CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, April 19, 2021 **6:00 PM**

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Kevin Blake, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

Absent: 0

B. CLOSED SESSION

Mayor SERRATTO called the Closed Session to order at 5:02 PM.

Clerk's Note: Council Members BOYLE and ECHEVARRIA arrived at 5:04 PM.

B.1. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code section 54956.9, Name of Case: City of Merced, City of Los Banos, and City of Atwater, Petitioners, vs. Merced County Association of Governments, Respondents

B.2. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION; Matthew Williams v. City of Merced; Workers Compensation Claim Number 17671896; AUTHORITY: Government Code Section 54956.9(d)(1)

B.3. **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Stephanie Dietz; Employee Organizations: International Association of Fire Fighters, Local 1479 and Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6

B.4. **SUBJECT:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Property: Surface Water Purchase, Merced, CA; Agency Negotiator: Stephanie Dietz, City Manager, City of Merced; Negotiating Parties: Merced Irrigation District and City of Merced and; Under Negotiation: Price and Terms of Payment

Clerk's Note: Council adjourned from Closed Session at 5:57 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:01 PM

C.1. Invocation - Pastor Al Schaap, Gateway Community Church

The invocation was delivered by Pastor Al SCHAAP from Gateway Community Church.

C.2. Pledge of Allegiance to the Flag

Council Member ECHEVARRIA led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Kevin Blake, Council Member Fernando Echevarria, Council Member Delray Shelton, Council Member Bertha Perez, Council Member Jesse Ornelas, and Council Member Sarah Boyle

Absent: 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of $400.00 by Charter for sitting as the City Council; and the Mayor receives an additional $100.00 each month as a part of the adopted budget and Resolution 2020-86. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

Mayor SERRATTO stated there was no report but that Council would return to Closed Session at the end of the Regular Meeting.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** Proclamation - Arbor Day

Council Member BOYLE presented the Arbor Day Proclamation to Public Works Manager Juan OLMOS and Tree Trimmer Saul LOPEZ.

G. SPECIAL PRESENTATIONS

G.1. Sheng Xiong, Leadership Council for Justice and Accountability - Presentation on Inclusionary Zoning

Sheng XIONG from Leadership Council for Justice and Accountability gave a slideshow presentation on Inclusionary Zoning to the City Council.

G.2. Loren Gonella, Gonella Real Estate - Update on the Current Real Estate Market in Merced

Loren GONELLA from Gonella Real Estate gave a slideshow presentation to Council on the current real estate market in Merced.

Council and Mr. GONELLA briefly discussed the market trends and ways to help keep the local housing market affordable.

H. WRITTEN PETITIONS AND COMMUNICATIONS

Clerk's Note: Emails were received for the following agenda items and were forwarded to the City Council prior to the meeting.

Oral Communications - Dennis EVANS.

Item K.2 - Kelly VANG, Jessica TROUNSTINE, Timothy ROBERTSON, Jazmin MORENO, Valeria MENA, Vanessa MALDONADO, James JARDIN, Brendan HARRISON, Lee GREENAWALT, Tonya GOLASH-BOSA, Rebecca BAUTISTA, Robin DELUGAN, Jaylene CRUZ, Dean CAIVANO, Lauren ARNEST, Bud WALLACE, John PRICE, Jacob MORGNER, Robert DYLINA, Tiffanie MARSHALL, Doug FLUETSCH, Tom CLENDENIN, and John BECKMAN.

I. ORAL COMMUNICATIONS

Clerk's Note: The following comments were provided via voicemail.

Mary MICHAEL-RAWLING, Merced Association of Governments - commented on the availability of the Measure V reports available to the public.

Dennis EVANS, Merced - spoke about green infrastructure for Merced.

Josh PEDROZO, Merced County Supervisor for District 2 - spoke about an upcoming town hall meeting he is hosting.

J. CONSENT CALENDAR

Approval of the Consent Agenda

A motion was made by Mayor Pro Tempore Blake, seconded by Council Member Boyle, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

J.1.

SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

J.2.

SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of April 5, 2021

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of April 5, 2021.

This Consent Item was approved.

J.3.

SUBJECT: Adoption of a Resolution to Accept the Grant Award of $147,201 From the California Department of Justice California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Proposition 56 Grant for the Police Department to Conduct Shoulder Tap Enforcement Operations, Minor Decoy Enforcement Operations, Underage Enforcement Operations, Retail License Inspections, and Educational Presentations on Overtime Status

REPORT IN BRIEF

Considers accepting grant funding from the California Department of Justice (CADOJ) offered to the Merced Police Department in the amount of $147,201 from the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Proposition 56 Grant to conduct

shoulder tap enforcement operations, minor decoy enforcement operations, underage enforcement operations, retail license inspections, and educational presentations on overtime status.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2021-24**, A Resolution of the City Council of the City of Merced, California, to accept the grant funds in the amount of $147,201 from the State of California Department of Justice, Office of Attorney General, Tobacco Law Enforcement Grant Program and approving the Memorandum of Understanding; and,

B. Authorizing the Police Department and the City Manager to execute the necessary documents.

This Consent Item was approved.

J.4.

SUBJECT: Acceptance of the Petition, Consent and Waiver from Gateway Park Development Partners, LLC, and Ginder Real Estate Corporation for Annexation and Adoption of Resolution of Intent Regarding Annexation No. 15 into Community Facilities District (CFD) No. 2003-2 (Services) for the Merced Gateway Shopping Center and Setting a Public Hearing for June 7, 2021

REPORT IN BRIEF

Requests the City Council to adopt a Resolution of intent to annex the Merced Gateway Marketplace Shopping Center into Community Facilities District (CFD) No. 2003-2; and set a Public Hearing for June 7, 2021.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2021-27**, a Resolution of Intention of the City Council of the City of Merced, acting as the Legislative Body of the City of Merced Community Facilities District No. 2003-2 (Services), declaring its intention to annex area to said district and authorize the levy of a special tax within said annexation; and,

B. Setting the Public Hearing for June 7, 2021; and,

C. Accepting the Petition, Consent and Waiver from Gateway Park Development Partners, LLC, and Ginder Real Estate Corporation.

This Consent Item was approved.

J.5.

SUBJECT: Award of Bid and Approval of Construction Contract with TBS Contractors, in the Amount of $962,459.37 for a Measure V, SB1-LPP, LTF and Sewer Enterprise Funded Project for N Street Improvements from 16th Street to 18th Street, Project No. 120060

REPORT IN BRIEF

Considers awarding a construction contract in the amount of $962,459.37 funded by Measure V, SB1-LPP, LTF and Sewer Enterprise for City Project No. 120060 - N Street Improvements from 16th Street to 18th Street.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the N Street Improvements from 16th Street to 18th Street, Project No.120060, to TBS Contractors, in the amount of $962,459.37; and,

B. Authorizing the City Manager or designee to execute the necessary documents and to approve change orders not to exceed 10% of the total contract.

This Consent Item was approved.

J.6.

SUBJECT: Approval of Allocation and Funding of Fiscal Year 2020-21 Community Development Block Grant and HOME Investment Partnership Program Subrecipient Agreements with Merced Rescue Mission for the “Hope for Families Project” Program ($325,000) and Sierra Saving Grace Homeless Project for the “Supportive Housing Project” Program ($434,772)

REPORT IN BRIEF

Authorizes allocation of 2020 U.S. Department of Housing and Urban Development (HUD) grant funding and execution of related Subrecipient Agreements with Merced Rescue Mission in the total amount of $325,000 and Sierra Saving Grace Homeless Project in the total amount of $434,772.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving agreements for programs previously identified and approved in the 2020 HUD Annual Action Plan using Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds for the 2020-21 Fiscal Year, as follows:

1. An agreement with Merced Rescue Mission for the "Hope for Families Project" Program in the total amount of $325,000 of 2020 CDBG funds (Account 018-1301-552-29.00/Supplies and Services); and,

2. An agreement with Sierra Saving Grace Homeless Project for the "Supportive Housing Project" Program in the total amount of $434,772 of 2020 CDBG and HOME funds ($350,000 CDBG: Account 018-1301-552-29.00/Supplies and Services; and, $84,772 HOME: Account 033-1349-552-29.00/Supplies and Services).

