

Minutes

City Council/Public Financing Authority Study Session and Regular Meeting City of Huntington Beach

Tuesday, July 16, 2024
5:00 PM – Council Chambers
6:00 PM – Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**A video recording of the 5:00 PM and 6:00 PM portions of this meeting
is on file in the Office of the City Clerk, and archived at
www.surfcity-hb.org/government/agendas/**

5:00 PM — COUNCIL CHAMBERS

CALL TO ORDER — 5:00 PM

ROLL CALL

Present: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
Absent: Strickland

Pursuant to Resolution 2001-54, Councilmember Strickland requested and, with no objections, was granted permission to be absent from this meeting.

Pursuant to Charter Section 309, City Attorney Michael Gates requested and, with no objections, was granted permission to be absent from this meeting. Senior Deputy City Attorney Connor Hyland attended this meeting in his place.

CITY COUNCIL MEMBER COMMENTS (3-Minute Time Limit)

Councilmember Kalmick expressed gratitude for the Fire Department's expedient response to a recent medical emergency at his home involving his young son; Councilmember Bolton read excerpts from the introduction of the Brown Act that address transparency, sovereignty, and local control often cited to justify the importance of Charter cities and home rule, with her hope that the City's government will be consistent in its regard to valuing the people's right to sovereignty and local control; Councilmember Moser acknowledged recent violent actions including the assassination attempt on former President Trump, and called for demonstrated unity not only through words, but also policy and action; Councilmember McKeon addressed concerns about the Pacific Airshow Settlement Agreement after its recent release to the public, and provided additional information that he felt would help substantiate the negotiated terms.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS PERTAINING TO STUDY SESSION ITEM(S) (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Robin Estanislau announced supplemental communications that were received by her office following distribution of the Council Agenda packet

which were all uploaded to the City's website and Councilmember iPads: Study Session Item #1 (4 email communications).

PUBLIC COMMENTS PERTAINING TO STUDY SESSION ITEM(S) (3-Minute Time Limit)

— 7 Speakers

The number [hh:mm:ss] following the speakers' comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas>.

Kathryn Levassiur, Huntington Beach resident since 1999, Airbnb renter since 2015, Huntington Beach Short-Term Rental (STR) Alliance Founder and Orange County Volunteer and Airbnb Leader, was called to speak and shared frustration with the difficult Huntington Beach STR application process. She stated support for an effort to disperse STRs throughout the City rather than focusing just on the Downtown area. (00:14:20)

Jean Young, Bixby Knolls area, Long Beach resident and Long Beach Hosts representative, was called to speak and shared her observation that rather than allowing a specific number of Short-Term Rentals (STRs) in Huntington Beach, it would be better to use a percentage of housing stock. She shared details related to how Long Beach manages their Short-Term Rental program. (00:17:09)

Katie Eing, a 17-year Huntington Beach resident with an active Short-Term Rental (STR) permit, was called to speak and stated her support for an expansion of the number of units for the STR program, as well as allowing use of Accessory Dwelling Units (ADUs). (00:20:23)

Gregory Kelly, Huntington Beach resident with a hosted STR permit, was called to speak and stated support for allowing Airbnb and Vrbo to collect and forward the taxes to simplify the process for the City of Huntington Beach. (00:22:45)

Phil Larschan, Huntington Beach resident currently renewing his STR permit, was called to speak and also noted frustration with the difficult application process, stated support for allowing Airbnb and Vrbo to collect and forward the taxes and for allowing unhosted STRs in Huntington Beach. (00:24:32)

Terry Hudgins, Huntington Beach resident, was called to speak and shared his observations on the upcoming Short-Term Rental (STR) presentation, particularly related to the higher number of complaints coming from the hosted STRs and asked that a denominator, such as number of room nights, be included in the statistics. (00:26:48)

Roger Bloom, Huntington Beach resident since 1975 and hosted Short-Term Rental (STR) permit holder, was called to speak and shared his concern that Huntington Beach appears to be moving full speed ahead with unhosted STRs and shared the bad experiences he had from an unhosted rental in his neighborhood. (00:29:56)

STUDY SESSION

1. 24-498 Short Term Rental (STR) Program Update

Jill Bos, Deputy Director of Community Development, presented a PowerPoint communication titled *Short Term Rental Program Update Study Session* with slides entitled: *Background, Permitted Short-Term Rentals, Current Ordinance Reqs., Enforcement Best Practices, Unpermitted STRs (2), Complaint Detail, STRs w/Violations, No Owner On-site Violations, Noise Violations, Comparison of Other Cities,*

Coastal Zone TOT, Sunset Beach TOT, Town lot & Old town Areas, Actual & Potential Revenue, Potential Revenue, Update Considerations, Ordinances & Policies, and Questions?

