

**SAN BENITO COUNTY
BOARD OF SUPERVISORS
REGULAR MEETING MINUTES
FEBRUARY 10, 2004**

The Board of Supervisors of San Benito County met in the Board Chambers on the above date in regular session. Supervisors Loe, Scagliotti, Monaco, Kesler and Cruz were all present. Also present was County Administrative Officer Terrence May, County Counsel Karen Forcum and Senior Board Clerk Linda Churchill. Chairman Bob Cruz presided.

9:30 a.m. CALL TO ORDER:

- a) Pledge of Allegiance.
- b) *Upon motion duly made, seconded and carried, approved Certificate of Posting.*
- c) **Public Comment:** There was no public comment.
- d) **Department Head Announcements:** There were no announcements.
- e) **Board Announcements, Introductions and Presentations:** Supervisor Monaco noted that he and Supervisor Cruz attended the Safe Kids Coalition last week stating that it was very informative and he commended the group for doing such a good job.

Chairman Cruz stated that the California Highway Patrol worked closely with this group educating people about car seats for infants and children. There are even car seats available for those who cannot afford to buy one.

CONSENT AGENDA:

Upon motion duly made, seconded and carried, approved Consent Agenda Items 1 through 8.

ADMINISTRATION:

- 1) Approved appointment of Executive Secretary to the CAO at Step F of Range 14.5. (CAO)

AUDITOR:

- 2) Approved Departmental Claims.
- 3) Approved renewal of two (2) agreements with Maximus re:
 - a) State Mandates Claiming Services; and
 - b) Preparation of Cost Plan (A-87). *File #606*

CHILDREN & FAMILIES COMMISSION:

- 4) Approved amendment to agreement with North County Joint Union School District re: First Steps Preschool Program with a contract term of July 1, 2003 through June 30, 2004. *File #155*

CLERK OF THE BOARD:

- 5) Approved the minutes of the meeting of January 27, 2004.

COUNTY COUNSEL:

- 6) Rejected claim of Jameson Ogborn filed with the clerk of the board on January 5, 2004 and directed clerk to notify claimant. *File #235*
- 7) Rejected claim of Troy Regas filed with the clerk of the board on January 5, 2004 and directed clerk to notify claimant. *File #235*

- 8) Rejected claim of Guadalupe O. Rodriguez, Jr. filed with the clerk of the board on January 8, 2004 and directed clerk to notify claimant. *File 235*

9:30 a.m. PUBLIC HEARING (or as soon thereafter as the matter may be heard):

COMMUNITY SERVICES & WORKFORCE DEVELOPMENT (CSWD) - K. Flores:

- 9) **Held public hearing to (a) Discuss the Fiscal Year 2004 Community Development Block Grant (CDBG) application and (b) proposed Resolution Approving An Application And Contract Execution For Funding From The General/Native American Allocation Of The State CDBG Program and Authorizing The Execution Of A Grant Agreement And Any Amendments Thereto With The State Of California For The Purposes Of Said Grant.**

Kathy Flores, CSWD Director, provided background information stating that this is an annual request for authorization to submit a CDBG application. Ms. Flores stated that she was very proud of her staff in that they have been able to put together successful applications since 1995 and have been awarded one of these grants annually. This is a competitive grant and so it is not definite that we will receive the grant.

Ms. Flores reported that the applications that we are requesting to be submitted will request funds to continue services or increase services that are currently existing and these are services that serve low-income persons here in our community. Primarily these services are the Winter Emergency Shelter, Job Training and our One Time Rent Assistance Programs. These funds will replace lost funding of the last couple of years. Ms. Flores noted that last year we lost about \$250,000 in Federal Workforce Training funds and we had subsequent layoffs in her department. In addition, our projections for 2004/2005 and 2005/2006 for our mobile home transitional shelter will reach the maximum amount of dollars that we can request from that funding source which is the Federal Emergency Shelter Grant (FESG) program and before that FESG funding source supplemented the winter shelter operations as well as some other funding sources which are no longer available. Ms. Flores said that another one of those funding sources was the Emergency Housing Assistance Program, which provided funding for winter shelter as well as rent assistance funds. Ms. Flores stated that those monies have dwindled from \$75,000 down to approximately \$23,000 - \$25,000 per year. Therefore we felt that this application needed to focus on maintaining the level of services that we have now, and in the case of the winter shelter, to increase the number of units from 15 to 30 units and to request funds for the additional operating funds involved with that.

Ms. Flores continued by stating that the following are necessary statements that are required by the CDBG folks. First of all the purpose of the public hearing is to inform the public and the Board of Supervisors (BOS) about the activities being recommended for the 2004 application. Ms. Flores noted that there was a sign-in log located in the back of the room and there is a Spanish language translator available. Ms. Flores stated that after the presentation there will be an opportunity for public comment and the public may also submit written comments. There is a public information file available at the CSWD office for on-site public viewing.

Ms. Flores noted that this was the second of two required public hearings conducted in order to be able to submit a grant application for this funding source. The first hearing occurred on July 26, 2003 and was properly noticed. At that time we presented a description of the program, eligible activities and maximum funding available from this funding source for a jurisdiction. Ms. Flores indicated that the purpose of CDBG is to benefit Targeted Income Group persons (primarily low-income) and limited clientele (such as homeless persons or farm workers) to eliminate slums and blight and meet urgent community development needs. Eligible activities include planning and technical assistance, general activity grants that can be

used for housing, new construction for housing and rehabilitation, community facilities, public services, public works and the other area is for economic development. Ms. Flores stated that the maximum any jurisdiction may apply for in one year is \$800,000 and up to \$500,000 may be applied for either under the General Allocation or the Economic Development allocation, with the remaining \$300,000 available for the other categories. In addition, up to \$70,000 is available in Planning and Technical Assistance Grants. Applicants may apply for two-year allocations if a project cannot be completed in a one-year application.

Ms. Flores further stated that as previously mentioned these applications for these grants are competitive and they will be rated and ranked against other statewide applicants. Applications are targeted or rated in the following areas: the poverty rate of that jurisdiction; the percentage of the activity benefit to the Targeted Income Group; the need for the activity; prior performance with CDBG; local capacity to deliver the services; local leverage; and, anything that supports the State objectives. Any applications that provide activities that are listed in the State objectives receives some additional bonus points and typically those vary from year to year.

Ms. Flores referred to the summary included in the BOS packets, which shows the dollars that are being requested. General Administration is \$37,500; Emergency Winter Shelter for two seasons is \$167,500; the One Time Move-in/Eviction Assistance is \$60,000; the Job Training assistance is \$215,000 and we have \$20,000 in set-aside funds. Ms. Flores stated that they are leveraging \$4,000 of old housing rehabilitation grants, or loans that have been paid back, and they also have private leverage. We have two food pantries in the community that have been wonderful supporters of the shelter programs. They provide weekly food baskets to the households that are staying in the shelters. The total leverage that they are going to commit for the project term is \$26,342.

Chairman Cruz asked Ms. Flores to clarify the One-time Move In and the assistance for homeless families obtaining rent in order to explain to the public why we do this. Chairman Cruz said he felt that the \$60,000 amount should be higher.

Ms. Flores stated that certainly if we did not have the \$500,000 cap we would have asked for more because our clients do need that type of assistance and what that program strives to do is to prevent families that are on the verge of being evicted. They may have lost their job, and suddenly their income goes down and they can't pay the rent, we want to keep them in that rental so they don't become homeless because our resources for homeless assistance are very limited. We would pay their rent for just one month and it is not an ongoing thing. It is limited to service once every two years and the Community Action Board has established policies on maximum dollar amount of assistance and who will be assisted with that. Ms. Flores stated that also we have homeless families that may find a rental, but there is a financial obstacle of getting into that rental because the landlord is requiring the deposit along with the first month rent and sometimes the last month rent. In that case we would, if they were eligible for the program, pay for the first month of rent. Of course, they will need to be able to show that they can continue the payments after our assistance has been provided to the landlord.

Chairman Cruz said he wanted it clarified because the public should know that we are not picking up people's rent. It is only a one-time effort to help them.

The Chair opened the public hearing. There was no one wishing to address the Board regarding this item. The Chair closed the public hearing.

*Upon motion duly made, seconded and carried, adopted **RESOLUTION NO. 2000-15 AUTHORIZING SUBMISISON OF THE GRANT APPLICATION AND AUTHORIZING SIGNING AUTHORITY FOR THE CSWD DIRECTOR; and, authorized the County Administrative Officer (CAO) to sign the "Assurances" pertaining to the grant. File #939***

9:40 a.m. REGULAR AGENDA:

HEALTH & HUMAN SERVICES AGENCY (H&HSA) - M. Coppola:

10) Consider extension of the Medical Home Project and FY2003/2004 budget augmentation.

Health & Human Services Agency Director Marilyn Coppola came forward with a request to extend the Medical Home Project, which is a grant that we have received from the California Health Care Foundation and ended last year. Ms. Coppola stated that the total grant was approximately \$96,000 and we have \$32,816 left from that grant and it was not budgeted for this year so we need to augment the budget. Ms. Coppola requested an addition to increase the FTE's for Public Health Nurses by .4 and authorization to purchase a new computer. Ms. Coppola noted the grantor authorized all this.

Ms. Coppola explained that the .4 FTE would be existing Public Health staff that is not working full time. They would be increasing their time just until the end of the year to accomplish the things we would like to do. Ms. Coppola said they are planning to put on a couple of workshops and do some more education with the medical providers and there needs to be staff dedicated to perform these services. We would like to do that by increasing time of existing employees because it would not be practical at this point to bring on new staff. Ms. Coppola said also they are asking to purchase a new computer.

Chairman Cruz asked for clarification about hiring new persons.

Ms. Coppola explained that there are already Public Health Nurses who are working less than full time and we would be increasing two different individuals by .2 each so they would be working an extra day a week to work on this project as long as there are still funds from the grant. We expect to use up these funds by the end of this year.

Upon motion duly made, seconded and carried, authorized the extension of the Medical Home Project and Fiscal Year 2003/2004 budget augmentation. File #420

ADMINISTRATIVE BUSINESS:

11) Consider issuance of Cal-Card VISA Credit Cards for County Supervisors. (Supervisor Kesler)

Supervisor Kesler stated that there was a misunderstanding noting that she was not asking our County Administrative Officer (CAO) to get a credit card for all of the supervisors. That is something she would be against. She would like for the CAO to have a credit card for the county's use only and just for the CAO. Supervisor Kesler felt it would be a good idea when the supervisors go somewhere and then come back it can then be paid by check. Supervisor Kesler felt it was a good idea that the CAO has one in his possession to use when he feels it is necessary.

