

MINUTES OF THE REGULAR JOINT MEETING OF THE MONTCLAIR CITY COUNCIL AND REDEVELOPMENT AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS HELD ON MONDAY, JUNE 20, 2005, AT 6:59 P.M. IN THE CITY COUNCIL CHAMBERS, 5111 BENITO STREET, MONTCLAIR, CALIFORNIA

I. CALL TO ORDER

Mayor/Chairman Eaton called the meeting to order at 6:59 p.m.

II. INVOCATION

Pastor John Woods, Praise Christian Center, gave the Invocation.

III. PLEDGE OF ALLEGIANCE

Council Member/Director Paulitz led those assembled in the Pledge.

IV. ROLL CALL

Present: Mayor/Chairman Eaton; Mayor Pro Tem/Vice Chairman Dutrey; Council Members/Directors Paulitz, Raft, and Ruh; City Manager/Executive Director McDougal; Director of Administrative Services Starr; Director of Redevelopment/Public Works Staats; Director of Community Development/Agency Planner Clark; City/Agency Engineer Hudson; City Attorney/Agency Counsel Robbins; City Clerk/Agency Secretary Jackson

V. PRESENTATIONS

A. **Presentation of Plaque to Ms. Elizabeth "Betty" Folmer for 48 Years of Dedicated Service to the City of Montclair**

Mayor Eaton presented a plaque to **Ms. Elizabeth "Betty" Folmer** in recognition of her 48 years of service to the City of Montclair as Recreation Assistant, Playground Director for **Kingsley Elementary School**, and Mini-School Coordinator.

Ms. Folmer accepted her plaque and thanked Mayor Eaton. She stated that working for the City has been a major part of her life and that she has enjoyed every moment of her work with youth, which has proven to be a very rewarding experience.

VI. PUBLIC COMMENT

A. **Mr. Ronald Armstrong**, 5601 Deodar Street, Montclair, commented as follows:

1. He reiterated his previous comments regarding the **Jeffrey Watts** case.
2. He thanked Council Member Ruh for unspecified comments.
3. He commented on **Mr. Phillip Au's** campaign for a seat on the Montclair City Council in the November 5, 2002 General Municipal Election.
4. He noted the City Council has recently adopted a number of Ordinances.

VII. PUBLIC HEARINGS

A. **Continuance of Public Hearing Regarding Approval of Agreement No. 05-66, a Purchase and Sale Agreement by and Between the City of Montclair Redevelopment Agency and Monte Vista Water District**

Mayor Eaton declared it the time and place set for public hearing to consider continuance of the public hearing regarding approval of *Agreement No. 05-66, a Purchase and Sale Agreement* by and between the City of Montclair Redevelopment Agency and the Monte Vista Water District (MVWD) and invited comments from the public.

City Manager McDougal asked that this item be continued to the July 18, 2005 regular joint meeting at MVWD Counsel's request to allow additional time to respond to certain changes to proposed *Agreement No. 05-66* requested by Redevelopment Agency Special Counsel.

There being no one in the audience wishing to speak, Mayor Eaton closed the public hearing and returned the matter to the City Council for its consideration.

Moved by Director Paulitz, seconded by Director Ruh, and carried unanimously to continue this item to the July 18, 2005 regular joint meeting at 7:00 p.m. in the City Council Chambers to consider approval of *Agreement No. 05-66, a Purchase and Sale Agreement* by and between the City of Montclair Redevelopment Agency and the Monte Vista Water District.

B. **Redevelopment Agency Board of Directors' Adoption of Resolution No. 05-06 Approving and Authorizing the Execution of Agreement No. 05-64, an Affordable Housing Agreement and Lease by and Between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation Concerning the Single-Family Residence at 10291 Greenwood Avenue**

Montclair Housing Corporation Board of Directors' Approval of Agreement No. 05-64, an Affordable Housing Agreement and Lease by and Between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation Concerning the Single-Family Residence at 10291 Greenwood Avenue

Chairman Eaton declared it the time and place set for public hearing to consider adoption of Resolution No. 05-06 approving and authorizing the execution of *Agreement No. 05-64, an Affordable Housing Agreement and Lease* by and between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation concerning the single-family residence at 10291 Greenwood Avenue and invited comments from the public.

There being no one in the audience wishing to speak, Chairman Eaton closed the public hearing and returned the matter to the Redevelopment Agency Board for its consideration.

Director Ruh asked if the possibility of selling the residence to an income-qualifying family has been considered.

Executive Director McDougal reiterated the Redevelopment Agency Board's goal of acquiring and restoring deteriorated properties by means of the *City of Montclair Redevelopment Agency Purchase and Rehabilitation Program Policy* adopted by the Redevelopment Agency Board in 1998. He further reiterated the component of the policy related to "Special Target Areas," areas that can be defined as sensitive locations, including high-traffic areas such as Central

Avenue with noise impacts, high visibility, and other considerations where acquired purchases are best maintained as rental units so the Redevelopment Agency can retain greater control over the appearance and maintenance of the properties as well as conduct proper tenant-screening procedures so as not to undermine the intent of the policy.

