

Minutes

City Council/Public Financing Authority City of Huntington Beach

Tuesday, February 16, 2021
4:00 PM – Virtual Meeting
6:00 PM – Virtual Meeting
Huntington Beach, California 92648

**A video recording of the 4:00 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/**

4:00 PM — Virtual Zoom Webinar

CALLED TO ORDER — 4:00 PM

ROLL CALL

Present: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
Absent: None

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:

Study Session

- #1(21-157)** PowerPoint communication titled *Statewide Community Infrastructure Program — A Program of the California Statewide Communities Development Authority* submitted by Ursula Luna-Reynosa, Director of Community Development.
- #1 (21-157)** PowerPoint communication titled *Middle Income Workforce Housing Program* submitted by Ursula Luna-Reynosa, Director of Community Development.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS

(3 Minute Time Limit) — None

STUDY SESSION

- 1. 21-157 California Statewide Communities Development Authority (CSCDA) presentation on the Statewide Community Infrastructure and Workforce Housing Programs**

City Manager Oliver Chi introduced Community Development Manager Ursula Luna-Reynosa and Deputy Director of Community Development Steve Holtz who introduced James Hamill, Managing Director, California Statewide Communities Development Authority (CSCDA), Sean Rawson, Co-Founder of Waterford Property Company, and Jon Penkower of C & C Development.

Director Hamill, CSCDA, presented a PowerPoint communication entitled *Statewide Community Infrastructure Program, A Program of the California Statewide Communities Development Authority* with slides titled: *What is the Statewide Community Infrastructure Program?*, *Who Uses SCIP?*, *SCIP Participating Developers*, *Program Benefits*, *What Can be Financed through the Program?*, *Local Agency Requirements*, and *SCIP Tasks and Responsibility Schedule*.

Councilmember Peterson confirmed with Director Hamill that tax revenues are not impacted by this program.

Councilmember Delgleize and Director Hamill discussed details regarding how the program is normally implemented by the developer after reaching an agreement with a city. Director Hamill stated that projects range from \$500,000 to \$8M, that most projects are single-family homes, and explained that CSCDA has a \$14M reserve.

City Manager Chi explained that Statewide Community Infrastructure Program (SCIP) is a totally different program from the Middle Income Workforce Housing Program, but both are managed by CSCDA as additional tools that can be used by builders and developers to help finance offsite costs and Development Impact Fee (DIF) costs at an interest rate that will likely be less than their borrowing costs to finance the overall project.

Director Luna-Reynosa explained that if Council chooses to offer this program to the development community, the process would start with a resolution, and then the City would market the program, adding that the program is generally most effective with small to medium-sized projects.

Sean Rawson, Todd Cottle and Jon Penkower presented a PowerPoint communication entitled: *Middle Income Workforce Housing Program* with slides titled: *Project Team*, *Crisis*, *Cause*, *Solution*, *Target Demographic*, *Overview of Workforce Housing Program*, *Flow Chart of Middle Income Transactions*, *Public Benefits to City*, *City Control*, *Case Study #1 (4)*, and *Next Steps*.

Councilmember Posey asked about converting new assets to below market rate rent and receiving Regional Housing Needs Assessment (RHNA) credit, and Mr. Rawson explained they are working on introducing legislation with lobbyists to allow for RHNA credits. Councilmember Posey stated his support for this program.

Councilmember Delgleize and Mr. Rawson discussed the impact of market fluctuation on bonds, and the program not being dependent upon increasing rents. The discussion continued regarding some of the benefits to developers for participating, and Mr. Penkower explained that assets are held in trust by CSCDA for the participating city, which eliminates risk.

Councilmember Peterson shared his concerns about loss of property tax for 15 to 30 years, and that the outstanding bonds will restrict the rent and income eligibility for the units. He also stated his opinion that this program appears to be a form of rent control, and acknowledged that residents have voted against any type of rent control. Mr. Rawson explained that ready and willing sellers are competing on the open market to acquire the assets and then choosing themselves to restrict the rents on those assets, but there is no restriction on any other landlord or owner.

Mayor Carr and Mr. Rawson discussed the possibility of a change in program administrator over the 30-year term of the project, and noted that a city's rental preference policies can be included in the regulatory agreement. Mayor Carr stated her support for both programs.

Director Luna-Reynosa stated the program could be described as a savings account for the City, or an investment in real estate for the project duration while property taxes are not received, and stated the next step for the SCIP program would be a resolution; and the Middle Income Housing Program would start with a resolution, and include a Joint Powers Authority agreement, and a Public Benefits agreement.