Supervisor Monaco said he was not clear on how this would work with just the CAO having the card. Would we be using the card just for conference reservations?

Supervisor Kesler said when one of the supervisors have to go to Sacramento or elsewhere for a function of some kind we would not have to use our own credit card. Supervisor Kesler said that even though they are reimbursed it would be a nice idea for the CAO to call Sacramento and give the credit card for the reservation rather than the supervisor having to get involved in it. Supervisor Kesler said she just felt it was a good idea and the CAO could keep it all on record.

Chairman Cruz said that the word alone (credit card) sends shivers up his back because that was one of the downfalls of other counties and cities going wild.

Supervisor Kesler said that this would only be for the CAO to have in his possession.

Chairman Cruz asked about department heads and the elected officials. Would they be able to use this credit card?

Supervisor Kesler answered no.

Chairman Cruz said he did not personally think he would need a credit card for himself but it was up to the rest of the supervisors.

Supervisor Kesler said that when a supervisor does go to Sacramento, or anywhere for business, she felt it was a good idea for the CAO to make the reservations in the County's name so that each supervisors doesn't have to take it out of his own pocket until he gets home.

Chairman Cruz said he felt if they were spending their own money they would be very careful, but with a credit card it would be too easy to charge.

Supervisor Loe agreed that it was a good idea but it was her fear that it will, over time, be misused. Her fear is that this would open the door and suddenly it would come up to expand it and maybe the supervisors, elected officials and department heads should all have one. Supervisor Loe said she understands that is not where Supervisor Kesler is going with this but that her fear as to what will happen with it, especially with the budget problems and etc.

Supervisor Kesler said she just felt it was a good idea.

Supervisor Loe said that if we could guarantee that in the long haul it would stay at exactly what is being asked for today she would support it but it was her fear that once we open the door we can't stop it.

Supervisor Kesler said we are all adults and we all know exactly what the budget is and how much money we are supposed to be using and she felt it was a good idea, but, it didn't make any difference one way or the other. She just felt that under the CAO it would be kept under control as to what each supervisor or department head spent each month. But, if we are not ready for that it was okay.

Chairman Cruz stated that a motion was needed.

Supervisor Kesler made a motion to have a credit card for the CAO and have him keep a tight rein on it.

The motion died for a lack of a second.

Supervisor Scagliotti moved to deny the request. Supervisor Monaco seconded the motion.

The motion to deny the request passed 4-1 with Supervisor Kesler voting no. File #156

12) Consider 2nd Quarter Financial Report for the County, Comparing Budget to Actual Revenues and Expenditures through December 31, 2003. (CAO)

County Administrative Officer (CAO) Terrence May stated that he had some good news to report. As of December 31, 2003, the half way point since we operate on a fiscal year, our General Fund expenditures are at 47% of the total budget so we are actually tracking a little under where we would normally expect to be. Mr. May reported that on the revenue side we are only at 29% of budget, but, that is typical at this time of year because we have some revenues that come in late and also we are waiting for an apportionment of property tax revenues and that is one of the main stays of the General Fund. Mr. May stated that we are going to need budget augmentations at some point for outside legal services and also for some employee retirement payoffs. Mr. May noted that his department is one in particular that has been impacted by the resignation of Gil Solorio and Maria Alfaro and both of them had pretty sizable payouts for vacation and sick leave.

Mr. May stated that other good news is that in our budgeted contingencies for the General Fund, the money that we have set aside in the budget that is not earmarked for any expenditure other than to be there for unforeseen or emergency type of expenses, and also

what's left in contingencies rolls over into next year's budget as a beginning fund balance which itself then becomes a source of funding for next year's budget. Right now our contingencies for the General Fund stand at about \$3.84 million. Mr. May stated that was very good news. That is higher than what we had budgeted originally and it is based on our July 1, 2003 fund balance for the General Fund being higher than we had anticipated at the time of the August budget hearings.

Mr. May continued by stating that there are some black clouds on the horizon, however, and on March 2, 2004 California voters will be voting on Proposition 57 which is the Governor's deficit bond financing proposition and the State is looking for authority to issue some \$14 billion worth of bonds on March 2nd. If that measure is turned down by the voters the State will have an immediate budget fall in this current fiscal year of up to \$14 billion. If that bond measure is rejected there is a very real possibility that state payments to cities and counties could be reduced or suspended. Mr. May said that we depend upon the State for about 3/5 to 2/3 of our total revenue so what happens in Sacramento has a very significant bearing on our ability here to provide local services.

Mr. May reported that there was also an audit being done of our ERAF property tax apportionment by the State Controller's Office. Mr. May said he would have more about that later but that could affect the amount of property tax revenue that comes into the General Fund versus that which is siphoned off by the State to support K through 12 education.

Mr. May further reported that looking ahead to next year, which is now really only five months away, Fiscal Year 2004/2005, we've seen the Governor's initial proposed budget plan and it calls for a permanent shift of \$832,000 in County General Fund Property Tax Revenues to the State. Mr. May stated that would be a pretty big hit to us to absorb. Our total General Fund expenditures are around \$24 million and that is not taking into account cuts that the Governor is proposing to various Health, Education, Public Assistance, Social Services, Probation, Criminal Justice and other programs; and, of course we will be getting a better handle on what those impacts will be as we get budget requests from individual county departments.

Mr. May stated that he felt that potentially at risk next year, given that the State is dealing with a \$15 billion budget shortfall in 2004/05, is the VLF (Vehicle License Fee) backfill which to this County is \$2.4 million annually and that is about 10% of our General Fund expenditures. As you know, Governor Schwarzenegger, on his assumption of office, rolled back the tripling of the VLF fee increase that took effect last October. The Governor is continuing to fund those payments to cities and counties but the State does not have a revenue source to fund those payments and so that adds about \$4 billion to the State's deficit and is included in that \$15 billion problem that they face next year. Mr. May said he thinks that the Williamson Act could potentially be at risk again. It has been on the table before for elimination and that is about \$750,000 that we are not going to see. It is highly unlikely that we will see the restoration of the \$500,000 annual Rural Crime Prevention Grants that went to small counties to help their Sheriff's Departments. Mr. May said there are a lot of things on the horizon and there is a lot of uncertainty and he thinks we face some pretty tough challenges in the months ahead. Fortunately we have pretty good reserves and Mr. May said he would be updating the BOS later on the status of our reserves. Mr. May said he was also working on preparing a 5-year financial forecast so that we can see beyond the next year or two to get a sense of if revenues and expenditures continue at their current levels what are our fund balances going to look like, what kind of cuts are we going to have to make or use of one time money to be able to balance the future budgets. Mr. May ended by stating that he wanted to be able to give the BOS something that would give some projections of where we could be over a 5-year period given different assumptions about revenues and expenditures.

Supervisor Monaco stated that he appreciated Mr. May's work in compiling all of this information which is most helpful and he supported the idea of a 5-year projection that will be brought before the BOS. These are uncertain times and it is very difficult to figure out where we are going and he appreciates Mr. May's efforts in keeping us solvent. Supervisor Monaco said we are fairly decent shape but we all know that could change by some actions by the legislature or the Governor and so he appreciated all of Mr. May's diligent work on this.

Supervisor Loe also expressed her thanks to Mr. May and also to all the department heads and all county employees because she feels that everyone understands the problems and they are working very hard to stay within the budget parameters that were set. The picture doesn't look rosy so we need to keep up the good work.

Chairman Cruz agreed with both supervisors stating that he sits on the Mental Health Board and we take a \$40 million hit from the State of California, but people don't realize that is a mandated program we have here in San Benito County so that money has to come out of somewhere. Chairman Cruz stated that the big hits would be the Sheriff's Department, Mental Health, Substance Abuse Program and Probation. We are doing well at this point but we may have to tighten our belts. Chairman Cruz thanked the department heads and the elected officials for working with the BOS on this.

Supervisor Kesler felt that Mr. May has done a very good job in the couple of months that he has been here; and also, the department heads who know that something is going to happen after the March 2nd election and none of us know how much so if we all keep that in mind and all pull together the County can get through this. *File #865*

13) Consider a) approval of job description and salary range for Director, Public Works & Parks; b) approval of amendments to the Class Title & Pay Plan and Schedule of Authorized Positions; and (c) authorize recruitment for the position. (CAO)

Mr. May reported that as the BOS is aware our former Public Works Administrator, Doug Koenig, resigned to accept a position with another County back in November. For the past few months the Public Works Department has been operating without a department head. This is an absolutely critical position. The department has about 50 employees and oversees a budget of \$10 million and it is one of our most high profile departments in that they are responsible for maintaining and upgrading a 400 mile network of County roads and bridges and connect the most remote parts of our County in the South, East and West with Highway 25, Highway 101 and the shopping and business centers of Hollister. It is important that this very vital department has leadership and that they be led by a department head who has really good engineering/management expertise. Mr. May explained that the difference between a Public Works Director, which is what he is proposing, and a Public Works Administrator is that a Public Works Director typically is a Registered Civil Engineer and often times a licensed surveyor and those are two key functions performed by the Public Works Director.

Mr. May stated that the job description that was prepared, with assistance from the Human Resources Director, would require the Public Works Director to be a Registered Civil Engineer with the State of California and also a licensed surveyor with the State of California as well as having five or more years of broad and extensive Public Works management experience. The recommended salary range, made in consultation with our Human Resources Director, would start at \$96,828 and top out at \$123,660. This would be a six-step range. Mr. May stated that he believed that a salary in that range would put us in a competitive position in the job market, both regionally and statewide to be able to attract a sufficient pool of well-qualified candidates to fill the Public Works Director position.

Mr. May indicated that if it were authorized today we are probably looking at three to four months before we would actually complete a recruitment and actually have someone on

the job because there is a lot of work that needs to be done before that would happen. We would have an extended recruitment period, a very thorough process to review the qualification of the finalists and then whoever we did select would probably need to give three or four week notice to their current employer. Mr. May noted that this would be an at will position meaning that the position would serve at the pleasure of the County Administrative Officer (CAO) and the Board of Supervisors (BOS). The proposal is for the CAO to appoint the Director but that person would be subject to confirmation by the BOS and their continued employment with the County would depend on satisfying the work expectations and standards of the CAO and BOS.

