

## **ANAHEIM CITY COUNCIL REGULAR MEETING OF JUNE 9, 2020**

The regular meeting of June 9, 2020 was called to order at 3:02 P.M. telephonically, pursuant to Governor Newsom's Executive Order N-29-20 (superseding the Brown Act related provisions of Executive Order N-25-20) in response to COVID-19. The meeting notice, agenda, and related materials were duly posted on June 5, 2020.

**MEMBERS PRESENT:** Mayor Harry Sidhu and Council Members Stephen Faessel, Denise Barnes, Jordan Brandman, Jose F. Moreno, Lucille Kring, and Trevor O'Neil (all via teleconference).

**STAFF PRESENT:** Interim City Manager Greg Garcia, City Attorney Robert Fabela, and City Clerk Theresa Bass

### **WORKSHOP:**

Proposed Fiscal Year 2020-21 Operating Budget and Capital Improvement Program Overview

Mayor Sidhu provided opening remarks. He commented that painful but necessary steps were taken to prevent the spread of the COVID-19 pandemic, which made a significant impact on the City's budget. He acknowledged the City has relied on the Anaheim Resort for jobs and much-needed tax revenue from Transient Occupancy Tax (TOT). He reported the City is anticipating an unprecedented 50% or higher reduction in TOT revenue and is facing a \$75,000,000 budget deficit. He noted assistance from the State or Federal Governments was not confirmed or value known.

Mayor Sidhu emphasized his commitment to doing everything possible to preserve the essential government functions for Anaheim residents and their quality of life. He expressed his commitment to be fair to City employees and reported staff has worked diligently with labor unions to help the City get through the crisis. He acknowledged the budget is the most challenging Anaheim has ever faced and he was optimistic it was a short-term problem.

Interim City Manager Greg Garcia reported the workshop will provide an overview of the Fiscal Year 2020/21 Operating Budget and Capital Improvement Program (CIP). He explained the budget faces unique obstacles due to the effects of COVID-19 and the fact Anaheim is a destination city. He explained the proposed budget will serve as a temporary budget as the City continues to monitor the economic impacts of COVID-19 and the stay-at-home orders.

Mr. Garcia explained the proposed budget is projected to be \$428,000,000 without any budget-balancing strategies and acknowledged there is a 20% or \$75,000,000 gap between General Fund Revenues and Expenditures. He further explained expenditure reductions have been included as a placeholder to ensure a balanced budget but reported the budget will need to be revisited in the coming months to ensure the City remains fiscally prudent in years to come. He expects to have updated revenue figures and reports on budget mitigation strategies for City Council in the fall. Lastly, he reported the CIP remains robust with more than \$177,000,000 being invested in the coming year and can continue because it is funded through various Restricted Funds outside of the General Fund.

Mr. Garcia explained a final workshop would take place on June 23, 2020, followed by a Public Hearing that would allow City Council to consider adoption of the Proposed Budget and the appropriation limits.

Finance Director Debbie Moreno provided a brief overview of the FY 2020/21 Proposed Operating Budget and Proposed CIP program. She reported FY 2019/20 was a strong economy but once COVID-19 hit the US, the economy was suddenly and greatly impacted. She announced the National Bureau of Economic Research (NBER) declared the longest economic expansion in American history officially over and the economy is official in a recession which began in February. Lastly, she explained there is hope the recession could be brief with predications of the Gross Domestic Product (GDP) sharply turning positive in the third quarter as businesses continue to reopen and Americans begin to travel again.

Ms. Moreno reported the U.S. unemployment rate increased to 12.4% in April but ticked down to 13.3% in May as states added back 2,500,000 jobs. She also reported consumer spending plunged more than 13% in April while the personal savings rate hit a historic 33% which is the highest since the U.S. Bureau of Economic Analysts started tracking the rate in the 1960s. She further reported existing home sales in the current quarter are projected to fall 34% as Americans struggle with the COVID-19 pandemic. She explained 2020 home sales will likely be down 15% compared to 2019 and noted the shortage of inventory will sustain home prices with the median home price probably increasing by 1.3%

Ms. Moreno reported the economy pre-COVID-19 was the healthiest economy in over 30 years with record low unemployment along with the lowest financial debt-to-income ratios that were at their lowest point in years. She explained the vast majority of unemployment is likely temporary and the hope is most of these jobs will likely come back when the economy fully reopens. She anticipates the economy slowly bouncing over six (6) to eight (8) quarters but there may be a low down during the fourth quarter due to a possible second wave of COVID-19.

Ms. Moreno reported Anaheim visitors pay a 15% Transient Occupancy Tax (TOT) of their hotel, motel, and short-term rentals (STRs) stays of 30 days or less. She explained TOT is typically Anaheim's largest source of General Fund Revenue but this year has dropped behind Property Tax Revenue. She further explained FY 2019/20 was poised to be the Anaheim's best TOT revenue year ever due to the opening of Disney's Star Wars Galaxy Edge with January and February TOT already up 20% and 15% respectively. She hopes to see TOT return to near current levels during FY 2021/22 but currently projects a \$50,000,000 loss, which is 30% under the current year projections but is fluid and subject to change based on when the Resort opens. Lastly, she explained the projections assume the Resort would reopen in early fall with TOT reaching 60% of the previous year due to limited capacity due to social distancing.

Ms. Moreno reported Sales and Use tax is a 7.75% tax applied to the sale of tangible personal property, which is collected by the state and distributed to the taxing entities. She explained Anaheim receives 1% or \$0.01 for every dollar purchased. She provided a brief overview of Sales and Use Tax by sector and explained Anaheim anticipates declines across all sectors, with the greatest decreases in transportation and general retail. She further explained the decrease is partially offset by an increase in Online Sales Tax Revenue for the current year. She reported Anaheim is projecting Sales Tax Revenue losses of \$80,000,000, which is a decline of nearly \$10,000,000 from the current adopted budget. Lastly, for FY 2020/21 Sales Tax Revenue is estimated to decline \$5,000,000 or 5% from the current year.

Ms. Moreno reported Sales and Use Tax is expected to return to near current year levels during FY 2021/22; however, recovery is uncertain and it is unknown how many businesses may fall victim to COVID-19 and remain permanently closed. She explained Sales and Use tax projections assume the Resort opens in early fall at approximately 60% capacity due to continued social distancing. She further explained should the Resort reopen in early summer at the same capacity Anaheim could expect to see an additional \$200,000 net of Lease Payment Measurement Revenues (LPMR). However, if the Resort reopening is delayed until winter, she explained Anaheim could expect additional decreases in Sales Tax Revenue of \$3,000,000.

Ms. Moreno reported all real intangible personal property is subject to Property Tax equal to 1% of the value, which is collected by County, and Anaheim receives 20% of the total. She reported Anaheim is projecting to collect \$82,000,000 in the current year, which is on target with the Adopted Budget. She further reported there is no expectation of an immediate impact on Property Tax from COVID-19. Additionally, she reported revenue collections are on pace with prior years with the FY 2020/21 budget to be \$87,000,000 or an increase of 6% from the current year projections. Lastly, she reported Assessed Valuations are 7% higher than the previous year and are projected to grow in FY 2021/22 before holding flat in FY 2022/23.

Ms. Moreno reported the Proposed Budget reflects the best estimate at this time and reported in the current year TOT has declined more than \$50,000,000 with Sales Taxes down nearly \$10,000,000. She explained with adjusting for the reduction in LPMR transferred, the losses are more than \$40,000,000 to the General Fund. She anticipates using all Reserve Funds by the end of the Fiscal Year and anticipates borrowing \$33,000,000 internally from the Insurance Fund to bring the beginning balance to \$26,000,000 or 7% of the General Fund Expenditures. Lastly, she reported revenue for the next year has decreased significantly since the initial February projections with proposed TOT Revenue down more than 50% and total General Fund Revenue down 25%. Once the revenue forecast is built, staff starts to build the expenditure budget to set the base for current services with known increases. Lastly, she reported Anaheim is facing an Expenditure Budget deficit between \$75,000,000 and \$100,000,000. She displayed the proposed five-year forecast, showing deficits in all outgoing years.

Mr. Garcia provided a brief overview of the Budget Balancing Strategies, which includes a freeze on non-essential spending, a hiring freeze across the city, deferred fleet purchases, and deferred tree trimming. He reported the City is in discussion with its labor groups and will be investigating furloughs, other labor concessions, retirement incentive programs, and internal and external borrowing.

Mr. Garcia commented it was important to look at new revenues, which include online travel TOT, cannabis regulations, Federal and State assistance, land sales, and fee increases. He reported Anaheim received some assistance from the Federal Government and some from the CARES Act, which is restricted for reimbursement of COVID-19 related expenses. Additionally, he reported Anaheim is advocating for a new stimulus bill that could provide Anaheim with additional funding that could be used for revenue losses.

Ms. Moreno provided a brief recap of the General Fund Five-Year Forecast with departmental reductions at 20%, which is intended to be a placeholder as Anaheim works through reduction strategies. She explained adopting a budget with departmental reductions of \$75,000,000 will allow Anaheim to have a structurally balanced budget with the beginning Reserve Balance of \$26,000,000 or 7% because of the internal borrowing from the Insurance Fund. Lastly, she noted the General Fund makes up only 18% of the overall budget, with remaining funds restricted for specific services.

Ms. Moreno reported the Proposed FY 2020/21 Capital Improvement Program (CIP) will invest more than \$177,000,000 into Anaheim and is not funded by the General Fund. She explained the CIP provides for many improvements citywide as well as projects specific to certain areas of the City, but the funding is typically restricted to specific project types and are typically for one-time use only, not for ongoing costs and services. She provided a brief overview of current CIP projects and encouraged residents to utilize Story Maps online at [www.anaheim.net/mycitybudget](http://www.anaheim.net/mycitybudget), which highlights all the proposed CIP projects. Lastly, she reported one remaining Budget Workshop will take place on June 23, 2020.

DISCUSSION: Council Member Barnes requested a definition of labor concession and borrowing. She also requested dollar amounts be reported for deferred tree trimming and thanked staff for their presentation.

Council Member Brandman thanked staff for their presentation and hard work.

Council Member Kring thanked staff for their presentation and shared that the former City Manager offered each City Council member an additional \$5,000 for their budget. She requested her District's portion be returned to the General Fund and encouraged the remainder of the City Council to do the same.

Mayor Pro Tem Faessel noted the importance of moving the Northgate Market project forward and expressed concern that deferment for tree trimming may affect Anaheim Utilities safety. He thanked staff for their report.

Council Member O'Neil thanked staff for their report and thanked City departments for making appropriate cuts.

Council Member Moreno expressed concern with a lack of specific numbers and dollar figures for reduction strategies. In response to Council Member Moreno's inquiry about the forecast, Ms. Moreno explained she anticipates the economic rebound to be quicker than the City has seen in the past and the report notes there is an opportunity for the financial impact to get much worse.

In response to Council Member Moreno's inquiry, Ms. Moreno explained this is a Temporary Budget and it is the intent of the City to continue to preserve reserves whenever possible. She further explained the City does not have a specific target on borrowing but will depend on what additional revenues and reductions the City can achieve because once the City borrows money it will have to be repaid at a greater cost. Mr. Garcia explained reduction strategies are not baked into those numbers, which is why this is a proposed temporary budget.

In response to Council Member Moreno's inquiry, Mr. Garcia reported it is difficult to predict the online travel TOT revenues but anticipates it will be around \$2,000,000 to \$3,000,000. He reported that regarding cannabis, revenue depends on the tax rates and the number of retail establishments that come into play with conservative revenue estimates of \$1,000,000 to \$4,000,000 annually for the first two years. Lastly, he reported land sales will vary and fee increases would be minimal.

In response to Council Member Moreno's inquiry, Mr. Garcia reported staff is not currently investigating a Gate Fee imposed on Anaheim's major entertainment venues but could do so at the direction of City Council.

Council Member Moreno suggested it was time for Anaheim residents to consider a Gate Fee, in addition to other potential revenue sources. He suggested a \$1 per ticket Gate Fee at Disneyland,

Angel Stadium, and Honda Center, which could sunset in three to five years. He presented the possible economic revenues based on a variety of park capacities. He encouraged City Council to consider the Gate Tax, even in an economic downturn. He explained the City depends on tax revenue to fund City services. Lastly, he encouraged staff to develop a potential Gate Fee Tax Measure to go along with a Cannabis Tax Measure to be presented at the next Budget Workshop. He stated the importance of reviewing additional revenue sources rather than focusing solely on budget cuts/reductions.

Mayor Sidhu thanked staff for the presentation. He acknowledged there are many unknowns regarding the economic recovery and he continues to fight for Federal and State economic assistance. Additionally, he would like to limit tax burdens on Anaheim residents and businesses.

City Clerk Theresa Bass reported that 265 public comments were received electronically prior to 1:00 P.M. related to the workshop, which were distributed to the City Council and made part of the official record. – **See Appendix.**

In response to Mayor Sidhu's ruling that the workshop was not the appropriate forum to request staff bring a Gate Fee Tax Measure forward, City Attorney Robert Fabela clarified a request to agendaize an item should be introduced during Council Communications.

Council Member Moreno clarified he was simply asking the staff to develop a potential Gate Fee Tax Measure to go along with a Cannabis Tax Measure to be presented at the next Budget Workshop.

Mr. Garcia explained he would prefer the City Council to direct staff on one specific strategy so staff can come prepared to the next Budget Workshop. Mayor Sidhu ruled Council Member Moreno needed to introduce the item during Council Communications and noted it would require a second and a third. Council Member Moreno objected to the ruling and expressed concern about transparency surrounding the item. He noted, in the past, City Council used Budget Workshops to provide direction to staff.

Mr. Garcia clarified the reason behind Budget Workshops is to present information to the City Council and sometimes City Council provides direction to staff to take action but it requires direction from the City Council majority, especially if it means shifting the focus of staff.

In response to Council Member Moreno's inquiry about when direction was received, Mr. Garcia explained staff receives direction during the Budget Workshop. Council Member Moreno expressed his disappointment that staff will only complete work based on four votes from the City Council and will not consider additional options for the budget. He requested guidelines be set for specific direction and instructions that can be requested of staff.

In response to Council Member Barnes, Mr. Garcia clarified this is a working budget. Mayor Sidhu explained if the City Council majority would like to explore new potential revenue then Council Member Moreno would need to make that request during Council Communications.

