



**BURLINGAME CITY COUNCIL  
Unapproved Minutes  
Regular Meeting on July 1, 2019**

**1. CALL TO ORDER**

A duly noticed meeting of the Burlingame City Council was held on the above date in the City Hall Council Chambers at 7:00 p.m.

**2. PLEDGE OF ALLEGIANCE TO THE FLAG**

The pledge of allegiance was led by Bill Wohl.

**3. ROLL CALL**

**MEMBERS PRESENT:** Beach, Brownrigg, Colson, Keighran, Ortiz  
**MEMBERS ABSENT:** None

**4. REPORT OUT FROM CLOSED SESSION**

- a. **CONFERENCE WITH LABOR NEGOTIATORS (GOVERNMENT CODE SECTION 54957.6)**  
**CITY DESIGNATED REPRESENTATIVES: TIMOTHY L. DAVIS, HR DIRECTOR SONYA M. MORRISON, CITY MANAGER LISA K. GOLDMAN, CITY ATTORNEY KATHLEEN KANE, FINANCE DIRECTOR CAROL AUGUSTINE**  
**EMPLOYEE ORGANIZATIONS: ASSOCIATION OF POLICE ADMINISTRATORS, BURLINGAME POLICE OFFICERS ASSOCIATION, BURLINGAME POLICE SERGEANTS ASSOCIATION, AFSCME LOCAL 829 ADMINISTRATIVE UNIT, AFSCME LOCAL 829 MAINTENANCE UNIT, AFSCME LOCAL 829 BURLINGAME ASSOCIATION OF MIDDLE MANAGERS, TEAMSTERS LOCAL 856, AND DEPARTMENT HEADS AND UNREPRESENTED UNIT**

City Attorney Kane reported that direction was given but no reportable action was taken.

**5. UPCOMING EVENTS**

Mayor Colson reviewed the upcoming events taking place in the city.

**6. PRESENTATIONS**

**a. PRESENTATION OF VEOLIA DONATION FOR MUSIC IN THE PARK**

Parks and Recreation Coordinator Kevin Sanchez thanked Veolia for their sponsorship and support of the City's Music in the Park series. He noted that this is the 17<sup>th</sup> consecutive year of Veolia's sponsorship.

Veolia representative Aaron Weiner presented the Council with a check for \$5,000 to support the City's Music in the Park series.

The Council thanked Veolia for their continued support and partnership.

**7. PUBLIC COMMENT**

Burlingame resident Sandra Lang asked that the City designate cooling centers for senior citizens and other individuals during heat waves.

Councilmember Brownrigg explained that the press had mischaracterized his comments concerning the Broadway grade separation and the train station during the June 3, 2019 Council meeting. He explained that his focus that night was to ask questions about the proposed cost and design of the project and what impacts the design would have on the community. He stated that he believed that the community should be given a chance to provide input on the design.

**8. CONSENT CALENDAR**

Mayor Colson asked the Councilmembers and the public if they wished to remove any item from the Consent Calendar. Mayor Colson pulled item 8e. Members of the public asked to remove 8h.

Councilmember Keighran made a motion to adopt 8a, 8b, 8c, 8d, 8f, 8g, and 8i; seconded by Councilmember Brownrigg. The motion passed unanimously by voice vote 5-0.

**a. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR JUNE 17, 2019**

City Clerk Hassel-Shearer requested Council adopt the City Council Meeting Minutes for June 17, 2019.

**b. ADOPTION OF AN ORDINANCE AMENDING APPEAL PROCEDURES FOR DENIAL OF MASSAGE REGISTRATION UNDER CHAPTER 6.39 OF THE BURLINGAME MUNICIPAL CODE**

City Attorney Kane requested Council adopt Ordinance Number 1967.

**c. ADOPTION OF A RESOLUTION AWARDED A CONSTRUCTION CONTRACT TO CRATUS INC. FOR THE EAST BURLINGAME AVENUE AND ANZA LAGOON BRIDGE**

**UTILITY IMPROVEMENTS PROJECT, CITY PROJECT NO. 83522, AND APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH COASTLAND FOR CONSTRUCTION MANAGEMENT SERVICES RELATED TO THE PROJECT**

DPW Murtuza requested Council adopt Resolution Number 78-2019 and Resolution Number 79-2019.

**d. ADOPTION OF A RESOLUTION ACCEPTING THE 2018 SIDEWALK REPAIR PROGRAM BY GOLDEN BAY CONSTRUCTION, INC., CITY PROJECT NO. 85250**

DPW Murtuza requested Council adopt Resolution Number 80-2019.

**e. ADOPTION OF A RESOLUTION ACCEPTING THE CALIFORNIA DRIVE ROUNDABOUT PROJECT BY REDGWICK CONSTRUCTION CO., CITY PROJECT NO. 83920**

Mayor Colson explained that she had pulled this item to point out the actual costs associated with the roundabout project. She thanked DPW Murtuza for the detailed staff report that outlined the costs and the funding that the City received for the project. She stated that only \$369,000 from the General Fund was utilized for the project.