Supervisor Kesler felt that Arman Nazemi and Pete Corn of the Public Works Department, along with the staff, should be thanked for the wonderful job they have been doing to hold everything together out at Public Works.

Mr. May agreed stating that the only reason why we are able to get along without a Public Works Director right now, and we have been able to do it for the past few months, is because we do have Arman, Pete and Nadine DaRosa and they are very capable people who are doing the best job they can in addition to their day to day functions and responsibilities to see that the department keeps accomplishing its mission.

Supervisor Monaco agreed with Mr. May stating that this is a very crucial position in this county and for that reason we need to extensively recruit to look for a very qualified person to fill it. Supervisor Monaco felt it would take a very specialized person in this field, obviously with some requirements for experience and licensing and also somebody who has demonstrated their skills in a managerial position. Supervisor Monaco stated we need to proceed and open this up to an extensive recruitment and he supports the idea of filling this position.

Chairman Cruz asked if Mr. May wanted to abolish the existing job description? What is the difference between what our other Public Works Administrator was doing versus a new one?

Mr. May answered that the difference between a Public Works Administrator and a Public Works Director is that the Public Works Administrator position had lower qualifications than a Public Works Director. We did not require the Public Works Administrator to be a licensed engineer by the State of California or licensed as a county surveyor.

County Counsel Karen Forcum provided background information stating that the BOS adopted a resolution in December of 1999, which re-organized the Public Works Department into the Public Works Administrator Position and then specific divisions within the department, including a Civil Engineering and Surveying Division and then the Roads Division. That provided the ability for the Assistant Public Works Director to conduct the Civil Engineering function that Mr. Koenig did not choose to conduct. Ms Forcum said it was her understanding that he was an engineer but he did not sign off on the improvement plans and subdivisions and that function fell to the Assistant Public Works Director Arman Nazemi. Ms. Forcum stated that she was not sure the history of it but back in 1999 they had the candidate, Mr. Koenig, who did not have the extensive engineering experience that a Director position would warrant so the BOS by resolution re-organized the Public Works Department to be under a Public Works Administrator and those specific divisions within the department.

Chairman Cruz said that he thought that in 1999 the BOS had made it that you had to be an engineer to get the kind of money that Mr. Koenig was getting and he thought that was what they approved in 1999 and now we are talking about abolishing it and doing it something different. I don't see the paperwork from 1999 and would like to go over it again before making a decision.

Don Marcus, Lone Tree Road resident, came forward stating that he did not mean to go backwards on the agenda but he was waiting for public comment to be asked for on Item 12. Mr. Marcus asked if it was appropriate for him to ask a question of Mr. May regarding Item 12.

Chairman Cruz said he would give Mr. Marcus the opportunity, but, he would like to take care of Item 13 first and then he will call him back up.

Chairman Cruz asked what was the pleasure of the BOS.

Supervisor Monaco made a motion to abolish the existing job description for Public Works Administrator replacing it with the job description as submitted for a Public Works Director and amend the FY 2003-2004 Schedule of Authorized Positions to reflect the deletion of 1.0 FTE Public Works Administrator and approve the addition of 1.0 FTE Director of Public Works and Parks for a net increase of 0 FTE positions; amend the County Class Title and Pay Plan to delete the classification title of Public Works Administrator and replace it with a Director of Public Works and Parks to a Salary Range of \$96,828 to \$123,660; and authorize the Human Resources Director to begin recruitment for the Director of Public Works and Parks and authorize the CAO to appoint and fill the position subject to confirmation by the Board of Supervisors. Supervisor Kesler seconded the motion.

The motion passed 4-1 with Supervisor Loe voting no. File #630

(ITEM 12) Don Marcus apologized for not stepping forward before but he was waiting for request for public comment from the Chair. Mr. Marcus said that he had one specific question for Mr. May, and he didn't mean to make this political, but Mr. May did bring up the fact the Proposition 57 on the voters ballot would affect the county tax base along with the shifting of \$800,000+ and certain aspects of administration would follow. Mr. Marcus said he did not mean to put Mr. May on the spot and he would rescind his question if it was not appropriate but we do have an important Measure G facing the county right now and there has been discussion brought forth about depletion of the tax base and its effect on the county funding for years to come and he would appreciate it if Mr. May would be able to make his comment on what Measure G might do in the foreseeable future if it indeed passed.

Supervisor Kesler said no. She did not think the CAO should be put on the spot yet because we don't know what is going to happen on March 2nd and until that happens then come back and ask the question.

Mr. Marcus said that was fine. He was just wondering since Mr. May mentioned Proposition 57 and if it was voted in or not and how it would affect the outcome of our budget and along the same line Mr. Marcus thought if he would be willing to express his opinion on how it might affect the county budget then we would be informed from that information. But if it is not appropriate and the Board will not allow him to comment then he certainly understands.

Chairman Cruz said if the Board feels this way but he did give Mr. Marcus the opportunity to ask the question.

Supervisor Loe stated that she respected Mr. Marcus' right to ask that question but she as a Board member has been very careful not to bring it up. Supervisor Loe said there is a lot of things that she would like to say from this podium right now about that same question but she felt if they answered the question for Mr. Marcus then they would be opening it up for a free for all which is fine for her because she doesn't care, but, there are a lot of statements she would like to make too but she did not feel it was appropriate.

Supervisor Scagliotti said he felt that the CAO should address this. If the question was asked, and it is a budgetary question, then he believed that the truth needs to get out there that Measure G will have no fiscal effect and that Measure G opponent's formula that they paid for was bull because they did not take into consideration the impacts of 25,000 more homes upon

the services of this community. It was a one sided study that was done. Everybody wants to say there was a loss in revenue. Supervisor Scagliotti said listen to what is going on here about property taxes. Property taxes have never paid its way. They will continue to never pay its way. Only new taxes – new homes do not pay their way. All they do is create more services, more draw on existing county employees and existing services. So if you want to absolutely put the numbers to it then put the numbers to it but we already did a fiscal impact report last year on Measure G and it was presented to this Board when we voted that it will have negligible effect – there wouldn't be any effect. Supervisor Scagliotti stated that if anything it helps the county keep its services viable by not stressing services any further.

Supervisor Scagliotti said he would like for Mr. May to answer the question – he was here last year when we did this fiscal analysis. Supervisor Scagliotti stated that a one sided analysis doesn't work by saying potentially you could build 25,000 homes and you could have another billion dollars of assessed valuation. When you do the math it doesn't come out. It never has come out. Specifically with the ERAF shifts.

Mr. May stated that its really a question that goes well beyond the scope of what he was trying to present here today which is the status of our current finances and to let you know about some of the danger clouds on the horizon as far as the State budget is concerned. Mr. May said he thinks there are lot of people with widely varying opinions about whether Measure G is good or bad or what it would do to the local economy or tax base. It's really a question of how much growth there would be and so he really couldn't speculate on that.

Supervisor Scagliotti said let's speculate a little more. Why are City of Hollister and Sunnyslope going to have to double and triple their sewer rates to this community? When the people of Sunnyslope and Hollister start opening their sewer bills in the next few months and they see it has gone from \$40 to \$80 to \$100 because of growth potential.

Mr. May stated that was the City of Hollister.

Supervisor Scagliotti said it didn't matter in reality of the whole aspect of growth this fallacy of you're going to lose tax dollars. You lose tax dollars but there is an opposite side of this. The cost of providing the services to the new development. Nobody wants to take into consideration those costs. Is there an offset or not? Does gross become net?

Mr. May stated that he can't answer that question. He hasn't been asked to.

Supervisor Scagliotti said he was sorry to put Mr. May on the spot but those are the issues that nobody wants to talk about. Let's talk about them.

Mr. May said he felt this was a very highly charged issue and he thinks that people on both sides of the issue have very strong opinions about whether growth is good or bad or whether it pays its way or doesn't pay its way. Mr. May said he really couldn't speculate here sitting in this seat right now based on what he knows. What he has to look at is the here and now and where our county finances are at. Mr. May said he could speak to those issues but as far as speculating about what would happen if we had 1% growth or 5% growth it would just be purely speculation.

Mr. Marcus said he appreciated the comments very much and that he tried to make it clear that if Mr. May wasn't prepared to answer the question that he wasn't looking for a debate. There has been department heads and a lot of discussion about something in three weeks that is going to be very important to the taxpayers and the voters in this community and the more information that people have they can vote with an informed mind so that was all he wanted.

Chairman Cruz stated that in all honesty he had to go along with Supervisor Scagliotti. He told it just the way people don't want to hear it and that's the sad part of it. As far as our CAO, he gave us a report on where and why we stand on the budget and what are we looking

toward in the future. Chairman Cruz said that Measure G and his opinion was really not what he should do.

Mr. May said he does not make policy and in this case the Board and the voters of this county will make a policy. You'll adopt Measure G or you won't adopt Measure G and as the CAO he will then have to deal with the consequences of whatever happens and try to manage the county's finances in the best possible manner. Mr. May said but this is a political issue.

10:00 a.m. CLOSED SESSION AGENDA:

The Board adjourned into closed session and reconvened into Regular Session re:

14) Conference with Legal Counsel - Anticipated Litigation

- a) Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9. Number of cases: **3**

All three cases were withdrawn by County Counsel.

- b) Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9. Number of cases: **3**

All three cases were withdrawn by County Counsel. File #235.6

15) Conference with Legal Counsel - Existing Litigation

- a) Franscioni et al. vs. County of San Benito et al.

Approved settlement agreement with Ray Franscioni to resolve the litigation.

- b) Sandman vs. County of San Benito

No reportable action.

- c) Monteon vs. Richard Scagliotti, San Benito County Board of Supervisors, San Benito County Financing Corporation, et al.

No reportable action.

- d) County of San Benito vs. Doodlebug LLC

Authorized transfer of \$74,000 from Contingency Funds to the General Fund for eventual deposit with the court in conjunction with this eminent domain action.