**ADDITIONS/DELETIONS TO CLOSED SESSION:**                      None

**PUBLIC COMMENTS ON CLOSED SESSION ITEMS:**

City Clerk Theresa Bass reported that four public comments were received electronically prior to 1:00 P.M. related to the Closed Session agenda, which were distributed to the City Council and made part of the official record. – **See Appendix.**

**CLOSED SESSION:** At 4:37 P.M., Mayor Sidhu recessed to closed session for consideration of the following:

1. **CONFERENCE WITH LABOR NEGOTIATORS  
(Subdivision (a) of Section 54957.6 of the California Government Code)  
Agency Designated Representative: Linda Andal, Human Resources Director  
Name of Employee Organizations: (1) American Federation of State, County and Municipal Employees (General Management, Professional/Technical, and Confidential Units); (2) Anaheim Police Management Association; (3) Teamsters, Local 952; (4) Anaheim Municipal Employees Association, Police Cadet Unit; (5) International Brotherhood of Electrical Workers (IBEW), Local 47; and IBEW, Local 47 Part-Time Customer Service Employees; (6) Service Employees' International Union, United Service Workers West; (7) Anaheim Firefighters Association, Local 2899; (8) Anaheim Municipal Employees Association (General, Clerical, Part-Time Units); (9) Anaheim Police Association; (10) International Brotherhood of Electrical Workers, Local 47 (Professional Management and Part-Time Management Units)**

At 5:45 P.M., Mayor Sidhu reconvened the Anaheim City Council and conducted a moment of silence in memory of George Floyd.

**INVOCATION:** Council Member Jose F. Moreno

**FLAG SALUTE:** Council Member Lucille Kring

**Acceptance of Other Recognitions (To be presented at a later date):**

Recognizing June 14 - 20, 2020, as National Flag Week

City Clerk Theresa Bass advised a proclamation would be mailed to the recipients.

At 6:06 P.M., Mayor Sidhu called to order the Anaheim Housing Authority (in joint session with the Anaheim City Council).

**ADDITIONS/DELETIONS TO THE AGENDAS:**

City Clerk Theresa Bass announced Public Hearing Item No. 32 was withdrawn at the request of the appellant/applicant and Item No. 30 was withdrawn at the request of staff.

**PUBLIC COMMENTS:**

City Clerk Theresa Bass reported that 740 public comments were received electronically prior to 1:00 P.M. related to City Council agenda items and matters within the jurisdiction of the Anaheim City Council [A final total of 897 public comments were received electronically and distributed to the City Council related to City Council agenda items and matters within the jurisdiction of the Anaheim City Council and made part of the official record]. – **See Appendix.**

**CITY MANAGER'S UPDATE:**

Interim City Manager Greg Garcia addressed events that occurred over the past week, particularly in regards to protests, and thanked all City staff who helped prepare for the community to peacefully protest, including the Police and Public Works Departments. He thanked the community for peacefully exercising their rights through continued powerful statements and expressed pride in the City. Police Chief Jorge Cisneros offered condolences to George Floyd's family and stated that the event was not part of 21st-century principles and not Anaheim Police Department policies or practices. He reported 11 peaceful demonstrations were held over the past week, with 25 arrests made on Monday only. He further reported Anaheim Police did not deploy gas or projectiles, referencing an event in Santa Ana, one officer sustained second-degree burns and two vehicles were vandalized. He thanked the entire community, City partners, other law enforcement agencies, and the Chamber of Commerce for their assistance. He referred to an "Eight Can't-Wait" document that was emailed to Council and will be posted on the website and noted the department already does six of the eight policies and he believed there were better processes for the other two than what was proposed and which could be discussed in the future.

At 6:13 P.M., Mayor Sidhu recessed the Anaheim City Council to address the Anaheim Housing Authority agenda and reconvened at 6:19 P.M.

**CONSENT CALENDAR:** At 6:19 P.M., the consent calendar was considered with Council Member O'Neil pulling Item Nos. 05 and 06, Council Member Moreno pulling Item Nos. 12, 17, 22, and 25, and Council Member Barnes pulling Item No. 19 for separate discussion and consideration.

MOTION: Council Member Kring moved to adopt the balance of the consent calendar as presented, in accordance with reports, certifications, and recommendations furnished each city council member and as listed on the consent calendar, seconded by Mayor Pro Tem Faessel. ROLL CALL VOTE: AYES – 7 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Moreno, Kring, and O'Neil). NOES – 0. Motion carried.

3. Receive and file minutes of the Community Services Board meetings of October 10, 2019, January 9, 2020, and February 13, 2020 and the Public Utilities Board meeting of April 22, 2020.
4. Accept the bid from Hunter Consulting, Inc. dba HCI Environmental & Engineering Services, in the amount of \$26,315 plus a 20% contingency, for emergency crime scene clean-up services for a one year period with four one-year optional renewals; and authorize the Purchasing Agent to exercise the renewal options in accordance with Bid #9431.
7. Accept the proposal from Veteran Supply Services, LLC, in the amount of \$1,525,186 plus applicable tax, for the purchase of an outdoor metalclad substation switchgear; and authorize the Purchasing Agent, or designee, to execute the Purchase and Sale Agreement and related documents, and take the necessary actions to implement and administer the agreement, in accordance with RFP #9376.
8. Accept the bid from Clean Energy, in the amount of \$32,480 plus a 20% contingency, to perform repair and maintenance services for the City's compressed natural gas compressor equipment for a one year period with four one-year optional renewals; and authorize the Purchasing Agent to execute the renewal options in accordance with Bid #9432.

9. Award the construction contract to the lowest responsible bidder, Arnaz Engineering Contractors, Inc., in the amount of \$1,991,300, for the Rehabilitation of Pressure Regulating Stations No. 30 and No. 31, Demolition and Relocation of Pressure Regulating Stations No. 32 and No. 43, and Construction of New Pressure Regulating Station No. 73 Project; authorize the Director of Public Works to execute the contract, and any other related documents, and take the necessary actions to implement and administer the contract; determine that the project is categorically exempt from the California Environmental Quality Act pursuant to Sections 15301(b), 15302(c), 15303(d), and 15304(f) of Title 14 of the California Code of Regulations; and direct the Finance Director to execute the Escrow Agreement pertaining to contract retentions.
10. Award the construction contract to the lowest responsible bidder, Energy Options, Inc., in the amount of \$388,950, for the Anaheim Convention Center Hall "D" Cooling Tower Replacement and Support Structure Modification Project; authorize the Director of Public Works to execute the contract, and related documents, and take the necessary actions to implement and administer the contract; determine that the project is categorically exempt from the California Environmental Quality Act pursuant to Sections 15301(d) and 15302(c) of Title 14 of the California Code of Regulations; and authorize the Finance Director to execute the Escrow Agreement pertaining to contract retentions.
11. Approve the proposed Close-Out Change Order (Change Order) with ABB Substations Contracting (US) LLC, n/k/a Linxon US LLC, in the amount of \$899,500, which includes the settlement of any City and ABB outstanding claims for the Harbor Substation Design-Build Project; and authorize the Director of Public Works to execute the Change Order and take the necessary actions to implement and administer the Change Order.
13. Approve the Workforce Innovation and Opportunity Act Agreement with Foster Assessment Center and Testing Services, Inc. dba FACTS, in the amount of \$50,000, for the provision of skills assessment services through July 1, 2021; and authorize the Director of Community and Economic Development to execute and the Workforce Development Manager, or designee, to administer the agreement.
14. Approve Workforce Innovation and Opportunity Act (WIOA) agreements for the provision of occupational skills training and on-site job training, each for a term expiring June 30, 2022; and authorize the Director of Community and Economic Development to execute and the Workforce Development Manager, or designee, to administer the agreements with the following training contractors and their respective contract amounts: 1) WIOA Agreement, in an amount not to exceed \$50,000 (Employed Security Service Center, Inc.); and 2) WIOA agreements, each in an amount not to exceed \$100,000 (Concorde Career College, Inc.; The Regents of the University of California on behalf of UC Irvine Division of Continuing Education; University of LaVerne). Approve California Work Opportunities and Responsibility to Kids (CalWORKs) Agreements for the provision of occupational skills training and on-site job training, each for a term expiring June 30, 2022; and authorize the Director of Community and Economic Development to execute and the Workforce Development Manager, or designee, to administer the agreements with the following training contractors and their respective contract amounts: 1) CalWORKs agreement, in an amount not to exceed \$50,000 (Employed Security Service Center, Inc.); 2) CalWORKs agreements, each in an amount not to exceed \$100,000 (Concorde Career College, Inc.; University of LaVerne); and 3) CalWORKs agreement, in an amount not to exceed \$200,000 (KD Education, LLC dba Healthstaff Training Institute).

15. Approve Direct Payment Agreement No. 20Y-2006 with the State of California, Department of Community Services and Development to receive federally-funded Low-Income Home Energy Assistance Program grant funding to be applied to accounts of eligible Anaheim Public Utilities Department electric customers for the term ending March 31, 2023; and authorize the Public Utilities General Manager to execute the agreement, and related documents, and take the necessary actions to implement and administer the agreement.
16. Approve the Per- and Polyfluoroalkyl Substances Treatment Facilities and Program Agreement among the City of Anaheim (City), the Orange County Water District, and other groundwater producers, for reimbursement funding for the City to develop, construct, operate, and maintain groundwater treatment facilities for approximately 30 years; authorize the Public Utilities General Manager, or designee, to execute the agreement, and related documents, and take the necessary actions to implement and administer the agreement; and authorize de minimis changes that do not substantially change the terms and conditions of the agreement, as determined by the City Attorney's Office. Approve an agreement with Brown and Caldwell, in the annual average sum of \$1,000,000 with a 15% contingency for extra services, to provide owner's engineer consulting services for the design-build of groundwater treatment plants for a five year term; authorize the Public Utilities General Manager, or designee, to execute the agreement and related documents and take the necessary actions to implement and administer the agreement; and authorize de minimis changes that do not substantially change the terms and conditions of the agreement, as determined by the City Attorney's Office.
18. Approve and authorize the City Manager and Human Resources Director to temporarily suspend applicable personnel rules and pay polices and amend employment contracts in order to reduce the base compensation of all executive management employees by 5% and take any necessary steps to effect the reduction.
20. RESOLUTION NO. 2020-047 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM, CALIFORNIA, calling for the holding of a General Municipal Election to be held on Tuesday, November 3, 2020, for the election of certain officers as required by the provisions of Article XIII, Section 1300, of the Charter of the City of Anaheim.

RESOLUTION NO. 2020-048 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM, CALIFORNIA, requesting the Board of Supervisors of the County of Orange to consolidate a General Municipal Election to be held on November 3, 2020, with the Statewide General Election to be held on the date pursuant to § 10403 and 10418 of the California Elections Code.

RESOLUTION NO. 2020-049 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM, CALIFORNIA, adopting regulations for candidates for elective office pertaining to candidate statements submitted to the voters at an election to be held on Tuesday, November 3, 2020.

21. RESOLUTION NO. 2020-050 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM concerning the Local Signal Synchronization Plan Update for the Measure M (M2) Program.

Adopt the FY 2020-21 Seven-Year Capital Improvement Program and authorize staff to submit it to the Orange County Transportation Authority.

23. RESOLUTION NO. 2020-053 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM accepting certain deeds conveying to the City of Anaheim certain real properties or interests therein (City Deed Nos. 12364, 12373, 12374, 12375, & 12376; for public right-of-way purposes).
24. RESOLUTION NO. 2020-054 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM to adopt a Mitigated Negative Declaration for proposed Reclassification No. 2019-00322 (DEV2019-00046; 227 North Magnolia Avenue)  
  
ORDINANCE NO. 6485 (INTRODUCTION) AN ORDINANCE OF THE CITY OF ANAHEIM amending the Zoning Map referred to in Title 18 of the Anaheim Municipal Code relating to zoning (Reclassification No. 2019-00322) (DEV2019-00046; 227 North Magnolia Avenue) [Reclassify the property from the T (Transition) and RM-2 (Multiple-Family Residential) Zones to the RM-3 (Multiple-Family Residential) Zone].
26. ORDINANCE NO. 6484 (ADOPTION) AN ORDINANCE OF THE CITY OF ANAHEIM amending Chapter 2.12 (Transient Occupancy Tax) of Title 2 (Taxes) of the Anaheim Municipal Code to modify the operator's collection duties (require hotel operators to collect rent through direct payment; introduced at Council meeting of May 12, 2020. Item No. 21).
27. Approve minutes of the City Council meetings of July 30, 2019 and August 13, 2019.

**END OF CONSENT CALENDAR:**

5. Accept the bid from Airwave Communications Ent., Inc., in the amount of \$103,981.90 plus applicable tax, to perform upfitting services to ten police patrol vehicles with the equipment required to be placed into service, in accordance with Bid #9417.

DISCUSSION: Council Member O'Neil reported he had received many public comments requesting City Council "defund" the Anaheim Police Department. He commented that COVID-19 would require all departments in Anaheim to make budget cuts and he would not support any efforts to eliminate police presence in Anaheim. He expressed his support for Police Chief Jorge Cisneros and the Anaheim Police Department and thanked staff for their efforts during recent protests and events.

Purchasing Agent Barry Bartlett reported the item is the acceptance of a competitive bid to outfit ten 2019 Dodge Chargers with parts such as lights, sirens, radios, and antennas to make them ready for operation and staff recommended the award to the lowest bidder.

In response to Council Member O'Neil's inquiry, Public Works Director Rudy Emami explained this purchase was in process when the COVID-19 pandemic started and the vehicles would remain in storage until they could be outfitted with the appropriate operational equipment in this award.

MOTION: Council Member O'Neil moved to accept the bid from Airwave Communications Ent., Inc., in the amount of \$103,981.90 plus applicable tax, to perform upfitting services to ten police patrol vehicles with the equipment required to be placed into service, in accordance with Bid #9417, seconded by Mayor Pro Tem Faessel.

DISCUSSION: Council Member Barnes reported she received many emails requesting City Council “defund” the Anaheim Police Department and ensured the public she was reading their emails and was trying to ensure their public safety and their right to protest.

In response to Council Member Moreno’s inquiry, Mr. Emami explained the costs were budgeted in the current year and the outfitting of the vehicles was for basic police patrol use including Anaheim emblems, lighting packages, and electronics. He also explained the lifecycle of each patrol vehicle is eight to twelve years.

