

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -OCTOBER 06, 2020- -5:30 P.M.

Mayor Ezzy Ashcraft convened the meeting at 5:33 p.m.

Roll Call – Present: Councilmembers Daysog, Knox White, Oddie, Vella and Mayor Ezzy Ashcraft – 5. [Note: The meeting was held via WebEx.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(20-624) Conference with Real Property Negotiators (Pursuant to Government Code Section 54956.8); Property: Building 14, approximately 31,194 rentable square feet of building area, located at 1800 Ferry Point at Alameda Point; Persons Negotiating: Eric J. Levitt, City Manager; Lisa Maxwell, Assistant City Attorney; Debbie Potter, Community Development Director; and Nanette Mocanu, Assistant Community Development Director; Negotiating Parties: City of Alameda and Navigator Systems; Under Negotiation: Price and Terms.

(20-625) Public Employee Performance Evaluation (Pursuant to Government Code Section 54957); Positions Evaluated: City Manager – Eric Levitt

Following the Closed Session, the meeting was reconvened and the City Clerk announced that regarding Building 14, staff provided information and Council provided direction by the following roll call vote: Councilmembers Daysog: Aye; Knox White: Aye; Oddie: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye; Ayes: 5; regarding the Performance Evaluation Council conducted the City Manager performance evaluation pertaining to goals and objectives, with no vote taken.

Adjournment

There being no further business, Mayor Ezzy Ashcraft adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE SPECIAL JOINT MEETING OF THE CITY COUNCIL AND
SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT COMMISSION (SACIC)
TUESDAY- -OCTOBER 6, 2020- -6:59 P.M.

Mayor/Chair Ezzy Ashcraft convened the meeting at 7:13 p.m. and Councilmember/Commissioner Oddie led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers/Commissioners Daysog, Knox White, Oddie, Vella and Mayor/Chair Ezzy Ashcraft – 5. [Note: The meeting was held via Zoom.]

Absent: Councilmember/Commissioner Daysog.

CONSENT CALENDAR

Vice Mayor/Commissioner Knox White moved approval of the Consent Calendar.

Councilmember/Commissioner Oddie seconded the motion, which carried by the following roll call vote: Councilmembers/Commissioners Knox White: Aye; Oddie: Aye; Vella: Aye; and Mayor/Chair Ezzy Ashcraft: Aye. Ayes: 4. [Absent: Councilmember/Commissioner Daysog - 1.] [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*20-626 CC/20-025 SACIC) Minutes of the Special Joint City Council and SACIC Meeting Held on September 1, 2020. Approved.

(*20-627 CC/20-026 SACIC) Recommendation to Accept the Investment Report for the Quarter Ending June 30, 2020. Accepted.

ADJOURNMENT

There being no further business, Mayor/Chair Ezzy Ashcraft adjourned the meeting at 7:16 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, SACIC

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- - OCTOBER 6, 2020- -7:00 P.M.

Mayor Ezzy Ashcraft convened the meeting at 7:16 p.m.

ROLL CALL - Present: Councilmembers Daysog, Knox White, Oddie, Vella, and Mayor Ezzy Ashcraft – 5. [Note: The meeting was conducted via Zoom and Councilmember Daysog arrived at 7:23 p.m.]

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(20-628) Proclamation Declaring October 2020 as Lesbian, Gay, Bisexual, Transgender, Queer History Month.

(20-629) Proclamation Declaring the Dedication of Service to Art Kurrasch on the Alameda Housing Authority Board.

Mayor Ezzy Ashcraft read the proclamation and Mr. Kurrasch made brief comments.

(20-630) Proclamation Declaring October 6, 2020 as Debbie Potter Day.

Mayor Ezzy Ashcraft read the proclamation.

Councilmember Oddie presented a Resolution from Assemblymember Rob Bonta's office.

Councilmember Vella, Vice Mayor Knox White, Councilmember Daysog, and Mayor Ezzy Ashcraft made brief comments.

Debbie Potter, the City Manager, Sandi Potter, Camilo Vilaseca, and David Potter made brief comments.

ORAL COMMUNICATIONS, NON-AGENDA

(20-631) James Downey, Alameda, expressed concern about the encampments near the Posey Tube; ; urged an update be provided to Caltrans for cleanup; stated the lack of cleanliness is a public health emergency and environmental disaster; questioned the plan to clean the area.

(20-632) Ainye Long, Alameda, discussed ordinances related to smoking; stated the California State Assembly voted 58 to 1 to approve Senate Bill (SB) 793 banning menthol and flavored tobacco; discussed a referendum to stop SB 793 and misinformation being provided by signature gatherers.

CONSENT CALENDAR

Councilmember Oddie moved approval of the Consent Calendar.

Vice Mayor Knox White seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Knox White: Aye; Oddie: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*20-633) Minutes of the Special and Regular City Council Meetings Held on September 1, 2020. Approved.

(*20-634) Ratified bills in the amount of \$5,355,787.93

(*20-635) Recommendation to Authorize the City Manager, or Designee, to Execute an Exclusive Negotiation Agreement (ENA) with Brookfield Bay Area Holdings and Catellus to Develop the West Midway Project at Alameda Point. Accepted.