Director Ruh reiterated the importance of providing affordable ownership housing in the community.

Director Paulitz noted that historically the City Council did not want to be in the real estate business; therefore, the City disposed of the few distressed properties it had acquired and restored. He concurred with comments made by City Manager McDougal regarding the Redevelopment Agency Board's approval of the *City of Montclair Redevelopment Agency Purchase and Rehabilitation Program Policy* in 1998 that has resulted in the restoration of a number of single-family homes in the community that are maintained as rental properties.

Vice Chairman Dutrey advised that it is important to note that prospective tenants for properties restored by the Redevelopment Agency must qualify as low- to moderate-income households. He discussed the difficulties encountered in the resale of affordable properties that are deed-restricted.

Moved by Vice Chairman Dutrey and seconded by Director Paulitz that the following actions be taken:

1. That Resolution No. 05-06, entitled "**A Resolution of the City of Montclair Redevelopment Agency Approving and Authorizing Execution of Agreement No. 05-64, an Affordable Housing Agreement and Lease by and Between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation,**" be read by number and title only, further reading be waived, and it be declared adopted.
2. That the Montclair Housing Corporation Board of Directors approve *Agreement No. 05-64, an Affordable Housing Agreement and Lease* by and between the Montclair Housing Corporation and the City of Montclair Redevelopment Agency concerning the single-family residence at 10291 Greenwood Avenue.

Motion carried as follows:

AYES: Ruh, Raft, Paulitz, Dutrey, Eaton
NOES: None
ABSTAIN: None
ABSENT: None

C. Adoption of Resolution No. 05-2591 Authorizing Recovery of Abatement Costs Incurred by the City Related to Property Owned by Michael Hernandez and Antonio Haro and Located at 4790 Brooks Street, Montclair, California

Mayor Eaton declared it the time and place set for public hearing to consider Resolution No. 05-2591 authorizing recovery of abatement costs incurred by the City related to property owned by Michael Hernandez and Antonio Haro and located at 4790 Brooks Street, Montclair, California, and invited comments from the public.

There being no one in the audience wishing to speak, Mayor Eaton closed the public hearing and returned the matter to the City Council for its consideration.

Mayor Eaton expressed his opinion that the property owners were given ample opportunity to abate the violations at the subject property.

Mayor Pro Tem Dutrey concurred that Code Enforcement Officer Rivera gave ample notice to the property owners in his six inspections of the subject property, adding it is nice to know the entire issue was resolved by May 14, 2005.

Moved by Mayor Pro Tem Dutrey and seconded by Council Member Paulitz that the following actions be taken:

1. That Resolution No. 05-2591, entitled "**A Resolution of the City Council of the City of Montclair Declaring the Findings of the City Council Related to the Cost of Abatement Report for Property Located at 4790 Brooks Street, Montclair, California,**" be read by number and title only, further reading be waived, and it be declared adopted.
2. That the Council determine that the \$4,976.99 reimbursement amount be paid to the City of Montclair within ten calendar days of the adoption of Resolution No. 05-2591.

The City Council unanimously waived the reading of Resolution No. 05-2591.

Resolution No. 05-2591 was unanimously adopted and the Council determined that the \$4,976.99 reimbursement amount be paid to the City of Montclair within ten calendar days of adoption of Resolution No. 04-2591 by the following vote:

AYES: Ruh, Raft, Paulitz, Dutrey, Eaton
NOES: None
ABSTAIN: None
ABSENT: None

D. Second Reading – Adoption of Ordinance No. 05-866 Amending Chapter 11.81 of Title 11 of the Montclair Municipal Code Related to Inclusionary Housing

Mayor Eaton declared it the time and place set for public hearing to consider adoption of Ordinance No. 05-866 amending Chapter 11.81 of Title 11 of the Montclair Municipal Code related to Inclusionary Housing and invited comments from the public.

Mr. Frank Williams, Executive Officer, Building Industry Association, 8711 Monroe Court, Suite B, Rancho Cucamonga, commented as follows:

1. He spoke in opposition to adoption of proposed Ordinance No. 05-866, expressed his opinion that homebuyers rather than developers would ultimately bear the cost of construction in-lieu fees. He suggested that rather than adopting an inclusionary housing ordinance to satisfy the requirements of the Health and Safety Code, the City follow the advice of U.S. Department of Housing and Urban Development Secretary **Alfonso Jackson** to make affordable housing a societal issue rather than limiting it to a small community segment.
2. He cited a recent study that revealed that inclusionary housing ordinances result in fewer homes being built and increases in housing costs.
3. He suggested the Council continue this item until such time as affordable housing has been effectively addressed by a community task force. He offered the Building Industry

Association's services of proposing "better" solutions to addressing the issue.

4. He read statements by California Department of Housing and Community Development Director Lucetta Dunn and Business, Transportation, and Housing Agency Secretary Sunne Wright McPeak in opposition to inclusionary housing ordinances.