MOTION: Council Member O’Neil moved to accept the bid from Airwave Communications Ent., Inc., in the amount of \$103,981.90 plus applicable tax, to perform upfitting services to ten police patrol vehicles with the equipment required to be placed into service, in accordance with Bid #9417, seconded by Mayor Pro Tem Faessel. ROLL CALL VOTE: AYES – 7 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Moreno, Kring, and O’Neil); NOES – 0. Motion carried.

6. Waive the sealed bidding requirement of Council Policy 4.0 and authorize the Purchasing Agent to issue a Master Agreement Purchase Order to Fog Data Science, LLC., in the amount of \$40,835 plus applicable tax (to be reimbursed by Urban Area Security Initiative Grant Program), for the purchase of a database subscription to provide geo-spatial information for a one year period for the Orange County Intelligence Assessment Center.

Purchasing Agent Barry Bartlett reported the item is to issue a Master Agreement Purchase Order for a three-year subscription to software using geo-spatial data and the funding is from the Urban Area Security Initiative (UASI) Grant Program and is needed to fulfill Anaheim’s responsibility to the Orange County Intelligence Assessment Center (OCAIC).

DISCUSSION: In response to Council Member O’Neil, Police Chief Jorge Cisneros explained the purchase is on behalf of the entire UASI region and using restricted UASI funds.

MOTION: Council Member O’Neil moved to waive the sealed bidding requirement of Council Policy 4.0 and authorize the Purchasing Agent to issue a Master Agreement Purchase Order to Fog Data Science, LLC., in the amount of \$40,835 plus applicable tax (to be reimbursed by Urban Area Security Initiative Grant Program), for the purchase of a database subscription to provide geo-spatial information for a one year period for the Orange County Intelligence Assessment Center, seconded by Council Member Kring.

DISCUSSION: In response to Council Member Moreno’s inquiry regarding surveillance, Chief Cisneros declined to speak on behalf of OCAIC but explained OCAIC needs to comply with all Federal rules and the software would need to follow the UASI investment justifications. He explained Anaheim was the administrator for the program, including 23 members who review all items. Council Member Moreno expressed concern with proprietary systems and the ownership and use of data and was concerned with moving forward without hearing from a representative from OCAIC.

SUBSIDIARY MOTION: Council Member Moreno moved to continue Item No. 06 until a representative of the Orange County Intelligence Assessment Center could attend a meeting to answer questions, seconded by Council Member Barnes. ROLL CALL VOTE: AYES – 2 (Council Members Barnes and Moreno); NOES – 4 (Mayor Sidhu and Council Members Faessel, Kring, and O’Neil); ABSTAIN – 1 (Council Member Brandman). Motion failed.

MOTION: Council Member O'Neil moved to waive the sealed bidding requirement of Council Policy 4.0 and authorize the Purchasing Agent to issue a Master Agreement Purchase Order to Fog Data Science, LLC., in the amount of \$40,835 plus applicable tax (to be reimbursed by Urban Area Security Initiative Grant Program), for the purchase of a database subscription to provide geo-spatial information for a one year period for the Orange County Intelligence Assessment Center, seconded by Council Member Kring. ROLL CALL VOTE: AYES – 6 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Kring, and O'Neil); NOES – 0; ABSTAIN – 1 (Council Member Moreno). Motion carried.

12. Waive Council Policy 4.1 and approve an agreement with Townsend Public Affairs, in the amount of \$5,000 per month, for supplemental state advocacy services, for a 12-month term with one one-year optional renewal; and authorize the City Manager, or designee, to administer the agreement and any optional renewals.

Interim City Manager Greg Garcia reported the item is a 12-month agreement with Townsend Public Affairs for supplemental state advocacy services, with the option to extend the agreement for an additional one-year. He explained the City has been utilizing Townsend Public Affairs since 2015 to assist the City in obtaining Federal and State funding to help supplement the City budget and they have been helpful in securing funding for homelessness services and from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. He shared the agreement included flexible provisions and recommended City Council approve the item.

DISCUSSION: In response to Council Member Moreno's inquiry, Mr. Garcia explained lobbyists help advocate the City's position on state legislation with all legislators. He explained the City uses a lobbyist in Washington D.C. to help advocate the City's position on Federal matters, including the CARES Act and future stimulus bills, and uses another lobbyist in Sacramento to help with Public Utilities regulatory issues that affect Anaheim. Lastly, he explained he did not have the funding totals for those lobbyists but the agreements could be revisited at any time at the request of City Council.

Council Member Moreno expressed concern regarding the timing of the item given the COVID-19 pandemic and potential budget cuts in other areas. He announced his opposition to the item. In response to Council Member Moreno's inquiry, Mr. Garcia reported the City issued a Request for Proposal in 2015, from which Townsend Public Affairs was selected for the advocacy services.

Council Member Moreno expressed concern that Townsend Public Affairs has contributed to the political campaigns of members of the City Council and opposed the item.

In response to Council Member Kring's inquiry, Mr. Garcia acknowledged Townsend Public Affairs was instrumental in assisting the City obtain funding for homelessness and from the CARES Act, even though not part of the initial allocation. Council Member Kring expressed her support for Townsend Public Affairs and felt the \$5,000 monthly rate was a good investment for the City.

MOTION: Council Member Kring moved to waive Council Policy 4.1 and approve an agreement with Townsend Public Affairs, in the amount of \$5,000 per month, for supplemental state advocacy services, for a 12-month term with one one-year optional renewal; and authorize the City Manager, or designee, to administer the agreement and any optional renewals, seconded by Council Member O'Neil.

DISCUSSION: Council Member O'Neil felt the benefits of the contract exceeded the monthly fee and expressed his support for the item.

Council Member Moreno explained he did not support the item because the City was anticipating budget cuts, did not see the urgency of this item without having a full understanding of the budget, and he felt the City should be prudent with its funds. In response to Council Member Moreno's inquiry, Mr. Garcia explained Townsend Public Affairs helps the City's voice be heard by state and federal legislators who are being lobbied by multiple municipalities.

In response to Council Member Moreno's comments, Council Member Kring explained she would be happy to return the referenced \$5,000 in Council Member office funding to help fund Townsend Public Affairs.

MOTION: Council Member Kring moved to waive Council Policy 4.1 and approve an agreement with Townsend Public Affairs, in the amount of \$5,000 per month, for supplemental state advocacy services, for a 12-month term with one one-year optional renewal; and authorize the City Manager, or designee, to administer the agreement and any optional renewals, seconded by Council Member O'Neil. ROLL CALL VOTE: AYES – 5 (Mayor Sidhu and Council Members Faessel, Brandman, Kring, and O'Neil; NOES – 0; ABSTAIN – 2 (Council Members Barnes and Moreno). Motion carried.

17. Approve Professional Services Agreements with seven consulting firms, each in an annual amount not to exceed \$250,000, for as-needed consulting services to support the Planning and Building Department, each for a three year period with two one-year optional renewals; and authorize the Planning and Building Director, or designee, to execute the agreements (Bureau Veritas North America, Inc.; CSG Consultants, Inc.; Interwest Consulting Group, Inc.; Jason Addison Smith Consulting Services, Inc.; Scott Fazekas & Associates, Inc.; The Code Group Inc. dba VCA Code; and 4 LEAF, Inc.).

Planning and Building Director Ted White explained the item is a request to maintain and continue the City's building plan check consultants by approving an agreement with each of the seven firms selected through the Request for Proposal (RFP) process. He explained the contracts are for three-year terms with the possibility of extending each agreement for two additional one-year terms. He further explained the funding would be paid by project applicants as a pass-through fee and has no direct impact on the General Fund.

DISCUSSION: In response to Council Member Moreno's inquiry, Mr. White explained the item is to help provide excellent customer service to project applicants by supplementing core staff and allowing flexibility as needed. He also explained the consultants completed a rigorous and competitive RFP process which provided the City with a wide range of consultants to leverage depending on the types and volume of projects that come in to the City. Lastly, he explained the consultants were not evaluated based on campaign contributions to any political campaigns of City Council members.

MOTION: Council Member Moreno moved to approve Professional Services Agreements with seven consulting firms, each in an annual amount not to exceed \$250,000, for as-needed consulting services to support the Planning and Building Department, each for a three year period with two one-year optional renewals; and authorize the Planning and Building Director, or designee, to execute the agreements (Bureau Veritas North America, Inc.; CSG Consultants, Inc.; Interwest Consulting Group, Inc.; Jason Addison Smith Consulting Services, Inc.; Scott Fazekas & Associates, Inc.; The Code Group Inc. dba VCA Code; and 4 LEAF, Inc.), seconded by Mayor Pro Tem Faessel.

DISCUSSION: In response to Council Member Barnes' inquiry, Mr. White explained the consultants would provide citywide services and could be considered supplemental workforce for the City.

MOTION: Council Member Moreno moved to approve Professional Services Agreements with seven consulting firms, each in an annual amount not to exceed \$250,000, for as-needed consulting services to support the Planning and Building Department, each for a three year period with two one-year optional renewals; and authorize the Planning and Building Director, or designee, to execute the agreements (Bureau Veritas North America, Inc.; CSG Consultants, Inc.; Interwest Consulting Group, Inc.; Jason Addison Smith Consulting Services, Inc.; Scott Fazekas & Associates, Inc.; The Code Group Inc. dba VCA Code; and 4 LEAF, Inc.), seconded by Mayor Pro Tem Faessel. ROLL CALL VOTE: AYES – 7 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Moreno, Kring, and O’Neil); NOES – 0. Motion carried.

19. RESOLUTION NO. 2020-046 A RESOLUTION OF THE CITY OF ANAHEIM approving the acquisition of, and usage and privacy policy related to, cellular communication interception technology equipment.

Waive Council Policy 4.0 and authorize the Purchasing Agent to issue a purchase order to Tactical Support Equipment, Inc., in the amount of \$701,566 plus applicable tax, for the purchase of a cell phone site simulator, licensing, warranty, support, and maintenance for the Anaheim Police Department for a three year period and one week of on-site training; and increase the Anaheim Police Department's Fiscal Year 2019/20 Department of Justice Equitable Sharing (asset forfeiture) fund budget by \$755,000, to cover the purchase cost of the cell phone site simulator, licensing, warranty, support, and training.

Purchasing Agent Barry Bartlett explained this is a multi-part item for City Council to adopt a resolution that would authorize the acquisition of cellular communications interception technology equipment from Tactical Support Equipment, Inc. and approve the usage and privacy policy applicable to cellular communications interception technology equipment. Mr. Bartlett further explained the item would require City Council, by motion, to increase the Anaheim Police Department's Fiscal Year 2019/20 Department of Justice Equitable Sharing (asset forfeiture) fund budget by \$755,000, to cover the purchase cost of the cell phone site simulator, licensing, warranty, support, and training in addition to waiving Council Policy 4.0 and authorize the Purchasing Agent to issue a purchase order to Tactical Support Equipment, Inc., in the amount of \$701,566, plus applicable tax, for the purchase of a cell phone site simulator, licensing, warranty, support, and maintenance for a three-year period and one week of onsite training, for the Anaheim Police Department.

Police Chief Jorge Cisneros explained a cell phone site simulator technology has been available to the Anaheim Police Department since 2008 and this would be the third vendor they have used to track cell phones. He explained the technology will help Anaheim Police Department save hundreds of hours in locating suspects or victims and has been used within Anaheim for various types of search and rescue operations and tracking threats. Lastly, he explained the technology can only be used through court-order signed by a judge and all the data must be deleted once the investigation is completed. Over the last four years, the department averaged use of such equipment about 300 times per year.

DISCUSSION: In response to Council Member Barnes' inquiry, Chief Cisneros confirmed training is included in the total cost and agreed the technology has been very effective for the Anaheim Police Department and the County although he did not have an exact breakdown of the types of use.

MOTION: Council Member Barnes moved to approve RESOLUTION NO. 2020-046 A RESOLUTION OF THE CITY OF ANAHEIM approving the acquisition of, and usage and privacy policy related to, cellular communication interception technology equipment; and waive Council Policy

4.0 and authorize the Purchasing Agent to issue a purchase order to Tactical Support Equipment, Inc., in the amount of \$701,566 plus applicable tax, for the purchase of a cell phone site simulator, licensing, warranty, support, and maintenance for the Anaheim Police Department for a three year period and one week of on-site training; and increase the Anaheim Police Department's Fiscal Year 2019/20 Department of Justice Equitable Sharing (asset forfeiture) fund budget by \$755,000, to cover the purchase cost of the cell phone site simulator, licensing, warranty, support, and training, seconded by Council Member Kring.

DISCUSSION: In response to Council Member Moreno's inquiry regarding concerns with surveillance techniques, Chief Cisneros explained the policy requires the Anaheim Police Department to obtain a search warrant to use the technology, which is also required by the cellular carrier. He explained there can be extenuating life or death circumstances where the information can be requested from the carrier without a warrant, but must be immediately followed up with a search warrant.

In response to Council Member Moreno's inquiry, City Attorney Robert Fabela explained the policy requires, absent exigent circumstances, evidence a crime has taken place in order to issue the search warrant. He further explained both the Fourth Amendment and the City's policy make exceptions for exigent circumstances, which are based on opinions of attorneys along with the expertise of law enforcement on the matter. Chief Cisneros shared examples of potential exigent circumstances as listed in the policy. Chief Cisneros explained if a search warrant is not granted, the data is deleted and an investigation ensues to determine if the policy has been violated, and no such violations had been determined during his tenure.

MOTION: Council Member Barnes moved to approve RESOLUTION NO. 2020-046 A RESOLUTION OF THE CITY OF ANAHEIM approving the acquisition of, and usage and privacy policy related to, cellular communication interception technology equipment; and waive Council Policy 4.0 and authorize the Purchasing Agent to issue a purchase order to Tactical Support Equipment, Inc., in the amount of \$701,566 plus applicable tax, for the purchase of a cell phone site simulator, licensing, warranty, support, and maintenance for the Anaheim Police Department for a three year period and one week of on-site training; and increase the Anaheim Police Department's Fiscal Year 2019/20 Department of Justice Equitable Sharing (asset forfeiture) fund budget by \$755,000, to cover the purchase cost of the cell phone site simulator, licensing, warranty, support, and training, seconded by Council Member Kring. ROLL CALL VOTE: AYES – 6 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Kring, and O'Neil; NOES – 0; ABSTAIN – 1 (Council Member Moreno). Motion carried.

22. RESOLUTION NO. 2020-051 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM initiating proceedings for the annual levy of assessments in, and accepting an assessment engineer's report for, the Anaheim Resort Maintenance District.