Deputy Director Bos introduced Code Enforcement Officer Jimmy Hoang, Treasury Manager Colin Stevens, Deputy City Treasurer Joyce Zacks and City Treasurer Alisha Backstrom who were all available to answer questions.

Councilmember Kalmick stated that the current policy was purposely developed very conservatively to balance property rights with consideration of the rental market. He supports maintaining a cap and suggested small changes going forward since the Olympics will be here in 2028. He confirmed with staff that under California law, approved in 2020, it is not legal to rent Accessory Dwelling Units (ADUs) for less than 30 days, and STRs cannot be rented for more than 30 days.

Councilmember Kalmick stated support for bringing back an ordinance that incorporates all of staff recommendations, including public speaker recommendations such as a common denominator for number of stay nights, exploring use of a third party to provide audits, and streamline the process while ensuring Transient Occupancy Tax (TOT) is collected. He is also interested in seeing best practices for buffers to ensure there are not three unhosted STRs next to each other.

Councilmember Bolton and staff discussed pros and cons for automated collection of taxes, including the fact that Airbnb or Vrbo payments are made in a lump amount with no breakdown tied to specific permits, as well as collecting from permit holders who do not use online platforms.

Councilmember Moser and staff discussed the lack of renewal notices for STR permits as mentioned by one of the public speakers. Staff confirmed there are 30-day and 15-day email reminder notices and recommended follow-up with the speaker who noted not receiving renewal notices to ensure their record is accurate. Councilmember Moser stated her support for better efficiencies, quick complaint responses, proper audits and including a common denominator for complaints.

Councilmember McKeon and Code Enforcement Officer Hoang discussed the process to address quality of life issues raised by neighbors of Short-Term Rentals. There was also discussion of an audit process and whether it is possible to determine how many are non-permitted rentals. Councilmember McKeon stated support for developing a buffer program as described by Councilmember Kalmick. He also stated support for monitoring the effects of any proposed changes through at least one summer season before deciding whether to permanently implement those changes.

6:00 PM — COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING — 6:01 PM

ROLL CALL

Present: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
Absent: Strickland

Pursuant to Resolution 2001-54, Councilmember Strickland requested and, with no objections, was granted permission to be absent from this meeting.

Pursuant to Charter Section 309, City Attorney Michael Gates requested and, with no objections, was granted permission to be absent from this meeting. Senior Deputy City Attorney Connor Hyland attended this meeting in his place.

PLEDGE OF ALLEGIANCE — Led by Huntington Beach Police Captain Oscar Garcia.

INVOCATION

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

2. 24-496 Huntington Beach Police Chaplain Bob Ewing

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Robin Estanislau announced supplemental communications that were received by her office following distribution of the Council Agenda packet which were all uploaded to the City's website and Councilmember iPads: Consent Calendar Item #9 (1 staff memorandum); and Ordinances for Introduction Item #11 (1 email communication).

AWARDS AND PRESENTATIONS

3. 24-505 Fire Deputy Chief Eric McCoy, on behalf of Fire Chief Scott Haberle, introduced Battalion Chief Doug Leach who welcomed the New Zealand Lifesaving Team followed by a special Haka performance for Council and community members to express the Team's respect and appreciation

PUBLIC COMMENTS (3-Minute Time Limit) — 25 Speakers

The number [hh:mm:ss] following the speakers' comments indicates their approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas>.