Councilmember Brownrigg asked for larger yield signs at the roundabout for traffic moving north and south on California Drive. DPW Murtuza replied in the affirmative and noted that staff is looking at flashing signboards.

Councilmember Keighran asked that the City re-release the roundabout video in the e-newsletter.

Mayor Colson opened the item up for public comment. No one spoke.

Councilmember Brownrigg made a motion to adopt Resolution Number 81-2019; seconded by Vice Mayor Beach. The motion passed unanimously by voice vote, 5-0.

**f. ADOPTION OF A RESOLUTION ACCEPTING THE RAY PARK PLAYGROUND PROJECT, CITY PROJECT NO. 84440**

Parks and Recreation Director Glomstad requested Council adopt Resolution Number 82-2019.

**g. ADOPTION OF RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH PFM FINANCIAL ADVISORS LLC FOR FINANCIAL ADVISORY SERVICES**

Finance Director Augustine requested Council adopt Resolution Number 83-2019.

**h. LETTER FROM THE MAYOR TO THE METROPOLITAN TRANSPORTATION COMMISSION AND THE ASSOCIATION OF BAY AREA GOVERNMENTS REGARDING A POTENTIAL OFFICE SPACE CAP IN BURLINGAME**

Mayor Colson opened the item up for public comment.

Burlingame resident and Housing for All Burlingame representative Birta Schulz asked the Council to reconsider their opposition to the MTC's coordinated cap on new office space. She voiced support for the office cap and stated that it was in line with Envision Burlingame.

Burlingame resident Elana Lieberman voiced her support for the cap. She explained that she believed the amount of office space being built in the city overshadows the amount of housing being built and that it will only get worse when Facebook's office opens.

Mayor Colson closed public comment.

Councilmember Brownrigg stated that for the last decade the number of kids in K-8 schools grew by 10% in the county, but in Burlingame this number grew by 40%. He explained that the reason this number grew is because people want to raise their children in Burlingame. He stated that the increase in housing prices in the city was the result of this influx of people wanting to move to Burlingame and not because of an increased amount of office space.

Councilmember Brownrigg discussed the housing that is being built near the Millbrae Bart Station. He explained that units were being built near the station not because of office space but rather because it was near transit.

Councilmember Brownrigg stated that he believed it was a mistake to have a blanket cap over the cities in the county. He stated that if the County believes there is an issue, the more sensible approach is to put a higher tax on commercial property.

Councilmember Brownrigg stated that he believes Burlingame's population will grow by 20% in 10 years instead of the 30 years envisioned in the updated General Plan. He discussed how the updated General Plan turned the North Rollins area into a new neighborhood. Additionally, he noted that the General Plan capped the allowable height of buildings near the Hyatt. He explained that by doing this, the City halted commercial growth.

Councilmember Brownrigg stated that he stands by the City's opposition.

Councilmember Keighran agreed with Councilmember Brownrigg. She stated that the City should be taxing large corporations when they move into an area. She noted that she had brought this concern to State Senator Wiener when he gave his presentation on June 7, 2019 at the Library.

Councilmember Ortiz stated that affordable housing is a regional issue. He explained that if MTC created caps on office space in Burlingame, it would take away the City's flexibility. He noted that most of his neighbors don't work in Burlingame and felt that the cap wouldn't fix the problem.

Vice Mayor Beach explained that one of the key matters that local jurisdictions have authority and control over is land usage in their jurisdiction. She stated that she wasn't in favor of giving this power to Sacramento to legislate on from afar. She noted that in reviewing jurisdictions that have enacted office caps, she found that there are a lot of unintended consequences.

Mayor Colson discussed how Virgin Atlantic had moved their headquarters to Burlingame and when it was taken over by Alaska, these jobs were moved out. She noted that the job number constantly changes. She stated that Facebook has met with the City to talk about housing, daycare, and transportation. She explained that the goal is to get 60-70% of Facebook's employees to commute to work on public transit.

Mayor Colson noted that State Senator Wiener had stated at the meeting in Burlingame that he was disinclined to cap office space. She noted that one of the goals of MTC is to create transit near jobs. She explained that the City has a variety of bus and train stops; therefore, it makes sense to build office space in Burlingame.

Councilmember Keighran made a motion to approve the letter from the Mayor to the Metropolitan Transportation Commission and the Association of Bay Area Governments regarding a potential office space cap in Burlingame; seconded by Councilmember Ortiz. The motion passed unanimously by voice vote, 5-0.

**i. SET PUBLIC HEARING DATE FOR AN APPEAL OF THE PLANNING COMMISSION'S MAY 28, 2019 ACTION DENYING AN APPLICATION FOR DESIGN REVIEW AMENDMENT FOR CHANGES TO A PREVIOUSLY APPROVED FIRST AND SECOND STORY ADDITION TO AN EXISTING SPLIT-LEVEL HOUSE AT 25 ARUNDEL ROAD**

CDD Gardiner requested Council set a public hearing for an appeal of the Planning Commission's May 28, 2019 action denying an application for design review amendment for changes to a previously approved first and second story addition to an existing split-level house at 25 Arundel Road.