(*20-636) Recommendation to Authorize the City Manager, or Designee, to Negotiate and Execute an Agreement in the Amount of \$350,000 with Brookfield Bay Area Holdings LLC and/or Catellus Development Corporation to Advance Design and Development of Backbone Infrastructure for RESHAP (Rebuilding Supportive Housing at Alameda Point). Accepted.

(*20-637) Recommendation to Accept the Fiscal Year 2019-20 Annual Report for the City's Rent Program. Accepted.

(*20-638) Recommendation to Accept Proposed Changes to the Emergency Rent Relief Guidelines and Authorize the City Manager to Approve Future Changes to the Guidelines. Accepted.

(*20-639) Resolution No. 15698, "Amending the Capital Budget for Fiscal Year 2020-2021 Using the Fund Balance of the Construction Improvement Fund for Krusi Park Recreation Center Replacement in the Amount of \$135,000 for Project Management and Inspection". Adopted.

(*20-640) Resolution No. 15699, "Approving a Final Map and Authorizing Execution of a Subdivision Improvement Agreement for Tract 8524, Bay 37 as a Condition to Final Map Approval (Alameda Landing Waterfront Development)." Adopted.

(*20-641) Ordinance No. 3289, "Amending the Alameda Municipal Code by Adding a New Article XVIV (Third Party Food Delivery Services) of Chapter VI (Businesses, Occupations and Industries) Establishing a Temporary Limit on Charges Imposed by Third-Party Delivery Services During the Locally Declared State of Emergency Related to the COVID-19 Pandemic." Finally passed.

(*20-642) Ordinance No. 3290, "Amending the Alameda Municipal Code by Amending Various Provisions of Article VIII (Sunshine Ordinance) of Chapter II (Administration) Concerning Special Meetings, including the Setting and Noticing of Such and Other Meetings." Finally passed.

REGULAR AGENDA ITEMS

(20-643) Resolution No. 15700, "Appointing Ben Finkenbinder as a Member of the Golf Commission." Adopted;

(20-643A) Resolution No. 15701, "Reappointing Bachir Hadid as a Member of the Housing Authority Board of Commissioners." Adopted;

(20-643B) Resolution No. 15702, "Appointing Elizabeth Kuwada as a Member of the Housing Authority Board of Commissioners." Adopted;

(20-643C) Resolution No. 15703, "Reappointing Sandra Kay, as a Member of the Housing Authority Board of Commissioners." Adopted;

(20-643D) Resolution No. 15704, "Reappointing Kenji Tamaoki, as a Member of the Housing Authority Board of Commissioners." Adopted;

(20-643E) Resolution No. 15705, "Appointing Vadim Sidelnikov, as a Member of the Housing Authority Board of Commissioners." Adopted;

(20-643F) Resolution No. 15706, "Appointing Xiomara Cisneros as a Member of the Planning Board." Adopted; and

(20-643G) Resolution No. 15707, "Reappointing Ron Curtis as a Member of the Planning Board." Adopted.

Councilmember Vella moved adoption of the resolutions.

Councilmember Oddie seconded the motion.

Under discussion, Mayor Ezzy Ashcraft introduced the commissioners.

On the call for the question, the motion carried by the following roll call vote: Councilmembers Daysog: Aye; Knox White: Aye; Oddie: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 5.

The City Clerk administered the Oath of Office to Mr. Finkenbinder, Mr. Hadid, Ms. Kuwada, Ms. Kay, Mr. Tamaoki, Mr. Sidelnikov and Mr. Curtis.

(20-644) Recommendation to Appoint Kimi Sugioka as Alameda's Poet Laureate.

Mayor Ezzy Ashcraft introduced Ms. Sugioka and made brief comments.
The Poet Laureate read an inaugural poem.

Discussed her experience as Poet Laureate; stated poets are the artists, visionaries and heart of humanity and are needed; expressed support for continuing the Alameda Poet Laureate program and the new Poet Laureate: Cathy Dana, Alameda.

(20-645) Recommendation to Receive an Update on a Strategic Plan for Addressing Homelessness in Alameda.

The Community Development Analyst gave a PowerPoint presentation.

Councilmember Oddie inquired whether there are additional efforts in Alameda to participate in Project Roomkey; stated a hotel on Marina Village has been discussed.

The Community Development Analyst responded in the affirmative; stated Marina Village is still part of Project Roomkey; there has been an intent to purchase the property so that the County can turn it into permanent supportive housing after the pandemic; the County applied for funding to purchase the property, but the project was not approved; the County is still optimistic that funding is available to move forward with the property purchase.

Councilmember Oddie inquired what methods the City is providing to the unhoused related to air quality.

The Community Development Analyst responded the Day Center is now open; stated people have been using the Day Center as refuge from the smoke; the Day Center is also air conditioned and is used during heat waves; the City is looking to issue emergency hotel vouchers through funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and Homeless Emergency Aid Program (HEAP); the City has been in contact with Building Futures to discuss ensuring safe distancing at the warming shelter due to an influx of users as well as finding alternatives for overcrowding.