RESOLUTION NO. 2020-052 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM declaring its intention to provide for an annual levy and collection of assessments in the Anaheim Resort Maintenance District, and setting a time and place for public hearing thereon (Public Hearing scheduled for July 28, 2020).

DISCUSSION: In response to Council Member Moreno's inquiry, Interim City Manager Greg Garcia confirmed this was an annual assessment by the Anaheim Resort Maintenance District on itself. Public Works Director Rudy Emami explained an Assessment Engineer's Report is completed annually to review the assessments imposed on each property and to review the Consumer Price Index (CPI) for the amount of the increase. He recommended not increasing for CPI this year due to the COVID-19 pandemic but will resume the CPI increases next year, which would include the

postponed CPI increase from this year. Lastly, he explained the item will come back to City Council next year for consideration and determination at that time on assessments.

MOTION: Council Member Kring moved to approve RESOLUTION NO. 2020-051 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM initiating proceedings for the annual levy of assessments in, and accepting an assessment engineer's report for, the Anaheim Resort Maintenance District; and RESOLUTION NO. 2020-052 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM declaring its intention to provide for an annual levy and collection of assessments in the Anaheim Resort Maintenance District, and setting a time and place for public hearing thereon (Public Hearing scheduled for July 28, 2020), seconded by Council Member Barnes. ROLL CALL VOTE: AYES – 7 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Moreno, Kring, and O'Neil); NOES – 0. Motion carried.

25. ORDINANCE NO. 6483 (ADOPTION) AN ORDINANCE OF THE CITY OF ANAHEIM amending Chapters 18.04 (Single-Family Residential Zones); 18.06 (Multiple-Family Residential Zones); 18.14 (Public and Special-Purpose Zones); 18.36 (Types of Uses); 18.38 (Supplemental Use Regulations); 18.40 (General Development Standards); 18.42 (Parking and Loading); 18.92 (Definitions); and 18.122 (Beach Boulevard Specific Plan No. 2017-1 (SP 2017-1) of Title 18 (Zoning) of the Anaheim Municipal Code; and finding and determining that this ordinance is exempt from the requirements to prepare additional environmental documentation per Public Resources Code Section 21080.17 and California Environmental Quality Act (CEQA) Guidelines Sections 15282(h), 15061(b)(3); 15301, Class 1 (Existing Facilities); and, 15303, Class 3 (New Construction or Conversion of Small Structures) because it will not have a significant effect on the environment (Zoning Code Amendment No. 2020-00169) (Adjustment No. 2 to the Beach Boulevard Specific Plan No. 2017-1 (SPN2017-00001b)) (DEV2020-00001) (address changes in State law pertaining to Accessory Dwelling Units and Junior Accessory Dwelling Units; introduced at Council meeting of May 12, 2020, Item No. 16).

DISCUSSION: In response to Council Member Moreno's inquiry, Planning and Building Director Ted White explained the item is to amend various chapters of Title 18 of the Anaheim Municipal Code to reflect and comply with recent changes in state law about Accessory Dwelling Units.

MOTION: Council Member Moreno moved to approve ORDINANCE NO. 6483 (ADOPTION) AN ORDINANCE OF THE CITY OF ANAHEIM amending Chapters 18.04 (Single-Family Residential Zones); 18.06 (Multiple-Family Residential Zones); 18.14 (Public and Special-Purpose Zones); 18.36 (Types of Uses); 18.38 (Supplemental Use Regulations); 18.40 (General Development Standards); 18.42 (Parking and Loading); 18.92 (Definitions); and 18.122 (Beach Boulevard Specific Plan No. 2017-1 (SP 2017-1) of Title 18 (Zoning) of the Anaheim Municipal Code; and finding and determining that this ordinance is exempt from the requirements to prepare additional environmental documentation per Public Resources Code Section 21080.17 and California Environmental Quality Act (CEQA) Guidelines Sections 15282(h), 15061(b)(3); 15301, Class 1 (Existing Facilities); and, 15303, Class 3 (New Construction or Conversion of Small Structures) because it will not have a significant effect on the environment (Zoning Code Amendment No. 2020-00169) (Adjustment No. 2 to the Beach Boulevard Specific Plan No. 2017-1 (SPN2017-00001b)) (DEV2020-00001), seconded by Council Member Barnes. ROLL CALL VOTE: AYES – 7 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Moreno, Kring, and O'Neil); NOES – 0. Motion carried.

28. ORDINANCE NO. \_\_\_\_\_ (INTRODUCTION) AN ORDINANCE OF THE CITY OF ANAHEIM, CALIFORNIA adding Chapter 4.110 to Title 4 of the Anaheim Municipal Code regulating cannabis distribution, manufacturing, cultivation, retail sale, deliveries, and testing laboratories, and repealing Chapters 4.20, 4.21, and 4.100 of the Municipal Code (to take effect only upon passage of a cannabis tax measure at the November 3, 2020 General Municipal Election) (continued from Council meeting of May 12, 2020, Item No. 23).

Determine that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to sections 15004, 15060(c)(2), 15060(c)(3), 15061(b)(3), 15301, 15303, and 15332 of Title 14 of the California Code of Regulations, because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, because there is no possibility that it may have a significant effect on the environment, because it is not a project, as defined in section 15378, and because it is also the subject of categorical exemptions from CEQA. (continued from Council meeting of May 12, 2020, Item No. 23).

DISCUSSION: Mayor Sidhu reported City Attorney Robert Fabela confirmed with the Fair Political Practices Commission (FPPC) via an advisory opinion that he could participate in the discussion of the item. He explained he has not made a decision on the item and looked forward to the discussion.

Interim City Manager Greg Garcia noted this was extensively presented and discussed at the previous meeting.

Council Member Kring deferred to Council Member Moreno regarding his request for continuance and need for additional information.

Council Member Moreno reported he had held several Zoom, telephonic, and in-person meetings to obtain input from the community, school district, and non-profit partners on the item as well conversations with the United Food and Commercial Workers and reading the many email comments received. He also researched cannabis policy from NORML and CRISP who both advocate for responsibly developing cannabis policy.

In response to Council Member Barnes' inquiry, Mr. Fabela clarified the FPPC published their response publically on their website. He also reported they reviewed the facts of the case, including Mayor Sidhu's relationship with his son who is a cannabis consultant, and ruled there was no conflict under FPPC rules for Mayor Sidhu to participate in the discussion of Item Nos. 28 and 29. Council Member Barnes expressed her opposition to the item, particularly for potential impacts to District 1. She addressed the many emails that were submitted, appreciated the public sharing their opinions, and encouraged City Council to prohibit cannabis dispensaries in Anaheim.

Council Member Brandman expressed his support for the item, referenced Anaheim voters' approval of Proposition 64 in 2016, and stated it was a health and safety issue.

MOTION: Council Member Brandman moved to introduce AN ORDINANCE OF THE CITY OF ANAHEIM, CALIFORNIA adding Chapter 4.110 to Title 4 of the Anaheim Municipal Code regulating cannabis distribution, manufacturing, cultivation, retail sale, deliveries, and testing laboratories, and repealing Chapters 4.20, 4.21, and 4.100 of the Municipal Code (to take effect only upon passage of a cannabis tax measure at the November 3, 2020 General Municipal Election); and determine that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to sections 15004, 15060(c)(2), 15060(c)(3), 15061(b)(3), 15301, 15303, and 15332 of Title 14 of the California Code of Regulations, because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, because there is no possibility that it may have a significant effect on the

environment, because it is not a project, as defined in section 15378, and because it is also the subject of categorical exemptions from CEQA, seconded by Council Member Kring.

DISCUSSION: Council Member O'Neil expressed his opposition to the item and commented there was no requirement to adopt an ordinance as the first step and it could be brought back before the Council in the future or to the voters in conjunction with the tax measure. He expressed concern that Anaheim Canyon would become associated with cannabis dispensaries instead of a job center and manufacturing hub. Lastly, he expressed concern with the Labor Peace Agreement within the ordinance and believed it to be unconstitutional.

Mayor Pro Tem Faessel reported he communicated with the United Food & Beverage Workers and referenced a specific cannabis dispensary worker who reported her working conditions improved when she moved to a legal dispensary in Santa Ana rather than an illegal dispensary in Anaheim. He referenced communications received since the item was originally presented and expressed his opposition to the item particularly due to possible impacts to District 5.

Council Member Kring reported she supported bringing the item forward a few years ago. She expressed her support for medical marijuana and clarified cannabis dispensaries are legitimate businesses that are well-regulated. She noted there would be 20 retail dispensaries and they could be spread across the districts and be separated from each other. She expressed her support for the item.

In response to Council Member Moreno's inquiry regarding his previous recusal, Mayor Sidhu stood behind the FPPC opinion and felt there was no longer an appearance of conflict. Mr. Fabela stated that he always recommends Council Members obtain an opinion from the FPPC because it is ultimately the elected official's responsibility. Council Member Moreno still felt there was an appearance of a conflict in Mayor Sidhu's participation.

Council Member Moreno reported residents were not understanding the sense of urgency of the item during the COVID-19 crisis and were concerned whether or not Anaheim was ready to regulate and enforce the ordinance. He expressed concern that the tax rate may not be enough to support Code Enforcement. He felt the cannabis industry was leading this effort and that the Chamber of Commerce might be pushing the item. Council Member Moreno reported seeing members of the Chamber of Commerce and members of the industry leaving Mayor Sidhu's conference room in the months before COVID-19 and expressed concern that Mayor Sidhu was not being truthful about his personal involvement. Mayor Sidhu responded that his doors were always open to any industry who would like to do business in Anaheim and when approached by industry members, he directs them to the Chamber of Commerce. Council Member Moreno suggested Mayor Sidhu should be referring industry members to the City's Community and Economic Development team instead of referring them to the Chamber of Commerce. He reported residents have expressed concern and distrust about how the item was brought to City Council, regardless of their support or opposition to cannabis itself. He stated he was open and supportive of the idea of responsible cannabis regulation in the City, but expressed concern over the current proposal.

Council Member Brandman reported he had a conversation with former City Manager Chris Zapata regarding the topic who then reached out to the Chamber of Commerce to begin a series of conversations resulting in the current proposal.

Council Member Barnes addressed the activities of the Chamber of Commerce with Mayor Sidhu and asked for transparency. She felt Chief Executive Officer Todd Ament should come forward in the discussion.

In response to Council Member Brandman's inquiry regarding making the ordinance more effective, Council Member Moreno reported he did have a number of amendments to present but did not feel it would be enough to mitigate the concerns raised by residents. He reported he would like to see more analysis of the 600 feet versus 1,000 feet buffer zones, an equal distribution of dispensaries across the City, and develop a more transparent and depoliticized approval process.

Council Member Moreno clarified he was simply answering questions from Council Member Brandman. Council Member Brandman stated he was open to hearing amendments from his colleagues. Mr. Fabela commented it was difficult to determine whether or not it would require another first reading because it had not been put in the form of an actual amendment.

Council Member Kring offered an amendment to increase the distance from schools, etc. from 600 feet to 750 feet, to not allow retail cannabis locations next to each other, and to be evenly distributed in all districts. Council Member Brandman accepted Council Member Kring's amendments. Mr. Garcia suggested to not allow retail cannabis locations within 500 feet from each other as measured from the closest property line. In response to Senior Assistant City Attorney Kristin Pelletier's inquiry, Council Member Kring clarified her amendment would be to not allow retail cannabis locations within 500 feet from each other as measured from the nearest property line.

In response to Ms. Pelletier's inquiry, Planning and Building Director Ted White clarified there were industrial areas in all districts and suggested the language be set to a maximum of 18 retail licenses citywide, with no more than three per district. Council Members Brandman and Kring agreed to this provision.

Council Member Barnes expressed concern that Council Member Kring's amendments would impact efforts in her district. Mayor Pro Tem Faessel requested to make a final statement, which was denied by Mayor Sidhu.

In response to Council Member Moreno's call for a Point of Order, Mr. Fabela explained a vote was not needed, as it was a friendly amendment by the original maker of the motion and Council Member who made the second.

**SUBSIDIARY MOTION:** Council Member Barnes moved to extend the limits of debate, seconded by Council Member Moreno. Mayor Sidhu denied the request.

**MOTION OF ORDER:** Council Member Moreno moved to appeal the ruling of the chair, seconded by Council Member Barnes. **ROLL CALL VOTE:** AYES – 3 (Council Members Barnes, Moreno, and O'Neil); NOES – 4 (Mayor Sidhu and Council Members Faessel, Brandman, and Kring). Motion failed.

Council Member Moreno explained his vote was to further the need for transparency and continued discussion. Council Member O'Neil did not believe each Council Member was given the opportunity they are generally afforded to speak and offer motions prior to voting.

**MOTION:** Council Member Brandman moved to approve AN ORDINANCE OF THE CITY OF ANAHEIM, CALIFORNIA adding Chapter 4.110 to Title 4 of the Anaheim Municipal Code regulating cannabis distribution, manufacturing, cultivation, retail sale, deliveries, and testing laboratories, and repealing Chapters 4.20, 4.21, and 4.100 of the Municipal Code (to take effect only upon passage of a cannabis tax measure at the November 3, 2020 General Municipal Election), as amended to increase the distance from schools, etc. from 600 feet to 750 feet, to not allow retail cannabis locations within 500 feet from each other as measured from the nearest property line, and to set a

maximum of 18 retail licenses citywide with no more than three per district; and determine that this ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to sections 15004, 15060(c)(2), 15060(c)(3), 15061(b)(3), 15301, 15303, and 15332 of Title 14 of the California Code of Regulations, because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, because there is no possibility that it may have a significant effect on the environment, because it is not a project, as defined in section 15378, and because it is also the subject of categorical exemptions from CEQA, seconded by Council Member Kring. ROLL CALL VOTE: AYES – 3 (Mayor Sidhu and Council Members Brandman and Kring); NOES – 4 (Mayor Pro Tem Faessel and Council Members Barnes, Moreno, and O'Neil). Motion failed.

*Note for the record:* During discussion of Item No. 29, Mayor Sidhu stated his vote on Item No. 28 was a "no." City Clerk Theresa Bass confirmed the vote for Item No. 28 as follows: VOTE: AYES – 2 (Council Members Brandman and Kring); NOES – 5 (Mayor Sidhu and Council Members Faessel, Barnes, Moreno, and O'Neil). Motion failed.