There being no one else in the audience wishing to speak, Mayor Eaton closed the public hearing and returned the matter to the City Council for its consideration.

Council Member Raft requested clarification on the following:

1. The likelihood that developers would be willing to pay the construction in-lieu fees required by proposed Ordinance No. 05-866.
2. Whether adoption of the proposed Ordinance would save the Redevelopment Agency money in meeting its Health and Safety Code inclusionary housing requirements.
3. The prices of affordable dwelling units built pursuant to the proposed Ordinance.

City Manager McDougal responded as follows:

1. Developers are generally willing to pay the construction in-lieu fees. The developer of the largest residential subdivision in a Redevelopment Project Area in the City, once advised of the state requirement, deposited \$90,000 with the Redevelopment Agency in good faith toward meeting the obligation. All of the new homes had sold within a week.

In response to an earlier comment that inclusionary housing ordinances result in fewer homes being built, this same developer has acquired additional vacant and occupied land adjacent to that residential project to build approximately forty to forty-five homes; and he is interested in other sites in the City to develop more residential subdivisions. The degree of building activity and prepayment of the construction in-lieu fees demonstrate the willingness of developers to abide by state law.

2. Adoption of proposed Ordinance No. 05-866 would ultimately save the Redevelopment Agency between 10 and 15 percent on costs to provide affordable housing, either through the Agency's receipt of construction in-lieu fees or by developers building at least 15 percent of their new residential subdivisions as affordable dwelling units.
3. New dwelling units are typically priced according to land and construction costs, profit, and marketability.

Moved by Council Member Paulitz and seconded by Mayor Pro Tem Dutrey that Ordinance No. 05-866, entitled "**An Ordinance of the City Council of the City of Montclair Adding Chapter 11.81 to Title 11 of the Montclair Municipal Code Related to Inclusionary Housing,**" be read by number and title only, further reading be waived, and this be declared its second reading.

The City Council unanimously waived the reading of the Ordinance.*

Council Member Ruh commented as follows:

1. He reiterated his support of density without deed-restricting residential units.
2. He cited an article written by **Mr. Owen Courrèges** in opposition to inclusionary housing ordinances.
3. He suggested the Redevelopment Agency offer its refurbished homes for sale rather than maintaining them as rental units.
4. He cited an economist colleague's calculations comparing the cost of a number of items in 1961—including an \$18,000 home (\$112,265), \$3,300 Chevrolet Impala (\$20,582), \$.33 for a gallon of gas (\$2.25), \$.05 first-class postage stamp (\$.31), and \$8,000 median wage (\$49,895)—with the current adjusted annual inflation rate cost for those same items.
5. He asserted that smaller homes would be more affordable to median-wage earners.
6. He reiterated his support of California Department of Housing and Community Development Director Lucetta Dunn's proposal to substantially change state housing guidelines to require communities to develop a 20-year housing plan that provides housing based on population and the median workforce.
7. He reiterated his opposition to adoption of proposed Ordinance No. 05-866 because required affordability controls limit resale price increases on such housing and subsequently limit equity.

Mayor Pro Tem Dutrey commented as follows:

1. He advised that this item would only affect Redevelopment Project Areas in the City.
2. He emphasized that the Redevelopment Agency owns a large number of affordable rental dwelling units, including approximately 13 residences on Central Avenue and approximately 14 apartment buildings or 76 apartment units.
3. He spoke of the City/Agency Mobile Home Park Acquisition Program, advising that thus far the City/Redevelopment Agency has been successful in assisting in the acquisition of three mobile home parks in the City. Because of the Agency's financial assistance in these acquisitions, approximately 330 mobile home units in these parks have been made affordable to low- to moderate-income families.
4. He noted the Southern California Housing Development Corporation 75-unit multifamily project would be built later this year at San Antonio Gateway offering housing to very low-income families. He advised of the Redevelopment Agency's financial assistance in this project.
5. He noted that within the next two years, the Southern California Housing Development Corporation 85-unit senior project would be built at San Antonio Gateway with Redevelopment Agency assistance, offering affordable housing to seniors.

6. He emphasized all that the City and Redevelopment Agency have done to provide affordable housing in Montclair, noting the unfairness of criticisms of the Council for supposedly not doing enough in this regard.
7. He reiterated that the City's principal housing stock is older smaller units that are, to some degree, being acquired and resold in a speculative manner to capitalize on the current housing market.
8. He again asked Council Member Ruh to advise him of the locations of affordable housing projects that would work well in Montclair so he might tour them. He noted touring the Claremont transit village high-density residential development suggested by Council Member Ruh at the last meeting, with units selling for approximately \$350,000.
9. He expressed his understanding that current housing construction costs average approximately \$200 per square foot, not including the cost of the land.
10. He reiterated that contained in the North Montclair Specific Plan is a proposal to develop 1,500 owner-occupied and rental high-density residential units as a component of the pedestrian-oriented mixed-use transit village to be located north of the Montclair Plaza between Central and Monte Vista Avenues. He added that because the area is located in a Redevelopment Project Area, 15 percent of the residential units are required to be affordable to low- to moderate-income families, with 40 percent of those units affordable to very low-income families.