Councilmember Oddie stated homeless individuals have been identified in the Climate Action Resiliency Plan (CARP) as most vulnerable to climate emergencies; requested clarification about boundaries within the constraints of the 2018 Boise decision by the U.S. 9th Circuit Court of Appeals.

The Community Development Analyst stated the Boise decision constrains the City by providing options as an alternative place to live besides encampments or the streets; tiny cabin communities or temporary shelters options will be offered to people living in encampments and on the streets; the City can house up to 20 individuals using tiny or

community cabins; staff can present the unhoused population with available cabin units and document if anyone declines; staff will follow rules and laws related to encampment actions while working with both Alameda Police Department (APD) and the City Attorney's office.

Mayor Ezzy Ashcraft outlined HEAP initiatives; inquired the location and capacity for the street health program.

The Community Development Analyst responded street health is another County program; stated the program is a medical-based model; teams are working side-by-side with existing outreach teams in Alameda to show up and build trust to connect the unhoused population to primary care, mental health services, and dentistry services.

Mayor Ezzy Ashcraft inquired when the program was first brought to Alameda.

The Community Development Analyst responded three weeks ago; stated the program started at the Day Center.

Mayor Ezzy Ashcraft inquired whether the program has a regular schedule in the Center versus out in the field.

The Community Development Analyst responded staff has clarified the schedule; stated the program intent is to be out in the community mostly around encampments; program staff are working with Operation Dignity and are scheduling visits to encampments on a regular basis at least once a week.

Mayor Ezzy Ashcraft inquired whether the process to secure permanent housing takes longer than six months and whether the program follows the model of navigation centers.

The Community Development Analyst responded the program does follow the model of navigation center and community cabins; stated a time limit is usually set; however, the time limit is not fixed; there are situations when individuals will need more than six months; the importance in setting a time limit is to show progress and incentives in ending homelessness; time limits are extended on a case-by-case basis after review by the provider.

Mayor Ezzy Ashcraft outlined the work of navigation centers; stated progress is important.

Inquired how the Boise decision prevents the City from cleaning up waste and garbage; stated the issue of homelessness is often conflated with drug addiction and mental illness; expressed support for reallocating funds to focus on mental health and drug addiction versus building homes; expressed concern about there being a consistent subset of people being used to defeat mental illness: James Downey, Alameda.

Stated there are no quick fixes related to homelessness; community cabins are a way to stabilize people who are in the process of getting their life together and allows providers to address people's immediate needs such as: document writing, connections to mental health and substance abuse programs, and family reunification; community cabins offer an opportunity to address needs without people having to move from place to place; urged Council to be mindful of not excluding people by placing barriers on low income and affordable housing: Tomika Perkins, Operation Dignity.

The Community Development Director stated the housing first model is considered a best practice; the emphasis on housing first is to stabilize people, then tackle drug addiction and mental illness; noted previous models were "clean and sober" prior to acquiring housing; stated the previous model has been replaced with housing first; supplying permanent, supportive housing is consistent with Alameda County's work.

Mayor Ezzy Ashcraft stated homelessness is a complicated issue; there is more homelessness in Alameda than is apparent; homelessness is not just encampments, it is families living in their cars; noted safe parking has been opened in the City; more housing is needed; measurable success is difficult to see; outlined encampment and resident encounters; expressed support for staff outreach to neighbors; stated holiday drives are being organized; outlined a visit to community cabins in Oakland and a meeting with Mayor Schaff; stated the process is not easy; it is possible to make things better.

Councilmember Vella stated many Councilmembers participated in the Countywide homeless count; trauma is inherently part of the discussion; trauma is experienced by anybody experiencing life in an unstable or insecure way; the cabins create a sense of stability and a foundation for addressing trauma; all unhoused individuals do not have mental health or drug concerns, but most lose a sense of security and safety; Council has been discussing policing and services for unsheltered populations; outlined the effect of loss of safety and security; stated safe parking options allow a returned sense of security overnight and should remain a focus for the community; the community has shown compassion and empathy; there has been tremendous progress; business districts are aware of available programs as well; Council is ensuring approved funds are being used well by staff; staff is on site getting word out for various available services.

Councilmember Oddie stated the issue is complex and requires compassionate solutions; expressed support for the emphasis on housing first and for the 90-units at North Housing; inquired whether there is a time-frame for additional temporary housing services.

The Community Development Analyst responded additional temporary housing services is part of the planning process; stated staff will process stakeholder input and return to Council in January with a plan.

Councilmember Oddie stated people cannot be moved into shelters until shelter is

provided; there are concerns related to temporary housing; that he hopes the community will remain compassionate as recommendations are made; outlined homeless count increases over years; inquired whether the Census counts homeless as Alameda residents.

The Community Development Analyst responded in the affirmative; stated Alameda County's most recent homeless count identifies the town or city where homeless individuals live.

Councilmember Oddie stated these people are our neighbors; an influx of people from neighboring cities will not take advantage of Alameda services; Council is helping its neighbors and providing solutions for Alamedans; expressed concern about the safety of cabins; requested clarification on the regulations related to removing trash.