Director Luna-Reynosa also explained that Huntington Beach's Regional Housing Needs Assessment (RHNA) target for middle-income housing needs has been met, but all units are for sale, not for rent, and it is difficult for potential buyers to meet the underwriting requirements. She also explained that the goals for very-low and low-income rental assets are not being met; however, the program under consideration would allow for more moderate income rental units. Director Luna-Reynosa stated that all housing policy decisions do not need to be focused strictly on RHNA goals, and explained some of the flexibility options that could be considered, keeping in mind that there are Fair Housing stipulations to prevent discrimination when setting up rental preference policies.

RECESSED TO CLOSED SESSION — 5:07 PM

A motion was made by Ortiz, second by Posey to recess to Closed Session for Item Nos. 2 – 4, including New Item 21-166. With no objections, the motion passed.

CLOSED SESSION

2. 21-142 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Gov. Code section 54956.9(d)(1).) Name of case: Kennedy Commission, et al. v. City of Huntington Beach; OCSC Case No. 30-2015-00801675.
 3. 21-143 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Gov. Code section 54956.9(d)(1).) Name of case: Wilson (Carrie) v. City of Huntington Beach, et al.; OCSC Case No. 30-2019-01094238.
 4. 21-144 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION. (Gov. Code section 54956.9(d)(1).) Name of case: Rodriguez (Christian A.) v. City of Huntington Beach, et al.; OCSC Case No.: 30-2020-01131129.
- 21-166 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION.
New Item Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: Number of cases, one (1).

6:00 PM - VIRTUAL ZOOM WEBINAR

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING - 6:00 PM

ROLL CALL

Present: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize

Absent: None

PLEDGE OF ALLEGIANCE — Led by Councilmember Moser

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.

5. 21-117 Marsha Rechsteiner from Saints Simon and Jude Catholic Church and member of the Greater Huntington Beach Interfaith Council

CLOSED SESSION REPORT BY CITY ATTORNEY — None

AWARDS AND PRESENTATIONS

6. 21-092 Mayor Carr recognized American Heart Month during the month of February 2021

Mayor Carr provided statistics showing that 80 percent of cardiovascular diseases can be prevented with greater awareness and early intervention, and described some of the different symptoms to be aware of. Mayor Carr presented a Proclamation recognizing February as American Heart Month to the Director of Disease Management at the Jeffrey M. Carlton Heart and Vascular Institute at Hoag Hospital, Dr. Dipti Itchhaporia.

Dr. Itchhaporia thanked the City Council for the Proclamation, for dedicating February 2021 to Women's Health, and described some of the differences between men and women regarding cardiovascular diseases. Mayor Carr suggested the American Heart Association's Go Red for Women website as a place to learn more.

7. 21-161 Mayor Carr presented the Mayor's HB Excellence Award to Catherine Lukehart, Homeless Outreach Coordinator, Huntington Beach Police Department

Mayor Carr described Ms. Lukehart as a tireless advocate on the City's Homeless Task Force which, in coordination with the Huntington Beach Police Department and Office of Business Development, has established community ties with non-profits to develop a network of resources and support to help the homeless get back on their feet.

Interim Police Chief Harvey thanked the Council for acknowledging Cathy's work from the beginning of the Homeless Task Force to support and help define the City's current comprehensive approach to address homelessness in Huntington Beach.

Cathy expressed her pleasure at serving in such a vibrant and supportive community, and stated the efforts of the whole outreach team has been crucial to the success of the program.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

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

Administrative Items

- #17 (21-100)** Twelve (12) email communications received regarding the proposed consideration of an extension of the temporary closure of the second block of Main Street to vehicular traffic through Labor Day.
- #18 (21-124)** PowerPoint communication titled "*City of Huntington Beach – FY 2019/20 Year-End Audit Results and FY 2020/21 Mid-Year Budget Update*" submitted by Dahle Bulosan, Chief Financial Officer.

Ordinances for Introduction

- #19 (21-052)** Six (6) email communications regarding the proposed introduction of Ordinance No. 4228 – prohibiting the storage of personal property on public or private property.

PUBLIC COMMENTS (3-Minute Time Limit) — 14 Call-In 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>.