B. Authorizing the City Manager or designee to execute and, if necessary, make minor modifications to the agreements described above as attached to this report and all associated documents necessary to carry out these programs; and,

C. Authorizing the Finance Officer to make necessary budget adjustments.

This Consent Item was approved.

J.7.

SUBJECT: Adoption of Resolution Authorizing the Delegation of Authority to Allow, Compromise, Reject or Settle Claims Against or on Behalf of the City of Merced and Authorizing the City Manager to Settle Workers' Compensation Claims and General Liability Claims of $50,000.00 or Less Per Claim on Behalf of the City of Merced

REPORT IN BRIEF

Considers adopting a resolution authorizing the City Manager to settle Workers' Compensation claims and general liability claims of $50,000.00 or less per claim, authorizing the delegation of authority to allow, compromise, reject or settle claims against or on behalf of the City of Merced.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2021-28**, a Resolution of the City of the City Council of Merced, California, authorizing the City Manager to settle workers' compensation claims and general liability claims of $50,000.00 or less, authorizing the delegation of authority to allow, compromise, reject or settle claims against or on behalf of the City of Merced; and,

B. Authorizing the City Manager or designee to sign the necessary documents.

This Consent Item was approved.

J.8.

SUBJECT: Acceptance of Grant Award up to a Maximum of $885,546 From the Board of State and Community Corrections (BSCC) and the Proposition 64 Public Health & Safety Grant Program Cohort 2 for the Three-Year Pilot Program, in Partnership with Merced County Probation and Behavior Health and Recovery Services Departments, to Provide Prevention and Early Intervention Services to the Youth

REPORT IN BRIEF

Considers accepting grant funding up to a maximum of $885,546 from the Board of State and Community Corrections (BSCC) and the Proposition 64 Public Health & Safety Grant Program Cohort 2 for the three-year pilot program, in partnership with Merced County Probation and Behavior Health and Recovery Services Departments, to provide prevention and early intervention services to the youth identified through middle schools and high schools by an Early Intervention Deputy Probation Officer or School Resource Officer.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting grant funds up to a maximum of $885,546 from the Board of State and Community Corrections (BSCC) and the Proposition 64 Public Health & Safety Grant Program Cohort 2; and,

B. Authorizing the City Manager or designee to execute the contract/standard agreement, including any amendments, and other necessary documents pertaining to the life of the grant.

This Consent Item was approved.

K. REPORTS

K.1.

SUBJECT: Housing Successor Agency Annual Compliance Report for Fiscal Year 2019-20 Pursuant to Health and Safety Code Section 34176.1(f) Including, but not Limited to, Housing Asset Fund Activities, Compliance with Expenditure and Surplus Limits, Real Property Assets and Loans Receivable

REPORT IN BRIEF

Annual Report summarizing Housing Successor activity for the City of Merced ("City") in Fiscal Year ("FY") 2019-20 per Senate Bill ("SB") 341, which requires the City to prepare an annual report on the City's compliance with Housing Successor requirements imposed by Health and Safety Code ("HSC") Section 34176.1(f).

RECOMMENDATION

City Council - Receive and file the Housing Successor Agency Annual Report for Fiscal Year 2019-20.

Development Services Director Scott MCBRIDE gave a slideshow presentation on the Housing Successor Agency Annual Compliance Report for Fiscal Year 2019-20.

A motion was made by Mayor Pro Tempore Blake, seconded by Council Member Ornelas, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

K.2.

SUBJECT: Report on Affordable Housing Tools Including Possible Direction on an Inclusionary Zoning Ordinance and Other Potential Options

REPORT IN BRIEF

Report on Affordable Housing Tools including possible direction on an Inclusionary Zoning Ordinance and other potential options.