File #235.6

16) Public Employee Discipline/Dismissal/Release

No reportable action. File #235.6

The Board adjourned as the Board of Supervisors and reconvened as the San Benito County Financing Corporation Board of Directors. The minutes of the San Benito County Financing Corporation Board of Directors have been prepared separately.

The Board adjourned as the San Benito County Financing Corporation Board of Directors and reconvened as the Board of Supervisors.

1:30 p.m. PUBLIC HEARING (or as soon thereafter as the matter may be heard):

PLANNING DEPARTMENT - R. Mendiola

17) Held public hearing to consider General Plan Amendment 02-24 and Zone Change 03-132 to change the land use designation from Agriculture to Residential and Commercial and to

change the zoning designation from Agricultural Rangeland (AR) and Agricultural Productive (AP) to Rural Transition (RT) with a Planned Unit Development (PUD) overlay and Thoroughfare Commercial (C-1) for the development of 154 single-family detached units, 2 ranch estates, 30 affordable town homes, a 9,400 square foot commercial center, a private championship 18-hole golf course and a public 9-hole golf course, clubhouse, driving range, a 200-room resort hotel, a regional park and agricultural/habitat conservation areas.

Applicant: Rancho San Justo Company (San Juan Oaks Golf Club). Location: San Juan Oaks Drive at Union Road. Zoning: Agricultural Rangeland (AR) and Agricultural Productive (AP). Environmental Review: Environmental Impact Report (EIR). (Cont. from 2/3/04 mtg.)

Fred Goodrich, Assistant Director of Planning, provided background information stating that this is a General Plan Amendment and Zone Change. Mr. Goodrich noted that comments were heard at the February 3, 2004 public hearing. Mr. Goodrich said that some of this report was heard before but needs to be repeated for the record. The project itself is a General Plan Amendment and the applicant is requesting to amend the current Agricultural Land Use Designation to a Rural Transitional and Commercial Land Use Designation and there would also be a corresponding zone change for the Rural Transitional and Commercial Thoroughfare. In addition there would be a Planned Unit Development Overlay placed on the Rural Transitional Zone.

Mr. Goodrich reported that on January 7, 2004 the Planning Commission adopted resolutions recommending that the Board of Supervisors certify the Environmental Impact Report (EIR), adopt the Mitigation Monitoring Reporting Program, adopt a Statement of Overriding Considerations and approve the General Plan Amendment and Zone Change for the San Juan Oaks Golf Club. The General Plan Amendment and Zone Change are important to this project in that without approval the project could not go forward. If, however, the project does obtain the necessary General Plan Amendment and Zone Change the project could move forward and the Planning Commission would then review the Vesting Tentative Map which would be only reviewed by the Planning Commission.

Mr. Goodrich continued by stating that the project itself would be a private championship resort 18-hole golf course and a public 9-hole par three golf course. The development would also include a 15,000 square foot clubhouse, driving range and golf cart storage area. Both the private and public course would employ approximately 58 people. There would be residential development that would consist of single-family ranch estates and both attached and detached multiple family affordable housing. The residential lots would range in size from almost 20,000 square feet to five acres. There would be 154 market rate single-family homes and those would be located around the existing golf course and the proposed golf course. There would be two five-acre ranchettes located up in the hills and there would also be an affordable housing complex for 30 for sale units. One half of these affordable units would be available to very low-income homebuyers. In addition there would be a 200-room resort including conference facilities, dining facilities, banquets and spa. This would employ approximately 200 full and part time employees at full build-out. The applicant is proposing to develop only 100 of those rooms at this particular time. There would be a 9400 square foot commercial center and this would serve basically the residents of the project and guests of the resort.

Mr. Goodrich reported that the applicant is also proposing to develop a 61-acre regional park with public hiking and equestrian trails and it would then be deeded to the county. Approximately 55 acres of existing agricultural land would be preserved for permanent agricultural use for the use of deed restrictions and conservation easements and there would also be approximately 1,162 acres that would be preserved as permanent wildlife habitat by

being designated non-buildable and also for the use of deed restrictions and conservation easements.

Mr. Goodrich stated that a new internal roadway system would also be developed to serve the project. All of those roads would have to meet county standards.

Mr. Goodrich further reported that there is a private water system proposed to serve the project. It would be a combination of well water; reclaimed water and San Felipe water to the extent that the San Felipe water would be available.

Mr. Goodrich stated that the applicant is also proposing a batch plant wastewater facility to serve the entire project including the existing golf course whose septic system would be discontinued. The capacity of the system would be 95,000 gallons per day and would provide a tertiary treatment quality effluent that could be used for unrestricted irrigation uses. It would also be used for golf course and common landscape areas and also it would be stored for some of the water features (the ponds) of the proposed golf course.

Mr. Goodrich stated with regards to drainage the project would of course be required to handle storm run-off and it would have to be designed so that post-project discharge would not exceed pre-project conditions.

Mr. Goodrich further stated that there would be approximately 1.6 million cubic yards of cut and 1.4 million cubic yards of fill. With shrinkage there would be a net surplus of about 8000 cubic yards of material and the applicant is proposing that the excess material be incorporated into the contours of one of the proposed golf courses.

Mr. Goodrich said that as for landscaping they are proposing that there would be visual landscaping from public and private right of ways, parking areas, trash areas and storage. They are proposing to use drought tolerant plants and again they would be irrigated by using the recycled water from the treatment plant.

Mr. Goodrich reported that another aspect of the project is the Vesting Tentative Map and that is something that the BOS would not see unless it was appealed to the Board. The Planning Commission would review the Vesting Map subject to the approval of the General Plan Amendment/Zone Change. The vast majority of all of the conditions of this project will come as part of that Vesting Tentative Map.

Mr. Goodrich went on to say that this particular project was subject to the provisions of the County Growth Management Ordinance. Allocations and a build-out schedule were granted and that is included in the staff report for review by the BOS. The proposed build-out would start in the Fiscal Year 2004/2005 and be completed in the Fiscal Year 2010/2011. Mr. Goodrich stated that when this report was presented to the Planning Commission we indicated that we had some concerns with the project and felt that it was pre-mature in nature given some of the traffic impacts and the unknown status of improvements to the Highway 156 roadway; however, the Planning Commission did make the necessary findings to place the environmental documents, the General Plan Amendment/Zone Change before the BOS today.

Mr. Goodrich stated that the EIR that was prepared for this project did go through a public hearing process and we did receive both written and oral comments on that document and those documents are included in the final EIR that was previously provided to the BOS and the technical appendix for the environmental document. The EIR basically identified and analyzed the project impacts and offered mitigation measures and it should be noted that there would be eight Class I environmental impacts. Class I impacts are those for which there are no mitigation measures. They are significant and unavoidable. Mr. Goodrich said that because you do have Class I impacts the California Environmental Quality Act (CEQA) requires that you adopt a Statement of Overriding Consideration that basically would say that based upon certain economic social, legal, and technological or other benefits that project impacts are acceptable and that you can move forward with the project. Mr. Goodrich noted that the

Planning Commission has recommended and there is a Statement of Overriding Consideration included in the BOS packet.

Mr. Goodrich continued stating that also for the BOS consideration is a Mitigation, Monitoring and Reporting Program. The Planning Commission has recommended that the BOS approve that as well. This program basically insures that mitigation measures identified in the EIR are implemented to avoid any significant impacts associated with the project. Mr. Goodrich stated that through this entire project the EIR as well as the project specifics have been reviewed by numerous county, federal, special district agencies and their comments and input has been included in the staff report or in the final environmental document.

Mr. Goodrich ended by stating that lastly, if the project were approved it would of course generate development impact fees, property taxes, transient occupancy taxes and employment opportunities for the residents of the county.

Mr. Goodrich stated that this basically ends his report and after the BOS considers public testimony and the staff report and other information that has been provided then the BOS would need to direct staff as to how the Board wishes to proceed to prepare resolutions or ordinances for consideration at a later date. Mr. Goodrich noted that the County's consultant, Richard Daulton, with Rincon Consultants, Inc., who prepared the environmental document, was present so if there are any questions about that he is available to answer some of those questions.

Scott Fuller, representing San Juan Oaks Golf Club, came forward. Mr. Fuller said they were present to answer any questions about the project, to provide a summary of their proposal and to request that the BOS uphold the Planning Commission's recommendation to move the project forward. Mr. Fuller stated that the project came to the BOS after an extensive planning process under the County's Growth Management System Ordinance No. 733. This process included an application and preliminary environmental review under the 1% allocation process, the writing of the project under the 1% point allocation point system, the granting of preliminary and residential allocations, the completion of extensive Environmental Impact Report (EIR) under the direction of the Planning Department and public hearings before the Planning Commission.

Mr. Fuller stated that they designed their project specifically to meet the goals of the County's Managed Growth Ordinance. The Ordinance includes a 1% growth cap to "impose a leveling out period modulating the spikes and dips in the residential growth cycle". It calls for the preservation of agriculture and open space lands. The ordinance calls for the provision of housing for all segments of the community and particularly for affordable housing. It encourages a balance between the local housing supply and local employment opportunities; and, finally the ordinance holds the "cost of residential development needs to be offset by revenue and industrial development".

Mr. Fuller stated that as he briefly outlines what they see as the benefits of their project he hopes the BOS would see that they have attempted to respond to each of these needs. The project consists of 156-market rate and 30 affordable units on 2000 acres. This is less than one house per every 10 acres with easements placed on the property to prevent future subdivision. As per the 1% Growth Management Ordinance, the units are built slowly over a seven year period and they are part of the 1% growth cap. Basically, they would build approximately 28 units per year and that is the total number built per year including the affordable.

Mr. Fuller noted that the project provides approximately 150 permanent and part time jobs from laborers to executive positions. Included in the project is a sixty-acre park, 1100 acres of open space wildlife preserve and 55 acres of agriculture preserve. So, not including the golf courses, over 1200 acres of the land is in permanent open space and agriculture preserve compared to about 100 acres dedicated to the residential development. The project

provides 30 affordable units, including 15 for the very low-income category. Mr. Fuller stated that Brian Abbott from Community Services Development Corporation (CSDC) spoke at the previous meeting and they will be working with CSDC on the affordable aspect of the project.

