

Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
STAFF REPORT

**Meeting Date:** June 5, 2018  
**To:** Honorable City Councilmembers  
**From:** Mayor Slayter, City Councilmember Gurney, City Manager McLaughlin  
Pine Grove Square Committee  
**Subject:** Authorization to Seek a Revised “Pro Forma,” regarding the Financial Feasibility of an Affordable Housing Project on the Burnett Street Parking Lots  
**Recommendation:** City Council to approve authorization to seek an update from the real estate economist consultant, a Revised “Pro Forma,” re the Financial Feasibility of an Affordable Housing Project on the publicly-owned Burnett Street Parking Lots.  
**Funding:** Currently Budgeted:  Yes  No  N/A  
Net General Fund Cost: \$ 20,000. \* (\$20,811. surplus remains from PGS budget.)

**INTRODUCTION:** This item is to request City Council approve authorization for the Committee to seek a Revised “Pro Forma,” regarding the Financial Feasibility of an Affordable Housing Project on the Burnett Street Parking Lots.

**BACKGROUND:**

The Pine Grove Square committee presented a financial feasibility study which showed that development of the City owned parking lots off Burnett Street and behind the Chamber building would bring revenue to the City, and housing to our downtown. Concerns were raised regarding the possible loss of parking, and a parking study was performed. At the January 16<sup>th</sup> Council meeting reviewing the parking study, the majority of speakers favored retaining the municipal parking lots as parking only. While no action was taken, the Council majority appeared to agree.

However, the need for additional housing in our community remains, and is more apparent than ever. As mentioned at the May 15<sup>th</sup> Council meeting, the Association of Bay Area Governments (ABAG) has recommended that the City of Sebastopol set a target of 156 new homes by the year 2023; as of the end of 2017, however, we have only added a total of 27 dwelling units, none of which are affordable.

At the May 1<sup>st</sup> Council meeting the City Council reviewed a number of zoning ordinance revisions intended to facilitate housing development in the City. While these proposals are laudatory, it is apparent that, if adopted, changes will likely only occur over a lengthy period of time, and are uncertain and subject to the decisions of third parties. Development of our City owned property could assure that a genuine, and possibly substantial, effort will be made to meet the ABAG goal, and provide work force and elder housing that the City desperately needs. The City could also be in a more favorable position should the local and statewide Affordable Housing Bond measures pass this November.

**DISCUSSION:**

The previously discussed “pro forma” reviewed two scenarios that would use the public lots for a development project: one involving City-owned property; the second involving adjacent private property owners. It also included retail/commercial space with street frontage on S. Main.

This proposed inquiry, through an updated report based upon existing work product, changes the contemplated development features, in a third scenario:

- Provide adequate square footage in the proposed development for an improved office for the Visitors’ Center/Chamber of Commerce that includes high visibility in its placement [such as a corner location, being the only retail/commercial at the first-floor level].
- Retain all street level parking, potentially adding elevated parking
- Consider development of up to four stories, with varied building heights
- Architectural design under control of the City
- Consider housing only; affordable and affordable by design
- Do not include privately owned real estate in the study
- Delete all retail/commercial on the ground floor
- Preserve and enhance the City-owned Museum, possibly with added open space
- Extend Willow Street from S. Main to Petaluma Avenue, creating additional street frontage, and parking

The Committee would do the interface with the real estate consultant such that the previous project consultant is no longer involved.

**RECOMMENDATION:** That the City Council approve authorization for the Committee to seek a Revised “Pro Forma,” regarding the Financial Feasibility of an Affordable Housing Project on the Burnett Street Parking Lots.