**9. PUBLIC HEARINGS**

**a. SPECIAL EVENT PERMIT DISCUSSION AND DETERMINATION**

BPD Lieutenant Kiely stated that in April 2019, staff was contacted by Nisha Patel inquiring as to the feasibility of shutting down the southbound lanes of Old Bayshore Highway between the Marriot and the Hyatt for a private procession. He noted that after reviewing the request, BPD and engineering staff advised Ms. Patel that this would require a special event permit. He explained that pursuant to the City's Special Events Policy, because this event would have a large impact on businesses and traffic, the permit required Council's review and approval.

Lieutenant Kiely explained that Ms. Patel was offered alternatives that wouldn't require a special event permit. However, Ms. Patel decided to move forward with the special event permit and filed her application in May. The application included shutting down a smaller section of Old Bayshore Highway—just the portion of the road in front of the Hyatt. Lieutenant Kiely noted that the application stated that there would be 300 to 700 participants that would be walking in the southbound lanes.

Councilmember Ortiz asked Lieutenant Kiely to explain the alternatives that were offered to Ms. Patel. Lieutenant Kiely stated that Ms. Patel was given three alternatives:

1. have the procession on the sidewalk;
2. utilize the Bay Trail; or
3. have the procession around the perimeter of the Hyatt.

He explained that none of these alternatives would require a special event permit.

Councilmember Keighran asked if the City grants special event permits for private usage. Lieutenant Kiely explained that during his time, special event permits have only been granted for community or non-profit events.

Vice Mayor Beach asked if she was correct that the permit was for the 300 feet between the north and south driveway of the Hyatt. Lieutenant Kiely replied in the affirmative.

Vice Mayor Beach asked if there was anything in the City's policy that distinguishes between public and private events. City Attorney Kane replied in the negative.

Councilmember Brownrigg asked about the street closure for the 2016 California Republican Convention. Lieutenant Kiely stated that the street was closed due to protestors, not as a result of obtaining a special event permit.

Mayor Colson asked that the applicant speak about the application.

Neal Patel, uncle of the bride, explained that the procession before the wedding is a Hindu tradition called a Baraat. He stated that in a traditional Hindu wedding, the groom travels through the bride's village to meet her and her family. Mr. Patel explained that their request is for one of the southbound lanes to be closed for 30 minutes in front of the Hyatt. He noted that this is for the safety of the groom's party and that the procession will be about 200 to 300 people. He added that they are prepared to cover the costs of having to temporarily close that lane of traffic.

Councilmember Ortiz asked Mr. Patel why the alternatives that staff had presented hadn't been sufficient.

Mr. Patel explained that the procession would need to touch the public streets to meet the requirement of a Baraat.

Councilmember Keighran noted that the application states that there will be 300 participants, but Ms. Patel's letter states that there will be 700. Mr. Patel stated that the procession will have 300 people but that there will be additional guests at the Hyatt greeting the members of the procession.

Vice Mayor Beach asked if the closure of the lane was for the procession or if it was for potential spillover, and the procession would be on the sidewalk. Mr. Patel replied that it was a safety precaution.

Councilmember Brownrigg stated that his concern was that the permit would be closing a street for a private event versus a public event. He explained that he had gone to the Hyatt to see what alternatives the City could offer. He suggested that the procession begin at the old Hyatt Cinema lot and then cross the street to the Hyatt.

Neil Kumar, the groom, and his sister Melissa asked that the City grant the permit.

Karishma Patel, the bride, stated that she works for San Mateo County Emergency Medical Services and understands safety concerns. She noted that they are willing to do what is necessary and required to ensure everyone's safety.

Mayor Colson closed public comment.

Vice Mayor Beach stated that if the City's policy doesn't distinguish between public and private events, then the Council can't base their decision on the event being private. She explained that she believed Council had to decide on the application based on the impact to businesses and traffic of shutting down a portion of Old Bayshore Highway. She stated that in reviewing the application and hearing from everyone, she believes that the closure doesn't seem to present an undue burden. She noted that the applicant is also willing to work with the City in paying for the costs associated with shutting down a portion of the street.

Councilmember Ortiz stated that the request to close a major thoroughfare in the City is a huge imposition. He explained that if he was convinced that there was no alternative, his opinion would be that the City would need to figure out a way to work with the applicant on approving the application. However, he stated that the City presented the applicant with alternatives. He added that he was in favor of Councilmember Brownrigg's suggestion.

Councilmember Keighran thanked the applicant for coming to the City for approval and educating the community on their traditions. She explained that historically the City has not approved a special event permit for a private event. She stated that by approving the application, the City would be setting a precedent, and that concerned her. She noted that she wouldn't be voting to approve the application for this reason and because the applicant had been offered alternatives.

Councilmember Brownrigg stated that he shared Councilmember Keighran's concerns about the appearance of closing a public street for a private event. He added that he is also concerned about safety and that his suggestion would require police presence in order to ensure the safety of the procession crossing the street.

Vice Mayor Beach asked Police Chief Matteucci if it would be safer for the procession to cross the street under Councilmember Brownrigg's suggestion or to walk along the street under the applicant's request.