29. RESOLUTION NO. \_\_\_\_\_ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM, CALIFORNIA calling for the placement of a general tax measure on the ballot for the November 3, 2020 General Municipal Election submitting to the qualified voters a proposed ordinance adding Chapter 2.15 to Title 2 of the Anaheim Municipal Code establishing a tax on cannabis businesses operating within the City; requesting that the Orange County Board of Supervisors consolidate the City's Municipal Election with the Statewide General Election to take place on November 3, 2020; setting rules and deadlines for the filing of arguments and rebuttal arguments; and directing the City Attorney to prepare an impartial analysis [approval of this resolution includes determination that the ballot measure is not a project within the meaning of California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, Section 15378(b) because it relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment].

Interim City Manager Greg Garcia reported the item is to call for the placement of a general tax measure on the ballot for the November 3, 2020, General Municipal Election submitting to the qualified voters a proposed ordinance adding Chapter 2.15 to Title 2 of the Anaheim Municipal Code establishing a tax on cannabis businesses operating within the City. He explained the proposed tax measure/ordinance would levy a tax up to a maximum of 6% on all cannabis businesses based upon gross receipts, except for commercial cannabis cultivation, which shall be taxed at a rate of up to \$12.00 per square foot but noted City Council can adjust the tax rates.

Mr. Garcia explained the approval of this measure by the voters would not make cannabis businesses legal in Anaheim and would require a separate regulatory ordinance that removes the ban on cannabis and regulates the sale and use of cannabis in the City.

Mr. Garcia reported the financial fiscal impact was difficult to determine, as it requires many variables including the level of tax the City Council decides upon and the number of retail and types of businesses that are permitted. He reported it could be between \$1,000,000 and \$4,000,000 during the initial operational phase. Lastly, he explained if an ordinance that regulates the sale and use of cannabis in Anaheim is established, and if the tax measure is successful, a series of regulatory fees would be established to cover all administrative costs associated with instituting regulations, managing the application process, paying for certain code activities, and oversight of the permit and compliance process. Lastly, he advised the cost to place the measure on the citywide ballot would be between \$137,000 to \$173,000.

DISCUSSION: Council Member Kring expressed her support for the item and putting the measure before the voters.

Mayor Pro Tem Faessel expressed his opposition to cannabis and the item and commented it was inconsistent with his background and his values.

Council Member Barnes expressed her opposition to the item and felt it would burden Anaheim's police and code enforcement. She expressed her support for communities and quality of life.

Council Member Brandman expressed his support for the item.

Council Member O'Neil expressed his opposition to the item and felt portions of the tax measure, as written, were misleading to the public in regards to potential tax revenue and its use within the City's budget and services.

In response to Council Member Kring's comments, Council Member Moreno explained the difference was the lawsuit he was involved in was a California Voter Rights Act violation of Latino voters in Anaheim and the previous ballot measures were about voter rights and access to government while this item was a ballot tax measure.

In response to Council Member Moreno, Council Member Kring explained she wanted to bring it forward under Proposition 218 to approve a tax and she would like to provide Anaheim voters the opportunity to vote on the item. In response to Council Member O'Neil's comments, she explained she would like the tax base to be lower for cannabis dispensaries.

In response to Council Member Moreno, Council Member Kring explained she was looking for other revenue sources for the City and she was trying to make Anaheim competitive with surrounding cities so she was supporting the ballot measure.

Council Member Moreno expressed concern with the voters' potential interpretation of the ballot measure regarding taxing and the regulation of cannabis and how those two were connected. He suggested Council also add the question of a \$1 gate fee at Disneyland, Angel Stadium, and Honda Center to the ballot measure as it could raise up to \$22,000,000 in much-needed revenue. City Attorney Robert Fabela opined this discussion of a separate tax measure needed to be agendized.

*[Note for the record Re: Item No. 28: Mayor Sidhu asked to correct the record for Item No. 28 to reflect a "no" vote. City Clerk Theresa Bass confirmed a "no" vote for Mayor Sidhu for the record on the introduction of the ordinance.]*

Council Member Moreno commented he could not support the current item as presented. Mr. Fabela clarified the item needs a 2/3 vote to pass under Charter Section 1208.1.

Council Member O'Neil cautioned against sending this to the ballot and explained it was City Council's job to make decisions on behalf of the people who elected them. He expressed his opposition to the item.

MOTION: Council Member O'Neil moved to lay Item No. 29 on the table, seconded by Mayor Sidhu.

MOTION OF ORDER: Council Member Moreno requested a Point of Order and to allow a second round of discussion for each Council Member. Mayor Sidhu denied the Point of Order.

MOTION OF ORDER: Council Member Moreno moved to appeal the ruling of the Chair, seconded by Council Member Barnes. ROLL CALL VOTE: AYES – 2 (Council Members Barnes and Moreno); NOES – 5 (Mayor Sidhu and Council Members Faessel, Brandman, Kring, and O’Neil); Motion failed.

Council Member Moreno supported the appeal in support of all Council Members having two rounds of discussion and to address comments pertaining to school districts and elections.

MOTION: Council Member O’Neil moved to lay Item No. 29 on the table, seconded by Mayor Sidhu. ROLL CALL VOTE: AYES – 4 (Mayor Sidhu and Council Members Faessel, Barnes, and O’Neil); NOES – 3 (Council Members Brandman, Moreno, and Kring). Motion carried; item tabled.

30. RESOLUTION NO. \_\_\_\_\_ A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM proclaiming the continuing existence of a local emergency regarding civil unrest.

*Item No. 30 withdrawn by staff; no action taken.*

31. Update on the City’s response to COVID-19.

Mayor Sidhu reported Orange County and the Orange County Board of Supervisors each sent separate letters to Governor Newsom requesting the County be allowed to move to Phase 3 of reopening, which would allow reopening for the travel and hospitality industries. He reported Sea World, Legoland, Universal Studios, Disneyland, and Knott’s Berry Farm have prepared and/or submitted reopening plans to the Governor’s Office.

Fire Chief Pat Russell reported the Emergency Operations Center (EOC) is operating at Level 3 and staff has started the path to demobilize and shut down the EOC but will continue to work on cost-reimbursement along with the second and third phase of reopening City facilities. He reported the first phase of reopening City facilities in the Restoration Plan begins June 15 and staff continues to research the possibility of test sites in Anaheim.

Chief Russell reported there are 1,350 COVID-19 cases in Anaheim, with 19 new cases as of today. He reported nine City employees tested positive, with six of those within the Fire Department and two admitted to the hospital.

Interim City Manager Greg Garcia reported the City will follow all the state and local guidelines with regard to reopening City Hall, which will begin on June 15 with a phased reopening including health screens for employees and requiring face coverings for both employees and customers, social distancing for people in the building, extra cleaning, and sanitization of high touch areas.

Mr. Garcia reported public counters will be outfitted with Plexiglass and other protective measures but staff will continue to encourage online appointment services. He advised there will be separate entrances for employees and visitors in order to follow the county’s guidelines regarding isolation and contact tracing. He reported the plan would be made public shortly with regard to the phased reopening and the adjustment of hours and services at City Hall.

In response to Council Member Moreno’s inquiry, Chief Communication Officer Mike Lyster reported the change in COVID-19 case reporting was to better reflect the most pertinent information to the residents of Anaheim. He explained comprehensive details are still reported at <http://www.anaheim.net/coronavirus>. Lastly, he explained that the cumulative number is not actually a good representation of how many active cases Anaheim has at any given time, which is why providing the number of daily new cases is more reflective.

In response to Council Member Moreno's inquiry, Mr. Lyster reported the curve has not flattened in Anaheim. He explained the City is tracking cases and expanding testing which is leading to more reported cases. He acknowledged that reopening will lead to more cases and the City will need to be on the lookout for breakouts and reported Orange County is conducting tracing and is ramping up their tracing program for COVID-19.

In response to Council Member Moreno's inquiry, Mr. Garcia was supportive of looking at the tracing data in the spirit of awareness and communicating to Anaheim residents. Council Member Moreno encouraged staff to consider ways to get ahead of the virus to determine hotspots in Anaheim in conjunction with Orange County. Mr. Garcia stated he would check with Orange County as to what information will be made available through tracing.

*Informational item - No action taken.*

## **PUBLIC HEARINGS:**

32. *Withdrawn by appellant.*

**CEQA CATEGORICAL EXEMPTION, CLASS 1  
CONDITIONAL USE PERMIT NO. 2013-05702A  
VARIANCE NO. 2014-04989A  
(DEV2017-00008)**

**OWNER/APPELLANT:** Salee Zaverbeck/ Eric Adel

**PROJECT LOCATION:** 1200 South Brookhurst Street.

**REQUEST:** The applicant requests approval of an amendment to a conditional use permit to permit and retain the expansion of an existing hookah lounge and restaurant within a multi-tenant commercial center with fewer parking spaces than required by the Anaheim Municipal Code (Nara Bistro).

**ENVIRONMENTAL DETERMINATION:** The City Council will consider whether the proposed action is Categorically Exempt from the requirements to prepare additional environmental documentation per California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1 (Existing Facilities).

**ACTION TAKEN BY THE PLANNING COMMISSION:** Approved with the following modifications: (i) Modified Condition No. 28 to require the installation and permanent maintenance of CCTV's on the subject premises; (ii) Modified Condition No. 32 to state that within 60 days of the date of approval, the applicant shall submit plans and complete a Building Code analysis for occupancy changes and any tenant improvements within the subject building. In addition, all proper building permits shall be obtained for the smoking lounge within 120 days of the date of this approval. These timelines may be modified in the event that a State of Emergency is declared by the City, State, or Federal government, and shall be subject to review and approval by the Planning Director; and (iii) Modified Condition No. 33 to state that this permit shall be subject to a noticed public hearing for modification or revocation review by the Planning Commission in six (6) months, commencing from the date of this approval. Planning Department staff will also report back to the Planning Commission as "Reports and Recommendations" (R&R) items twelve (12) and eighteen (18) months after the public hearing in order to verify that the business has been operating in compliance with their conditions of approval. Future compliance reviews may be required if significant violations are identified in the future or a revocation hearing shall be scheduled by the Planning Commission. (PC2020-004). VOTE: 6-1 (Chairperson Lieberman and Commissioners Armstrong, Keys, Meeks, Vadadoria, and White voted yes; Commissioner

Mulleady voted no) (Planning Commission meeting of April 13, 2020) (Appealed by Salee Zaverbeck and Eric Adel).

*Public Hearing Item No. 32 was withdrawn by the appellant/applicant; no action taken.*

33. **MITIGATED NEGATIVE DECLARATION**  
**GENERAL PLAN AMENDMENT NO. 2019-00527**  
**RECLASSIFICATION NO. 2019-00320**  
**CONDITIONAL USE PERMIT NO. 2019-06009**  
**TENTATIVE TRACT MAP NO. 19017**  
**(DEV2019-00037)**

**OWNER/APPLICANT:** Wayne Anastasi, Anastasi Development Company, LLC, 511 Torrance Blvd., Suite 111, Redondo Beach, CA 90277

**PROJECT LOCATION:** 1619, 1631, and 1699 W. Lincoln Avenue and an adjacent City-owned parcel with no address assigned. This 7.17-acre site is generally located on the north side Lincoln Avenue, with the Lincoln Street frontage located approximately 557 feet east from the Lincoln Avenue and Euclid Street intersection.

**REQUEST:** The applicant requests approval of the following land use entitlements to allow construction of a 115-unit, three-story, attached single-family residential development with modified development standards: (i) amend the General Plan land use designation from General Commercial to Mid Density Residential; (ii) a Zoning Reclassification from the C-G (General Commercial), T (Transitional), and I (Industrial) to the RM-3.5 (Multiple-Family Residential) zone; (iii) a Conditional Use Permit to allow an attached single-family residential development with modified standards in the proposed RM-3.5 zone; and (iv) a Tentative Tract Map to establish a 1-lot, 115-unit condominium subdivision.

**ENVIRONMENTAL DETERMINATION:** The City Council will consider whether a Mitigated Negative Declaration is the appropriate environmental documentation for this request under the California Environmental Quality Act and approval and adoption of Mitigated Negative Declaration and the Mitigation Monitoring Plan No. 365.

**ACTION TAKEN BY THE PLANNING COMMISSION:** Approved and recommended City Council approval of General Plan Amendment No. 2019-00527, Reclassification No. 2019-00320, Conditional Use Permit No. 2019-06009, and Tentative Tract Map No. 19017. VOTE: 5-2 (Chairperson Lieberman and Commissioners Armstrong, Keys, Meeks, and Vadadoria voted yes; Commissioners Mulleady and White voted no) (Planning Commission meeting of April 13, 2020).

RESOLUTION NO. 2020-055 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM to adopt a Mitigated Negative Declaration for proposed General Plan Amendment No. 2019-00527, Reclassification No. 2019-00320, Conditional Use Permit No. 2019-06009, and Tentative Tract Map No. 19017 (DEV2019-00037; 1619, 1631, and 1699 W. Lincoln Avenue and an adjacent city-owned parcel with no address assigned).

RESOLUTION NO. 2020-056 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM amending the General Plan of the City of Anaheim (General Plan Amendment No. 2019-00527) (DEV2019-00037; 1619, 1631, and 1699 W. Lincoln Avenue and an adjacent city-owned parcel with no address assigned) [Change the property's land use designation from General Commercial to Mid Density Residential].

RESOLUTION NO. 2020-057 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM approving and adopting proposed Conditional Use Permit No. 2019-06009

(DEV2019-00037; 1619, 1631, and 1699 West Lincoln Avenue and an adjacent city-owned parcel with no address assigned).

RESOLUTION NO. 2020-058 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM approving Tentative Tract Map No. 19017 (DEV2019-00037; 1619, 1631, and 1699 West Lincoln Avenue and an adjacent city-owned parcel with no address assigned).

ORDINANCE NO. 6486 (INTRODUCTION) AN ORDINANCE OF THE CITY OF ANAHEIM amending the Zoning Map referred to in Title 18 of the Anaheim Municipal Code relating to zoning (Reclassification No. 2019-00320; DEV2019-00037) [Reclassify the property from the Transition, Industrial, and General-Commercial Zones to the RM-3.5 (Multiple-Family Residential) Zone].

Planning and Building Director Ted White reported the item is a request for land entitlements to construct a 115-unit, attached, single-family residential development and reported the Planning Commission approved the project by a 5-2 vote on April 13, 2020.