Amory Hanson, a Candidate for City Council in 2022 and member of the Huntington Beach Historic Resources Board, was called to speak and stated his opposition to Administrative Item No. 17 (21-100) regarding an extension of the Temporary Closure of the Second Block of Main Street to Vehicular Traffic through Labor Day. (01:26:09)

Dylan Gera, student at UC Irvine School of Law and 4-year resident of Huntington Beach, was called to speak and shared his concerns about Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:27:01)

Tony Bisson, a resident of Huntington Beach, was called to speak and shared his concerns about Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:30:36)

Jennifer Rojas, life-long resident of Huntington Beach, was called to speak and shared her concerns about Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:33:36)

Dave Shenkman, Downtown business owner and President, Downtown Business Improvement District, was called to speak and stated support for Administrative Items No. 17 (21-100) regarding an extension of the Temporary Closure of the Second Block of Main Street to Vehicular Traffic through Labor Day. (01:37:05)

Nate Bernal, General Manager and Operating Partner, Baja Sharkeez, was called to speak and stated support for Administrative Items No. 17 (21-100) regarding an extension of the Temporary Closure of the Second Block of Main Street to Vehicular Traffic through Labor Day. (01:38:20)

Michele M. was called to speak and shared her opposition to Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:39:37)

Mark Cyprien, resident of Huntington Beach, was called to speak and shared his support for Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:41:13)

Ugochi Anaebere-Nicholson, Directing Attorney, Affordable Housing and Homelessness Prevention Unit, Public Law Center, was called to speak and shared her concerns about Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:43:48)

Mike Adams, Planning Consultant, was called to speak and provided comments on Public Hearing Item No. 21-078 – 714 Pacific Coast Highway Mixed Use project. He shared his experience developing the adjacent property at 716 Pacific Coast Highway, and his concerns related to property setback and parking recommendations. (01:46:19)

Pat Goodman was called to speak and stated her opposition to Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:49:41)

Allie Most, a 6-year resident of Huntington Beach, was called to speak and shared her opposition to Ordinances for Introduction Item No. 19 (21-052), regarding Ordinance No. 4228 prohibiting the storage of personal property on public or private property. (01:51:19)

Isam Hanna, residing at 716 Pacific Coast Highway, was called to speak and thanked Mayor Carr for acknowledging February as American Heart Month, and asked that the City Council support the Planning Commission recommendation regarding parking for Public Hearing Item No. 16 (21-078) and permits for the 714 Pacific Coast Highway Mixed Use project. (01:52:57)

Female caller #2725 played an audio recording of unidentified individuals sharing unsubstantiated opinions on pedophilia, the LGBTQ community, and absence of religion in schools. (01:56:38)

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS, AB 1234 REPORTING, AND OPENNESS IN NEGOTIATIONS DISCLOSURES

Councilmember Posey reported attending an Agenda Review meeting for an upcoming Vector Control Board meeting to discuss a building for their new headquarters.

Councilmember Moser reported attending a Santa Ana Watershed Ambassador Mini Series, Workshop II, on collaborating in the face of uncertainty; UCI Division of Continuing Education Public Policy Making Academy, Formal Training for Public Officials; meeting with Downtown property and business owners; meeting with leadership from Jamboree Housing regarding their permanent housing program; meeting with Visit HB regarding diversity, inclusion and equity efforts for the tourism industry; attending a Human Relations Task Force meeting; receiving an update from Assemblywoman Cottie Petrie-Norris regarding Covid-19 vaccination plans; attending a Youth Board meeting; listening in on a Downtown Restaurant and Retail call; attending a Downtown Business Improvement District meeting; meeting with the Olson Company regarding a proposed residential development; and meeting with Huntington Beach Interim Police Chief Harvey, Huntington Beach Fire Chief Haberle, and staff and volunteers with Wound Walk OC to discuss crime reduction programs.

Councilmember Kalmick reported attending the Orange County Sanitation District Board Orientation Meeting; meeting with Huntington Beach Homeless United; attending a Jet Noise Commission meeting; meeting with the Teamsters; meeting with staff to discuss a noise ordinance update; meeting with the applicant and appellant for an issue to be discussed later this evening; and attending a White House Governmental Affairs weekly briefing for state and local elected officials.

Councilmember Delgleize reported presenting at the UCI Division of Continuing Education Public Policy Making Academy, Formal Training for Public Officials; attending a Board meeting of the Orange County Transportation Authority, where it was announced a Board vacancy with details at www.OCTA.net, and discussion on Measure M2, Environmental Clean-up Project grants, for watershed projects.

Mayor Pro Tem Ortiz reported participating on Mayor Carr's behalf in a call with Orange County mayors and County Health officials regarding COVID-19, and shared updates on the following topics: available hospital beds, decreased positivity rates, decreased daily case figures, scheduling appointments for testing, quarantine guidelines, vaccination pods, vaccine efficacy rates and reopening of schools.