Chief Matteucci stated that he believed it is safer to cross depending on how long it takes to cross the street. He noted that the Council would need to determine if the City would be utilizing on-duty officers or calling in off-duty officers, who would receive overtime, to assist the procession in crossing the street.

Councilmember Brownrigg stated he believed the City should utilize off-duty officers and have the applicant bear the cost.

City Attorney Kane noted that Councilmember Brownrigg's suggestion will have fewer traffic impacts but will still require a police presence. However, she noted that the City doesn't know if the private parking lot would be available to the party, and therefore Councilmember Brownrigg's suggestion might not be a viable option.

Mayor Colson asked if she was correct that by allowing a private party to close this street, in the future the Council would have to allow a private party to close Burlingame Avenue or another street of equal importance. City Attorney Kane stated that the question for Council is whether the impact on the City is one that is appropriate to bear. She explained that the Mayor is correct that the City must have similar rules for similar impacts but that the impacts are contextual. She noted that in reviewing applications, you would look at the day, time, and location.

Councilmember Brownrigg made a motion to approve granting of the special event permit with a strong preference for the procession to utilize his suggestion. Additionally, he stated that the applicant must meet the safety standards required by the police and that costs be borne by the applicant. Vice Mayor Beach seconded the motion.

Councilmember Ortiz stated that he was going to vote no because Old Bayshore Highway is a major street, and it would create a precedent. He noted that the applicants were presented with valid alternatives that wouldn't require the street to be closed. He recommended that Council make a motion to deny the permit and have the applicant work with BPD on an alternative.

Councilmember Keighran stated that she agreed with Councilmember Ortiz.

Mayor Colson stated that she wasn't supporting the motion either as she believed that there were alternatives.

Mayor Colson asked the City Clerk to take a roll call vote. The motion failed 2-3 (Councilmember Ortiz, Councilmember Keighran, and Mayor Colson voted no).

Councilmember Keighran stated that her motion would be to deny the special event permit and strongly suggest that the applicant work with BPD on an alternative.



Councilmember Ortiz asked if the applicant would need to come back to Council if the decision was to go with Councilmember Brownrigg's suggestion, which would require BPD assistance for the safety of the procession crossing the street. Chief Matteucci stated that there is no permit required to cross the street. However, he noted that because of the size of the procession, BPD assistance would be necessary.

Councilmember Ortiz stated that he wanted to ensure that this matter would be resolved prior to the wedding and wouldn't require further Council action as the Council would be on break until August 19.

Lieutenant Kiely suggested that the applicant hire crossing guards to assist with the procession crossing the street.

Councilmember Keighran amended her motion to deny the special event permit but to allow the applicant to utilize the alternatives outlined in the staff report and Councilmember Brownrigg's suggestion. She added that the applicant should work with BPD and determine how best to assure the safety of all, which may include hiring crossing guards. Councilmember Ortiz seconded the motion. The motion passed by voice vote, 4-1. (Vice Mayor Beach voted no).

**b. ADOPTION OF A RESOLUTION APPROVING THE VACATION OF A 10-FOOT WIDE PUBLIC UTILITY EASEMENT AT 1568 ALTURAS DRIVE**

DPW Murtuza stated that there is an existing public utility easement located within the private property of 1568 Alturas Drive. He stated that the easement was accepted by the City in 1953, and there are no public or private utilities currently existing in this easement. He explained that the owner has asked that the City vacate the easement.

Mayor Colson opened the public hearing. No one spoke.

Councilmember Brownrigg made a motion to adopt Resolution Number 84-2019; seconded by Councilmember Ortiz. The motion passed unanimously by voice vote, 5-0.

**10. STAFF REPORTS**

**a. DISCUSSION OF AFFORDABLE HOUSING FUND PROGRAMS**

CDD Gardiner stated that in 2017, the City Council adopted commercial linkage fees for all new commercial developments, and earlier this year, the Council adopted residential linkage fees for new residential development. He explained that over time, these fees will provide a dedicated source of funding for programs supporting workforce housing in Burlingame.

CDD Gardiner stated that the Council has discussed a number of options for how to use the fees to support workforce housing. He noted that the City has yet to collect any fees. However, there are many projects in the works, including a mixed used office development, Topgolf, and a new hotel that will generate fees for the City. He explained that it is estimated that the City will collect between \$3.5 and \$4.3 million from these

projects in linkage fees. He added that the residential impact fees are harder to predict as the developer has the choice of either paying the fee or building affordable units in lieu of paying the fee.

CDD Gardiner stated that the City hired Bill Lowell, a consultant, who has worked with the County of San Mateo Department of Housing and the Home for All initiative, to help the Council determine how best to utilize the collected fees. He explained that attached to the staff report is a memo from Mr. Lowell providing an overview of the potential housing fund policies and programs, including information on the approaches of other jurisdictions.

Mr. Lowell explained that he focused on what types of policies other municipalities have adopted for their affordable housing funds and what processes were enacted to carry out their policies. He stated that 16 cities in the county currently have ordinances that provide mechanisms for generating affordable housing funds. The mechanisms include in-lieu fees, dedicated hotel occupancy taxes, and impact fees. He noted that in reviewing the different cities' policies, most included a brief description of examples of potential uses but no direction for eligibility or prioritization of uses.