Mr. Fuller continued by stating that their project includes a resort hotel and spa which will attract tourism dollars to San Benito County and Transient Occupancy Tax (TOT) directly to the County's General Fund. Taking this and other economic benefits of the project into account, the EIR's fiscal analysis shows that at build-out the project would generate a net positive of \$800,000 per year to the County and about half of that (\$400,000) is from the TOT tax that goes to the General Fund and that was based on the 100 rooms of the hotel and not the 200 which could be the ultimate number if the first 100 is successful economically.

Mr. Fuller stated that finally, San Juan Oaks will re-invest lot sale proceeds to develop the hotel and new golf course representing a \$40 million Capital Improvement Project in the County over the next seven plus years. The potential impacts of the project are mitigated with approximately 200 Conditions of Approval. Mr. Fuller said he would like to discuss traffic mitigation generally as Planning staff has raised traffic as a concern. In addition to the \$2.8 million dollars that the project will generate in Traffic Impact Fees, we've already agreed to not only the traffic mitigation's outline in the EIR, but, also several additional measures requested by Public Works. These include a stop light, widening and lane channelization on a portion of Union Road, widening and additional channelization on the Highway 156 approaches to Union Road and other additional measures that Public Works has indicated they would like to see.

Mr. Fuller stated that for some perspective they wanted to point out that even a 1% growth cap naturally comes with some traffic impacts. Mr. Fuller stated that the project falls within this 1% impact. Mr. Fuller clarified that he was not saying that projects within the 1% cap do not have to fully mitigate their project's specific impacts. Mr. Fuller said that projects under the 1% cap must mitigate their impacts and they accept their responsibility to do so. Mr. Fuller stated that they are the first project to come before the BOS having gone through the entire 1% Allocation Growth Management System. Mr. Fuller stated that he felt it requires a little a change in thinking about how projects are viewed. Mr. Fuller said that prior to the 1%, in the past, their project, no matter how much it offered, would potentially be one of a potentially unlimited number that might come before the BOS and follow them each with its own impacts. But, with the imposition of the 1% cap the situation is changed. You now know that the potential new lots qualifying under the 1% is capped – 60 lots per year and there are exceptions of course which add to that – but the 1% cap is 60 per year. The impacts are capped along with that upper limit of 60 lots and so their project is part of that 60 per year. It's not outside of it and it is not in addition to it. You have contained the potential number of lots per year and their impacts and they (San Juan Oaks) are a part of that contained group. In addition, if their allocations are not approved or taken, they would inevitably be given to other projects over the next 7-8 years and these allocations would likely go to small subdivisions of 2, 3 or 4 lots. While this type of minor subdivision fills an important housing need, the 1% system sets aside allocations for them. These small subdivisions taken together would result in the same overall residential traffic impacts as their proposal but, they naturally cannot offer their (San Juan Oaks) level of community benefits or even the traffic mitigations they have agreed to provide.

Mr. Fuller stated that in light of these facts they ask the BOS to carefully consider the high standard that their project has met. And, finally on the issue of traffic, Mr. Fuller wanted to make it clear that if improved they are committed to do their fair share and more to help the County catch up with this critical traffic infrastructure need. With San Juan Oaks track record in this community, with the balanced master plan they are offering, all within the 1% residential cap, they believe it is logical to move them forward and take advantage of the open space,

employment, revenue and affordable housing that they are offering. Mr. Fuller said they felt the BOS could send a clear message that for a proposal of this size designing responsible community oriented projects that comply with the 1% Growth Management Ordinance is the most effective way of satisfying the County's Planning requirements. Mr. Fuller asked the BOS to adopt the recommendations of the Planning Commission as outlined in the staff report.

Mr. Fuller ended by stating that whatever the outcome today he wanted to take this opportunity for a couple of public acknowledgements. First, while they and the Planning Department did not always agree on everything he wanted to acknowledge them, and in particular the lead Planner Fred Goodrich, for the always professional job in processing the application and on the affordable housing portion of the project they wanted to acknowledge Supervisor Bob Cruz who did work closely with them on that and gave them guidance, encouragement and sometimes insistence on the very low-income part of the project.

Mr. Fuller ended stating they were present to answer any questions now or later and prior to closing the public hearing they would appreciate the opportunity to respond to any questions or concerns.

The Chairman opened the public hearing.

John Goff, San Juan Bautista resident, came forward stating that one of the main things that he was interested in was wastewater inner structure as it was detailed on page 3 of the EIR. This describes a section 4.10 Utilities and Wastewater Treatment Plant is proposed on a 2.72 acres in the northwest portion of the site and east of the existing access road. The wastewater facility would be a stand-alone on site Wastewater Reclamation System that would serve the proposed land use. The designation of wastewater flow averaged day dry weather flow of the system would be approximately 91,750 gallons per day. The wastewater facility would be a stand-alone on-site wastewater reclamation system with a capacity to accommodate approximately 95,000 gallons of wastewater per day that would serve the proposed project use. The additional reserve capacity of the wastewater treatment facility would not be sufficient to serve substantially additional use therefore a potential for the proposed wastewater treatment plant in associated inner structure to induce additional growth either on site or off site is limited. Mr. Goff said if you divide the two figures you have a safety margin of 3250 gallons per day if that means anything. The mitigation measure and residential impacts on Page 5A do not cover the impacts well enough. Mr. Goff said he believed the impacts to be significant. A good measure to add is the drainage and grading section 5.1 and 8.2 of Ordinance 384 where it is required to handle a 100 year storm over the development and limit the outflow for a 10 year pre-development level. So the creek near San Juan that has gone over its banks before near the trailer park would be less apt to be flooded in the big storm. Mr. Goff said that Ordinance 598 states that the comprehensive flood damage and prevention should be followed.

Mr. Goff added that the site has row crop designation and it should not be re-zoned.

Jose Alvarez, President of the Community Services Development Corporation (CSDC) Board came forward. Mr. Alvarez stated that CSDC supports the San Juan Oaks project including the low-income housing and urges the BOS to approve the project. Mr. Alvarez said that CSDC has carefully examined the project and decided to support it on its merits. They decided to participate in the project based on the fact that it provides high quality affordable housing to low and very low-income residents. Many of the units will be three and four bedrooms, which will accommodate large families, and this will reduce over-crowding which is so prevalent in our community. Moreover the developer is willing to build the affordable housing during the initial first two years of the project. Normally affordable housing is constructed towards the end of the market rate project. Mr. Alvarez said that currently 30 town homes designated as affordable housing are planned to be sold. CSDC encourages the BOS or

staff to reconsider this change and make it a requirement for rental housing for several reasons. Mr. Alvarez said there is a greater need for rental housing than for-sale housing. This is based on their experience with the Riverview project. There were 28 units that were available for sale and approximately every unit generated 12 income eligible families who desired to purchase. In the end only one of the 12 families was able to get the necessary financing to make the purchase. In fact, they were almost in a position of not having enough qualifying buyers even when CSDC provided large second mortgages to help the families get into the homes. At the end of the day this left 11 other applicants still in need of affordable housing. The large ratio of the income eligible applicants to qualified buyers will be magnified in this project because of the introduction of very low-income applicants.

Mr. Alvarez continued stating that San Juan Oaks employees are to be given preference for a portion of affordable units. If these employees purchase the home and later leave employment from San Juan Oaks they will still own the homes. Then it will be unlikely that new employees will be able to find affordable housing. Because of turn over rental units will be available and would be more realistic for them to secure affordable housing. With for sale units there is little control over the upkeep of the home and the possibility for inappropriate alterations and additions can occur as well as units becoming run down. With rental property the property manager is responsible for this and the units tend to remain in better repair. Finally, the for sale units will require the Homeowners Association dues over the common maintenance areas and with the rental the Homeowners Association dues are included in the rent.

Mr. Alvarez thanked the BOS for considering his remarks and again urged the BOS to allow all affordable units to be rental property rather than for sale; but, whatever the decision on this issue, CSDC encourages the BOS to approve this project to that we can increase the stock of affordable housing in our county.

Ron Rodrigues, Union Road resident, came forward. Mr. Rodrigues stated he was present in support of this General Plan Amendment and Zone Change and in support of this change. Mr. Rodrigues stated that San Juan Oaks has been an excellent neighbor to him, much better than some of the other neighbors out there. We have neighbors out there who pollute. Mr. Rodrigues commended the Planning Commission for their previous approval of this process. Mr. Rodrigues said he could talk about how they have been an excellent neighbor to us out on Union Road and he could speak to their creation and improvement of open space and wildlife habitat and he felt this was a real plus to this project. Mr. Rodrigues said he has lived in that neighborhood and he has seen changes over the years and he felt that we need to continue with that process.

Mr. Rodrigues said that the stop signal is something that he has really appreciated since living out in that neighborhood for over 30 years. That signal has saved many, many lives and previous to that there were several incidents out there where people died at that intersection. Mr. Rodrigues said that San Juan Oaks can be commended for their efforts in that regard.

Mr. Rodrigues stated that he was a member of the BOS when they enacted the 1% Growth Cap and this project complies with that 1% Growth Cap and he thinks that is a real highlight in this project plus the other things they have provided. Mr. Rodrigues said he was in the jobs business for over 30 years and this project not only creates jobs during the construction period, but also as Scott Fuller indicated there would be jobs that are permanent and part time out there once the project is completed. That is a real plus for our community since we are looking for more and more jobs in the community and the economic development here is a real factor.

Wayne Norton, Site Manager for Anzar High School, came forward stating he was not present to take a position on the project. The school district does not take positions on

developments. But, he felt it would be helpful for the BOS to know as Mr. Rodrigues stated what kind of a neighbor San Juan Oaks has been. For the last several years the foundation has given \$2000 a year scholarships to Anzar High School students and San Benito High School students. They have let us use the facility for district events and by no small contribution have let the Anzar High School fledgling golf team use their course which is very helpful since it is very difficult for the boys to be able to afford the green fees. Mr. Norton said he was confident that the BOS would make the best decision for the county based on the information that you have on this project, but he did feel that San Juan Oaks has set a standard for corporate citizenship and he hoped other corporations would follow.