Mayor Carr reminded everyone there are virtual Covid-19 Town Hall meetings on the first and third Wednesday of each month at 7 PM to present the latest information; reported attending a Youth Board meeting; Huntington Beach Council on Aging meeting; Orange County Sanitation Legislation and Public Affairs meeting with updates for both the Federal and State levels, and she reported she was appointed as the Representative to serve on the National Water Research Institute, and attended the Institute's organizational meeting; attended an Economic Development Committee meeting; and a meeting of the Downtown Business Improvement District.

CITY MANAGER'S REPORT

8. 21-160 Regional Housing Needs Assessment (RHNA) Update

City Manager Chi provided an update on the RHNA appeal process, noting an apparent increase in the number of required units from 13,337 to 13,368, and that final determination of units is expected in early March. He also reported that the Community Development Department is focusing on outreach activities to be prepared to inform the public after the early March determination.

Councilmember Posey asked City Manager Chi to include in his next RHNA report the cost to the City for RHNA non-compliance for the period of May 2015 to March 2020 to show even estimated amounts for builder fees, property taxes, sales taxes, and include available grants. City Manager Chi acknowledged the request.

CITY CLERK'S REPORT

9. 21-123 Presentation on the Safe and Sane Fireworks Stand Application and Lottery Process for 2021

City Clerk Estanislau presented a PowerPoint communication entitled *Safe and Sane Fireworks Stand Application and Lottery Process 2021* with slides titled: *Application Period: March 1 through March 31, Civic Organizations (5), High School (5), Private High Schools, Youth Sports, Prior to March 1, At the conclusion of the lottery drawing, and Questions.*

Councilmember Posey asked whether Covid-19 impacted fireworks sales last year compared to the year prior, and since sales are not reported to the City Clerk's office it was suggested the Finance Department might be able to provide that information so it can be shared at the lottery drawing.

CONSENT CALENDAR

10. 21-116 Approved and Adopted Minutes

A motion was made by Posey, second Kalmick to approve and adopt the City Council special meeting minutes dated January 5, 2021; and, approve and adopt the City Council/Public Financing Authority regular meeting minutes dated February 1, 2021, as written and on file in the office of the City Clerk.

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
NOES: None

11. 21-072 Approved, accepted, and authorized the appropriation of a donation in the amount of \$150,000 from the Friends of the Huntington Beach Public Library

A motion was made by Posey, second Kalmick to approve, accept, and authorize the appropriation of \$150,000 donation from the Friends of the Huntington Beach Public Library during Fiscal Year 2020/21 for use to expand the collection.

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
NOES: None

12. 21-111 Received and filed a status update on the 6th Cycle Regional Housing Needs Assessment (RHNA) process

A motion was made by Posey, second Kalmick to receive and file the Regional Housing Needs Assessment process status update.

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
NOES: None

13. 21-107 Adopted Resolution No. 2021-09 authorizing the Director of Public Works to request a project delay from the Orange County Transportation Authority (OCTA) for the commencement of the Bolsa Chica Street/Valley View Street Corridor Project

A motion was made by Posey, second Kalmick to adopt Resolution No. 2021-09, "A Resolution of the City Council of the City of Huntington Beach Authorizing a Request to Pursue a Project Delay from the Orange County Transportation Authority (OCTA) for the Bolsa Chica Street/Valley View Street Corridor

Project - Project P Regional Traffic Signal Synchronization Program - Comprehensive Transportation Funding Program."

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
NOES: None

14. 21-047 Authorized execution of a License Agreement with C3 DLG 414 Main Street, LLC, for the 414 Main Street Mixed-Use Project located on the east side of Main Street between Orange Avenue and Pecan Avenue

A motion was made by Posey, second Kalmick to authorize the Mayor and City Clerk to execute and record the, "License Agreement between the City of Huntington Beach and C3 DLG 414 Main Street, LLC, to Provide Installation and Maintenance of Landscaping and Landscaping Improvements in the Public Right-of-Way," for the 414-424 Main Street mixed-use project (Attachment 1).

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
NOES: None

15. 21-067 Accepted bid and authorized execution of a construction contract with Alfaro Communication Construction, Inc., in the amount of \$284,270 for the construction of fiber optic communications to Murdy Park, the Joint Powers Training Facility and the Water Operations Facility, CC-1593 and CC-1594

A motion was made by Posey, second Kalmick to accept the lowest responsive and responsible bid submitted by Alfaro Communication Construction, Inc., in the amount of \$284,270; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney.