Marissa Jackson was called to speak, announced that she is a Councilmember Candidate for the November 5, 2024 election, and outlined her qualifications and personal interest in serving the people of Huntington Beach in truth and with respect. (01:15:24)

Luanne Nichols Shoup was called to speak and addressed her concerns to Councilmembers Bolton, Kalmick and Moser whom she noted recently walked out of a meeting before it was adjourned, as well as not attending a recent special meeting and asked if they really want to serve and are seeking re-election in November 2024. (01:16:54)

Connie Boardman, former Huntington Beach Mayor, was called to speak and shared her support for Ocean View School Board Trustee Gina Clayton Tarvin for filing a successful lawsuit to force the disclosure of the details regarding Code Four and the Pacific Airshow settlement agreement with Huntington Beach. (01:17:44)

T. J. England, long-time Huntington Beach resident, was called to speak and shared her support for Ocean View School Board Trustee Gina Clayton Tarvin for filing a successful lawsuit to force the disclosure of the details regarding Code Four and the Pacific Airshow settlement agreement with Huntington Beach, thanked the news media and reporters for truthful information and encouraged everyone to vote in November. (01:20:58)

Paula Schaefer was called to speak and shared her opinions regarding the closed-door Councilmember discussions leading up to the Pacific Airshow settlement with Code Four. She also shared her opinion that the only City Charter amendment needed is one that removes the City Attorney as an elected position. (01:23:22)

Wendy Rincon, 50-year resident, was called to speak and shared her opinions regarding the outrageous Pacific Airshow settlement with Code Four, and asked what the Council Majority Four and City Attorney Michael Gates got from Code Four in return. (01:25:43)

Amory Hanson was called to speak and stated support for Consent Calendar Item #5 regarding execution of a Memorandum of Understanding (MOU) with the Huntington Beach Police and Community Foundation (HBPCF). (01:28:51)

Stephen Quinn, long-time Huntington Beach resident, was called to speak and shared his perspective on the attempt to assassinate former President Trump and noted the joyful and upbeat response at Main Street and Pacific Coast Highway the following day displayed by local Trump supporters. (01:29:18)

Unnamed Speaker was called to speak and expressed her disappointment that the California Coastal Commission just approved the Tank Farm Development project. She shared her support for the Charter Amendment ballot measure for voter approval for the November 5, 2024, General Election and the adoption of Resolution Nos. 2024-38, 2024-39 and 2024-40 as a means of trying to mitigate state control of local development. (01:31:20)

Jeanne Goodin, a long-time Huntington Beach resident, was called to speak and thanked the Council Majority for their steadfastness in implementing policies that protect Huntington Beach residents and their families. (01:33:45)

Kristen Altbaum was called to speak and asked for support to form a City-sanctioned committee composed of 3 or 4 public volunteers, in addition to herself, tasked with determining what is working in other cities to decrease incidences of M80s or loud illegal explosions at all hours of the night. She asked that Councilmembers bring this item back for discussion at the next City Council meeting. Mayor Van Der Mark asked her to complete a blue card for staff follow-up. (01:37:25)

Jignesh Padhiar, a life-time Huntington Beach resident, was called to speak and asked that everyone stand together to acknowledge that the assassination attempt on former President Trump is not acceptable behavior. He encouraged people to be focused on looking out for one another as Americans. (01:40:42)

Unnamed Speaker was called to speak and shared his opinions on what appears to him to be opposite actions between Mayor Van Der Mark's press remarks posted on social media after the assassination attempt on former President Trump, compared to the actions of Councilmember Strickland and City Attorney Michael Gates as filmed at the Republican National Convention. He stated he looks forward to the return of City Attorney Michael Gates in hopes he will also "Fight! Fight! Fight!" for the residents of Huntington Beach. (01:42:18)

Unnamed Speaker was called to speak and noted there are no promises and considerations from Pacific Airshow, only promises and considerations on the part of Huntington Beach in the lopsided City of Huntington Beach/Code Four settlement. The speaker noted that Huntington Beach was not responsible

for the oil spill, Huntington Beach should not pay for any liability and there should be an investigation of the whole situation. (01:44:00)

Karen Carroll, a long-time Huntington Beach resident, was called to speak and noted the negative environmental impacts of additional development in Huntington Beach as well as the Pacific Airshow. She added that certain Councilmember statements made on these two separate issues appear to be hypocritical when there is support for the Pacific Airshow on one hand and opposition to certifying a Housing Element. (01:46:41)