Mr. Lowell stated that he spoke with HEART Executive Director Armando Sanchez and 21 Elements representative Josh Abrams to get their opinions on how the City should proceed. He explained that both cautioned against adoption of overly specific policies and instead encouraged the City to adopt "guiding principles" with a list of eligible uses. He stated that this was because opportunities change quickly, community needs evolve, and the market conditions change. Therefore, the City needs to be able to adapt.

Mr. Lowell discussed Redwood City's recently adopted policy regarding the allocation of affordable housing funds. He stated that Redwood City adopted four guiding principles and priorities:

1. New affordable construction including site acquisition
2. Acquisition with or without rehabilitation of existing multi-family housing, which would become deed restricted
3. Money can be used for rehabilitation for existing deed restricted housing in the city
4. Need to refinance an existing deed restricting property where the deed is expiring.

Mr. Lowell discussed the need to develop a process for the distribution of the funds. He noted that this could be done in a variety of ways:

1. Notice of Funding Availability ("NOFA") – This is used when a significant amount of funding is available for well-defined projects. He noted that this process is time consuming and has a fixed time schedule. He gave the example of the County's Department of Housing that issues a NOFA once a year for developers of large affordable multi-family projects. He added that the County recently issued a new NOFA for \$27 million.
2. RFP Process – He explained that this process is best for services and small projects. He noted that the relative informality of the RFP enables the City and the applicant to develop the service or project together.
3. Over-the-Counter Process – He explained that this option provides the most flexibility. Applications can be received at any time and, within guidelines and eligibility criteria, for any type of proposed use. He stated that appropriate City oversight can be protected by setting financial limits on the size

of programs that can be approved by the Department Head/City Manager versus items that require Council approval.

Mr. Lowell stated that attached to his memorandum are three documents:

1. Attachment A: Potential Priority Goals/Strategies
2. Attachment B: Homelessness Prevention Programs
3. Attachment C: Use of NOFA Process

Mr. Lowell discussed the City's in-lieu option and stated that with this option, Council is addressing the City's need for moderate income units. Therefore, the affordable housing funds could be used to address low-income and very low-income housing. He noted that the Council should also consider whether the funds could be leveraged for a larger project.

Mr. Lowell discussed several sources of funding that are available to developers of affordable housing projects. He stated that it is important to recognize that the City's funds could be just a piece of the puzzle for a project. He explained how the City could limit its contribution to a project on a per unit basis. He noted that the County had previously limited its contribution to \$50,000 per unit and now contributes up to \$100,000 per unit.

Mr. Lowell explained that based on discussions with staff, he included Attachment B, which addresses funding for homelessness prevention programs. He stated that the San Mateo County Human Services Agency ("HSA") contracts with Samaritan to serve as the "front door" for residents needing assistance. He explained that emergency financial assistance, commonly known as "homelessness prevention," can provide payments for rent, utilities, and other items that prevent a household from losing their home. He stated that the logic for providing the assistance is that keeping a family housed prevents the onset of a tremendous number of other costly and debilitating problems. He noted that Samaritan works with each family to help the individuals review available assistance to prevent further need.

Mr. Lowell stated that Samaritan will provide financial and statistical data to the City in order to help the City understand the scope of the issues and the funding requirements. He noted that the initial approximate estimate of the average cost of assistance during a single episode is \$1,700. However, he explained that there is a feeling that this is moving quickly to the \$2,000 to \$3,000 range given rising costs.

Councilmember Keighran discussed the homelessness prevention program and asked how it worked and whether assistance could be given two months in a row. Mr. Lowell stated that Samaritan will review the family's financials and help them create a plan. He added that Samaritan's emergency assistance isn't for monthly assistance but rather is a short-term cure.

Councilmember Keighran asked if Samaritan would work with the City and if the landlord is brought into the emergency assistance discussions. Mr. Lowell stated that the City could provide additional funding to Samaritan for usage in Burlingame. He explained that Samaritan would make the rental payment directly to the landlord.

Mayor Colson asked if Samaritan is part of the City's annual Community Service Funding. City Manager Goldman replied in the affirmative.

Councilmember Ortiz voiced his opinion that affordable housing funds should be utilized on creating new units and reaching lower income levels. Mr. Lowell replied that prioritizing new affordable housing construction is critical.

Councilmember Ortiz asked if the City utilized affordable housing funds to rehabilitate units and impose deed restrictions, would these units then count towards the City's RHNA numbers. CDD Gardiner explained that he would need to review this as RHNA is usually based on new construction.

Vice Mayor Beach noted that Mr. Lowell's memorandum states that: "research leads to the conclusion that funding homelessness prevention is the most effective and underfunded area related to affordable housing preservation." She discussed the importance of an emergency assistance program and how it helps to prevent an even larger problem. She explained that an additional benefit of Samaritan is that because it is an established program with a proven record, the City wouldn't need to create its own system.