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize
NOES: None

PUBLIC HEARING

16. 21-078 Approved Conditional Use Permit No. 20-012, Coastal Development Permit No. 20-013, and Special Permit No. 20-001 (714 Pacific Coast Highway Mixed Use)

City Manager Chi introduced Senior Planner Hayden Beckman and Community Development Director Ursula Luna-Reynosa who presented a PowerPoint communication entitled *714 PCH Mixed Use Project – Appeal* with slides titled: *Project Site, Project Request, Floor Plan / Ground Floor, Floor Plan / Second Floor, Floor Plan / Third Floor, Floor Plan / Rooftop, PC Action and Appeal, Analysis (2), Design Review Board, Staff Recommendation, Questions?, (Drawing), and HB Mixed Use.*

Councilmember Delgleize and Director Luna-Reynosa discussed further the building code requirements related to firewalls and setbacks at the time the adjacent property was developed at 716 Pacific Coast Highway.

Mayor Carr and Director Luna-Reynosa discussed the different setback requirements for live-work projects such as 716 Pacific Coast Highway vs mixed-use projects such as 714 Pacific Coast Highway.

Mayor Carr opened the Public Hearing.

City Clerk Robin Estanislau announced the supplemental communications received by her office following distribution of the Council Agenda packet:

Public Hearing

#16 (21-078) PowerPoint Presentation titled *714 PCH Mixed Use Project – Appeal* submitted by Ursula Luna-Reynosa, Director of Community Development.

#16 (21-078) Email communication regarding the appeal of the proposed development on 714 PCH received.

#16 (21-078) Revised Plans for 714 PCH received from Hayden Beckman, Senior Planner.

Public Hearing Speakers — 5 Call-In Speakers

Isam Hanna, owner of the property adjacent to 714 Pacific Coast Highway (PCH), was called to speak and shared his perspective for his project 716 PCH, including his installation of the special 2-hour rated firewall, and his opinion that his property is also a mixed-use project. He further explained that City staff dictated the setback measurement so that it was compatible with the adjacent hotel, and added his project was not approved with a third-floor plaza because according to City staff, it was not compatible.

John Scandura, Member of the Planning Commission but speaking on his own behalf, was called to speak and described how the 714 PCH mixed-use project was approved by the Zoning Administrator, and appealed to the Planning Commission by Mr. Hanna, adjacent property owner at 716 PCH. He described how Mr. Hanna's project constructed 8-10 years prior had more restrictive setback requirements, and his understanding that City staff at that time requested they match the existing, adjacent hotel. Mr. Scandura added that Director Luna-Reynosa's information shared tonight related to a firewall issue and differences between residential and commercial codes was not shared with the Planning Commission. He also expressed concerns that staff processing the current application were not involved in processing Mr. Hanna's project, and agreed to the current proposal despite setbacks that differ from the adjacent Hanna property and the adjacent hotel. He stated his opinion that the Commissioners who voted to deny this project believe it is inappropriate to apply different development requirements for two adjacent properties, adding his opinion that had the City allow Mr. Hanna the same zero setbacks, he could have built a larger structure. Mr. Scandura also recommended that the entertainment room on the third floor be modified, as a two-bedroom unit meets parking requirements, but the entertainment room as now configured can easily be converted into a third bedroom requiring another parking space.

Flora Hoang, speaking on behalf of her uncle and aunt, property owners of the project at 714 PCH, was called to speak and explained that their absence at the Planning Commission hearing as due to COVID-19. Ms. Hoang stated the property owners have been very considerate of their neighboring

properties while designing their building, and they are concerned about being "punished" because of decisions that were made in the past for the 716 PCH property, and asked that the City Council approve the 714 PCH project so they can move forward.

Darian Radac, Project Architect, Novum Architecture, and resident of Huntington Beach, was called to speak and described the consideration taken to minimize this project's impact on the neighbor at 716 Pacific Coast Highway. Mr. Radac described several areas of set-back that exceed requirements, moving the roof-top deck, and opening up an 8 1/2 foot wide by 7 foot high area to allow for greater visibility for the 716 Pacific Coast Highway property, in defining their efforts to mitigate the impact of their project on Mr. Hanna's property.

Mike Adams, who represented Mr. Hanna for his project at 716 Pacific Coast Highway, was called to speak. He explained that the setback is 0–3 feet on the side, and 0–5 feet on the front to allow for discretion by the approving body to ensure compatibility, and added that the first project should set the standard. Mr. Adams suggested that the corridor that is on the zero property line, 4 feet wide to get from the front to the rear of the property for accessing the parking from the commercial suite, be eliminated, and the structural wall be moved back 4 feet. He also explained how cantilevering the upper residential portion back to the now-open corridor area would provide Mr. Hanna and the neighbors to the east increased light and air, and would provide a better walkway for the commercial suite. Mr. Adams suggested how changing the interior garage openings from a carport design to a single garage design would create the space needed, and added that the Main Street lot line is where the zero foot setback was proposed for pedestrian safety, but that was not intended for Pacific Coast Highway where traffic flows at 45 miles per hour.