Mr. White reported the 7.17-acre project site is generally located at the northeast corner of Euclid Street and Lincoln Avenue, south of the I-5 Freeway, and is comprised of three different zoning designations, which include the Transition Zone, Industrial Zone, and General Commercial Zone. He advised the surrounding uses include the Southern Pacific Railroad, the I-5 Freeway, and light industrial uses to the north, light industrial and commercial use to the west across Euclid, commercial use and light industrial to the east, and commercial use and multi-family residential uses to the south across Lincoln.

Mr. White reported the project site includes two City-owned parcels and the City negotiated with the applicant for the development and disposition of those properties. He explained the associated Disposition and Development Agreement would be presented to the City Council as Public Hearing Item No. 34 on the agenda.

Mr. White reported the southeast side of the project site, which has Lincoln Avenue frontage, is currently developed with a cement manufacturing business and is also used for vehicle staging and the remaining site area is currently vacant. He advised the project requires a General Plan Amendment to re-designate the property from General Commercial to Mid-Density Residential Land Use, which allows a maximum residential density of 27 dwelling units per acre. He additionally advised the proposed project would have a residential density of 16 dwelling units per acre.

Mr. White advised the project also requires a rezoning of the property from the Transition, Industrial, and General Commercial zones to the RM-3.5 Zone. He reported the applicant proposes to demolish existing industrial and commercial buildings on the project site and construct 115 attached single-family residences. He further explained the proposed project would include 27 3-story buildings ranging in 3- to 5-plexes, which would be comprised of 30 2-bedroom units and 85 3-bedroom units. Lastly, he reported vehicular access and egress will be provided by the gated entry at Lincoln Avenue.

Mr. White reported the project complies with all development standards of the RM-3.5 Zone except certain setback requirements, which are requested to be modified in conjunction with the subject Conditional Use Permit (CUP). He advised approximately 50,000 square feet of recreational area is provided, of which 33,000 would be provided in the common area. He further explained the common recreation areas include the main courtyard with a pool, spa, club room, a barbecue area, and restroom and shower building, three small pocket parks, and a dog park with benches and pet station

which would be maintained by the Home Owners Association, as shown on Tentative Tract Map No. 19017.

Mr. White reported the applicant reached out to the property owners of the commercial properties located within the vicinity of the project site and the representatives of the Southern Pacific Railroad to discuss the proposed project. He further reported a project information brochure was mailed by the applicant to neighboring properties located within 500 feet of the project site in April. Lastly, he reported project notification signs were posted pursuant to the City's Sunshine Ordinance.

Mr. White reported two letters of support were submitted for City Council consideration. He advised an initial study in support of a mitigated negative declaration has been prepared to evaluate the environmental impacts of the proposed project and to identify necessary mitigation under the requirements of the California Environmental Quality Act (CEQA). He advised staff believes the proposed project is designed in a manner that will provide a quality living environment for its future residents and is compatible with the surrounding land uses. Additionally, he reported the proposed project meets the goals of the General Plan to provide a variety of quality housing opportunities for the City's diverse housing needs and staff recommended approval of the project.

**DISCUSSION:** In response to Council Member Moreno's inquiry, Mr. White explained there were no affordable housing units proposed as part of the project but \$115,000 would be provided to the City to assist with the City's Affordable Housing programs and projects through the Disposition and Development Agreement (DDA), which is the subject of the next public hearing item. Council Member Moreno inquired about the cost to build one affordable housing unit.

In response to Council Member Moreno's inquiry, Deputy City Manager David Belmer reported there were many variables, most of Anaheim's affordable housing units have been created through a public-private partnership with the former Redevelopment Agency, and he explained the average cost of public contribution, in the form of land or cash, of an affordable housing unit is \$154,000. Lastly, he reported the two City-owned parcels are slightly larger than half an acre each.

Council Member Moreno estimated 12 affordable housing units could be built on each parcel under the proposed zoning. In response to Council Member Moreno's inquiry, Mr. White advised staff engaged in dialogue with the applicant regarding affordable housing. Mr. Belmer advised discussions led to the applicant providing an \$115,000 voluntary contribution for affordable housing via a provision in the DDA, which staff believes could be used toward the Senior Safety Net program.

In response to Council Member Moreno's inquiry, James O'Malley, applicant and Vice-President of Shopoff Realty Investments, reported they have developed affordable housing units within projects in Newport Beach and Huntington Beach as mandated through an ordinance in each respective city. City Attorney Robert Fabela advised questions can be asked of the applicant during the public comment portion of the public hearing.

Mayor Sidhu, Mayor Pro Tem Faessel, and Council Members Brandman, Moreno, O'Neil, and Kring reported ex-parte communication with the applicant.

Mayor Sidhu opened the public hearing.

Mr. O'Malley reported he was in full agreement with the staff report and the recommendation of the Planning Commission and provided a brief presentation to City Council. He explained the site was chosen for its proximity to the freeway and location to schools for developing an attainable and workforce housing community. He presented the site plan to City Council and explained neither the

developer nor the City was previously aware that the CalTrans remnant land had been transferred to the City and was now a part of this development plan.

Mr. O'Malley shared the density, 16 units per acre, was low for an urban setting and reported on the various open spaces being proposed as part of the development, including a dog park and several pocket parks. He reported the architect came up with a great layout that works perfectly for the site and he felt the color scheme planned for the development would be attractive. He reported parking requirements were slightly above those required. Lastly, he presented renderings of the proposed development.

Mr. O'Malley reported he has reached out extensively to the community and has only received one letter opposing the development. He advised brochures were mailed to impacted businesses. He also acknowledged they propose to pay \$115,000 to the City to be used for affordable housing in addition to explaining a wide variety of community benefits to Anaheim.

City Clerk Theresa Bass reported ten public comments were received electronically and distributed to the City Council related to Public Hearing Item No. 33 and made part of the official record. – **See Appendix.**

Mayor Sidhu closed the public hearing.

DISCUSSION: Council Member Kring thanked Mr. O'Malley and his development team for their hard work on developing attainable housing developments through this project.

Council Member Moreno noted the project is located in District 3 and clarified the Planning Commission representative from District 3 voted no on the item.

In response to Council Member Moreno's inquiry, Mr. O'Malley explained Shopoff Realty Investments completes the land entitlements and real estate transactions but would be transferring ownership to a home builder for completion.

In response to Council Member Moreno's inquiry regarding land values, Mr. Belmer explained many circumstances determine the parcel's value such as location, configuration, and adjacent uses. He further explained the City has appraised the parcels it owns and is selling them at the Commercial Zone rate.

In response to Council Member Moreno's inquiry, Mr. O'Malley reported there is a risk in developing this land due to its condition and consideration as contaminated. He explained they complete a Pro Forma Financial Statement and believe the homes would be available today in the mid-\$500,000 range. In response to Council Member Moreno's inquiry, Mayor Sidhu explained he has no economic interest in the property.

In response to Council Member Moreno's inquiry, Mr. O'Malley was unable to provide the target household income for the development but the units would be subject to FHA borrowing. He also noted the development would provide fees for surrounding schools.

MOTION: Council Member Moreno moved to deny the project. Motion failed for lack of a second.

MOTION: Council Member Kring moved to approve the project as presented by adopting four resolutions and introducing an ordinance, seconded by Council Member O'Neil.

**DISCUSSION:** In response to Council Member Moreno's inquiry, Mr. Fabela reported the City received a letter from the Kennedy Commission raising questions regarding the Surplus Land Act and he believed the City would be in compliance with the Act. He further explained the Surplus Land Act is a series of statutes dealing with how a public agency must dispose of surplus land and its obligation to ensure it is offered up to affordable housing developers. Lastly, he explained there are two pieces of land that are exceptions to the Act and are grandfathered into the Act as long as there is a Disposition and Development Agreement (DDA) no later than December 31, 2020, and the disposition is completed no later than December 31, 2022.

In response to Council Member Moreno's inquiry, Mr. Belmer explained Housing Opportunity Sites are designated in the City's Housing Element as sites that would contribute to the City's Regional Housing Needs Assessment (RHNA) obligation. He believed the Kennedy Commission asserted this site was designated in the City's Housing Element as a Housing Opportunity Site and it was not.

In response to Council Member Moreno's inquiry, Mr. White explained new laws require no net loss of housing sites that are identified as Housing Opportunity Sites. He further explained the law came into effect after the 22-acre property in Downtown Anaheim was completed. Lastly, he reported there was no direct relationship between the development of those sites with housing and the identification of any other housing opportunity sites in the City.

Mr. Belmer explained every City has an obligation to meet its RHNA numbers, which are broken down by income category defined by income limits and noted 5,702 units is the City's current RHNA obligation with 2,906 units still obligated to construct. He presented an overview of building permits issued for each income category and reported the City has exceeded its obligation in the Very-Low Income category but has a remaining obligation in the Low and Moderate Income Category.

In response to Council Member Moreno's inquiry, Mr. Belmer speculated annual income required to purchase the homes would most likely be in the Above-Moderate Income category. Council Member Moreno commented there was an opportunity to build 24 affordable housing units and, as presented, the project does not meet the needs of his district's residents. He expressed his opposition to the item.

**SUBSIDIARY MOTION:** Council Member O'Neil moved to call the question, seconded by Council Member Kring. **ROLL CALL VOTE:** AYES – 4 (Mayor Sidhu and Council Members Faessel, Kring, and O'Neil); NOES – 3 (Council Members Barnes, Brandman, and Moreno). Motion failed (pursuant to Rules of Order for the Conduct of City Council Meetings, affirmative votes of at least two-thirds required).

**DISCUSSION:** In response to Council Member Barnes' inquiry, Mr. Belmer confirmed the applicant would pay \$115,000 towards affordable housing in Anaheim. In response to Council Member Barnes' inquiry, Mr. O'Malley explained Newport Beach has an ordinance that determines the percentage of low or moderate affordable housing, which has a direct correlation to the land cost, and noted Anaheim does not have a similar ordinance. Lastly, he explained Shopoff Realty Investments paid above retail for the City's two remnant parcels.

Council Member Barnes encouraged developing affordable housing for Anaheim residents who may not make the salaries to qualify them for above-moderate housing.

Council Member Moreno addressed his previous action related to land-use decisions in other districts and expressed his opposition to the item without prejudice to the developer.

MOTION: Council Member Kring moved to approve the project as presented by adopting four resolutions and introducing an ordinance, seconded by Council Member O'Neil. ROLL CALL VOTE: AYES – 6 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Kring, and O'Neil); NOES – 1 (Council Member Moreno). Motion carried; ordinance introduced.

34. This is a public hearing concerning real property generally located at Lincoln Avenue and Euclid Avenue, which is proposed to be sold by the City of Anaheim to SLF-West Lincoln, LLC (APN No. 072-110-19, City ROW Parcel: No Known APN).

RESOLUTION NO. 2020-059 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM approving a Disposition and Development Agreement by and between the City of Anaheim and SLF West Lincoln, LLC, a Delaware limited partnership; authorizing the Director of Community and Economic Development to execute such Disposition and Development Agreement; authorizing the Director of Community and Economic Development to implement such Disposition and Development Agreement; and making certain other findings in connection therewith.

Community and Economic Development Deputy Director Grace Stepter reported the item is to request that City Council adopt a resolution approving a Disposition and Development Agreement (DDA) with SLF-West Lincoln LLC for development of the property at the northwest corner of Lincoln Avenue and Euclid Street. Additionally, the item will authorize the Director of Community and Economic Development to execute the DDA, authorize the Director of Community and Economic Development to implement such DDA, determine that Initial Study/Mitigated Negative Declaration (Development Project No. 2019-00037 and Mitigation Monitoring Program No. 365) serve as the appropriate environmental documents for the DDA, and making certain other findings in connection therewith.

Ms. Stepter reported the City owns two parcels at Lincoln and Euclid that total approximately 1.3 acres. She explained the City right-of-way (ROW) parcel is a remnant resulting from the Euclid Street widening project and has no direct public street access for development purposes. She further explained the Successor Agency parcel was acquired by the former Redevelopment Agency with the intent of assembling other adjacent parcels to create a larger development site.

Ms. Stepter reported the developer parcel is currently owned by Anastasi Development and is under contract for purchase by SLF-West Lincoln, LLC (aka Shopoff Realty Investments). She explained that the developer parcel had been under contract several times over the past several years but had difficulty with obtaining additional property along Lincoln Avenue. While efforts to obtain additional private properties have been unsuccessful, she explained the inclusion of the two City parcels in the project results in an improved project entry off Lincoln Avenue, in addition to an improved site plan.

Ms. Stepter reported the developer is proposing to construct 115 for-sale residences on the combined site of 7.1 acres. Additionally, she explained the developer is seeking planning entitlements to provide for the development of the project under a separate action. She explained the DDA calls for the sale of the two City parcels for \$2,900,000. Lastly, the project will generate new property tax revenues to the City in the approximate amount of \$77,300 annually, an increase over the current tax revenue of \$7,500. She noted the projected sale price of the units was between \$540,000 and \$585,000, based on today's value. Total completion of the project is estimated in mid-2023.

Ms. Stepter reported the developer is voluntarily contributing \$115,000 to the City for use toward an affordable housing project or program, such as the Senior Safety Net Program, pursuant to Resolution No. 2018-106. She reported State law prescribes requirements for the city's disposal of

surplus property, which the City will satisfy by declaring the City ROW parcel exempt surplus land prior to disposition and, as to the Successor Agency parcel, the DDA contemplates disposition prior to December 31, 2022, consistent with the California Surplus Lands Act (Cal. Gov't. Code Section 54220 et seq.).

DISCUSSION: In response to Council Member Moreno's inquiry, Ms. Stepter reported this parcel was designated in the City's long-range Property Management Plan not as an Affordable Housing Site but as a Successor Agency site for economic development purposes, so an affordable housing developer was not approached. She further explained the ROW parcel is landlocked and is not developable on its own, further noting it is the combining of the parcels that make this development attractive. Council Member Moreno suggested the property could be used to develop affordable housing units. Deputy City Manager David Belmer stated the city-owned parcel would be very difficult to develop without all of the parcels combined. He noted the value and the livability of the project is enhanced through the assemblage of the parcels.

Ms. Stepter reported the City traditionally purchases parcels until it has enough land together in order to compete for the State and Federal dollars required to make an affordable housing development viable.

Mayor Sidhu opened the public hearing.

City Clerk Theresa Bass reported three public comments were received electronically and distributed to the City Council related to Public Hearing Item No. 34 and made part of the official record. – **See Appendix.**

Mayor Sidhu closed the public hearing.

DISCUSSION: Council Member Brandman reported ex-parte communication with the applicant.