Vice Mayor Beach stated that she believed it was important to also consider preserving existing housing stock. She asked if she was correct that dollar for dollar, whether the City purchases the units or a nonprofit purchases them, you have to purchase the whole thing. Therefore, you might not get as much bang for the buck. Mr. Lowell replied in the affirmative. He explained that if there was \$4 million available and the City put in \$100,000 per unit, that is 40 new units. However, if the City has to purchase those units at \$400,000 each, it is only 10 new units. He noted that in this sense it is the most expensive solution as there is no Federal or County fund to help with this.

Vice Mayor Beach discussed the importance of providing below market rate housing as it helps to keep the local critical workforce including teachers, home healthcare aids, and retail workers. She asked if below market rate units are built with tax credits, is the City able to establish a preference for certain critical workforces. Mr. Lowell stated that this is tricky. He explained that under State and Federal law, preferences can't have unintended discriminatory effects. He stated that the City could establish a preference for individuals that live and work in Burlingame. However, if the City began to narrow this preference, for example to individuals that live in a particular neighborhood, the preference could be seen to disadvantage a protected class of people.

Vice Mayor Beach asked if the project had Federal tax credits, could the City's preference be for those that live and work in Burlingame. Mr. Lowell replied in the affirmative and added that it is a preference and not a requirement.

City Attorney Kane explained that the City needs to be careful that it doesn't inadvertently discriminate against a class of people when creating preferences. She noted that there is a lack of case law on this matter.

Councilmember Brownrigg stated that he didn't believe the Council would be able to come to decisions on what the principles and processes should be for the City. He discussed the expected \$4 million that the City

would soon be receiving in commercial linkage fees. He suggested that the Council hold a meeting to determine how best to allocate the \$4 million.

Councilmember Brownrigg stated that he wanted the City to invest the funds in programs that are likely to result in a return/ “recycling” of the funds. He gave the example of a first-time homebuyer’s program. He suggested a first-time homebuyer’s program for teachers.

Councilmember Ortiz asked if an opportunity comes about and the City has not yet received the predicted commercial linkage fee funds, is there a way that the City can borrow funds based on the expected fees. Finance Director Augustine stated that the City would need to establish a policy first.

Councilmember Keighran stated that she thought it was important for the Council to discuss what the City’s short-term and long-term goals are for the affordable housing fund prior to allocating funds. She explained that she agreed with Councilmember Brownrigg that it was important to consider a first-time homebuyer’s program as a way to retain teachers. She noted that it was also important for the City to retain healthcare providers, especially because of the large senior citizen population in the county.

Councilmember Brownrigg concurred with Councilmember Keighran. He stated that he wanted the Council to discuss the \$4 million in terms of percentages. He gave the example of allocating 25% to homelessness prevention.

Mayor Colson stated that HEART has a recycling loan program. She explained that the City would lend HEART funds to bridge the gap in an affordable housing project, and later the funds would be returned to the City.

Mr. Lowell stated that rehabilitation programs and new construction funding are both structured as loans. Therefore, he explained to Councilmember Brownrigg’s point there would be a “recycling” of funds.

Mayor Colson stated that she agreed with Mr. Lowell’s suggestion that the City should create guiding principles. She added that PCE is undertaking a similar project to Samaritan to assist the public in paying for their utility bill.

Vice Mayor Beach asked about utilizing the funds for necessary safety improvements to existing multi-unit buildings in exchange for keeping the existing units at specified affordability levels. Mr. Lowell stated that he would need to get back to Council with more information.

Councilmember Ortiz asked that the Council schedule a discussion to review the commercial linkage fees and determine if they should be increased. CDD Gardiner explained that because many cities established commercial linkage fees a few years ago it has been discussed that the nexus study should be revisited. He noted that 21 Elements is gathering interest from municipalities in participating in an updated nexus study, and the City has expressed interest in joining that effort.

Vice Mayor Beach noted that nexus fee studies take time and asked if there was room within the current nexus study to increase fees. She agreed with Councilmember Ortiz that a discussion should be scheduled.

Mayor Colson asked that staff schedule a discussion on this topic in the fall. Mayor Colson then opened the item up for public comment.

Burlingame resident Lucy discussed her experience as a renter in Burlingame and asked the Council to enact renter protections.

Burlingame resident Cindy Cornell discussed the need for renter protections and asked for an emergency rent cap.

Burlingame resident Jack Easterbrook asked the Council to consider individuals that have disabilities and their need for affordable housing assistance.

Burlingame resident Tom Payne asked the Council to encourage developers to create in-lieu units instead of paying the fees.

Mayor Colson closed public comment.

Councilmember Brownrigg stated that when the City was debating residential impact fees, the Council set them high to encourage in-lieu units.

Vice Mayor Beach stated that she has heard that even \$3 or \$4 million can allow for a project to move forward, if land is available. Mr. Lowell replied in the affirmative.

Vice Mayor Beach stated that the City doesn't have to wait until there is \$25 million to undertake a project; it could utilize City funds as seed money for a project.

Mayor Colson discussed hotel occupancy taxes and how these taxes were being utilized to assist cities with creating affordable housing. She stated that this could be an option in the future for sea level rise and/or affordable housing. She stressed that it was important to continue to allow the thoughtful development of commercial building in the city as it provided for local jobs and was another revenue source for the City.