Discussion centered on the Redevelopment Agency's difficulty in financing the construction of the 225 affordable units plus the minimum of \$50 million in infrastructure costs for the entire project.

Mayor Pro Tem Dutrey noted it would be prudent for the City Council to carefully consider the North Montclair Specific Plan when it is presented for consideration as well as to have a payment plan in place regarding the residential component of the project.

11. He cited a June 11 *Inland Valley Daily Bulletin* article that indicated a thousand individuals attended the open house for the new housing tract at the corner of Central Avenue and Howard Street that features 1900- to 2700-square-foot homes, which illustrates the demand for larger homes.
12. He noted the poor planning involved in the City's apartment neighborhoods that the Redevelopment Agency invested millions of dollars in the 1980s to improve and refurbish. He emphasized the importance of proper residential, commercial, and industrial development standards that reduce impacts to traffic, schools, community parks, and City services. He reiterated that growth requires appropriate planning.
13. He advised that though adoption of proposed Ordinance No. 05-866 would not solve the affordable housing issue, particularly in the current housing market, it would allow the Redevelopment Agency to meet the state's inclusionary housing requirements and provide affordable housing units in the City.
14. He spoke in strong support of adoption of proposed Ordinance No. 05-866.

Council Member Paulitz commented as follows:

1. With regard to Council Member Ruh's earlier comments on annual inflation rate cost comparisons, he expressed his opinion that housing should not be included because it is considered an investment rather than goods or services. He noted the stock market since 1926 has given a rate of return of 7 percent, while housing has increased 5 percent, which is more than the inflation rate over the last 40 years.
2. He noted the free market determines the size and cost of housing that is developed to meet market demands and noted the absurdity of developers willingly including affordable housing units in their upscale residential subdivisions.
3. He discussed the fact that either the taxpayers or the new homeowners would be paying the cost of meeting affordable housing requirements as mandated by the state.
4. He asserted that the majority of Montclair homeowners are not interested in subsidizing affordable housing for low- to moderate-income families in our society.
5. He expressed his opinion that this item should not be continued.

Council Member Paulitz called for the question.

*Second Reading of Ordinance No. 05-866 was adopted by the following ROLL CALL vote:

AYES: Raft, Paulitz, Dutrey, Eaton
NOES: Ruh
ABSTAIN: None
ABSENT: None

Council Member Ruh strongly reiterated that there exists a need in Montclair for affordable ownership housing, noting parents would be amenable to development of such units for their children. He further emphasized the need for affordable workforce housing, noting the importance of providing housing for the working class in this community.

Council Member Raft inquired if developers have been approached about building affordable housing subdivisions in the City.

City Manager McDougal responded that he has not broached the subject with prospective developers and that he limits his discussions with them to the laws governing housing development in the City. He indicated that he has discussed the proposed high-density residential component in the North Montclair Specific Plan with interested developers, noting the proposed housing development guidelines are different than current zoning in that area.

Council Member Paulitz asked the typical lot sizes and number of units per acre in R-1-zoned properties.

Director of Community Development Clark advised that generally lot sizes in that zoning are 7,500 square feet and that there are 4.3 units per acre.

Council Member Paulitz received clarification that in the last five years, the City has consistently approved small-lot residential developments of 7 units per acre, increasing density by 50 percent, and that some commercially zoned properties have

been converted to residential to create more housing opportunities.

Council Member Ruh inquired as to the minimum square footage requirement.

Director of Community Development Clark answered, "1,350 square feet."

Council Member Ruh suggested staff does not encourage developers to build homes of this size, noting he has heard different stories from developers about the City's residential square footage requirements.

City Manager McDougal requested that if the Council or public is inappropriately advised by staff regarding the provisions of the Montclair Municipal Code that he or the Council be notified so corrective action could be taken.

VIII. CONSENT CALENDAR

Council Member/Director Paulitz requested that Items C-5, D-3, and D-4 be removed from the Consent Calendar for comment.

Vice Chairman Dutrey requested that Item C-7 be removed from the Consent Calendar for comment.

Moved by Mayor Pro Tem/Vice Chairman Dutrey, seconded by Council Member/Director Paulitz, and carried to approve the following Consent Items as presented:

A. Approval of Minutes

1. Minutes of Adjourned Joint Council/Agency Meeting of June 6, 2005

The City Council and Redevelopment Agency Board approved the minutes of the Adjourned Joint City Council/Redevelopment Agency Board meeting of June 6, 2005.

2. Minutes of Regular Joint Council/Agency/Montclair Housing Corporation Meeting of June 6, 2005

The City Council and Redevelopment Agency and Montclair Housing Corporation Boards approved the minutes of the Regular Joint City Council/Redevelopment Agency Board/Montclair Housing Corporation Board meeting of June 6, 2005.