The Community Development Analyst stated items which look like trash may actually be belongings and property; staff works closely with local and Caltrans' outreach teams to inform people of cleanup schedules and where trash must be placed; the next cleanup is scheduled for October 15th; notices are placed on property that appears to be vacated; outreach teams are knowledgeable about locations.

Councilmember Oddie stated homelessness manifests itself in different ways; noted Recreational Vehicles (RVs) cannot park in the safe parking; inquired about services for people living in an RV or camper.

The Community Development Analyst responded staff works with all homeless people, including anyone living in RVs; outreach services, harm reduction programs, vouchers for hotels and food assistance can be provided by outreach teams; staff encourages people to reach out to the street team for medical needs; connections can be made for primary care doctors as well.

Councilmember Oddie stated that he is pleased with staff, Council and residents for showing compassion to unhoused neighbors while the issues are trying to be resolved; expressed support for the work; stated the commitment from the community and staff is heartening.

Vice Mayor Knox White expressed support for staff and the understanding and knowledge shown; stated housing first is important; many people currently unhoused started off being housed; many have been pushed out of housing without drug addiction or mental health issues; the plan is a great solution for issues that exists; Council must ensure people are not getting pushed out of their homes; expressed support for the staff recommendation; stated that he would like to encourage the strategic planning process having clear timelines; the planning process should include ways to instill the community with outreach and information being provided to Council to help leverage Councilmember voices.

Councilmember Daysog expressed support for an emphasis on temporary shelter;

stated temporary shelter is important when assisting people in encampments around the Posey Tube; there have been a range of “carrots” discussed in terms of outreach and medical assistance; the discussion is in the right direction for addressing homelessness; with more emphasis placed on temporary housing options, encampments can be addressed in a compassionate way; the City is working carefully in the same framework as the Boise decision; compared the Boise decision with the City of Alameda’s approach; stated the City is beginning to move forward on the encampment issue.

Mayor Ezzy Ashcraft stated that she looks forward to hearing back from staff about the progress.

Mayor Ezzy Ashcraft recessed the meeting at 9:00 p.m. and reconvened the meeting at 9:11 p.m.

(20-646) Recommendation to Authorize the City Manager, or Designee, to Negotiate and Execute Rent Relief Agreements with Commercial Tenants in City-Owned Alameda Point Properties via a \$1.5 Million Loan Conversion Assistance Program and Implement an Alameda Point Non-Profit and Spirits Alley Businesses Rent Relief Program in Response to the COVID-19 Pandemic; and

(20-646A) Resolution No. 15708, “Appropriating \$1.5 Million from the Base Reuse Fund for the Loan Conversion Assistance Program and \$315,000 from the General Fund to Assist the Alameda Theater.” Adopted.

The Assistant Community Development Director gave a presentation.

Councilmember Vella stated Council previously provided direction; inquired whether the matter affects the City’s ability to pay for other things at Alameda Point; stated the money will be set aside in a fund as opposed to paying for other items; inquired whether the impact has been calculated.

The Assistant Community Development Director responded the money is coming out of the fund balance; stated the fund balance is healthy and can operate Alameda Point without any incoming revenue for one year; the annual operating budget is roughly \$14 million; previously a fund balance of \$2 million was considered healthy; the increase is due in part to competitive deals being approved; even with the reduction in rent from MARAD leaving, Alameda Point continues to remain competitive and have healthy revenue generation.

Councilmember Vella inquired the impact should all tenants default at Alameda Point as a worst-case scenario.

The Assistant Community Development Director responded the fund balance will be okay even if all tenants defaulted; stated the amount is \$1.5 million out of a \$14 million portfolio.

The City Manager stated the Fund balance is used for a variety of different things at Alameda Point; should \$1.5 million in loans be defaulted, the fund will be okay; staff is attempting to save Alameda Point businesses and help them succeed in moving forward; proposals will preserve businesses at Alameda Point to help ensure long-term revenues; the loan program is not intended to provide assistance only; it will also provide assistance to sustain through the COVID-19 crisis for the long-term; expenditures will need to be readjusted should the loans be defaulted.

Councilmember Vella inquired whether there will be a bigger problem if an anchor tenant defaults, to which the City Manager responded in the affirmative.

The Assistant Community Development Director stated the prior proposal for the loan conversion program negotiated promissory notes for tenants, which would be cross defaulted with leases; should a default occur, the lease defaults and recouping of funds could occur from security deposits.

The Community Development Director stated the \$1.5 million allocation request is possible to be loan forgiveness; the potential for default is related to the nine months of deferred rent for Spirits Alley and non-profit businesses being given three years to repay loans.

The Assistant Community Development Director stated there is a chance the entire loan program will not be granted; a tenant could default in the loan conversion program; being part of the loan conversion program does not equate receiving a grant.

Councilmember Vella requested clarification whether the Council decision is not related to loan conversion but the additional \$1.5 million and 9 months of deferral.

The Assistant Community Development Director responded in the negative; stated there are three components; the \$1.5 million is specifically for the loan conversion program, which allows the City Manager to negotiate how much to grant to each tenant.