Mayor Colson asked if staff had been provided adequate direction. CDD Gardiner replied in the affirmative. He explained that staff would bring back to Council options for general policy decisions.

**b. UPDATE ON THE NEW COMMUNITY CENTER PROJECT**

Parks and Recreation Director Glomstad gave an update on the City's Community Center project.

Parks and Recreation Director Glomstad explained that in order to keep the cost under the requested \$50 million, certain items have been removed from the project including:

- Reduced extent of concrete seat walls
- Removed retaining wall and seat wall around Community Hall lawn
- Reduced concrete leaf imprint area (limited to Community Hall)
- Reduced extent of glazing
- Removed motorized operable windows
- Removed selected skylights
- Removed elevator #2
- Reduced furniture, fixtures, and equipment budget by reusing existing furniture and equipment where feasible

Parks and Recreation Director Glomstad explained that she had a list of alternatives and enhancements for the Council to consider that went beyond the \$50 million cap. She noted that some of these items could be added at a later date, but others the Council needed to decide on at the meeting.

Parks and Recreation Director Glomstad explained that the following is a list of items that staff recommends adding to the budget:

- Emergency generator - \$190,000
- Photovoltaic panel system (on building) - \$1,289,000
- Community Hall indoor/outdoor platform - \$67,000

The total cost of these additional elements is \$1,546,000.

Parks and Recreation Director Glomstad reviewed other enhancements that needed a Council decision:

- Green roof on Kids Town - \$160,000
- Sprung wood floor in Community Hall - \$120,000
- Additional seven parking spaces in the garage - \$470,000

The total cost for these items is \$750,000. She noted that the sprung wood floor is to assist with dance and exercise classes. She added that she needed direction from Council on these items tonight as staff can't add these items later when the project is underway or finished.

Parks and Recreation Director Glomstad reviewed enhancements that could be added at a later date:

- Operable partition – enrichment classroom - \$51,000
- Community Hall indoor/outdoor platform - \$67,000
- Site lighting upgrades - \$80,000
- Building lighting upgrades - \$130,000
- Building finishes upgrades - \$330,000
- Furniture, fixtures, and equipment - \$620,000

The total cost for these items is \$1,630,000.

Mayor Colson discussed cost-cutting decisions that the committee has made for the Community Center. One example was that instead of having different paint colors for the boys and girls bathrooms, there will only be one color. She explained how this will save time, money, and storage.

Councilmember Ortiz asked if the City needed the seven additional parking spaces. Parks and Recreation Director Glomstad stated that without the seven spaces, the Community Center still meets the required number of parking spaces.

Councilmember Keighran asked if the number of spaces is more than the requirement. Parks and Recreation Director Glomstad replied that the current plan meets the required amount.

Councilmember Keighran asked how many spaces are in the plan. Parks and Recreation Director Glomstad replied that there are 84 spaces.

Vice Mayor Beach asked about the reduced size of the emergency generator and what the City is compromising by reducing the size. Parks and Recreation Director Glomstad stated that the included generator would power the bottom floor of the Community Center, including the hall and kitchen. She noted that the Community Center isn't certified by the Red Cross to be a shelter. She explained that BHS has the certification, and that the Community Center would act as an evacuation center.

Vice Mayor Beach asked about additional cost-saving measures. She noted that with staff's recommended items, the total cost would be \$52 million. She asked if there is anything else that the City can do to get closer to the \$50 million target. Parks and Recreation Director Glomstad stated Council could decrease the square footage of the Community Center, but that this would cause delays and require new plans. She noted that another way to reduce the cost would be to look at the types of materials being used on the building and add the photovoltaic at a later date.

Councilmember Brownrigg stated that the photovoltaic panels were a must. He added that he believed that the panels could be financed off balance sheet and therefore wasn't concerned about the cost.

Councilmember Brownrigg voiced his support for the sprung wood floors and the indoor/outdoor platform. Additionally, he stated that he wasn't in support of adding the seven parking spaces to the project.

Councilmember Brownrigg noted that SBWMA recently borrowed \$50 million and had estimated that their annual debt payment would be \$4.1 million. However, because interest rates have dropped, they will only have to pay \$3.6 million a year. He explained that if the City had borrowed money a month ago, they would have gotten \$57 million. He stated that the City should get the funds and lock in the interest rate.

Parks and Recreation Director Glomstad stated that the project's finances include a 10% contingency fee and an escalation of 8.75%. She noted that staff has noticed that bids are coming in under bid, and therefore the City might see some cost savings that can be applied to other enhancements.

Mayor Colson noted that the City has factored in almost \$7 million in contingencies and escalations. She explained that these aren't hard costs and can fluctuate. She stated that the hard cost for this building is closer to \$40 million. She explained that if the City is going to have new apartments without back yards, it is critical to have a Community Center that can provide green space for the public.



Mayor Colson pointed out that the City is kicking off a Capital Campaign to work on fundraising for the Community Center. She stated that Sari McConnell will chair the campaign to help raise \$2.5 million in the next few years. She explained that this will help fund the enhancements.