3. Minutes of Adjourned Joint Council/Agency Meeting of June 7, 2005

The City Council and Redevelopment Agency Board approved the minutes of the Adjourned Joint City Council/Redevelopment Agency Board meeting of June 7, 2005.

B. Administrative Reports

1. Setting a Public Hearing Regarding *Agreement No. 05-78, a Purchase and Sale Agreement* by and Between the City of Montclair Redevelopment Agency and the John and Henny V. Vanderzwaag Trust Concerning the Industrial Property Located at 10602 Ramona Avenue

The City Council set a public hearing for Monday, July 18, 2005, at 7:00 p.m. in the City Council Chambers regarding *Agreement No. 05-78, a Purchase and Sale Agreement* by

and between the City of Montclair Redevelopment Agency and the John and Henry V. Vanderzwaag Trust concerning the industrial property located at 10602 Ramona Avenue.

2. Setting a Public Hearing to Consider Resolution No. 05-2597 Adjusting Taxicab Service Rates in the City of Montclair

The City Council set a public hearing for Monday, July 18, 2005, at 7:00 p.m. in the City Council Chambers to consider Resolution No. 05-2597 adjusting taxicab service rates in the City of Montclair.

3. Authorizing a One-Time Appropriation Transfer to the General Fund of \$125,000 for Funds Originally Appropriated in the Public Safety Fund Fiscal Year 2004-05 Budget for Police Department Personnel Costs

The City Council authorized a one-time appropriation transfer to the General Fund of \$125,000 for funds originally appropriated in the Public Safety Fund Fiscal Year 2004-05 Budget for Police Department personnel costs.

4. Authorization to Advertise for Bid Proposals for the Freedom Plaza Parking Lot Lighting and Landscaping Project

The City Council authorized staff to advertise for bid proposals for the Freedom Plaza Parking Lot Lighting and Landscaping Project.

5. Approval of Filing of *Notice of Completion*, Reduction of *Faithful Performance Bond* to 10 Percent, and Six-Month Retention of *Payment Bond* Related to Completion of the Curb, Gutter, and Sidewalk Inlay Project

The City Council approved the following actions related to completion of the Curb, Gutter, and Sidewalk Inlay Project:

- (a) The filing of a *Notice of Completion* with the Office of the San Bernardino County Recorder.
- (b) Reduction of the *Faithful Performance Bond* to 10 percent.
- (c) Retention of the *Payment Bond* for six months.

6. Receiving and Filing of City Treasurer's Report

The City Council received and filed the City Treasurer's Report for the month ending May 31, 2005.

7. Approval of City Warrant Register and Payroll Documentations

The City Council approved the Warrant Register dated June 20, 2005, totaling \$480,022.76 and the Payroll Documentations dated May 1, 2005, amounting to \$506,121.37, with \$344,891.55 being the total cash disbursement, and May 15, 2005, amounting to \$519,021.03, with \$355,806.26 being the total cash disbursement.

8. Receiving and Filing of Agency Treasurer's Report

The Redevelopment Agency Board received and filed the Redevelopment Agency Treasurer's Report for the month ending May 31, 2005.

9. Approval of Agency Warrant Register

The Redevelopment Agency Board approved the Redevelopment Agency Warrant Register dated 5/01/05-5/31/05 in the amounts of \$1,156.40 for Project I; \$285.67 for Project II; \$393,180.54 for Project III; \$163,361.16 for Project IV; and \$482,512.45 for Project V.

10. Receiving and Filing of Montclair Housing Corporation Treasurer's Report

The Montclair Housing Corporation (MHC) Board received and filed the MHC Treasurer's Report for the month ending May 31, 2005.

11. Approval of MHC Warrant Register

The MHC Board approved the MHC Warrant Register dated 5/01/05-5/31/05 in the amount of \$16,725.18.

C. Agreements

1. Approval of Agreement No. 05-69-I-66, an Irrevocable Annexation Agreement With Agustin M. Raya and Baudelia B. Raya for 11119 Roswell Avenue

The City Council approved *Agreement No. 05-69-I-66*, an *Irrevocable Annexation Agreement* with Agustin M. Raya and Baudelia B. Raya for emergency connection of their residence at 11119 Roswell Avenue to the City Sewer System.

2. Approval of Agreement No. 05-75 With Liebert Cassidy Whitmore for Participation in the East Inland Empire Employment Relations Consortium

The City Council approved *Agreement No. 05-75* with Liebert Cassidy Whitmore for participation in the East Inland Empire Employment Relations Consortium.

3. Approval of Agreement No. 05-76 by and Between the City of Montclair, the City of Montclair Redevelopment Agency, and Mariposa Horticultural Enterprises, Inc., for Median Island, Park, and Parkway Landscape and Maintenance

The City Council approved *Agreement No. 05-76* by and between the City of Montclair, the City of Montclair Redevelopment Agency, and Mariposa Horticultural Enterprises, Inc., for median island, park, and parkway landscape and maintenance.