RECOMMENDATION

City Council - Adopt a motion:

A. Receiving the report on Affordable Housing Tools; and,

B. Providing direction on pursing an Inclusionary Zoning Ordinance or other potential Housing supportive options options.

Development Services Director Scott MCBRIDE gave a slideshow presentation on affordable housing tools, housing policies, possible direction on an Inclusionary Zoning Ordinance, and other potential options to increase affordable housing in Merced.

Clerk's Note: The following comments were provided via voicemail.

Elaine, Merced resident - spoke in favor of an Inclusionary Zoning Ordinance.

Florence PROSSEN, Merced resident - spoke in favor of Inclusionary Zoning.

Cynthia WILSON, Madera - spoke in favor of Inclusionary Zoning.

Francisco RIOS, Merced resident - spoke in favor of Inclusionary Zoning.

Merced resident - spoke in support of Inclusionary Zoning.

Sandra HAY - spoke in favor building more affordable housing.

Nailah HUBBARD, Merced resident - spoke on the need for affordable housing in Merced.

Mailea CHAMBERS, Merced resident - spoke on the need for affordable housing for families in Merced.

David CHAMBERS, Merced resident - spoke in support of an Inclusionary Zoning Ordinance.

Guadalupe GONZALEZ, Merced resident - spoke on affordable housing availability in Merced.

Sarah, Merced resident - spoke in support of affordable housing measures and Inclusionary Zoning in Merced.

Paula HARRIS, Merced resident - spoke in support of Inclusionary Zoning.

Noel ANDERSON - spoke in support of building more affordable housing in Merced.

Dr. Eric EKIZIAN - spoke in support of affordable housing but spoke against Inclusionary Zoning.

Tiffany MARSHALL, Stonefield Homes - stated concern that Inclusionary Zoning may affect the developments in the area due to the subsidy required by the builder to create affordable units.

Emilia JOHNSON, Merced resident - encouraged adoption of an Inclusionary Zoning policy.

Robert LABARD - spoke on mini homes for the homeless individuals in Merced.

Bruce METCALF - spoke on the need for land for projects to house the homeless.

Graham LARUE, Merced resident - spoke in support of Inclusionary Zoning.

Sharie LOVELACE, Merced resident - spoke in support of Inclusionary Zoning in Merced.

Erica GONZALEZ - spoke in support of Inclusionary Zoning.

Will KELLY, Merced resident - spoke in favor of an Inclusionary Zoning policy.

Senda CHANG, Merced resident - spoke in support of Inclusionary Zoning to create more affordable housing.

Gloria SANDOVAL, Merced resident - recommended Inclusionary Zoning to achieve more affordable housing units.

Jeremy MUMFORD, Merced resident - spoke on the need for more affordable housing in Merced.

Veronica JONES-WELSH, Merced resident - spoke on the need for more affordable housing in Merced.

Eugene VANG, Merced County resident - spoke in favor of affordable housing and human rights.

Maisha REED, Merced resident - spoke in support of options to increase affordable housing and economic diversity.

Maria SMITH, Merced resident - spoke in favor of policies that will increase affordable housing.

Rebecca PERRY-BAUTISTA - spoke in support of Inclusionary Zoning.

Wanda LACKS, Merced resident - spoke in favor of Inclusionary Zoning to increase affordable housing stock.

Brianna MILLAR, Merced resident - spoke in support of affordable housing policies.

Sara YOUNG, Merced resident - stated support for Inclusionary Zoning.

Johanas KIFLE, Merced resident - expressed support for exploration of Inclusionary Zoning for Merced.

Kaitlyn BISHOP, Merced resident - stated support for the exploration of an Inclusionary Zoning policy.

Ritu, Merced resident - spoke in favor of Inclusionary Zoning.

Anna QUINTANA-CEJAS, Merced resident - spoke on affordable housing for all.

Elise - spoke in support of Inclusionary Zoning in Merced.

Brenda GUTTIEREZ, Merced resident - spoke in support of Inclusionary Zoning.

