



## ALBANY CITY COUNCIL – MINUTES

Virtual Meeting

Albany, CA 94706

Thursday, October 29, 2020

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**6:00 p.m.**

### **SPECIAL MEETING**

**1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Council Member Maass led the Pledge of Allegiance.

**2. ROLL CALL**

Present: Council Members Barnes, Maass, and Nason, Vice Mayor McQuaid, Mayor Pilch

Absent: None

**3. PUBLIC HEARING**

- 3-1.** Disposition and Development Agreement (DDA) & Categorical Exemption Pursuant to the California Environmental Quality Act (CEQA) Guidelines with Satellite Affordable Housing Associates (SAHA) for Real Property Located at 755 Cleveland Avenue

Staff recommendation: that the Council:

1. Conduct a public hearing on the Disposition and Development Agreement (DDA); and
2. Adopt Resolution No. 2020-103 finding that the Satellite Affordable Housing Associates 62-unit affordable housing development located at 755 Cleveland Avenue is exempt from the requirements of the California Environmental Quality Act (CEQA) under a Class 32 Categorical Exemption; and
3. Adopt Resolution No. 2020-104 authorizing the City Manager to execute the Disposition and Development Agreement (DDA) between Satellite Affordable Housing Associates (SAHA) and the City of Albany for the development of the Albany Family Housing Project located at 755 Cleveland Avenue and approving findings pursuant to Section 33433 of the California Health and Safety Code.

Community Development Director Jeff Bond reported staff seeks time to review the complex agreements and exhibits associated with the approvals before the Council and to resolve outstanding issues. Consequently, staff recommends the Council hold a public hearing but not take action on this item at the current time. This affordable housing project can contribute to a number of the City's policy goals, including the reduction of greenhouse gas emissions and the reversal of discriminatory housing policies.

Planning Manager Anne Hersch presented the staff report. The project scope includes 62 studio, one-, two-, and three-bedroom apartments for families, a four-story 52-foot-tall building, a density of 55 units per acre, 64 interior bicycle parking spaces, and 62 off-street parking spaces. The City purchased the 4.5-acre parcel on Pierce Street with redevelopment funds in June 2011. In September 2018, the Council adopted a resolution authorizing the City Manager to execute an Exclusive Negotiating Agreement (ENA) between the City of Albany and SAHA. The ENA was subsequently extended in September 2019, March 2020, and September 2020. In 2019, the Council approved an ordinance assigning the Public Facilities (PF) zoning designation to Pierce Street Park and the High Density Residential (R-3) zoning designation to the remaining 1.13 acres. Entitlements, Design Review, and Density Bonus for the project were approved on



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December 16, 2019 pursuant to Senate Bill (SB) 35. As part of the ENA, SAHA hosted public workshops to obtain public input on May 23, 2019 and August 28, 2019.

As part of the negotiating process, staff has worked with external legal counsel and SAHA representatives to finalize a DDA. Under the terms of the DDA, SAHA will pre-pay in full to the City its 99-year ground lease in the approximate amount of \$4.65 million. In exchange, the City will provide SAHA with an interest-free loan of approximately \$4.65 million. Pursuant to SB 35, the project is not subject to the Art in Public Places requirement, but SAHA has agreed to expend not less than \$35,000 for the design and construction of a public art feature as part of the project. SAHA has agreed to utilize all-electric fixtures, equipment, and appliances in the project. The DDA requires SAHA to submit an application for and receive tax credits from the California Tax Credit Allocation Committee (TCAC) by September 30, 2023. SAHA will sell the right to use the tax credits to a private investor with income tax liability, and the sale proceeds will fund construction of the project. Because the City purchased the property with redevelopment agency funds, the Council must approve a 33433 Report.

The General Plan Transportation Element and Active Transportation Plan require the construction of a Class I shared-use path through the subject property. The DDA includes a Bicycle Path Easement and construction of trail improvements in exchange for a \$25,000 grant from the City. Staff has received a revised cost estimate that is significantly greater than the \$25,000 grant. Staff will continue to work with SAHA on grant funding opportunities.

To date, a Housing and Urban Development (HUD) grant in the approximate amount of \$2.7 million has been awarded to the project. Grant applications have been submitted to Alameda County for A-1 funding and to the California Department of Housing and Community Development (HCD). The project complies with the 2019-2021 City Council Strategic Plan Goal 1, Objective 2, Workplan Item 2 and meets the standards for Categorical Exemption pursuant to Section 15332 of the CEQA Guidelines.

A summary of public comments is as follows: support for the City to proceed with the project; advocacy for designating a large percentage of the units for very-low-income residents; support for the project; a concern about personal safety once the units are leased; concerns about parking and traffic congestion and a question of whether Calhoun will remain a cul-de-sac; a suggestion for the project to utilize solar panels; an inquiry regarding rents and a suggestion to increase the number of occupants per apartment.

Eve Stewart, SAHA Homes representative, advised that A-1 funding has been committed to the project. Two-thirds of units will be designated for very-low-income households. The monthly rent for a household earning 20 percent of area median income will be approximately \$450 for a studio apartment and approximately \$480 for a one-bedroom apartment.

Community Development Director Bond indicated no changes have been planned for Calhoun Street. The project will likely include solar panels.

A summary of Council comments is as follows: the bike path does not seem to have a purpose; bicyclists will have a difficult time navigating the grade; hope that the bike path will not stall negotiations; without a bond measure, the number of very-low-income units probably cannot be



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increased; accessory dwelling units (ADU) may help the City fulfill some of its housing needs until this project can be built; perhaps the project can apply for grants for solar panels; the grade of the bike path will be ideal for skateboarding; this project will likely not increase traffic and parking congestion; a suggestion for staff to plan construction of Pierce Street Park facilities to coincide with grading work for the affordable housing project; personal safety around Pierce Street Park could benefit from more people living in the area; the existing bike path south of Pierce Street Park will connect to the proposed bike path; perhaps a future Council will consider a bond measure for affordable housing; lower-income households may not be able to afford a vehicle; the project is located near transit; this project will enhance the neighborhood; a wide variety of users will utilize the bike path; support for all-electric construction.

### **MOTION:**

Moved by Vice Mayor McQuaid, seconded by Council Member Nason, to continue this item to a date certain of November 16, 2020.

AYES: Council Members Barnes, Maass, and Nason, Vice Mayor McQuaid, Mayor Pilch


NOES: None

Motion carried and so ordered.

### **4. ADJOURNMENT**

7:16 p.m. There being no further business before the City Council, Mayor Pilch adjourned the meeting.

Minutes submitted by Anne Hsu, City Clerk.

  
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Nick Pilch  
Mayor

Attest:

  
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Anne Hsu, City Clerk