Councilmember Vella inquired whether the proposal is in addition to the authority previously provided by Council, which was up to a certain amount.

The Assistant Community Development Director responded the authority provided was not clear to staff; stated grant awards have not been provided; staff was unclear on the funding amount; staff is recommending the \$1.5 million in funding.

The Community Development Director stated the matter does request authority in addition to the prior authority given by Council to the City Manager for Citywide activities; the \$1.5 million is additional.

Mayor Ezzy Ashcraft inquired whether the authority is in addition to the \$1 million.

The City Manager responded Council has provided three actions during COVID: 1) opportunity to defer rent for an initial 60, and then extended to, 90-days; forgiveness of loans was not specifically authorized by Council at the time, 2) grant programs to businesses and to Alameda Point, and 3) \$2 million in funding; stated the \$1.5 million is not in addition to the \$2 million.

Councilmember Oddie noted the motion in the May 19, 2020 minutes gave staff authority to provide any three month deferral and up to an additional three month deferral per tenant, which would be converted into a promissory note; stated Council placed a cap on abatement with an indication to return to Council for removing the cap; Council authorized six months of deferral.

The City Manager stated it was unclear whether or not loan forgiveness was allowed to be provided; noted staff has not provided forgiveness.

Councilmember Vella stated Council provided a specific cap on abatement; inquired the ask from staff and whether the entire \$1.5 million is to be abated; expressed concern about the previous authorized cap not being exercised and there being no breakdown provided for the \$1.5 million funding.

Mayor Ezzy Ashcraft requested clarification whether Council should approve which loans are made to which businesses.

Councilmember Vella stated Council should approve the program, process and criteria; questioned how the process fits together.

The City Manager stated no forgiveness has been made due to conservative reading of the motion; expressed concern about staff surpassing Council authority; stated loan forgiveness equates to an expenditure; the City Manager has a \$75,000 cap on authorized expenditures; rent deferrals have occurred, but forgiveness has not; the \$1.5 million is a cap which could be forgiven up to its entirety.

The Community Development Director stated the \$1.5 million would be a maximum cap; staff has received 6 to 7 applications to date which have met eligibility requirements for the program; the \$1.5 million would be spread across a number of businesses that have asked for assistance; Council approved a number of criteria in the Spring and established an order for a business to move from deferral to abatement; staff is not proposing any changes to previously established criteria; staff is seeking the authorization and clarity to apply the \$1.5 million funding to businesses based on staff's analysis of need and the qualifying criteria for abatement; staff will work within the criteria and the capped amount of money.

In response to Councilmember Vella's inquiry, the Assistant Community Development Director stated one month will be abated for every year repaid early, with a maximum of three months; if a tenant pays back everything in one year, the tenant will receive three months of abatement.

Councilmember Vella inquired the process should a tenant only defer four months of rent; stated the wording is open and unclear.

The Assistant Community Development Director stated most tenants need more than three months; tenants have already been given a three months deferral carte blanche with one year to repay.

Councilmember Vella inquired whether the program will apply to people repaying the three month deferral.

The Assistant Community Development Director responded in the negative; stated the proposal is for Spirits Alley and non-profits; the program has a finite group of people and consists of businesses which have been hit hardest and unable to open from March to October; noted Spirits Alley businesses have not been able to open and are receiving tax bills; the nine month time frame gets tenants to the end of the year.

Councilmember Vella inquired whether clarification will be provided should tenants not need the full nine month time period.

The Assistant Community Development Director responded a tenant taking three months and repaying within one year would receive one month of abated rent; a tenant taking six months and repaying in two years would receive two months abated rent.

The Community Development Director stated it is a pro-rated basis.

Councilmember Oddie inquired whether the \$1.5 million is the abatement portion of the proposal.

The Assistant Community Development Director responded the \$1.5 million is the loan and potential abatement; stated the timeline is up to six months; a tenant that applies for \$250,000 would enter into a promissory note with the City for \$250,000 with benchmarks and criteria; if the requirements are met within 24 months, all or a portion of the note will be abated as negotiated; should a portion of the note be used for abatement, the tenant will repay the remainder on a payment plan.

Councilmember Oddie stated that he understands the time period of abatement is only three months over the course of three years; currently Council can approve abating nine months' rent.

The Assistant Community Development Director stated six months' rent is being considered.

Councilmember Oddie inquired whether an abatement or deferral is being proposed for the theatre.

The Assistant Community Development Director responded staff is initially proposing a deferral; stated the deferral is until 2037 or when the facility is purchased; noted there is a lot of time between now and 2037; stated many are invested in the success of the Alameda Theatre; after the Section 108 loan is paid off in 2027, an abatement might be considered; meeting the immediate need and figuring out the repayment obligation when the timing is imminent is better for the City.

The City Manager stated the theatre is an important entity in Alameda and the proposal is an interim approach; possible forgiveness for the theatre might return; complicating factors include tying loans to revenue sources; if the City forgives payments, the City will need to make up the forgiven payments from other sources such as the General Fund.

The Assistant Community Development Director stated if the City defaults on the Section 108 loan, the City would no longer receive Community Development Block Grant (CDBG) money from the Federal government; staff has concerns about the theatre paying obligations.