There being no more speakers, Mayor Carr closed the Public Hearing.

Community Development Director Ursula Luna-Reynosa stated for the record that 714 Pacific Coast Highway had an active oil well at the time Mr. Hanna submitted his project application, and no structure can be placed closer than 100 feet to an active oil well. The City approved an "alternate means and method" as described in the Building Code, to accommodate Mr. Hanna and allowed him to build on his property. Director Luna-Reynosa added that the oil well was abandoned just prior to Mr. Hanna starting his development, and he had an opportunity to revise his plans, including the 2-hour rated firewall. She also clarified that the Downtown Specific Plan states that front yard setbacks are zero to five feet maximum with no reference to whether the front yard faces Main Street or Pacific Coast Highway, and interior yard setback is zero with no maximum amount provided.

Councilmember Kalmick stated that his analysis shows this basic Mixed-Use project meets current codes, and each project needs to be judged on its own merits. Councilmember Kalmick stated he would like to add conditions for approval which stipulate 1) the media room on the third floor cannot be converted to a third bedroom (which would require another parking space), 2) there be a trash management program for the building to ensure the trash bins are taken to the curb, and 3) a parking agreement for alternate parking if the parking lift equipment malfunctions. Councilmember Kalmick believes this plan follows code, the Downtown Specific Plan, and includes appropriate accommodations for the neighbors.

Councilmember Posey described the multiple discussions he had with the appellant, staff and Councilmember Kalmick, and described how building standards change through the years. Councilmember Posey stated his support for the project, including the conditions as described by Councilmember Kalmick.

Councilmember Delgleize stated her support for the staff recommendation.

Councilmember Peterson, Director Luna-Reynosa and Assistant Chief City Attorney Vigliotta discussed that the project changes did not go back to the Planning Commission for consideration before coming to City Council, and Councilmember Peterson stated his opinion that the proposed changes should have had Planning Commission review prior to Council's consideration.

Councilmember Kalmick stated his opinion that similar situations have happened before with other projects where minor changes have been made.

Director Luna-Reynosa and Assistant Chief City Attorney Vigliotta confirmed that detailed changes to Conditions of Approval are not required because Code Enforcement will address issues such as trash management if it becomes necessary.

Mayor Carr stated there appears to be confusion when live-work and mixed-use units are next to each other in the same District, yet it appears that everyone has followed the rules, so she supports this project believing they have included good neighbor accommodations.

Councilmember Kalmick confirmed with Senior Planner Beckman that not allowing a third bedroom for the third-floor residence was already stipulated by the Planning Commission.

A motion was made by Kalmick, second Carr to find the proposed project exempt from the California Environmental Quality Act pursuant to Section 15332 of the CEQA Guidelines; and, approve Conditional Use Permit No. 20-012, Coastal Development Permit No. 20-013, and Special Permit No. 20-001 with findings and conditions of approval (Attachment No. 1), **as amended to include a condition of approval that provides for a parking management plan.**

The motion as amended carried by the following vote:

AYES: Delgleize, Carr, Posey, Moser, and Kalmick
NOES: Peterson, and Ortiz

ADMINISTRATIVE ITEMS

- 17. 21-100 Approved an Extension of the Temporary Closure of the Second Block of Main Street to Vehicular Traffic Through Labor Day (September 6, 2021); Authorized Staff to Engage an Urban Design Firm; and, Appointed the Mayor, Mayor Pro Tem, and a City Council Member to Serve on an Ad Hoc Downtown Urban Design Study Committee**

City Manager Chi provided a brief history of the item and introduced Deputy Director of Community Development Steve Holtz. Deputy Director Holtz described the Council proposal to extend the temporary closure of the Second Block of Main Street through Labor Day, shared that a majority of affected businesses and property owners support the item, and described the request to form an Ad Hoc Downtown Urban Design Study Committee to help analyze design opportunities.

Councilmember Delgleize and Director Luna-Reynosa discussed the timeframe and process for the Downtown Urban Design project, which could conservatively take approximately three months, after

which there would be the public engagement process. Councilmember Delgleize shared support to consider the concerns not only the restaurants, but also the retail establishments.