Mayor Colson voiced support for the photovoltaics, indoor/outdoor platform, emergency generator, and sprung wood floor. She agreed with Councilmember Brownrigg that the seven parking spaces shouldn't be added to the project.

Mayor Colson asked if the roof on Kids Town could be built as to allow a green roof to be installed at a later date. Group 4 Architecture representative Dawn Merkes noted that there is a lot of structural detailing that is necessary to build the green roof. However, she explained that if it was the Council's decision to have the green roof as an optional item, she could do that.

Council agreed to this approach.

Councilmember Keighran and Councilmember Ortiz voiced support for the emergency generator, photovoltaics, indoor/outdoor platform, and the sprung wood floors.

Vice Mayor Beach voiced support for the staff recommended items only consisting of the emergency generator, photovoltaics, and the indoor/outdoor platform.

Mayor Colson opened the item up for public comment.

Councilmember Brownrigg made a motion to approve the emergency generator, photovoltaic, indoor/outdoor platform, and sprung wood floors; look into adding a green roof to Kids Town in the future; and not include the seven additional parking spaces to the project; seconded by Councilmember Ortiz. The motion passed unanimously by voice vote, 5-0.

Mayor Colson asked if the bid estimates were based on prevailing wage. Ms. Merkes replied in the affirmative.

**c. ADOPTION OF AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT FOR LOTS F AND N**

City Attorney Kane gave a brief background of the item. She explained that in recognizing that the City needed more affordable housing and a better parking solution in the downtown area, the Council requested proposals for the development of Lots F and N. She stated that after careful consideration, the Council selected Pacific West Communities, Inc. ("Pacific") to develop affordable housing on Lot F and an above grade parking structure on Lot N. She noted that in 2016, the City negotiated a disposition and development agreement ("DDA") with Pacific.

City Attorney Kane explained that the DDA was inked prior to a lot of the project details being fleshed out and before Council made key determinations on the project. Since entering into the DDA, the Council has

reviewed various aspects of the project and given direction on key items, including making the determination that Lot F should be sold to the developer, with a possibility of repurchasing the land at the end of the affordability covenant. She stated that in order to secure bond financing – the application for which is due August 16 – the developer needs to show that Lot F will be transferred by a grant deed.

City Attorney Kane noted that she would be coming back to Council in the fall to clean up the original language in the DDA so that it reflected Council's direction. However, the amendment before the Council was brought separately in order to meet specified deadlines.

Pacific representative Caleb Roope explained that the company is making progress in obtaining affordable housing financing resources. Pacific was able to secure a \$5 million award of funding from Cal HFA. He stated that the \$5 million award was part of Cal HFA's new mixed income program that helps finance non-tax credit units. He explained that in order to obtain these funds, Pacific Companies had to take immediate action to get tax exempt bonds.

Mr. Roope explained that they are on a schedule to start construction of the parking garage in September.

Mayor Colson asked that when the DDA is brought back in the fall, it contain an example of how repurchasing works under different circumstances. City Attorney Kane replied in the affirmative. She stated that this is a market rate transaction, and the City gets paid out last. Accordingly, the City issues a promissory note to the developer that eventually gets repaid. If at the end of the affordable housing covenant, the payment process hasn't concluded, the City can repurchase Lot F by forgiving the unpaid amount. If the payment process has concluded, then the City would have the chance to repurchase the lot based on the use of the land as an affordable housing development.

Councilmember Brownrigg asked about the timetable for Lots F and N. Mr. Roope stated that they are moving forward on plans for both the units and the parking structure. He noted that they will begin with the parking garage so that when they break ground on the multi-unit development on Lot F, the garage is near completion. He stated that the multi-unit development will most likely break ground in March/April 2020. He noted that it would be a 30 month build for the affordable housing units.

Councilmember Brownrigg asked that a short message be created for the public that outlines the reasons that construction hasn't started yet including environmental cleanup, weather, and financing. City Attorney Kane replied in the affirmative.

Mayor Colson opened the item up for public comment. No one spoke.

Councilmember Ortiz made a motion to adopt Resolution Number 85-2019; seconded by Councilmember Keighran.

Vice Mayor Beach stated that this is a critically important project for the City. She explained that the DDA reflects the majority will of the Council. However, she voiced disagreement with some of the business terms in the agreement.

The motion passed unanimously by voice vote, 5-0.

**11. COUNCIL COMMITTEE AND ACTIVITIES REPORTS AND ANNOUNCEMENTS**

**a. MAYOR COLSON'S COMMITTEE REPORT**

**b. VICE MAYOR BEACH'S COMMITTEE REPORT**

**12. FUTURE AGENDA ITEMS**

Councilmember Ortiz asked that the Council revisit commercial impact fees. Council agreed to have this discussion agendaized.

**13. ACKNOWLEDGEMENTS**

The agendas, packets, and meeting minutes for the Planning Commission, Traffic, Safety & Parking Commission, Beautification Commission, Parks and Recreation Commission, and Library Board of Trustees are available online at [www.burlingame.org](http://www.burlingame.org).

**14. ADJOURNMENT**

Mayor Colson adjourned the meeting at 10:49 p.m.

Respectfully submitted,

Meaghan Hassel-Shearer  
City Clerk