The City Manager stated the other complicating factor is many theatres are closing for a period of time in the future; the closure concern also affects Alameda Theatre.

Councilmember Oddie stated the theatre anticipated a previous reopening for the 4th of July; expressed support for helping the Alameda Theatre and doing more than proposed, including abating rent; stated there may be an exchange for community benefits.

The Assistant Community Development Director stated Council waived the percentage rent payment for this year at \$175,000 and for next year; the percentage rent number increases in perpetuity; the City has done a lot to help the theatre; there are concerns about the Section 108 payment.

Councilmember Oddie inquired the method for defining tenant related to the \$1.5 million.

The Assistant Community Development Director responded staff listed criteria; tenants must have over 25 employees, be consistent with the long term plan for Alameda Point and be a sales tax or jobs generator; staff has been specific on eligibility.

Councilmember Oddie inquired whether a tenant is defined as a business with a lease agreement approved by Council.

The Assistant Community Development Director responded one applicant is under a long term license and currently operating month to month; the Surplus Lands Act has impeded the ability to provide long term leases; staff considers the applicant a tenant.

Councilmember Oddie inquired whether the agreement is a license or lease.

The Assistant Community Development Director responded the tenant has multiple properties; one property is a lease in holdover and the other two are licenses, which are renewable.

Councilmember Oddie questioned Council deciding to provide abatement and lease amendments coming before Council; discussed a previous tenant's lease amendment; stated Council is operating in a vacuum and provides transparency.

Mayor Ezzy Ashcraft inquired whether Council is discussing a business arrangement between tenants and property management staff.

The City Attorney responded any fundamental changes to an existing lease would come before Council for final approval.

The Assistant Community Development Director stated staff initially proposed promissory notes to be cross defaulted with leases; staff did not intend to return to Council for approval of the promissory notes; Council may direct staff to do so; the nine month programs will be executed by lease amendment and could come before Council for approval if desired; expressed concern about delaying helping tenants.

Councilmember Oddie inquired whether eligible non-profits eligible must be 501(c)(3), to which the Assistant Community Development Director responded in the affirmative.

Councilmember Oddie inquired whether a boundary would be considered for Spirits Alley tenants.

The Assistant Community Development Director responded Spirits Alley tenants are on Monarch Street.

Councilmember Oddie inquired the difference between the rent assistance program and the non-profit/Spirits Alley program; questioned whether there are two funds or one.

The Assistant Community Development Director responded there is one bucket of money under the Base Reuse Fund; stated the \$1.5 million is coming from the unappropriated fund balance; the nine-month program is part of the \$14 million anticipated operating fund; staff will adjust revenue projections accordingly; the revenue projection in the current fiscal year would be lowered and the revenue projection over the next three years would be raised anticipating the repayment of funds.

Councilmember Oddie inquired the maximum amount of potential rent abatement and whether the amount is \$1.5 million, plus an amount for Spirits Alley and non-profits.

The Assistant Community Development Director responded in the affirmative; stated staff is proposing \$1.5 million plus any request from Spirits Alley and non-profits over a three-year period of time.

The Community Development Director stated the maximum abatement for Spirits Alley and non-profits would be three months over a three year period should all tenants repay early; otherwise, the program is a rent deferral; the \$1.5 million is an immediate authority beginning as quickly as can be negotiated.

The City Manager stated an alternative option not included in the report would be to have a deferral with repayment option approved at a staff level; any abatement approved in negotiations would be a change in lease rent and have to return to Council for approval.

Councilmember Oddie expressed concern about providing a blank check; stated Council is approving abating \$1.5 million in rent for any tenant and up to three months for Spirits Alley and non-profits, without a figure provided on the maximum amount.

Vice Mayor Knox White expressed support for the staff recommendation; stated the delay is the biggest flag; expressed concern about over-complicating the matter; stated that he understands the concerns being raised; expressed support for one years' worth of deferral for Alameda Theatre rather than nine months; stated matters have been incremental and have the possibility for returning to Council in three months; stated theatres will not come back; theatres may open to 10-25% occupancy; expressed support for providing the City Manager authority to abate for a maximum of fifteen months; stated this is the beginning for all businesses and is not the final word; expressed support for clarity being provided.

Councilmember Daysog inquired whether the nine month period could be changed to twelve months instead.

The Assistant Community Development Director responded nine months brings the timeline to the end of 2020.

Councilmember Daysog expressed support for a twelve month rent deferral; stated it is clear the businesses at Alameda Point have put Alameda on the map; outlined highlights of Spirits Alley; expressed support for the staff recommendation; stated staff has provided a workable framework for assisting businesses; the proposal is limited in its geographic scope related to Spirits Alley; Alameda Theatre has provided a similar aspect to the Park Street district; expressed support for staff negotiating rent deferrals and abatements.

The Assistant Community Development Director stated the estimate amount for Spirits Alley and non-profits over a three year period would be \$390,000.

The Community Development Director stated if Council wants to offer extended deferral to the Alameda Theatre, staff will either need to return to Council with a budget amendment to capture additional funds needed to pay the Section 108 loan or amend the resolution; staff recommends returning in order to calculate the actual numbers; stated extending the time costs the General Fund.