4. Approval of Agreement No. 05-77 With West Coast Arborists for Tree Maintenance Services

The City Council approved *Agreement No. 05-77* with West Coast Arborists for tree maintenance services.

6. Redevelopment Agency Board of Directors' Approval of Agreement Nos. 05-80 Through 05-83, Rehabilitation Grant Agreements by and Between the City of Montclair Redevelopment Agency and Exterior Housing Improvement Program (EHIP) Participants

The Redevelopment Agency Board approved *Agreement Nos. 05-80 through 04-83, Rehabilitation Grant Agreements* by and between the City of Montclair Redevelopment Agency and the four EHIP participants listed on Exhibit A to the agenda report on this item.

8. Approval of Funding Increase From the Ontario-Montclair School District to Provide After-School Program

The City Council approved a \$35,000 funding increase from the Ontario-Montclair School District as part of a SB 1756 After-School Safe Neighborhood Partnership and Federal 21st Century Learning Center grant for after-school programs at Monte Vista, Kingsley, Mission, and Lehigh Elementary Schools and Serrano Middle School.

D. Resolutions

1. Redevelopment Agency Board of Directors' Adoption of Resolution No. 05-04, a Resolution of the City of Montclair Redevelopment Agency Authorizing Expenditure of Redevelopment Agency Funds for Graffiti Abatement

The Redevelopment Agency Board of Directors adopted Resolution No. 05-04, a Resolution of the City of Montclair Redevelopment Agency authorizing expenditure of Redevelopment Agency funds for graffiti abatement.

City Council Approval of Agreement Nos. 05-70, 05-71, 05-72, and 05-73 Approving Promissory Notes 05-01, 05-02, 05-03, and 05-04, Respectively, Between the City of Montclair and the City of Montclair Redevelopment Agency

The City Council approved *Agreement Nos. 05-70, 05-71, 05-72, and 05-73* approving *Promissory Notes 05-01, 05-02, 05-03, and 05-04*, respectively, between the City of Montclair and the City of Montclair Redevelopment Agency.

Redevelopment Agency Board of Directors' Approval of Agreement Nos. 05-70, 05-71, 05-72, and 05-73 Approving Promissory Notes 05-01, 05-02, 05-03, and 05-04, Respectively, Between the City of Montclair Redevelopment Agency and the City of Montclair

The Redevelopment Agency Board of Directors approved *Agreement Nos. 05-70, 05-71, 05-72, and 05-73* approving *Promissory Notes 05-01, 05-02, 05-03, and 05-04*, respectively, between the City of Montclair Redevelopment Agency and the City of Montclair.

Redevelopment Agency Board of Directors' Adoption of Resolution No. 05-05 Adopting the Fiscal Year 2005-06 Budget for the City of Montclair Redevelopment Agency

The Redevelopment Agency Board of Directors adopted Resolution No. 05-05 adopting the Fiscal Year 2005-06 Budget for the City of Montclair Redevelopment Agency.

Redevelopment Agency Board of Directors' Approval of Agreement No. 05-74 Approving Promissory Note 05-01 Between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation

The Redevelopment Agency Board of Directors approved Agreement No. 05-74 approving Promissory Note 05-01 between the City of Montclair Redevelopment Agency and the Montclair Housing Corporation.

Montclair Housing Corporation Board of Directors' Approval of Agreement No. 05-74 Approving Promissory Note 05-01 Between the Montclair Housing Corporation and the City of Montclair Redevelopment Agency

The Redevelopment Agency Board of Directors approved Agreement No. 05-74 approving Promissory Note 05-01 between the Montclair Housing Corporation and the City of Montclair Redevelopment Agency.

Montclair Housing Corporation Board of Directors' Adoption of Resolution No. 05-01 Adopting the Fiscal Year 2005-06 Budget for the Montclair Housing Corporation

The Montclair Housing Corporation Board of Directors adopted Resolution No. 05-01 adopting the Fiscal Year 2005-06 Budget for the Montclair Housing Corporation.

2. Adoption of Resolution No. 05-2592 Authorizing Approval of the Change in Population in San Bernardino County During 2004 for the Purpose of Calculating the Gann Spending Limit for Fiscal Year 2005-06

The City Council adopted Resolution No. 05-2592 authorizing approval of the change in population in San Bernardino County during 2004 for the purpose of calculating the Gann Spending Limit for Fiscal Year 2005-06.

5. Adoption of Resolution No. 05-2595 Adopting the City of Montclair Fiscal Year 2005-06 Annual Budget

The City Council adopted Resolution No. 05-2595 adopting the City of Montclair Fiscal Year 2005-06 Annual Budget.

6. Adoption of Resolution No. 05-2599 Superseding Resolution No. 05-2586 Authorizing Submission of a 2005-06 Used Oil Recycling Block Grant Application to the California Integrated Waste Management Board

The City Council adopted Resolution No. 05-2599 superseding Resolution No. 05-2586 authorizing submission of a 2005-06 Used Oil Recycling Block Grant application to the California Integrated Waste Management Board.