David Baumgartner, Swan Court resident, came forward. Mr. Baumgartner said he was long time resident and being here for a long time he has had the pleasure to see a number of developers come and go. They do their thing and then they are gone. But, then comes along San Juan Oaks and they have the insight to actually sit down and talk with the County planners and anyone else who is interested and ask what are your needs and what can we do for your community and still accomplish our goals. Mr. Baumgartner said it would really be nice if all of the other contractors and developers would use that same kind of concept. As far as the product, all you have to do is go out there today and see what a beautiful site it is. There are egrets, swans, ducks, geese, bobcats, deer and every kind of animal you can imagine. We even have a pair of golden eagles out there and a gorgeous sight to see and eagles are very particular about where they hang their hat. Lots of time all you have to do is listen to the animals and their actions and they will tell you what is right. Mr. Baumgartner felt that if anyone comes to the podium and says anything about San Juan Oaks destroying any of the wildlife or habitat they either have not gone out there to see the entire project for themselves or they probably don't know what they are talking about. Mr. Baumgartner stated that he has always had the respect and love for animals and he was very pleased with the accomplishments of San Juan Oaks out there and if that out there is any indication to come then let it come.

Moises Roizen, Bixby Road resident, came forward stating that he was present to talk against the issue and it looked like he was going to be one of those minorities. Mr. Roizen provided photos for the BOS. Mr. Roizen stated that last week the BOS was admonished by an individual who said that the BOS was going to have to be very careful about the decision they were going to have to make regarding this particular project and he used examples about other areas that have been developed and the handout that the BOS just received actually shows the result of it. The very first page shows four views of what the valley looks like right now – actually the site and the side of the hills as you see them at this particular moment. The second page is four examples of Eagle Ridge, the development in Gilroy. Mr. Roizen said if we were going to make any comparisons one of the comparisons would be that the distance between The Alameda and Union Street is exactly 4.1 miles. The distance in Eagle Ridge between Main Street and Miller Avenue is just about the same and the comparison would be between one and the other and see what the results of a development of that particular nature would be. A lot of the increments, things that are proposed in this project, are essentially the ones that are already in existence in Eagle Ridge. Mr. Roizen stated that the reason he is saying this is because he has spent many, many times visiting the Planning Department office and as soon as you walk into the office, on the left hand side, there is a wall that has a beautiful map of San Benito County and that map is entitled "San Benito County, California's Unspoiled Paradise". So, you are looking at an unspoiled paradise on the first set of photographs. You are seeing a possible example of the unspoiled paradise that will no longer be in existence in San Benito County if the BOS approves the proposal today.

Mr. Roizen continued stating there were two mitigating circumstances that he would like to talk about that were never discussed in the EIR. One of them has to do with the Highway 156 problem. All sorts of proposals have been made on how to improve the traffic flow including individuals that today are running for supervisor and their proposals about what should be done on Highway 156. One proposal that was never discussed and never thought of, that ought to have been a part of the EIR as a total answer to this problem, would be a bypass to 156 on the other side of the hills. Somewhere around the Bolsa Road perhaps or something of that particular nature and have a complete freeway on that particular site completely locking off the existing 156 as a local, residential type of a road that would prohibit any through traffic, particularly truck traffic, from going through the valley and spoiling it in that particular respect.

Mr. Roizen said that the second mitigating circumstance that he wanted to talk about has to do with the process of the differences of alternatives in the development site. They presented four alternatives and there should have been a fifth one and that would be no housing development at all, retain the actual hotel, but no village and all of these studies that would be identified in that particular process should have been a part of the mitigation process discussions.

Mr. Roizen ended by stating that the BOS needs not to vote yes on Proposition 2004-2 and 2004-3 and both of those should not be accepted.

Rebecca McGovern, San Juan Bautista resident, came forward. Ms. McGovern stated that it was difficult to comment on such a gross and disastrous new town right in the middle of this beautiful area. Ms. McGovern stated that Scott Fuller is a masterful manipulator and mover of people. This project is the creation of a new city. Ultimately it will have 561 homes and that is the size of San Juan Bautista, a 200 room hotel with 350 villas for golfers, an elementary school, a fire station, two golf courses – one private and one public, wastewater treatment facility, general store and retail stores and for the people – that is very rich people of Silicon Valley. 350 golf villas will all have kitchens and bathrooms with showers. They are just smaller in size. So that gives us 561 homes and 350 villas for a total of 911 new living quarters – twice the size of San Juan Bautista and an additional 200 rooms in a hotel. Ms. McGovern said it was strange that there is no indication in this project's preliminary map application of their source of water except for the tap into the San Felipe Water System that might be tapped out in the next few years. So where is all the water coming from. Currently the water issue threatens canyon people, prime agricultural farming, farming communities and the City of San Juan Bautista. Since the building of the San Juan Oaks facilities and golf course, San Juan Bautista has had one well go down and nitrate levels go up. All of this is blamed on farming and not one mention of the golf course using anything but pure water. Ms. McGovern said that in this project we see the end of the beautiful and bountiful agricultural valley. For what? So the wealthy robber barons from the Silicon Valley can play and frolic in our former agricultural valley. Ms. McGovern stated that when water is rationed off the first to be cut are the farmers and not residential houses. And, by the way, the traffic in the EIR is estimated to be 4289 trips daily.

Margaret Cheney, Hollister resident, came forward. Ms. Cheney stated that she was terribly impressed by this project and by the ends that Mr. Fuller has gone to make it acceptable to people. It's very nice. But, there is one problem that she feels cannot be mitigated and that is the matter of growth and we have no assurance that 1% growth cap will be continued. Ms. Cheney stated that this BOS has been excellent in controlling growth but as you know this could change on any given Tuesday and we could have an overwhelmingly sudden influx from Silicon Valley and the North. Ms. Cheney felt that we should be concerned about that and also about the impact on Highway 156 that she understands has been graded F by the State and C and D are the lowest grades that our highways can have. Ms. Cheney stated

that it seems that there is simply no way of mitigating that problem within many years and the Fuller project will not stop and wait so time is not going to stand still for this project; therefore she urged the BOS to not pass it.

Dave Brigantino, Union Road resident, came forward stating that he was a neighbor and tenant of San Juan Oaks and he was present to speak for their character and their background and how they have treated the Brigantinos as a neighbor and a tenant. Mr. Brigantino said San Juan Oaks came to the County and he leases their grazing land and some of the farm ground and they go out of their way to do the right thing and to make things right for whatever the situation is they will find a solution. Mr. Brigantino stated that they have been involved in a lot of little deals with San Juan Oaks and they don't even have a written agreement with them. It's all on a handshake deal and that is the kind of people they are. They are not afraid to get involved in the community, as you all know. Little League, 4-H, the schools and whatever the case may be they are there and they are part of the committee. Mr. Brigantino urged the BOS to give them credit for what they have done for this community and what they are going to do for the community.

Mr. Brigantino said he was not sure where these numbers are coming from but he felt this was a total build-out on this project and there is a lot of open space in perpetuity. San Juan Oaks is a class act and Mr. Brigantino said he could vouch for that from experience.

Joseph Zanger, Sr., County resident and Owner of Casa de Fruta, came forward. Mr. Zanger said he had a message. This afternoon you are going to be making the biggest decision that you have made for San Benito County. San Benito County is so important because we have an opportunity here to change what has been taking place here in the past. With San Justo this is going to have a big impact on economics of San Benito County. This is going to bring about commercial and industrial property here and bring companies that have taken place in other areas to have factories here so people have a place to work here in San Benito County. They don't have to drive 50 miles. We are fortunate that we have a background. Mr. Zanger stated that this has taken place in Santa Clara County (San Jose). The Cribari Villages -- two golf courses, homes, buildings, restaurants and this can be replaced right here in San Juan Bautista. Mr. Zanger said that the people that have been involved with this are important and with big companies like IBM, Lockheed, Fairchild, Hewlett Packard and they saw what has been helped by having this type of facility here. Mr. Zanger said that if you were to talk with the supervisors of Santa Clara County or the mayor or other people of Santa Clara County, they can see how important this event is. Mr. Zanger said everybody is against this and against that but we have very important, technical people that can make something happen. Mr. Zanger said he knew that when they put the Arena in San Jose there was problem. In San Francisco when they put in the baseball field there was problems. These have been very successful and we can repeat this. San Jose now has \$350 million buildings going in. Mr. Zanger said that was his family property there in Santa Clara (Fourth, Fifth and Sixth Street) and so that is history. Mr. Zanger said he hears people talking about this and we need to support them (San Juan Oaks). Mr. Zanger said he is five generations and his family would like to be involved with what's happening here. We are lucky to have a president to make this thing happen so everything is successful and we are fortunate to be successful and he would like to ask the Board's favor vote in this situation.

Ted Thoeny, San Juan Valley resident, came forward. Mr. Thoeny said he has three main concerns. One is the grading. As you know they are going to move over million yards of dirt and it is really important to understand where they are moving it, how they are moving it and how it is going to look after they get through. Mr. Thoeny said that 1000 yards of dirt is 30 feet by 30 feet by 30 feet and so they are going to move 1000 of those cubes. Mr. Thoeny said that his big concern is that the hills are beautiful and if they do a good job and not terrace it like

they did in Gilroy, as was mentioned before, that is probably his biggest concern. The second concern is lighting. Mr. Thoeny stated that if you live in the San Juan Valley or if you have an observatory up on Fremont Peak, there are a lot of amateur astronomers up there, if you don't control the lighting that goes to the sky then you aren't going to see stars anymore and he feels that is one of the real benefits of living in San Benito County. The third concern is, of course, traffic and traffic safety and as was also mentioned before, that if a full fledge freeway was put in the Flint Hills and Larios Martes to the north and above the Bolsa and above the flood plain – and when I say a full fledge freeway that means no stop signals because even Captain Davies has said that signalized intersections are where you have the fatalities – and restrict traffic like they restrict traffic Highway 85 where you do not see trucks with exception of local trucks.

Bob Greene, Tres Pinos resident, came forward. Mr. Greene urged the BOS to approve the project. Mr. Greene felt that San Juan Oaks has been a great neighbor and they have set an example for a lot of other businesses and facilities for the county, not just San Benito County, but in California. San Juan Oaks has hundreds of functions every year. Everything from weddings to seminars and banquets and Mr. Greene said he was sure that most of the people have probably been out there and attended some of them. They do a great job. They are very professional and Mr. Greene felt that the way they designed this project would benefit San Benito County.

