sentence be added to the Ordinance to include language stating that “the existing residential family dwelling continue to be occupied by the owner of the property while the ADU exists”. Mr. Pooler recommended continuing the First Reading of the Ordinance to a future Council Meeting so that it can be reviewed in its entirety.

5:50 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:50 P.M. Floor closed to Public Comment.

Motion to continue the First Reading of the Ordinance of the City of Sand City to Amend Sand City Municipal Code Title 18 (Zoning Ordinance) Chapter 18.63 for compliance with AB 2299 and SB 1069 was made by Council Member Hawthorne, seconded by Council Member McDaniel. There was consensus of the Council to continue the First Reading of the Ordinance to the February 6, 2018 City Council meeting.

## **AGENDA ITEM 9, OLD BUSINESS**

### **A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator**

City Engineer Leon Gomez reported that the desalination plant produced 26 acre feet of water for December. The total production for 2017 was 256 acre feet, and water production was 16 acre feet to date. Intera was provided comments by Staff for the new wells project. A final report will be conducted by Staff within the next few weeks. Staff performed a second final inspection of the Hickory Street project. A notice of completion and acceptance will be issued this week. Documents for lots 5, 8, 9 & 10 of the Bungalows Project are being reviewed by Staff. An email was received regarding the paving, undergrounding, and utilities. Last December, comments were provided to the applicants of the Dayton project and there has been no response from the applicant to date. Staff met with the applicant for the Catalina Lofts Project during the first week of January to review comments for the project. A Staff meeting was held for improvements to Calabrese Park and a preliminary estimate for the improvements was provided. An application will be submitted to Monterey County in hopes that some form of funding assistance from the County

would be possible. A meeting is scheduled next Tuesday for the Shasta and Orange Avenue street improvement project. The city engineer's office submitted comments to EMC today regarding the draft Environmental Impact Report (EIR) for the South of Tioga project.

There was discussion regarding the repair of the observation platform on West Bay Street, Coastal Commission (CC) requirements, and assistance from the Federal Emergency Management Assistance (FEMA). Mr. Gomez suggested a phone call to Mr. Watson of the Coastal Commission to see if he would have a reasonable approach to what the City is proposing. Council Member Blackwelder further expressed that it looks horrible and the CC needs to know that is in a state of disrepair, may prove hazardous, and looks as though the observation platform is in neglect.

Mayor Carbone mentioned a utility pole at Pendergrass Way and Park Avenue that has been cut off half way. Direction was given to Staff to research the issue.

## **AGENDA ITEM 10, NEW BUSINESS**

### **A. Consideration of Successor Agency RESOLUTION Approving an Administrative Budget for Fiscal Year July 2018 through June 2019**

Director of Administrative Services Linda Scholink reported that the budget before the Council is \$25,000 less than last year's and the primary change is reflected in a reduction of Attorney Services. There has also been less Successor Agency activity for the year.

6:05 P.M. Floor opened for Public Comment.

Sand City resident Justin Rumps introduced himself and expressed his interest in how City government operates. He received clarification from Council Member Blackwelder regarding the history of the observation platform. Mayor Carbone welcomed Mr. Rumps to Sand City.

6:06 P.M. Floor closed to Public Comment.

Motion to approve the Successor Agency **Resolution** approving an Administrative Budget for Fiscal Year July 2018 through June 2019 was made by Agency Member Hubler, seconded by Agency Member Hawthorne. AYES: Agency Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

### **B. Consideration of the Successor Agency to the Former Redevelopment Agency RESOLUTION Approving a Schedule for Repayment of a Loan from the City of Sand City Used to Fund Payments under the Seaside Agreement**

City Administrator Todd Bodem provided a brief history of the Sand City Redevelopment Agency (SCRDA) since its inception in 1986. During its existence, the SCRDA entered into an agreement with the City of Seaside to collect sales tax within the redevelopment area. In 1989, the SCRDA entered into an owner participation agreement with Costco Wholesale to offset its cost of redevelopment project fees. Under the terms of the agreement the City would loan enough funds to the SCRDA to make payments under the Seaside and Costco agreements. The SCRDA agreed to repay the loans from the property tax increment funds received by the SCRDA. In 1996 the SCRDA reaffirmed the loan it agreed to repay the City. In 2011, redevelopment was dissolved and on August 1, 2013, the Department of Finance issued a Finding of Completion to Sand City, and the loans are still considered an obligation to the City.