MOTION: Council Member Kring moved to approve Public Hearing Item No. 34 as presented, seconded by Council Member O'Neil.

DISCUSSION: Council Member Moreno expressed concern with low income levels in the City and that there were few opportunities for affordable housing projects in Anaheim.

Council Member Kring encouraged Council Member Moreno to focus on affordable housing reform in Sacramento. Council Member Moreno responded there were local land-use decisions that Anaheim could make to promote affordable housing and has thus far chosen not to adopt a policy.

MOTION: Council Member Kring moved to approve RESOLUTION NO. 2020-059 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM approving a Disposition and Development Agreement by and between the City of Anaheim and SLF West Lincoln, LLC, a Delaware limited partnership; authorizing the Director of Community and Economic Development to execute such Disposition and Development Agreement; authorizing the Director of Community and Economic Development to implement such Disposition and Development Agreement; and making certain other findings in connection therewith, seconded by Council Member O'Neil. ROLL CALL VOTE: AYES – 6 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Kring, and O'Neil); NOES – 1 (Council Member Moreno). Motion carried.

35. **MITIGATED NEGATIVE DECLARATION**  
**GENERAL PLAN AMENDMENT NO. 2018-00523**  
**RECLASSIFICATION NO. 2018-00316**  
**CONDITIONAL USE PERMIT NO. 2018-05979**  
**DEVELOPMENT AGREEMENT NO. 2019-00001**  
**(DEV2017-00128)**

**OWNER/APPLICANT:** Michael Wallace, KNT I Enterprises, LLC c/o Sagecrest Planning Environmental, 2400 E. Katella Ave., Suite 800, Anaheim, CA 92806

**PROJECT LOCATION:** 1600 West Lincoln Avenue. This 5.25-acre site is located at the southwest corner of Lincoln Avenue and Loara Street.

**REQUEST:** The applicant requests approval of the following land use entitlements to allow construction of a four-story mixed-use development that consists of 315 apartment units, a 2,031 square-foot leasing office for the apartment units and 3,413 square-foot retail space with 639 on-site parking spaces (636 spaces in a parking structure and 3 surface spaces): (i) a General Plan Amendment to amend the General Plan land use designation from General Commercial to Mixed-Use High; (ii) a Zoning Reclassification to apply the Mixed-Use (MU) Overlay Zone to the existing C-G (General Commercial) Zone; (iii) a Conditional Use Permit to allow a mixed-use development with modified standards; and (iv) a Development Agreement to permit a voluntary financial contribution to support the City's affordable housing programs and projects.

**ENVIRONMENTAL DETERMINATION:** The City Council will consider whether a Mitigated Negative Declaration is the appropriate environmental documentation for this request under the California Environmental Quality Act and approval and adoption of Mitigated Negative Declaration and the Mitigation Monitoring Plan No. 366.

**ACTION TAKEN BY THE PLANNING COMMISSION:** Approved and recommended City Council approval of General Plan Amendment No. 2018-00523 and Development Agreement No. 2019-00001 (PC2020-017), Reclassification No. 2018-00316, and Conditional Use Permit No. 2018-05979. VOTE: 6-1 (Chairperson Lieberman and Commissioners Armstrong, Keys, Meeks, Mulleady, and Vadadoria voted yes; Commissioner White voted no) (Planning Commission meeting of April 27, 2020).

RESOLUTION NO. 2020-060 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM to adopt a Mitigated Negative Declaration for proposed General Plan Amendment No. 2018-00523, Reclassification No. 2018-00316, Conditional Use Permit No. 2018-05979, and Development Agreement No. 2019-00001 (DEV2017-00128; 1600 West Lincoln Avenue).

RESOLUTION NO. 2020-061 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM amending the General Plan of the City of Anaheim (General Plan Amendment No. 2018-00523) (DEV2017-00128; 1600 West Lincoln Avenue) [Change the property's land designation from General Commercial to Mixed-Use High].

RESOLUTION NO. 2020-062 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM approving and adopting proposed Conditional Use Permit No. 2018-05979 (DEV2017-00128; 1600 West Lincoln Avenue).

ORDINANCE NO. 6487 (INTRODUCTION) AN ORDINANCE OF THE CITY OF ANAHEIM amending the Zoning Map referred to in Title 18 of the Anaheim Municipal Code relating to zoning (Reclassification No. 2018-00316; DEV2017-00128) [apply Mixed-Use Overlay Zone to existing General Commercial Base Zone].

ORDINANCE NO. 6488 (INTRODUCTION) AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANAHEIM approving Development Agreement No. 2019-00001 by and between the City of Anaheim and KNT I Enterprises, LLC, a California limited liability company, and authorizing the Mayor to execute said agreement for and on behalf of the City (Development Agreement No. 2019-00001; DEV2017-00128).

Planning and Building Director Ted White reported the item is a request for land entitlements to construct a mixed-use development with 315 apartment units and 3,400 square feet of commercial space. He reported the Planning Commission recommended City Council approval by a 6-1 vote on April 27, 2020.

Mr. White reported the property is located at the southwest corner of Lincoln Avenue and Loara Street. He reported surrounding uses include commercial and industrial uses to the north across Lincoln Avenue, commercial and light industrial uses to the east across Loara Street, commercial and multifamily residential uses to the west, and commercial, multi-family residential, and an elementary school to the south. He advised the property is located in the General Commercial Zone and is currently developed with an automobile dealership and automobile and recreational vehicle repair and storage facilities.

Mr. White reported the project requires a General Plan Amendment to re-designate the property from General Commercial to Mixed-Use High, which allows a maximum residential density of 60 dwelling units per acre and a maximum non-residential Floor Area Ratio (FAR) of 0.35. He explained the proposed project would have a residential density of 60 units per acre and a non-residential FAR of 0.01. He advised the project also requires a rezoning to apply the Mixed-Use "MU" Overlay Zone over the existing General Commercial "C-G" base zone.

Mr. White reported the applicant proposes to demolish the existing automobile-related facilities and construct a mixed-use project with 315 apartments, a 2,000 square foot leasing office, and 3,400 square feet of commercial space as well as a parking structure. He advised vehicular access would be provided by driveways on Lincoln Avenue as well as Loara Street. Lastly, he explained the project complies with all of the development standards of the "MU" Overlay Zone except for certain interior setback requirements, which are requested to be modified in conjunction with the subject Conditional Use Permit (CUP).

Mr. White presented conceptual renderings of the proposed project. He reported a total of nearly 60,000 square feet of recreational areas will be provided with over 43,000 square feet of in-common areas which include the main courtyard with a pool, spa, half basketball court, barbecue area, three smaller courtyards with barbecue areas, a dog park and spa, fitness center club rooms, and a multi-use recreational room.

Mr. White reported the Development Agreement is proposed as part of the project, providing the applicant a vested right to proceed with the approved development in exchange for the City obtaining benefits beyond what would otherwise be required by existing regulations and ordinances. He explained the proposed Development Agreement provides the applicant with a certainty to develop a proposed project, and in return, the applicant would provide funding of \$300,000 to assist the City's affordable housing programs and projects. He explained such funding could then be used for programs and projects, such as the recently created Senior Safety Net program.

Mr. White reported the applicant mailed project information brochures to the adjacent property owners of properties located within proximity to the site in April 2020. Also, he reported a project notification sign was posted per the City's Sunshine Ordinance.

Mr. White reported the City received a letter from an attorney representing the Southwest Regional Council of Carpenters. He explained the information presented by the Carpenters Union does not change staff's recommendation to adopt the Mitigated Negative Declaration (MND) and approve the project.

Mr. White explained the attorney for the Carpenters' Union claims that proceeding with the recommended action tonight violates the Brown Act, with which staff disagreed. He further explained, while it is true throughout California certain measures have been mandated due to COVID-19, these proceedings have been notified and agendized consistent with the Brown Act and the City is proceeding consistent with the Brown Act as modified by the Governor in his Emergency Order. Additionally, he explained the City has complied with State law concerning these proceedings, and members of the public have been provided an opportunity to provide comments and other testimony before City Council considers the item. Lastly, he reported the Council of Carpenters also claims that the recommended action violates CEQA.

Mr. White reported staff does not believe that anything presented by the Carpenters' Union warrants a change to staff's recommendation or the findings that are provided as part of the report and resolutions. He advised the Carpenters' Union claimed the City's analysis of noise, greenhouse gas emissions, air quality, and land use was inconsistent with CEQA. He reported, related to noise, each of the three identified measures mitigate impacts to less than significant and there is no permissible deferral as suggested by the attorney for the Carpenters' Union. He explained the analysis suggested by the Carpenters' Union regarding greenhouse gas emissions is not required by CEQA. Additionally, he explained staff believed the comment regarding air quality misrepresents the content of the MND as the Cumulative Impact Analysis is included in Table 14. Lastly, he explained, in regards to land use, nothing in CEQA requires affordable housing to be provided within the project.

Mr. White advised staff believed the analysis of environmental impacts included in the MND and the mitigation measures City Council is being asked to adopt are consistent with CEQA and its guidelines. He further advised that, contrary to the claims of the attorney, there have not been any revisions or new information included in the MND to the extent that recirculation of the MND would be required at this time.

Mr. White reported the initial study in support of the MND has been prepared to evaluate all the required environmental impacts under CEQA. Additionally, he explained staff has considered the proposed project, believes that it is designed in a manner that will be able to provide a quality living environment for its future residents, is compatible with surrounding land uses, and meets the goals of the General Plan to provide a variety of quality housing opportunities to address the City's diverse housing needs. Lastly, he advised staff recommends approval of the project.

**DISCUSSION:** Mayor Sidhu, Mayor Pro Tem Faessel, and Council Members Brandman, Kring, and Moreno reported ex-parte communication with the applicant.

In response to Council Member Moreno's inquiry, Mr. White reported there are no affordable housing units available in the project. He stated the applicant was informed, shown a resolution, and was requested to consider putting affordable housing units on the property. He explained the result of those discussions is the proposed Development Agreement and the voluntary measure to contribute \$300,000 towards the City's affordable housing programs. He also believed the target market for this property would be in the market-rate or above-moderate income category.

In response to Council Member Moreno's inquiry regarding impacts to the neighborhood surrounding Loara Elementary School, Public Works Director Rudy Emami acknowledged there would probably

be some increase in vehicle trips and explained staff has been working with that neighborhood through the Traffic Calming Program to look at installing traffic measures. He commented the increased volume would actually slow cars down in that area. Senior Project Planner Joanne Hwang reported she received correspondence from the school district requesting the property be subject to required school fees.

In response to Council Member Moreno's inquiry, Mr. Emami noted, that since the development is so close to the school, any children living in the development would be walking to the school. He advised if the traffic in the area becomes a concern, they would work with the Neighborhood Traffic Calming Program to address those issues.

Regarding a near-by development on Euclid and Broadway, Mr. White reported construction was completed but he did not have information about the sales aspect of the development.

In response to Council Member Moreno's inquiry, Ms. Hwang reported the property setback on Lincoln Avenue is between 22 and 15 feet and on Loara Street is 40 to 10 feet, in compliance with requirements. She explained the interior setbacks vary depending on whether or not it is adjacent to a commercially zoned property or a residential property but, in general, is 12 feet.

In response to Council Member Moreno's inquiry, Mr. White reported the setbacks for the Serrano Anaheim Hills development was 14 feet at its closest point.

Council Member Barnes expressed concern with the parking for this property. Mr. Emami reported the Parking Demand Analysis meets the City's code and commented staff has been working hard to ensure that more parking has been requested for these projects. He suggested City Council could investigate amending the parking code to require more parking spaces from developers.

In response to Council Member Barnes' comments regarding quality of life and the need for increased parking, Mr. Emami noted there is a balancing act in trying to ensure that developments have the proper amount of parking in addition to trying to promote transit-oriented developments that are close to job centers and use transit alternatives. He did not suggest changing the code at this time as it would drive up the cost of housing due to the land costs to develop parking. Mr. Emami noted developers were listening to staff and were no longer requesting variances for fewer parking spots than required, but rather providing the code-required amount, if not more.

In response to Council Member Barnes' inquiry, Mr. Emami stated parking code changes would depend on the development of more transit-oriented developments near job centers, which would require less parking. He also stated some developments would be further away from high-quality transit so changing the parking code would depend on the need.

Mr. White reported the developer added 28 additional spaces for commercial and leasing office visitors, which could be made available for additional parking at night for the development but he would like the applicant to weigh in on that possibility. He also stated there would be a parking code amendment coming to City Council shortly, which changes the parking standards for multi-family residential from 100% tandem parking to 20% tandem parking allowed.

Mayor Sidhu opened the public hearing.

Greg McCafferty, Sagecrest Planning and Environmental, reported there is a surplus of parking spaces at the development, further noting that each parking structure space costs \$12,000-\$20,000 to develop. He explained there are two driveways off Lincoln Avenue and two off Loara Street so

traffic will be distributed between those driveways. He advised the Traffic Study identified design and mitigation measures that require the developer to re-do the striping along Loara Street for northbound left-hand turns on Lincoln Avenue, eastbound Lincoln Avenue to southbound Loara Street, and westbound Lincoln Avenue to southbound Loara Street. He believed a commercial development on the site would cause more traffic than the proposed residential development, as well as noting that most traffic would go onto Lincoln Avenue rather than Loara Street.

Mr. McCafferty introduced the applicant and development team and reported the project received a 6-1 favorable vote from the Planning Commission. Additionally, he reported City Council was provided with a letter from LiUNA! Laborers Local 300 in support of the project and the applicant was open to bids from all contractors for the project.

Mr. McCafferty commented on the letter sent to the City by the Carpenters' Union and noted there were many opportunities to comment during the public review period or during the Planning Commission meeting but they chose to submit a letter to City Council late in the process. He reported Mike Wallace, owner/applicant, is willing to work cooperatively with labor unions and their attorney will provide a legal response.

Mr. McCafferty reported this project would be a \$70,000,000 investment in the area, which will provide great enhancements to the area and the Lincoln corridor, increase local retail sales, and provide quality housing to the area.

Lindsay Tabaian, Attorney, Allen Matkins, reported she is legal counsel to the project applicant, Mr. Wallace, and the Sagecrest Planning and Environmental team. She advised the team was provided a copy of a letter from Attorney Mitchell Tsai on behalf of the Southwest Regional Council of Carpenters, which raises generally stated objections to the project's MND and seeks a continuance on Brown Act grounds, which was previously addressed by Planning and Building Director Ted White.