Christopher Rini, native Huntington Beach resident, was called to speak and expressed his appreciation for the great Huntington Beach July 4th Celebration. He asked why it required a lawsuit to disclose the details of the Pacific Airshow settlement and added he finds it difficult to understand why a city that is apparently on the brink of a multi-million-dollar budget deficit would agree to the costly conditions in the Pacific Airshow settlement. (01:48:17)

Tim Geddes was called to speak and shared his opinions and support for Ocean View School Board Trustee Gina Clayton Tarvin for filing a successful lawsuit to force the disclosure of the details regarding Code Four and the Pacific Airshow settlement agreement with Huntington Beach. (01:50:58)

Kathryn Goddard was called to speak and shared her perspective that a democracy requires openness and communication with citizens, but it appears to her that there is a Council Majority, plus City Attorney Michael Gates, who are just doing what they want and lamented the egregious Pacific Airshow settlement. She wants to see Huntington Beach become a city where people work together. (01:53:50)

Ken Inouye, 51-year Huntington Beach resident, was called to speak and shared his thoughts related to the assassination attempt on former President Trump and encouraged people to leave their vitriol and hatred outside the door as it is counterproductive and could cause very serious damage. (01:56:21)

Russell Neal, Huntington Beach resident, was called to speak and shared his opinions related to the Pacific Airshow settlement and urged the Council Majority to continue pursuing righteous ends by righteous means. (01:58:20)

Unnamed Speaker was called to speak and shared her opinions related to the Pacific Airshow settlement and asked why City Attorney Michael Gates and Councilmember Strickland chose to attend the Republican National Convention rather than face Huntington Beach residents regarding disclosure details. (02:00:58)

Unnamed Speaker was called to speak and shared her concerns regarding the \$7.4M projected budget deficit by July 2025 which will continue to increase every year thereafter. She encouraged Councilmembers to approve a Housing Element which she believes will result in increased revenues. (02:03:41)

Unnamed Speaker, a 25-year Huntington Beach resident, was called to speak and shared his opinions on the difference between the City's budget and actual revenue. He recommended people look at the Comprehensive Annual Financial Report (CAFR) in addition to the Annual Financial Report (AFR) for a complete financial picture. (02:06:51)

Brian Vea was called to speak and stated he supports fiscal responsibility. He also stated opposition to AB 1955 which Governor Newsom just signed which bans parental notification policies across California. (02:09:59)

Bethany Webb, 45+-year Huntington Beach resident, was called to speak and stated there is no place for gun violence, something her family has experienced first-hand, and added that books are not a threat to our children, but gun violence is their biggest threat. (02:11:47)

COUNCIL COMMITTEE APPOINTMENT ANNOUNCEMENTS — None

AB 1234 REPORTING — None

OPENNESS IN NEGOTIATION DISCLOSURES — None

CITY MANAGER'S REPORT — None

CONSENT CALENDAR (Items #4 – 9)

City Clerk

4. 24-495 Approved and Adopted Minutes

A motion was made by Van Der Mark, second Burns to approve and adopt the City Council/Public Financing Authority regular meeting minutes of July 2, 2024; and approve and adopt the City Council/Public Financing Authority special meeting minutes of July 8, 2024.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

Police

5. 24-466 Approved and authorized the execution of a Memorandum of Understanding (MOU) with the Huntington Beach Police and Community Foundation (HBPCF)

A motion was made by Van Der Mark, second Burns to approve and authorize the City Manager execute the "Memorandum of Understanding between the Huntington Beach Police and Community Foundation and the City of Huntington Beach."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

6. 24-490 Approved and authorized execution of agreement with the City of Costa Mesa for Public Safety Helicopter Services

A motion was made by Van Der Mark, second Burns to approve and authorize the Mayor and City Clerk to execute the "Services Agreement for Public Safety Helicopter Support Between the City of Huntington Beach and the City of Costa Mesa."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

7. 24-493 Approved and authorized execution of an agreement with the City of Irvine for Public Safety Helicopter Services

A motion was made by Van Der Mark, second Burns to approve and authorize the Mayor and City Clerk to execute the "Services Agreement for Public Safety Helicopter Support Between the City of Huntington Beach and the City of Irvine."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