Councilmember Peterson suggested that before considering an urban study, allow time for life to return to normal, and receive input and direction from all of the businesses, not just the Business Improvement District Board, rather than asking a consultant to provide options for the affected business owners to consider. Councilmember Peterson also stated his opinion that the opening of the Second Block of Main Street coincide with when the State Covid-19 restrictions are lifted rather than to a specific date.

Councilmember Posey expressed his opinion that the Downtown businesses should have certainty, and that the Second Block of Main Street should be closed until restaurants are allowed 100 percent indoor dining, and it is prudent to begin the planning for options after the COVID-19 restrictions are lifted.

Councilmember Moser stated support for Councilmember Posey's comments, and believes it is now time to bring in a professional to help determine what that area could look like.

Mayor Pro Tem Ortiz stated his support for this item and the importance of moving ahead with plans to enhance the business environment not only in the Downtown area, but the City as a whole.

Mayor Carr stated her excitement to support this item and belief that moving ahead now will build on the momentum created when the First and Second Blocks of Main Street are closed to vehicular traffic, and she expects that the process will include input from businesses in all industries as well as the area residents.

Councilmember Kalmick described his involvement with the Downtown Image Ad Hoc Committee set up back in 2007 or 2008 after the Downtown Specific Plan update, and stated his support for moving ahead now and bringing in consultants with specific knowledge to create a new dynamic plan. Councilmember Kalmick volunteered to be the Councilmember on the Ad Hoc Committee.

Councilmember Moser explained the importance of also listening to the concerns of the Second Block of Main Street businesses who do not support continued closure of the street, and finding ways to make them more visible.

Councilmember Peterson reiterated that he supports keeping the Second Block of Main Street closed to vehicular traffic until 100 percent indoor dining is allowed, but would rather see money spent on business micro grants instead of a design consultant.

Councilmember Posey recommended that Councilmember Kalmick serve on the Ad Hoc committee.

A motion was made by Posey, second Ortiz to authorize the City Manager to continue the temporary closure of the second block of Main Street to vehicular traffic to accommodate outdoor dining and retail in the public right-of-way through September 6, 2021; and, authorize staff to engage an Urban Design Firm; and, establish an Ad Hoc Downtown Urban Design Study Committee; and, appoint the Mayor, Mayor Pro Tem, and City Council Member (**Kalmick**) to the Ad Hoc Committee.

The motion carried by the following vote:

AYES: Delgleize, Ortiz, Carr, Posey, Moser, and Kalmick

NOES: Peterson

18. 21-124 Received and Filed Year-End Audit results for the FY 2019/20 Comprehensive Annual Financial Report (CAFR) and FY 2020/21 Mid-Year Budget Adjustments & Updates

City Manager Chi introduced Chief Financial Officer (CFO) Dahle Bulosan who jointly presented with Assistant Chief Financial Officer Sunny Rief and Auditor Jennifer Farr a PowerPoint communication entitled *FY 2019/20 Year-End Audit Results & FY 2020/21 Mid-Year Budget Update* with slides titled: *Overview, FY 2019/20 Audit & Year-End Results (2), FY 2019/20 Audit Reports Issued, Internal Controls, Areas of Audit Focus in FY 2019/20, FY 2019/20 Performance (Audited), FY 2019/20 General Fund (Audited), General Fund Balance (2), FY 2020/21 Mid-Year Budget Update (2), Mid-Year Budget Adjustment Requests, General Fund Adjustments, Other Fund Adjustments (2), FY 2021/22 Budget Development Calendar (2), Long-Term Budget Strategy Being Developed, UAL Refinance, Other Budget Adjustments Being Considered, Recommended Actions, and Questions*

Councilmember Posey and City Manager Chi briefly discussed AB109, the State's criminal justice reform program, and Councilmember Posey asked that Chief Financial Officer Bulosan provide a financial impact report on AB109 and any costs to the City associated with incarcerations, prosecutions, and detentions.

Mayor Carr and City Manager Chi discussed the UAL payments to CalPERS which is serviced at seven percent (7%) interest, and the amount CalPERS returns is adjusted annually as of June 30th. City Manager Chi confirmed that the UAL obligation currently is \$435M.

A motion was made by Delgleize, second Kalmick to receive and file the FY 2019/20 Comprehensive Annual Financial Report; and, approve mid-year budget adjustments to the FY 2020/21 Revised Budget in the funds and by the amounts contained in Attachment 1.