Mr. Greene said another thing is that we have heard a lot about work and how many jobs are going to be generated from this project if it is approved. They have quite a number of rounds of golf at San Juan Oaks every year. Mr. Greene said he thinks it is approximately 35,000 to 40,000 rounds of golf and that represents over 200,000 man-hours of recreation and that is something that we all need – a nice walk in the park – even if it involves chasing a little white ball. Mr. Greene said he felt it was a worthy project and he felt that San Benito County would benefit tremendously from having a first class hotel or even a second class one. Mr. Greene said his father-in-law was celebrating his 90th birthday in May and he is originally from the Mid-West and there are going to be a number of people coming to the party (about 100). Mr. Greene said he has tried to book some accommodations and Ridgemark had six rooms available out of their 32 rooms and there is a problem because where do you put these people. Mr. Greene said he hoped the BOS supported the San Juan Oaks project.

Chris Brigantino, Hollister resident, came forward stating he was present in support of this project. Mr. Brigantino said if people have questions of contour and what this project is going to look at he felt if they would just go out and look at San Juan Oaks right now that would give the big picture. They have moved a lot of dirt in the first project and it all goes along the contours of the land and is beautiful. Mr. Brigantino said there is a lot of wildlife there and if they didn't like it there they wouldn't be there. Mr. Brigantino felt it was an awesome spot and gives great opportunity to this community.

Scott Fuller came forward to respond to a couple of things stating that Mr. Roizen compared them to Eagle Ridge. Mr. Fuller pointed out that Eagle Ridge is a project of 850 homes primarily on 7000 to 8000 square foot lots and they do go up into the hills and contour up into the hills. Mr. Fuller said the San Juan Oaks project is about 1/6 of that number of homes and they are preserving the hills that he is talking about. We are not building homes in the hills. That is a part of the 1100 acres that we are preserving.

Mr. Fuller stated that Ms. McGovern mentioned 561 homes and 350 villas. Mr. Fuller stated that their project is locked down with 156 market rate and 30 affordable and there are easements placed on the rest of the property to prevent any future subdivision or development and so the real numbers are the 156 and the 30 affordable for a total of 186 homes.

Mr. Fuller responded to Mr. Thoeny's concern about grading stating that grading is critically important and of course the grading plans would all have to be approved by the

County and as Mr. Brigantino mentioned their goal is to make the project look like it belongs there and to blend in with the rest of the area. As far as lighting we recognize it as a critical issue and in fact they changed the lighting in the parking lot already because there was too much glare when they originally put it in. One neighbor in particular was concerned about it and Mr. Fuller said he went to his home and looked at it and agreed and we changed it, and of course they were complying with the County's Lighting Ordinance which now deals with these types of issues.

Chairman Cruz asked Mr. Goodrich if he had any further comments.

Mr. Goodrich said no there were a couple of comments made by the public regarding the number of units and Rebecca McGovern had mentioned and that needed to be corrected but other than that no he did not have any additional comments but he was available to answer any questions on the documents.

Supervisor Kesler said that we keep talking about affordable houses and asked Mr. Goodrich what was affordable. She would like to know if she was going to go out and buy one how much would an affordable house cost her.

Mr. Goodrich answered that he did not have that specific figure in front of him. A very low-income person is 50% of the median income and it runs by percentages and he would have to sit down and calculate it out. If you are looking at a low-income unit, you are probably talking somewhere in the \$180,000 to \$210,000 something like that for a very low-income family.

Supervisor Kesler said then Mr. Goodrich was saying that an affordable house would run roughly \$200,000 or \$215,000.

Mr. Goodrich said something like that and it will go up. Mr. Goodrich said that it is affordable in that category of people who could afford that price and then we would move up from there to low-income and then to moderate income and of course possibly each one of those categories could afford a little bit more; but, you are probably not looking at anything much higher than like \$265,000 / \$280,000 up on the upper ends.

Supervisor Kesler asked about the lower end asking could she buy one for \$150,000.

Mr. Goodrich said it depends on the percent of median income that you have. The median income for this county is \$67,100 then your income would have to be 50% of that and that is how you qualify. So even you would have to qualify for that particular sale price. It's not just is it affordable – yes it's affordable to that particular 50% of the median income population and then from there it goes up to 80% and then 120% maximum. Mr. Goodrich said we would have to sit down with some charts because it's hard to calculate it out right here and now.

Supervisor Kesler said she always hears about affordable housing and she always wondered what that is. She said she was not looking for affordable housing and she was not even looking for a house period. But she wonders when she hears about affordable housing over and over then she must ask what is affordable.

Mr. Goodrich again stated that it was based on the median income of the County and the State that has been set up, and the Feds have set up, categories that if you are within a certain percentage of the median income then you would be classified as low-income and a property could only sell for a certain amount of money and it keeps going up as you go through those categories. One of the State housing guidelines is to provide for affordable housing for those less fortunate than others in the County. Mr. Goodrich noted that we recently adopted the Inclusionary Ordinance in which you set out standards for a large percentage to be affordable. We have a County that has, if you add up what a low-income, very low and moderate, you have approximately 60% of people in this County who can't afford

a median priced home which is somewhere around \$380,000 to \$385,000. So anything below that is affordable but it's by income.

Supervisor Kesler wanted clarified that it was 60% who cannot afford it.

Mr. Goodrich said yes that was correct. 60% cannot afford it based upon US Census figures as to median income.

Supervisor Kesler asked how would we know how many of those houses would be in the \$200,000 range?

Mr. Goodrich said that would be a Condition of Approval of the Vesting Map and we have already started working on that with the applicant and we are going to divide those up into percentages going towards low, very low and moderate and that is something that the Planning Commission would work on.

Chairman Cruz stated to Rebecca McGovern that if she were going to come up to the podium and give figures like she did in her prior presentation he would not accept that unless she has something valuable to say.

Ms. McGovern said yes she did have something valuable to say. Ms. McGovern stated that those figures came from materials issued by Scott Fuller's company and she would ask that Scott Fuller be willing to sign a statement or a deed saying that he will not build any further houses that what is being approved because he can wait four or five years from now when the BOS is all gone and come back and ask for another 150 and he could come back again and ask for another 150. If those things being proposed today are factual and actual then he should be willing to sign an agreement to those figures.

Chairman Cruz asked Ms. McGovern if Scott Fuller did sign an agreement right this minute then would she approve it.

Ms. McGovern answered yes.

Chairman Cruz commented that his main concern was affordable and low-income incomes and asked Mr. Fuller to come forward and talk about the plans for affordable housing and break it down for the public.

Mr. Fuller stated that they committed to half of the 30 so 15 would be for very low-income, which he did not think had been done in this county before, and their estimate of that very low would be around \$150,000 to \$160,000. That would be half of them at the very low and then the next eight would be low and the next seven would be moderate so you are guaranteed that half of them would be in the \$150,000 to \$160,000 and these would generally be two, three and four bedroom homes. Mr. Fuller stated that as Mr. Goodrich said this was based on income but they would have to set those half available for people who meet those income guidelines so they could pay that \$150,000 to \$160,000 for the home.

The Chairman closed the public hearing.

Supervisor Loe stated that she had some questions. First of all she would like to bring something up about the affordable housing because she felt that we all agree that we need the affordable housing. Supervisor Loe said she spoke to Mr. Fuller last week and he talked about the rental units and Mr. Abbott was at the BOS meeting last week and talked about the rental units. Supervisor Loe said she had a lot of questions of whether that is what we really want to do. She understands what Mr. Alvarez said today and that is probably something that we need to look at but her concern is that is it affordable housing or employment benefit? If these houses are actually going to employees does that mean that we can have part time people that work a minimum amount of hours but because they get less amount of money for rental is that really an employee benefit rather than the affordable housing that we are trying to address? Supervisor Loe said she had not come to an actual conclusion on that but it is something that she is really concerned about because there is a great need for affordable housing in this

community and to have someone there because they are working there but then have to move even if their status doesn't change in income then that is bothersome to her.

Supervisor Loe asked about fire protection. Supervisor Loe said that because of the way this project is she saw in the reports that they were talking about some land for maybe a sub-station or maybe buying some equipment. Supervisor Loe said that she believed for a project of this size with the dollar amount of the homes involved then the people there are going to expect fire protection. Who is going to man this fire sub-station if that is what happens and who is paying for all of this as far as employee wise?

Mr. Goodrich answered that as an exaction we can require that the applicant dedicate land, even build structures and buy equipment, but we can't mandate personnel and we can't mandate their salaries. That is not allowed under State law so there would have to be some kind of Benefit Assessment District set up and provide personnel to operate the station. How big that Benefit Area would be and who would be involved are unclear at this particular time. The applicant has indicated that they are willing to do their fair share and to be part of a Benefit Assessment District but that is somewhat still unknown at this time as to what the Benefit Area would be.

Supervisor Loe said that she thought, from other discussions they have had, if it is manned there has to be three people there.

Mr. Goodrich said he did not know.

Supervisor Loe asked if this project was in the TDC program. She remembers originally that when the golf course was approved there was talk about a TDC program and asked if there is anything in this plan?

Mr. Goodrich answered no there was nothing in any Condition of Approval and the applicant hasn't indicated anything about Transfer of Development Credits (TDC).

Supervisor Loe asked about the EIR relating to the GAP project. Has it been addressed if the GAP project doesn't get built and how will the traffic mitigated?

Mr. Goodrich answered no. The traffic study that was done was basically mitigation measures that were predicated upon the fact that the GAP project would be built. If it isn't built then there are still questions.

Supervisor Loe asked about the secondary access road that basically would come on to the Highway 156 bypass and if has been studied in the EIR as to if it will change actual traffic flows?

Mr. Goodrich answered that as he recalled it was only discussed as an emergency access. There was some discussion as to its width, base material and things of that type for emergency only but was not addressed as a primary or secondary ingress/egress point and how that would change the dynamics of Highway 156 or Union Road and Highway 156.

Supervisor Loe commented with regards to San Benito Street and Nash Road (her favorite intersection). Supervisor Loe asked the consultant, Mr. Daulton, if the mitigation for that was the Highway 25.

Mr. Daulton answered that was correct.

Supervisor Loe asked if he took into the consideration the high school that basically is a designated spot that Highway 25 will not help?

Mr. Daulton answered not specifically. The existing trips that were counted at that intersection would have accounted for the high school traffic, not necessarily at the peak afternoon pick-up and drop-off spots, but in the morning it would have accounted for that traffic.