8. 24-491 Approved and authorized execution of an agreement with the City of Newport Beach for Public Safety Helicopter Services

A motion was made by Van Der Mark, second Burns to approve and authorize the Mayor and City Clerk to execute the "Services Agreement for Public Safety Helicopter Support Between the City of Huntington Beach and the City of Newport Beach."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

9. 24-492 Approved and authorized as amended execution of a contract agreement with All City Management Services, Inc. (ACMS), for Crossing Guard Services

A motion was made by Van Der Mark, second Burns to approve and authorize the Mayor and City Clerk to execute "Agreement Between the City of Huntington Beach and All City Management Services, Inc. for Crossing Guard Services" for a three-year term beginning on June 30, 2024, **as amended by Supplemental Communication.**

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

ADMINISTRATIVE ITEMS

10. 24-426 Received and Filed FY 2023-2027 Strategic Plan – Biannual Progress Update #2

Travis Hopkins, Assistant City Manager, introduced Jane Chung, Assistant to the City Manager, who presented a PowerPoint communication titled *Strategic Planning 2023 – 2027* with slides entitled: *Background; Overview of the Plan; Overall Progress as of June 2024; Goal 1: Economic Development; Goal 2: Fiscal Stability; Goal 3: High Performing Organization; Goal 4: Homelessness; Goal 5: Housing; Goal 6: Infrastructure Investment; Goal 7: Public Engagement; Goal 8: Public Safety; Dashboard; and Recommendation.*

Councilmember Bolton asked and Assistant City Manager Hopkins confirmed there is no determination regarding whether any funding has been lost because there is no compliant Housing Element.

Councilmember Moser expressed her disappointment in the lack of some Key Performance Indicators (KPIs) that she asked for in January 2024 such as grant acquisitions showing the amount requested and include the number approved with total dollar amount awarded and amount not received, by category. Regarding Homelessness, she would like to see the number of volunteers enrolled and trained, the number of volunteer hours, the impact of volunteer services, number of community and faith-based organizations partnering with the City, number of homeless individuals assisted, success rate or number transitioned out of homelessness, and showing the effectiveness of available programs.

Councilmember Moser confirmed with staff that at the present time there is no recruitment effort for the City Manager position, and she asked that the position be added to Goal 3.

A motion was made by Van Der Mark, second Burns to receive and file the FY 2023-2027 Strategic Plan - Biannual Progress Update #2.

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

ORDINANCES FOR INTRODUCTION

11. 24-471 Approved introduction of Ordinance No. 4230 to authorize execution of an Amendment to the Pipeline Franchise Agreement with Cardinal Pipeline, L.P. for the operation and maintenance of a pipeline system for the transportation of oil, gas, and other hydrocarbon substances

Staff recommended approval for the introduction of Ordinance No. 4230 and to authorize execution of the Amendment to the Franchise Agreement between the City of Huntington Beach and Cardinal Pipeline, L.P. This is one of five pipelines currently within the City. A survey was taken including the City of Long Beach, the State Utilities Commission, City of Carson, and City of Seal Beach. Huntington Beach has one of the highest franchise fees among those agencies surveyed which produces revenue of approximately \$117,000 for the next ten years, including Consumer Price Index (CPI).

A motion was made by Burns, second Van Der Mark to, after the City Clerk reads by title, approve for introduction Ordinance No. 4230, "An Ordinance of the City Council of the City of Huntington Beach Amending Ordinance No. 4008 that Granted an Oil Pipeline Franchise"; and approve and authorize the Mayor and City Clerk to execute the "Amendment to Franchise Agreement between the City of Huntington Beach and Cardinal Pipeline, L.P."

The motion carried by the following roll call vote:

AYES: Moser, Bolton, Burns, Van Der Mark, McKeon, and Kalmick
NOES: None
ABSENT: Strickland

ADJOURNMENT — at 7:34 PM a motion was made by Van Der Mark with a second by McKeon to adjourn to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Tuesday, August 6, 2024, in the Civic Center Council Chambers, 2000 Main Street, Huntington Beach, California.

INTERNET ACCESS TO CITY COUNCIL/PUBLIC FINANCING AUTHORITY AGENDA AND STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT <http://www.huntingtonbeachca.gov>



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary

Mayor-Chair