Ms. Tabaian advised the letter neither correctly identifies the CEQA document for the project, which is an MND not an Environmental Impact Report (EIR) as the letter states, nor does it raise any substantive challenges to the project or the MND. She advised this is a last-minute letter by a labor organization whose stated purpose is clearly not related to protecting the environment but instead is securing support for concessions regarding labor contracts with these last-minute tactics by submitting what is referred to as a "document dump letter" for the record. She acknowledged this is an increasingly common tactic utilized by these types of organizations under these circumstances.

Ms. Tabaian advised neither the City nor the applicant is obligated to provide a written response to the last-minute comments after the close of the public review period. To be thorough, she submitted a response letter to staff which responds to the key land use issues the letter alludes to. Referring to Mr. White's earlier comments regarding the letter, she concurred with his responsive comments relating to air quality, greenhouse gas, land use, and other matters addressed in the letter along with his assessment. More importantly, she advised there is nothing in the letter which should impact approval.

Ms. Tabaian commented that the statements in the letter, which suggest that there is no evidence of the developer attempting to work with the City to provide or support affordable housing, are baseless. She acknowledged that while the project will not include affordable units on-site, the project does provide for a significant affordable housing payment of \$300,000, which would be earmarked for the Senior Safety Net fund.

Ms. Tabaian reported the applicant is willing to work cooperatively with labor organizations and it will continue to do so where those negotiations are merited and timely. She referenced the applicant's commitment as shown by the agreement that has been reached in the letters of support in the record from LiUNA! Laborers Local 300 as well as from Adrian Esparza of the OC Laborers Local 652. Lastly, she stated the project would revitalize an area of the City, which needs good development and entrepreneurial investment, as was noted at the Planning Commission hearing.

City Clerk Theresa Bass reported seven public comments were received electronically and distributed to the City Council related to Public Hearing Item No. 35 and made part of the official record. – **See Appendix.**

Mayor Sidhu closed the public hearing.

DISCUSSION: In response to Mayor Pro Tem Faessel's inquiry, Mr. White explained the City is continuously evaluating parking requirements. He advised the City recently updated the Platinum Triangle parking standards for multi-family residential developments to achieve consistency citywide. Lastly, he explained the proposed number of one-bedroom and studio units account for the more favorable terms of the anticipated number of parking spaces that are required in this development.

MOTION: Council Member Kring moved to approve the project as presented by adopting three resolutions and introducing two ordinances, seconded by Council Member Barnes.

DISCUSSION: In response to Council Member Barnes' inquiry, Deputy City Manager David Belmer reported Mr. Wallace took a particular interest in the Senior Safety Net program and thought that was a worthwhile program. He explained to Mr. Wallace there would need to be some flexibility as to how City Council would like to allocate the funding to a housing program. Council Member Barnes requested Mr. Wallace's approval to earmark the funds for the Senior Safety Net program. Mr. McCafferty thanked Mr. Belmer for all of his work on the project.

In response to Council Member Moreno's inquiry, Mr. McCafferty reported the project did not change from the time he met with Council Member Moreno and proceeded as planned, with the addition of the contribution for affordable housing, which is why he did not reach back out for further discussion. Council Member Moreno addressed district representation and expressed his displeasure in not being further contacted.

Mr. McCafferty stated for the record he did not negotiate with another Council Member to negotiate the Development Agreement but worked with Mr. Belmer and Mr. Wallace.

In response to Council Member Moreno's inquiry, Mr. McCafferty referred to similar developments Downtown, reduced due to location, but could not provide a targeted household income for the project due to the length of construction. Council Member Moreno referenced a conversation from years prior where Mr. McCafferty indicated the target household income for the project would be \$95,000 to \$105,000. Mr. McCafferty explained he was referencing the rent table that is put out by the County.

In response to Council Member Moreno's inquiry, Mr. McCafferty advised he could not determine rents until construction is complete.

In response to Council Member Moreno's inquiry, Mr. Belmer confirmed the Senior Safety Net is considered an affordable housing program.

In response to Council Member Moreno's suggestion that 20-31 of the units be allocated for permanent senior affordable housing, Mr. McCafferty advised Mr. Wallace would rather provide the \$300,000 to the City to serve seniors directly. Additionally, he explained having a restrictive covenant on the property, when a portion of the project is affordable, creates more difficulty for managing the property.

In response to Council Member Moreno's inquiry, Mr. McCafferty advised he would be open to discussing making the property a preferred housing complex for Section 8 Housing Vouchers but would not want that to be a condition of approval for the project.

In response to Council Member Moreno's inquiry, Mr. McCafferty advised the applicant complied with the Sunshine Ordinance and sent out mailers to the contiguous property owners, both residents and businesses. He advised they received one letter of inquiry regarding the project.

In response to Council Member Moreno's inquiry, Mr. McCafferty speculated the project units would likely be between the low- and moderate-income categories. Mr. Belmer believed the rents would likely be geared towards the moderate-income category but may include some low-income category units. He further explained the units would not be coveted so they would not be credited towards the City's RHNA numbers.

Council Member Moreno thought it unfortunate that the project would not contain affordable units and may contribute to continued overcrowding in District 3.

MOTION: Council Member Kring moved to approve the project as presented by adopting three resolutions and introducing two ordinances, seconded by Council Member Barnes. ROLL CALL VOTE: AYES – 6 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Kring, and O'Neil); NOES – 1 (Council Member Moreno). Motion carried; ordinances introduced.

36. This is a public hearing to consider the proposed vacation/abandonment of a portion of excess street right of way known as Mariposa Place located south of Westmont Drive and west of Euclid Street; and approval of a Purchase & Sale Agreement and a Quitclaim Deed with Anaheim Place Partners, LP (Abandonment No. ABA 2018-00377).

RESOLUTION NO. 2020-063 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM vacating excess street right of way for a portion of Mariposa Place located south of Westmont Drive and west of Euclid Street (Abandonment No. ABA 2018-00377).

Approve a Purchase and Sale Agreement and a Quitclaim Deed with Anaheim Place Partners, L.P.; authorize the Public Works Director, or designee, to execute other documents, including escrow documents, and take all required actions to close escrow; and authorize the City Clerk to deposit the Resolution and Quitclaim Deed into escrow for recordation in the County Recorder's Office.

Public Works Director Rudy Emami reported the item is to approve the proposed abandonment of excess street right of way known as Mariposa Place, which was requested by the owner/applicant Anaheim Place Partners LP, in order to construct a parking lot to serve the commercial office building at 505 North Euclid Street. He reported the applicant has constructed a new bank building and intends to construct a new coffee shop within the parking lot area, which presently serves the office building, thus requiring the applicant to provide an auxiliary parking lot to serve their office building.

Mr. Emami reported the applicant has applied for a grading permit to demolish the street improvements and construct the auxiliary parking lot in accordance with the submitted grading plan and has acquired all private property adjacent to Mariposa Place, which are vacant. He also reported the applicant intends to construct a portion of the auxiliary parking lot within the street vacation area. Lastly, he advised the configuration of the auxiliary parking lot would eliminate the need for a public street.

Mr. Emami advised staff has determined that the right of way under consideration for abandonment is considered to be excess street right of way, unnecessary for present or prospective public street use within the contemplations of Section 8324(b) of the Streets and Highways Code and is exempt from the Surplus Land Act.

Mr. Emami reported, if vacated, the City would reserve and acquire easements in favor of the City, the Orange County Sanitation District, and the State of California for public utilities and access to slope areas adjacent to Euclid Street and the I-5 freeway and the applicant would execute a covenant to hold the property and the street vacation area as a single parcel for use as an auxiliary parking lot, which would be required conditions for the close of escrow.

Mr. Emami advised an appraisal of the street vacation area was performed by an MAI appraiser chosen by staff and the applicant. As a result of the inspection and analysis of matters pertinent to the value and in consideration of the public utility easements being granted by the applicant, a fair market value of \$218,050 was determined.

Mayor Sidhu opened the public hearing.

City Clerk Theresa Bass reported two public comments were received electronically and distributed to the City Council related to Public Hearing Item No. 36 and made part of the official record. – **See Appendix.**

Mayor Sidhu closed the public hearing.

DISCUSSION: In response to Mayor Pro Tem Faessel's inquiry, City Attorney Robert Fabela opined it was fine to proceed with the item, as there was not a requirement that it be heard prior to midnight. He further explained it was better practice to hear items prior to midnight, but because the way the notice was worded, he was comfortable moving forward.

In response to Council Member Moreno's inquiry, Mr. Emami clarified the location of the bank and the coffee shop. He further explained there were homes previously at the location that were demolished, so the public street was no longer needed. Council Member Moreno inquired about the surrounding neighborhood. Mr. Emami replied that the community had complained about cars parking and loitering on the vacant street and staff had considered closing the street off prior to this project's initiation.

MOTION: Council Member Kring moved to approve RESOLUTION NO. 2020-063     A  
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM vacating excess street right of way for a portion of Mariposa Place located south of Westmont Drive and west of Euclid Street (Abandonment No. ABA 2018-00377); and approve a Purchase and Sale Agreement and a Quitclaim Deed with Anaheim Place Partners, L.P.; authorize the Public Works Director, or designee, to execute other documents, including escrow documents, and take all required actions to close escrow; and authorize the City Clerk to deposit the Resolution and Quitclaim Deed into escrow for recordation in the County Recorder's Office, seconded by Council Member Moreno. ROLL CALL VOTE: AYES –

7 (Mayor Sidhu and Council Members Faessel, Barnes, Brandman, Moreno, Kring, and O'Neil);  
NOES – 0. Motion carried.

**REPORT ON CLOSED SESSION ACTIONS:** None

**PUBLIC COMMENTS (non-agenda items):** - See Appendix.

**COUNCIL COMMUNICATIONS/AGENDA REQUESTS:**

Mayor Sidhu formally agendized for the next meeting to have Police Chief Cisneros to present the Anaheim Police Department policies.

Council Member Barnes announced street sweeping enforcement would resume on June 15 and a small Flag Day parade would be held on Sunday, June 14, 1-2 P.M. She asked residents to withhold the use of fireworks until July 4. She acknowledged and thanked volunteers for food distributions at the Beach Blvd. Youth Center and Brookhurst Community Center, including the Boys & Girls Club, Vineyard Church, Second Harvest, Orange County Food Bank, and Friends for Families. She expressed thanks for the City providing food to the community. Addressing global protests regarding George Floyd, she felt it important to listen to voices and encouraged dialogue with the minority community and acknowledged Anaheim has been a leader with the Police Review Board and an independent police auditor in seeing positive changes in policies. She requested an agenda item for July 14 for staff to look at ways to improve outreach and increase the representation of the minority community and reflect the City's diversity on the Police Review Board. She also requested presentations by the Police Review Board and independent police auditor of their most recent reports, concurred by Council Members Moreno and Brandman.

Council Member Moreno thanked Council Member Barnes for agendizing the Police Review Board items. Referring to the Budget Workshop, he requested City Council consider an item to place a ballot measure to the voters of a proposed Gate Fee/Tax of \$1/ticket for Disneyland, Angel Stadium, and the Honda Center to address budget shortfalls and allow services to continue by receiving additional revenue from visitors/tourists. He was open to discussing a percentage as well as putting a sunset date on the fee/tax, concurred by Council Member Barnes (request failed for lack of a second concurrence). He hoped the Council and staff would be open to a special meeting to address additional budget concerns, specifically related to the police and community services budgets and additional revenue streams. He thanked all who worked to keep the city safe and show the world Anaheim can express its rights. He hoped Council would listen to the pleas of the current generation, thanked small businesses for their work and support, and hoped for more trust and less fear.

Council Member Brandman provided a statement on the events of the past two weeks and the need to reflect and address inequities in the community. He stated he stands with the black community in their fight against social injustice and iniquities, this was personal for him individually, peacefully protesting is an absolute right of residents, and he was encouraged to see young people standing up and getting involved. He hoped leaders would look at policies and reform for real change and thanked Mayor Sidhu for his leadership and being proactive in looking at how Anaheim can protect and serve its residents.

Council Member Kring stated she could not support Council Member Moreno's ballot measure as she believed taxes at the Stadium and Honda Center would affect local residents. She expressed gratitude for the moment of silence in honor of George Floyd and asked for thoughts and prayers for all injured and killed during recent events. She thanked City staff, Chief Cisneros, and Interim City Manager Garcia for continuing to work and serve the community during the impacts of COVID-19.

She further announced mosquito season had started, announced spraying at Modjeska Park and Dad Miller Golf Course, and encouraged residents to tip and toss standing water, use DEET products, and wear long sleeves and pants at dusk and dawn as protective measures.

Mayor Pro Tem Faessel thanked Mayor Sidhu for asking Chief Cisneros to present at the next meeting and requested the Chief also address an email he received about police response during last Monday's march. He requested the meeting adjourn in memory of George Floyd and Sister Mary Peter Travis. He thanked the principals and staff of Benito Juarez, Guinn, and Rio Vista schools for inviting him and Susan to participate in car parades recognizing 5th/6th grade graduates. He reported the Anaheim Hotel donated furniture to the Salvation Army to assist homeless residents and that he participated in a virtual Coffee with a Cop with Chief Cisneros, assisted with a YMCA food distribution in the Sabina/Sycamore neighborhood where they served over 500 meals, he reported the YMCA was now serving 50,000 meals/week, and he joined the Mayor in accepting a \$1.8 million CARES funding from the Orange County Board of Supervisors. He further reported that he helped distribute 5,000 donated face masks to the YMCA, Boys & Girls Club, Meals on Wheels, Orange County Conservation Corp, Chrysalis, and the Anaheim Senior Citizens Club. Additionally, last week he and Susan helped facilitate 75 Chromebook donations to the YMCA by Dr. Shaw. He thanked Anaheim Public Utilities for upgrading lighting near Ball and Sunkist and thanked all members of the community who joined together peacefully and safely to have constructive dialogue and looked forward to efforts to uplift all communities.

Council Member Moreno requested consideration of a resolution in support of the Black Lives Matter movement on June 23, seconded by Council Member Barnes (request failed for lack of a second concurrence).

Mayor Sidhu thanked City staff for working through the turmoil of the last week, which kept the City safe and mourned the death of George Floyd.

**ADJOURNMENT:**

With no further business before the City Council, Mayor Sidhu adjourned the June 9, 2020 meeting at 1:36 A.M. on June 10, 2020 in memory of George Floyd and Sister Mary Peter Travis.

Respectfully submitted,

Theresa Bass, CMC  
City Clerk