Sheng XIONG, Merced resident - spoke on the high cost of housing and spoke in support of Inclusionary Zoning.

Corinthia HURLEY, Merced resident - spoke in support of Inclusionary Zoning.

Beatrice HERNANDEZ, Merced resident- expressed concern with the lack of affordable housing.

Carol HOLMES, Merced resident - spoke in support of an Inclusionary Zoning policy in Merced.

Christopher SMITH, Merced resident - spoke in support of policies for more affordable housing.

Aaron HILL - spoke in opposition of Inclusionary Zoning due to possible negative affects to the housing market.

Sylvia ALLEMAN - spoke on the need for more affordable housing in Merced.

Council and Mr. MCBRIDE discussed Inclusionary Zoning policies in other jurisdictions, different mechanisms to facilitate housing for low income families and individuals, potential fees to developers to facilitate affordable housing, the recommended affordable housing unit numbers for Merced, a potential housing consortium, abandoned housing developments, other local municipalities that have Inclusionary Zoning, the administration of affordable housing policies, the possibility of losing developers, building affordable housing by design, and a potential market study.

Council requested staff bring back several options related to affordable housing to the second meeting in August including what Inclusionary Zoning could look like for Merced, the first time home buyer program, zoning regulations, potential discounted impact fees, and help for low income renters.

Council Member BLAKE stated his opposition to Inclusionary Zoning.

A motion was made by Council Member Ornelas, seconded by Council Member Echevarria, that this agenda item be approved with staff returning to the second meeting in August with updates. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 1 - Mayor Pro Tempore Blake

Absent: 0

L. BUSINESS

L.1.

SUBJECT: Provide an Update on the City of Merced's Current Gift Card Program Administered Through Giftbar, LLC., and Request Direction on Options to Achieve Full Program Utilization

REPORT IN BRIEF

Provides the City Council with an update on the progress of the current Gift Card program and requests direction on options to achieve full program utilization.

RECOMMENDATION

City Council - Adopt a motion provide staff direction on modification to the existing Gift Card program and direct staff to return to the City Council with a contract amendment reflecting the direction provided.

City Manager Stephanie DIETZ briefly reported on the Gift Bar program previously implemented by the Council, the current funding still left in the program, and a proposed way to finish the distribution of the remaining funding.

Council and Ms. DIETZ discussed the proposed program and decided to implement the program in ten dollar increments with a one hundred dollar max.

A motion was made by Council Member Echevarria, seconded by Council Member Shelton, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0

L.2.

SUBJECT: Discussion on the Format of Future City Council Meetings During COVID-19

REPORT IN BRIEF

Discuss the format of City Council Meetings.

RECOMMENDATION

Provide staff direction on the format of future City Council Meetings.

Council discussed allowing the public back into Council meetings at the May 3, 2021 meeting.

A motion was made by Council Member Ornelas, seconded by Council Member Echevarria, to allow the public in a limited capacity at the next Council Meeting. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 1 - Council Member Shelton

Absent: 0

L.3.

SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

There were none.

L.4. **SUBJECT:** City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

Council Member ECHEVARRIA commented on attending a meeting with Fernando AGUILERA regarding homeless issues and expressed concern for street vendors.

Council Member ORNELAS encouraged the community to attend the semi pro soccer games in town.

Council Member BOYLE commented on a ribbon cutting for Haven Hair Salon in the Bear Creek Galleria.

Mayor SERRATTO commented on a Lao New Year event and an upcoming alley cleanup.

Clerk's Note: Council adjourned back into Closed Session at 10:31 PM.

M. ADJOURNMENT

Clerk's Note: Council adjourned from Closed Session and adjourned the Regular Meeting at 10:53 PM.

A motion was made by Council Member Ornelas, seconded by Mayor Serratto, to adjourn the meeting in honor of the passing of community volunteer Eric Hickman. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Blake, Council Member Echevarria, Council Member Shelton, Council Member Perez, Council Member Ornelas, and Council Member Boyle

No: 0

Absent: 0