The motion carried by the following vote:

AYES: Peterson, Kalmick, Ortiz, Carr, Posey, Moser, and Delgleize

NOES: None

ORDINANCES FOR INTRODUCTION

19. 21-052 Approved as amended for introduction Ordinance No. 4228 to amend Chapter 13.10 of the Huntington Beach Municipal Code Prohibiting the Storage of Personal Property on Public or Private Property

City Manager Chi presented a PowerPoint communication titled *Update of Personal Property Storage Regulations* with slides titled: *Navigation Center - Positive Impacts on City Operations, Current Personal Property Storage Regulations Are Overly Broad, Current Municipal Code Language, Recommended Limitations To Restrict Current Allowable Practices, Consider Modifications To The Penalties Section Of The Code, Summary & Recommendation, and Questions.*

Councilmember Moser, City Manager Chi and Interim Police Chief Harvey discussed how people prove items are their property when claiming, and that no fines are assessed upon retrieval, nor is there any interest in seeking retribution for any contraband.

Councilmember Peterson thanked Interim Police Chief Harvey and City Attorney's Office for coming up with a humane solution to handling what can be considered a public health and safety issue, and moved to approve the item. Mayor Pro Tem Ortiz would later provide a second to the motion.

Councilmember Delgleize presented concerns related to the removal of property as expressed by many public speakers, and Interim Police Chief Harvey explained that the language in this ordinance doesn't signal a change in approach, but is an effort to be more specific, and provides the ability to prosecute as an infraction or as a misdemeanor.

There was additional discussion on how items such as guns or hand grenades that could be evidence of a crime is addressed in other areas of the code, and not in this ordinance. Interim Police Chief Harvey stated there is no intention to prosecute if contraband or narcotics are found, that confiscated property will be stored securely at the City Yard, and reiterated that a process is in place to reclaim lost property. Councilmember Delgleize stated her support for this item.

Councilmember Moser stated her support for clearly defining regulations for the storage of personal property, and shared her concern that to some people this effort appears to criminalize homelessness, as well as the possibility that a violation could be prosecuted as a misdemeanor. She asked that the ordinance be amended to only allow prosecution as an infraction, and remove the misdemeanor option. She made a substitute motion to reflect the change, and requested that staff report back regularly with statistics so that in 6 to 9 months, Council can evaluate if the misdemeanor option needs to be added back in. Councilmember Kalmick seconded the substitute motion.

Councilmember Posey referenced the current anti-camping and curfew ordinances which can be enforced now that the Navigation Center is operational, and the seizure and removal of personal property has to have an objective of addressing homelessness issues such as access to services, and therefore he is in support of the substitute motion to enforce as an infraction.

Councilmember Kalmick stated his support for the comments made by Councilmembers Moser and Posey, and added that he would like to add to the motion that staff report the number of tickets every 90 days for further evaluation of the situation and to determine if changes are needed.

Mayor Pro Tem Ortiz stated from his perspective a warning is issued as an infraction, but the option to issue a misdemeanor for the chronic homeless person who is not interested in utilizing available services may be necessary to get their attention and help them move somewhere else. Mayor Pro Tem Ortiz stated it is important to maintain safe and healthy beaches, public spaces and parks for the general public, and he would also like to have a report in 90 days to review the impact of this change.

Councilmember Peterson stated his opinion that having the misdemeanor option available is important, and he believes Police Department staff are capable of choosing the right tool for each situation and Council should not limit their options.

Councilmember Delgleize invited Interim Police Chief Harvey to share his comments on the discussion, and Chief Harvey explained that this is not a new ordinance, and that over the last six years, 61 citations have been issued. He explained the intent of the amendment is to bring clarification to content that lacks specificity, and his opinion that the ordinance be enforced with compassion, objectivity and balance while ensuring public spaces remain safe for their intended use while also protecting the

property rights of the homeless population. The ordinance as currently written only allows for a misdemeanor, and this amendment will include the possibility of issuing an infraction.

Mayor Carr clarified the substitute motion by Moser, seconded Kalmick, to approve for introduction Ordinance No. 4228, "An Ordinance of the City of Huntington Beach Amending Chapter 13.10 of the Huntington Beach Municipal Code Prohibiting the Storage of Personal Property on Public or Private Property" **as amended to revise Section 13.10.090 Violations, Penalties and Enforcement to read, "Notwithstanding any other provision in this Code, each violation of the provisions of this Chapter shall be enforced alternatively as an infraction."**

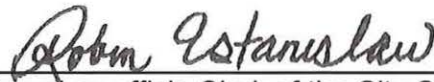
The substitute motion carried by the following vote:

AYES: Delgleize, Ortiz, Carr, Posey, Moser, and Kalmick
NOES: Peterson

COUNCILMEMBER COMMENTS (Not Agendized) — None

ADJOURNMENT — At 10:06 PM to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority on Monday, March 1, 2021, at 4:00 PM 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