Vice Mayor Knox White left the meeting at 10:20 p.m.

Mayor Ezzy Ashcraft stated Alameda Point tenants listening to the discussion could potentially be dismayed; expressed support for care being brought to the expenditure of funds; stated Alameda Point businesses have been out in the Wild West from the beginning and have suffered through infrastructure issues; Alameda Point businesses are struggling during the pandemic; expressed concern about the delay; stated the amount of money is reasonable and is coming from the Base Reuse Fund; staff has provided both the best and worst case scenarios; business recovery will help the City in other ways; Council can be reasonably sure impacts of COVID will be dealt with into the coming year; the risk is reasonable to take and will be an investment; the exact outcome is unknown; businesses have stretched themselves to operate and have brought many benefits to the City; now is the time for the City to step up and help; many people are at the end of their reserves; expressed support for a rent deferral for the Alameda Theatre; stated Council can always make changes further down the road; Council can vote to approve the resolution with the amendment provided by the City Manager; expressed support for a decision that moves the matter forward, rather than having the matter return to Council with further delay; Alameda Theatre is helping the City pay the Section 108 loan.

Councilmember Oddie moved approval of authorizing the City Manager to negotiate and execute rent relief agreements with commercial tenants and City-owned properties via the \$1.5 million loan conversion assistance program; at Alameda Point, implementing a non-profit and Spirits Alley business relief program in response to the COVID-19 pandemic with a return to Council if the amount for the non-profit and Spirits Alley program exceeds \$400,000; and approving a budget amendment appropriating the \$1.5 million in Base Reuse Fund balance for Alameda Point theatre loan conversion assistance program and \$315,000 in General Fund to assist the Alameda Theatre, with direction to staff to return with possible extensions for deferment.

Councilmember Oddie stated that Vice Mayor Knox White and he have been pushing to increase the amount of grant money for small businesses by \$300,000 to 600,000 and have been rejected; Council has been strong about providing money to businesses whether or not the ask is lineated with the dollar amount is different than the commitment to small businesses.

Councilmember Vella stated Council previously provided a criteria list under a different cap of money; the criteria was not provided for this matter; inquired the criteria for this matter and whether the boundary for Spirits Alley includes Michaan's Auctions and Pacific Fine Foods; expressed concern about enrichment towards elected City officials; inquired whether the criteria will be made public.

The Assistant Community Development Director responded criteria has not been provided for Spirits Alley and non-profits; stated the criteria can be provided or rolled over from the loan conversion program; the nine-month program should be simple; however, Council may add desired items.

Councilmember Vella stated there are two separate questions; Council provided criteria for the abatement portion in May; inquired whether the list of criteria is going to be made public, how the criteria will be applied and the overall application process; stated there are many other businesses on Monarch Street aside from distilleries and wineries; expressed support for clarification whether all businesses or only distilleries on Monarch Street will qualify and on non-profits.

The Assistant Community Development Director responded most businesses on Monarch Street are public serving businesses and have been intentionally placed on Spirits Alley; stated the Antiques Faire and Michaan's Auctions are public serving businesses that have been struck by the same restrictions as distilleries and breweries and should be included and eligible; the criteria for the loan conversion program only yielded one applicant, which was denied due not meeting employment qualifications; small business loans were provided for businesses with 25 employees and under; Council provided the criteria of 25 employees or more for Alameda Point loan conversion program; staff did not receive applications for the loan conversion program.

Councilmember Vella stated there are three criteria points listed in the staff report; inquired whether the criteria will stand and be used for the \$1.5 million abatement process, to which the Assistant Community Development Director responded in the affirmative.

Councilmember Vella inquired whether the definition of tenant will be added as an additional criteria; requested clarification relative to the motion.

The City Attorney responded that he is attempting to understand the motion; stated the \$1.5 million is for general Alameda Point rent relief, another \$400,000 for Spirits Alley and non-profits relief, and another \$315,000 for Alameda Theatre relief; the motion adds the \$400,000 limitation to the non-profit and Spirits Alley assistance program; the staff recommendation did not provide a cap.

Councilmember Oddie stated the motion included the staff recommendation with the caveat of \$400,000 and direction to bring back an extension on the deferral for the Alameda Theatre.

The Community Development Director stated the promissory note will be cross collateralized against the lease under the \$1.5 million loan forgiveness program; a tenant will need a lease by definition; should staff have the ability to cross collateralize against a long-term license, an exception can be made since the agreement serves the same principal and will work as the definition of “tenant” under the criteria.

Councilmember Vella expressed support for the motion; stated that she supports the City Manager’s proposal to bring lease amendments back to Council for approval; requested clarification whether the motion includes the lease amendments returning to Council for approval.

Mayor Ezzy Ashcraft inquired whether the addition could be considered as Council direction to staff and keep the motion as-is.

Councilmember Vella stated that she supports Mayor Ezzy Ashcraft’s comments as long as the directive is clear.