City Attorney Jim Heisinger added that when the SCRDA was formed, a redevelopment plan was created for the entire City. The City processed a permit application and Costco was able to secure property at the shopping center. Upon certification of the Environmental Impact Review (EIR) report Costco had to pay more for the land, and the SCRDA loaned Costco funds to cover the additional cost of purchasing the land. The City of Seaside threatened to sue the City by challenging the EIR about transportation impacts due to the proposed development. The SCRDA decided to settle with the City of Seaside and entered into the Seaside Agreement. The agreement attached to the resolution outlines a repayment of loan agreements from the City. The total amount of the loan calculated at 3% is \$6.4 million as of December 2017.

Cheryl Murase from HdL Companies commented that the repayment of the loan is calculated through the RPTTF funds. It is there to pay pass-throughs, administrative costs, and liabilities of the agency. Legislation allows how payment is dictated. The agencies obligation is projected over the life of this loan and under the terms of the loan can be accelerated as long as there are monies available to make the payment. Mr. Heisinger added that the first payment would begin in July 2028 for the amount of \$167,000 with subsequent payment amounts to be made thereafter. This residual property tax income going into the RPTTF is going to increase when the South of Tioga and/or the Monterey Bay Shores project comes on line. The property tax base is expected to increase and more money can fund repayment of the loan. Mr. Heisinger summarized the ability of former RDA's to collect on outstanding loans following its dissolution. A repayment schedule must be approved by the Successor Agency and the Oversight Board. The resolution does include language for repayment of the loan should funds become available, and explained why the repayment schedule does not begin until 2028.

6:33 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:33 P.M. Floor closed to Public Comment.

Motion to approve the Successor Agency to the Former Redevelopment Agency **Resolution** approving a Schedule for Repayment of a Loan from the City of Sand City Used to Fund Payments under the Seaside Agreement was made by Agency Member Blackwelder, seconded by Agency Member Hawthorne. AYES: Agency Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. Motion carried.

**C. Consideration of Successor Agency RESOLUTION Approving the Recognized Obligation Payment Schedule (ROPS) for July 2018 through June 2019 (ROPS 18-19A and ROPS 18-19B)**

Cheryl Murase from HdL Companies presented the Recognized Obligation Payment Schedule (ROPS) that reflect the obligations for the period of July 2018 through June 2019. The major differences from previous ROPS is the 2008A Series Bonds that were refunded back in August 2017 and have been retired. The 2017 Bonds were added to reflect the new bond debt service which is lower than the original, and will result in residual revenues. In preparing the ROPS 16-17, funds were requested equivalent to the City's PERS unfunded obligations. The Department of Finance (DOF) has indicated that a contract would be required for the DOF to fund this line item. The current ROPS will continue to list this obligation until there is a judgement in favor of the agency's position, or DOF changes their policy. The ROPS has a total obligation of \$1.3 million for the period of July 2018 – December 2019.

The Mayor referred to several spreadsheets that Ms. Murase summarized.

The City Attorney commented that this will be the last time that the Successor Agency will act to approve a Recognized Obligation Payment Schedule (ROPS) and that this will be the last year an Oversight Board will act on behalf of the Successor Agency. At the end of this fiscal year, there will be one Oversight Board for the entire County. He summarized how salaries and services for the former Sand City Redevelopment Agencies were compensated in the past. The request on the ROPS is for a percentage of those services performed.

6:44 P.M. Floor opened for Public Comment.

There was no comment from the Public.

6:44 P.M. Floor closed to Public Comment.

Motion to approve the Successor Agency **Resolution** approving the Recognized Obligation Payment Schedule (ROPS) for July 2018 through June 2019 (ROPS 18-19A and ROPS 18-19B) was made by Agency

Member Hawthorne, seconded by Agency Member Blackwelder. AYES: Agency Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**D. Upcoming Meetings/Events**  
**1) Confirmation of Future Dates for 2018 Sand City Events**

The City Clerk mentioned that the date for the West End Celebration for 2018 is being moved to August 17, 18 & 19. She also requested RSVP's to the League of California Cities Division meeting. The Mayor confirmed her attendance.

**AGENDA ITEM 11, CLOSED SESSION**

6:50 P.M.

- A. City Council/Agency Board to adjourn to Closed Session:**
- 1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9**
    - a. Security National Guarantee, Inc. v. Evariste Group, LLC (no. SCV-259904)**

6:58 P.M.

- B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act.**

The City Attorney provided a report. No action was taken.

**AGENDA ITEM 12, ADJOURNMENT**

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled Council meeting on Tuesday, February 6, 2018 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:59 p.m.

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Linda K. Scholink, City Clerk