Supervisor Loe asked if it would change the traffic flow because there is a conversation right now about closing Nash Road? Supervisor Loe stated that it was her concern that this would greatly change the traffic flow in that area.

Mr. Daulton answered that the environmental document did not consider the closure of Nash Road. That wasn't a planned project that was on the books when he started the report. Mr. Daulton noted that the trips from the project would cause an additional approximately one second delay at that intersection. This is an intersection that is currently operating at a insufficient level of service so the project would exacerbate that existing deficient condition; however, it is a fairly minor impact and that is due to the trips being distributed throughout the regional circulation system and as it filters onto to different roadways traffic there is about a second's delay.

Supervisor Loe said there was a six minute wait at certain times of the day to get through that intersection so basically that is at a Level F asking if that was correct.

Mr. Daulton answered that six minutes would definitely be at a Level F although that is not what came out of their traffic study. Mr. Daulton said they were looking at maybe over a minute of delay. Again, the project's additional traffic would have a fairly minor impact, although as we acknowledged it is worsening and existing problem area.

Supervisor Loe asked then there was no study done on the secondary road at that time that there was no secondary road?

Mr. Daulton asked if she meant the secondary road onto Highway 156?

Supervisor Loe answered yes.

Mr. Daulton said that the only part that was in the EIR was looking at it as an emergency access road and they did examine sight distance right turn out and due to the straightness of that portion of the highway and the flatness of the road you would need about 500 feet of visibility to make a safe turn out and that is about what is there. So it looks okay from a visibility standpoint. We didn't look at the potential secondary access from the perspective of how do you make a left for example heading westbound on 156 into that secondary access and what would the flow repercussions be from that.

Supervisor Loe asked if that road is a secondary access what happens with CalTrans? Can CalTrans just say no you can't do that?

Mr. Goodrich answered that any project that would change that to a primary access, or a secondary primary access, would have to be reviewed and approved by CalTrans. They could approve it. They could require that it be signalized a full intersection there. It is not something that they probably would want. They like all of the streets to line off at the light offset that could be reduced to right in and right out, but, all of this is contingent upon CalTrans approval and we don't know if that is approval would be forthcoming.

Supervisor Loe asked if there were other plans for a secondary access.

Mr. Goodrich answered no.

Supervisor Kesler asked about a regional park that would be developed by the applicant and deeded to the County of San Benito. If San Benito County doesn't need a park to be responsible for then what?

Mr. Goodrich answered then you would not accept the park. The applicant would develop it and then you would have to worry about whose is going to maintain it. There is some concern there if they do develop it and deed it to the county then the county is responsible for maintaining it and its going to cost taxpayer money. Mr. Goodrich said he did not know if there was some other benefit assessment that would help but that is something that would need to be discussed.

Supervisor Kesler said that the county didn't get that far to find out who would take care of it?

Mr. Goodrich said it would be have to be determined as a Condition of Approval and those conditions would have to be approved by the Planning Commission.

Chairman Cruz stated that he wanted to make comments for the record. Chairman Cruz said that he has been accused of just waking up on affordable and low-income homes, but that is not true. Chairman Cruz stated that eight years on City Planning Commission and seven years on the County Planning Commission he has always championed for low cost affordable homes here in San Benito County. Chairman Cruz stated that this was his main concern and yes he has talked with Scott Fuller about this and yes he feels that he was the one who twisted Mr. Fuller's arm on the \$160,000 and the 1200 square foot, two to three bedroom homes and that is what got this going. Chairman Cruz said he realized that there are a lot of other things going on with this project and people mention 350 condos and 500 homes for a total of 900 new homes but lets be reasonable.

Chairman Cruz said he also realizes that 60% of our people here in Hollister cannot afford a home because an average home in Hollister, and I think Mr. Baumgartner knows this better than anybody, is \$380,000 and that is an average home here. So when you have a project that can produce 30 units at \$150,000/\$160,000 and some at less than \$240,000 then Chairman Cruz felt we ought to take a look at it. As far as this project goes with regards to the 1% growth, and he was on the BOS when they voted on it and at that time we were almost tarred and feathered, and right now there are people who love the 1%. This project was done under the 1% and they did work with that. The 1% restricts the county to 60 per year and this project still has to fall under that allocation and if he gets the allocation fine, but, if he doesn't get the allocation then the most he can get is 28.

Chairman Cruz further stated that as far as traffic is concerned on Highway 156, Highway 25 and Highway 152 in Santa Clara County, yes there was a gentleman who spoke and said that the best thing to do is to move the traffic and he stopped short from saying that the 3-in-1 would be a good move with regards to this project, and the only trouble with the 3-in-1 plan that nobody mentions is that it will cost over \$300 million to put in and what they forget to tell you is more than 70% of that highway is in San Benito County and Santa Clara County having a \$2.2 billion budget hasn't come forward and said they would take the project over. If they did tomorrow I would say fine, but they haven't done that. Chairman Cruz said that there was no doubt about it that Highway 156 is at Level F which is at capacity but if we go over the Pacheco Pass and look at Gustine, Newman, Patterson and Santa Nella where they are building and building, they are going to be using Highway 156. The City of Hollister is just waiting for their moratorium to be open and they have gone on record that they have around 2300 applications and they can't process all at one time, but they will process them eventually at their going rate at whatever percentage they have and that is going to impact Highway 156 if we don't do something with it. So everything we do here in San Benito County will impact Highway 156. Chairman Cruz stated that he really looks more at the affordable, low-income homes. Chairman Cruz said yes we do have traffic problems, we do have water problems but we should move forward on this.

Supervisor Monaco stated that we've certainly looked at and studied this project a lot and he wanted to share with the audience. Supervisor Monaco said you've heard a lot of things, and he did not want to be repetitious about San Juan Oak's willingness to provide affordable housing up front, to provide needed jobs in our county, to deal with open space and ag preservation in a respectable way, to create park facilities that they are going to deed to us as a county. All of these things, if possible, generate a net positive income in the county of \$800,000. Supervisor Monaco stated that all of those things are very positive. Supervisor Monaco said he sat alone and perused this information and thinking of the best interest of San Benito County. Supervisor Monaco stated there are 58 counties in the State of California and he wondered how many counties of those 58 in California would love to have a project like this in their county. With a group of people who are willing to work with counties and who have

demonstrated over and over again to have community spirit and all of these things. They have an excellent track record in our county in working with the county, and most specifically as we have heard today, the relationship with their neighbors. Supervisor Monaco felt they have set a very good standard for our county and for that reason he would like to make two motions and he would like to go over both of the motions first and then come back to each one of them separately asking if that was alright.

Supervisor Monaco made a motion to:

- 1) *Certify the EIR*
- 2) *Adopt the Mitigation Monitoring/Reporting Program*
- 3) *Adopt a statement of overriding considerations*
- 4) *Approve a General Plan Amendment*
- 5) *Approve a zone change for the San Juan Oaks Golf Club and bring these back for final approval at our February 24, 2004 meeting.*

Supervisor Monaco made a motion that in addition, after the Planning Commission has reviewed all conditions and the Vesting Tentative Map, and approved them, that it also is brought back to the BOS for final approval at a future meeting.

Under the question. Chairman Cruz asked if in the second motion it meant that the conditions would have to come back to this BOS for final approval?

Supervisor Monaco answered yes.

Chairman Cruz asked for any input and asked for clarification that we need two motions. County Counsel Karen Forcum said it was advisable to have two motions.

Not hearing a second to the first motion, Chairman Cruz seconded the motion.

Roll Call Vote:

<i>Supervisor Loe</i>	-	<i>No</i>
<i>Supervisor Scagliotti</i>	-	<i>No</i>
<i>Supervisor Monaco</i>	-	<i>Yes</i>
<i>Supervisor Kesler</i>	-	<i>No</i>
<i>Supervisor Cruz</i>	-	<i>Yes</i>

The motion failed 2-3.

No hearing a second to the second motion, Chairman Cruz seconded the motion.

Roll Call Vote:

<i>Supervisor Loe</i>	-	<i>No</i>
<i>Supervisor Scagliotti</i>	-	<i>No</i>
<i>Supervisor Monaco</i>	-	<i>Yes</i>
<i>Supervisor Kesler</i>	-	<i>No</i>
<i>Supervisor Cruz</i>	-	<i>Yes</i>

The motion failed 2-3.

Supervisor Loe stated that she was not ready to make a motion to approve or deny this project today, but, she did want to send this matter back to staff and she wants some answers to some questions:

- 1) She wants to know about the fire district (the benefit area). Who is paying for it? What responsibility financially the county would have?
- 2) She wants to know about the access road. She wants to know about the traffic. She wants to know if the GAP project doesn't happen, how this project would mitigate its traffic. She believes that the question is how San Juan Oaks needs to mitigate the traffic it generates from this project.

- 3) She also wants to know about the secondary access road. Can we even get that approved by CalTrans, and, if we can't she believes that we do need a secondary access road from that project.

Supervisor Loe made a motion to send this matter back to staff for these studies. Supervisor Kesler seconded the motion.

Under the question. Chairman Cruz asked when would Supervisor Cruz like to have this matter come back to the BOS.

Supervisor Loe said as soon as possible – within the next 60 days asking if staff could get in done within the next 60 days, or at least an update within 60 days.

Mr. Goodrich said he believed they could get it done faster than 60 days, but, that's fine.

The Chair called for the question.

Roll Call Vote:

Supervisor Loe - Yes

Supervisor Scagliotti - Yes

Supervisor Monaco - No

Supervisor Kesler - Yes

Supervisor Cruz - No

The motion passed 3-2

County Counsel Karen Forcum asked for clarification asking if there has been an action to deny the project at this time and if there was a resolution of denial needed.

Supervisor Loe answered no. *File #790*

The vote of each member of the Board of Supervisors upon each matter at the foregoing meeting, unless otherwise stated, was as follows:

AYES: SUPERVISORS: P. Loe, R. Scagliotti, R. Monaco, R. Kesler, B. Cruz

NOES: SUPERVISORS: None

ABSENT: SUPERVISORS: None

There being no further business the Board adjourned to its next regularly scheduled meeting on February 24, 2004 at 9:30 a.m.

BOB CRUZ, CHAIRMAN

San Benito County Board of Supervisors

ATTEST:

John R. Hodges

Clerk of the Board

BY:

Linda Churchill

Senior Board Clerk