The Community Development Director stated staff sympathizes with the need for transparency; questioned whether Council would be amenable to a report out, which will ensure documentation and reporting; lease amendments are completed via ordinance.

Mayor Ezzy Ashcraft requested clarification about the contents of the report out.

The Community Development Director stated the deal structure would be provided; staff can work with the City Attorney in order to be as transparent as possible with the report.

Mayor Ezzy Ashcraft inquired whether there is legal cause for concern regarding reporting out.

The City Attorney responded staff is proposing no fundamental changes to the lease within the program; stated staff is engaging in deferment and forgiveness; leases will remain the same; Council could delegate authority to the City Manager in the event no fundamental changes are made to leases; if fundamental changes be made to the substance of the lease, Council approval would be needed; delegation to staff for deferment or forgiveness may be granted; however, lease structure changes must be voted on by Council approval via ordinance.

Mayor Ezzy Ashcraft inquired whether the transaction details are cause for concern in a report out.

The City Attorney stated when a City executes an agreement, the agreement is a public record and is public information whether executed with City Manager or in a public meeting.

Councilmember Vella stated that she supports the authority, except for anything over \$150,000 for an individual tenant; expressed concern about inconsistency in rent deferment.

The Community Development Director stated every applicant being reviewed will be over \$150,000.

Councilmember Vella inquired whether the figure is for deferment or forgiveness.

The Community Development Director responded one month rent for a tenant could be \$60,000; stated requesting a two month abatement would be \$120,000; the challenge is in dealing with large monthly rents; recommended a cap of \$350,000 in abatement prior to Council approval.

Councilmember Vella stated the report indicates tenant rents ranging from \$20,000 to 60,000; inquired whether most tenants are closer to the \$60,000 figure.

The Assistant Community Development Director responded some tenants are closer to the \$30,000 range; staff is considering an average amount which also includes smaller tenants; however, some tenants to have a monthly rent of \$60,000.

The City Manager stated Council may continue with the motion and include that any forgiveness must return for Council approval if the business negotiates forgiveness; the final details will come back as a lease amendment to Council for approval; expressed concern about the process being confusing; stated lease amendments returning to Council is a clear process.

The City Attorney expressed support for the City Manager's comments; stated the recommendation is legally sound; if Council provides the City Manager the opportunity to forgive, not collecting bad debt is possible, which is more complicated and messy.

Councilmember Vella expressed support for the staff recommendation.

Councilmember Oddie stated that he supports the staff recommendation; expressed concern about five large tenants taking the entire amount of money; accepted amending his motion to include the requirement proposed by the City Manager: should businesses negotiate a lease forgiveness, the final details will come back to Council for approval as a lease amendment.

Councilmember Vella seconded the amended motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Oddie: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 4. [Absent: Vice Mayor Knox White – 1.]

CITY MANAGER COMMUNICATIONS

(20-647) The City Manager introduced the new Finance Director Annie To and Interim

Police Chief Randy Fenn; announced Lois Butler would be the Interim Community Development Director; stated that he is setting up individual meetings with the Chief of Police and Councilmembers, subcommittees and task forces to answer questions and provide support.

The Police Chief made brief comments.

The City Manager discussed the Police Captain Emmitt's time as the Interim Police Chief; stated the policing committees are continuing to meet and are requesting information and presentations; expressed concern about the upcoming interim report timing; stated a report may not be provided until the first meeting in January 2021; the budget adjustment matter will not come forward in October and will be delayed; non-substantial Lexipol policies are being brought to Council out of abundance of caution; announced Caltrans is scheduling a cleanup of the Posey Tube area on October 15th; concerns such as fires, sanitation, and health and safety have been relayed to Caltrans.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(20-648) Mayor Ezzy Ashcraft made an announcement regarding a regional planning committee meeting for Association of Bay Area Governments (ABAG) related to Regional Housing Needs Allocation (RHNA) numbers; stated the Executive Board of ABAG will vote whether to accept the committee recommendation on October 16th; outlined the RHNA number breakdowns; stated new housing is being placed outside of high danger areas prone to fires, flooding and sea level implications.

(20-649) Councilmember Vella made an announcement regarding a League of California Cities meeting; stated the League conference is coming up; noted the number of lead abatement cases have increased due to testing being down and appointments being provided via video versus in-person; expressed concern about the number of people being exposed; information will be provided about various funds and programs available for weatherization and testing.

(20-650) Stopwaste Topic Brief - 2020 Recycling Plan Update. (Councilmember Oddie)

Councilmember Oddie made brief comments.

(20-651) Consideration of Mayor's Nominations for Appointments to the Civil Service Board, Commission on Persons with Disabilities and Social Service Human Relations Board (SSHRB).

Mayor Ezzy Ashcraft nominated Troy Hosmer for reappointment and April Madison-Ramsey for appointment to the Civil Service Board; for Commission on Persons with Disabilities, nominated Arnold Brillinger and Jennifer Linton for reappointment; and for the SSHRB, nominated Christine Chilcot for reappointment, and Priya Jagannathan and Anthony Lewis for appointment.

ADJOURNMENT

There being no further business, Mayor Ezzy Ashcraft adjourned the meeting at 11:00 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.