7. Adoption of Resolution No. 05-2600 Determining that, as of a Consequence of the Pending Dissolution of the Monte Vista Fire Protection District as Defined by LAFCO No. 2973, All Property Tax Revenues of the District Shall be Transferred to the City of Montclair

The City Council adopted Resolution No. 05-2600 determining that, as of a consequence of the pending dissolution of the Monte Vista Fire Protection District as defined by LAFCO No. 2973, all property tax revenues of the District shall be transferred to the City of Montclair.

IX. PULLED CONSENT CALENDAR ITEMS

C. Agreements

5. Approval of Agreement No. 05-79, a Right of Entry Agreement by and Between the City of Montclair Redevelopment Agency and South Coast Communities, LLC, Regarding the Property Located at 4218 Holt Boulevard

Council Member Paulitz asked for clarification on the type of residential project proposed by South Coast Communities, LLC.

Agency Planner Clark responded that the developer is proposing a high-density detached single-family residential project.

Moved by Director Paulitz, seconded by Chairman Eaton, and carried unanimously that the Redevelopment Agency Board approve *Agreement No. 05-79, a Right of Entry Agreement* by and between the City of Montclair Redevelopment Agency and South Coast Communities, LLC, regarding the property located at 4218 Holt Boulevard.

7. Redevelopment Agency Board of Directors' Approval of Agreement No. 05-84, an Agreement for Funding In Lieu of Pass-Through Payments From Tax-Sharing Agreement No. 01-59 by and between the City of Montclair Redevelopment Agency and Chaffey Community College District

Vice Chairman Dutrey discussed the joint Montclair Community Collaborative (MCC)/Chaffey College On-Line to College Program begun in 1999 and made available to qualifying Montclair students that pays their first year of tuition at Chaffey College. Noting the Redevelopment Agency's Fiscal Year 2005-06 contribution of \$27,500 to the program, he asked if the Redevelopment Agency or other districts would continue to fund the program.

Executive Director McDougal clarified that *Agreement No. 05-84* proposes to divert Chaffey Community College District's pass-through property tax increment payments from Redevelopment Project Area No. III to fund a portion of the On-Line to College Program. He added that such diversion would continue through the life of the Redevelopment Plan for Redevelopment Project Area No. III.

Vice Chairman Dutrey asked if participating students are guaranteed tuition funding through their first year at Chaffey College.

Executive Director McDougal answered, "Absolutely."

Vice Chairman Dutrey expressed his understanding there are approximately 500 students eligible for the program.

Executive Director McDougal advised that the Chaffey Community College District has been receiving its tax increment pass-through from Redevelopment Project Area No. III since the project's adoption in 1983. He advised that a stipulation of the Redevelopment Plan is that the revenues must be spent in the City of Montclair; and because there are no Chaffey College satellite campuses in Montclair, the funds have been accumulating since that time.

Vice Chairman Dutrey commended MCC for its vision in collaborating with the Ontario-Montclair School District and the Chaffey Community College District to establish the On-Line to College Program, which will benefit many Montclair students for years to come.

Moved by Vice Chairman Dutrey and seconded by Director Ruh that the Redevelopment Agency Board approve *Agreement No. 05-84, an Agreement for Funding In Lieu of Pass-Through Payments From Tax Sharing Agreement No. 01-59* by and between the City of Montclair Redevelopment Agency and Chaffey Community College District.*

Noting he is a Chaffey College Foundation Board Member, Council Member Ruh expressed the Board's complete support of the On-Line to College Program and its guarantee that all participants will receive a paid tuition for their first year of college.

*Motion carried as follows:

AYES: Ruh, Raft, Paulitz, Dutrey, Eaton
NOTES: None
ABSTAIN: None
ABSENT:: None

D. Resolutions

3. **Adoption of Resolution No. 05-2593 Authorizing Approval of the Percentage Change in Montclair Nonresidential New Construction During Fiscal Year 2003-04 as the Final Fiscal Year 2003-04 Change in the Cost-of-Living Factor for Use in Calculating the Gann Spending Limit for Fiscal Year 2004-05 and Provisional Adoption of the Percentage Change in California Per Capita Personal Income During Calendar Year 2004 as the Change in the Cost-of-Living Factor for Fiscal Year 2004-05 for Use in Calculating the Gann Spending Limit for Fiscal Year 2005-06**

Council Member Paulitz received clarification that the proposed \$191,769,658 Gann Spending Limit for Fiscal Year 2005-06 is approximately six times the total projected revenues of \$33,234,100 for the next fiscal year and that the adopted Fiscal Year 2005-06 City Budget totaled \$32,297,538. He received further clarification that the Gann Spending Limit for Fiscal Year 2005-06 is proposed to be based upon the percentage change in California per capita personal income as the change in the cost-of-living factor used in calculating the limit.

Council Member Paulitz asked if the City is required to abide by state law and annually calculate the Gann Spending Limit.

City Manager McDougal advised that it is wise to do so and that it is to the City's advantage to set as high a spending limit as possible.

Moved by Council Member Paulitz, seconded by Mayor Pro Tem Dutrey, and carried unanimously that the City Council adopt Resolution No. 05-2593 authorizing approval of the percentage change in Montclair nonresidential new construction during Fiscal Year 2003-04 as the final Fiscal Year 2003-04 change in the cost-of-living factor used in calculating the Gann Spending Limit for Fiscal Year 2004-05 and provisional adoption of the percentage change in California per capita personal income during Calendar Year 2004 as the change in the cost-of-living factor for Fiscal Year 2004-05 for use in calculating the Gann Spending Limit for Fiscal Year 2005-06.

4. **Adoption of Resolution No. 05-2594 Establishing an Appropriations Limit for Fiscal Year 2005-06 Pursuant to Article 13-B of the California Constitution and to Section 7910 of the Government Code**

Moved by Council Member Paulitz, seconded by Mayor Pro Tem Dutrey, and carried unanimously to adopt Resolution No. 05-2594 establishing an appropriations limit for Fiscal Year 2005-06 pursuant to Article 13-B of the California Constitution and to Section 7910 of the Government Code.

X. RESPONSE – None

XI. COMMUNICATIONS

A. City Attorney/Agency Counsel – No comments

B. City Manager/Executive Director – No comments

C. Mayor/Chairman

1. **Announcement of Two (2) Planning Commission Vacancies and One (1) Community Action Committee Vacancy**

Mayor Eaton announced there are two vacancies on the Planning Commission and one on the Community Action Committee (CAC) to fill the unexpired term of CAC Member Rudy Murrieta, whose term ends June 30, 2008. He advised that applications for these openings are available at City Hall and will be accepted through July 21, 2005.

D. City Council/Agency Board

1. Council Member/Director Paulitz thanked staff and members of the Montclair Fire Fighters Association and Montclair Police Officers Association for all the flowers, cards, and telephone calls, noting his appreciation for all their get-well wishes.

2. Mayor Pro Tem/Vice Chairman Dutrey commented as follows:

(a) He noted the Strategic Planning Workshop on June 7, 2005, to review and update the Montclair Business Plan was quite productive in determining effective goals for Fiscal Year 2005-06, including focusing on strategies to effectively combat graffiti vandalism in the City. He noted a Police Department task force is being organized to concentrate on this objective.

(b) In follow-up to City Manager McDougal's performance evaluation on June 6, 2005, he told City Manager McDougal that his hard work, leadership, and intelligence are greatly appreciated by the Council and himself.

(c) He congratulated his friend and former **Ontario Mayor Pro Tem Paul Leon** on his recent appointment to serve as **Mayor** for the **City of Ontario** since **Gary Ovitt's** election to the **San Bernardino County Board of Supervisors**.

(d) He welcomed Council Member Paulitz back from his recovery from recent surgery.

Council Member Paulitz thanked Mayor Pro Tem Dutrey.

(e) He wished Mayor Eaton a speedy recovery from his impending surgery.

Mayor Eaton thanked Mayor Pro Tem Dutrey.

(f) With the Council's concurrence, he asked that the July 5, 2005 regular joint meeting be canceled. He expressed his hope that Mayor Eaton would be able to attend the July 18, 2005 regular joint meeting.

It was the consensus of the Council to cancel the July 5, 2005 regular joint meeting.

3. Council Member/Director Ruh commented as follows:
 - (a) He announced that **Assembly Member McLeod** would be conducting a town hall workshop regarding Alameda Corridor-East (ACE) on Friday, June 24, 2005, at 11:00 a.m. in the Montclair Community Center. Noting he would be unable to attend the workshop because of a prior commitment, he commended **Assembly Member McLeod** for her leadership in seeking funding alternatives for ACE grade separation projects.
 - (b) He noted **AB 11 (De La Torre) - City Council Compensation** passed unanimously through the **Senate** and the **Assembly** and would serve to limit City Council compensation regarding service on commissions or committees according to city size. He noted many of the approving votes were from legislative members who rejected a proposed State Legislature pay increase.
 - (c) He wished everyone an enjoyable **Fourth of July** holiday and hoped everyone would reflect on what it really means to live in a free country.

E. Committee Meeting Minutes

1. **Minutes of Code Enforcement Committee Meeting of April 18, 2005**

The City Council received and filed the Code Enforcement Committee meeting minutes of April 18, 2005, for informational purposes.

2. **Minutes of Personnel Committee Meeting of June 6, 2005**

The City Council received and filed the Personnel Committee meeting minutes of June 6, 2005, for informational purposes.

XII. ADJOURNMENT OF CITY COUNCIL AND REDEVELOPMENT AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS OF DIRECTORS

At 8:40 p.m., Mayor/Chairman Eaton adjourned the City Council and Redevelopment Agency and Montclair Housing Corporation Boards of Directors.

Submitted for City Council/Redevelopment Agency Board/Montclair Housing Corporation Board approval,

Yvonne L. Smith
Transcribing Secretary