

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
PLACENTIA PUBLIC FINANCING AUTHORITY
MINUTES
REGULAR MEETING
February 6, 2024
5:30 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER: Mayor Yamaguchi called the meeting to order at 5:33 p.m.

ROLL CALL:

PRESENT: Councilmember/Board Member Shader, Smith, Wanke, Kirwin, Yamaguchi
ABSENT: None

Mayor Yamaguchi announced the excused absence of City Clerk McKinnell.

ORAL COMMUNICATIONS:

Mayor Yamaguchi opened Oral Communications for the Closed Session. Deputy City Clerk Wayman announced that there was one member of the public wishing to speak.

Julie Suchard, Placentia resident, expressed concerns about the City Administrator's compensation package and expenses.

Deputy City Clerk Wayman announced the Closed Session matter.

The City Council and Boards of Directors recessed to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings on the following:

1. Pursuant to Government Code Section 54957(b)(1)
PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Title: City Administrator

RECESS: The City Council and Boards of Directors recessed to their 7:00 p.m. Regular Meeting.

CALL TO ORDER: Mayor Yamaguchi called the meeting to order at 7:00 p.m.

ROLL CALL:

PRESENT: Councilmember/Board Member Shader, Smith, Wanke, Kirwin, Yamaguchi
ABSENT: None

Mayor Yamaguchi announced the excused absence of City Clerk McKinnell.

STAFF PRESENT:

City Attorney/Authority Counsel Christian Bettenhausen; City Administrator Damien Arrula; Deputy City Administrator Rosanna Ramirez; Deputy City Administrator Luis Estevez; Police Captain James McElhinney; Fire Chief Jason Dobine; Director of Finance Jennifer Lampman; Director of Community Services Karen Crocker; Director of Development Services Joe Lambert; Deputy Director of Administrative Services Jeannette Ortega; City Treasurer Kevin Larson; Deputy City Clerk Carole M. Wayman

INVOCATION: Chaplain Tony Mercado

PLEDGE OF ALLEGIANCE: Officer Herman Flores

Budget:

\$119,723.56 Total FY 22-23 CIP Budget
\$119,723.56 Measure U Fund (791302-6740)

Recommended Action: It is recommended that the City Council:

- 1) Authorize the City Administrator to approve Balancing Contract Change Order No. 2 with Grigolla & Sons Construction Co. Inc, in the amount of \$2,665.50; and
- 2) Accept the work performed by Grigolla & Sons Construction Co. Inc, for construction of the 2022-2023 Concrete Repairs Project, City Project No. 1302 for a grand total amount of \$109,909.50; and
- 3) Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
- 4) Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

(Approved 5-0, as recommended)

1.d. **Approve Amendment No. 3 to Professional Services Agreement with Totum Corporation for Construction Management and Inspection Services for the Placentia Public Safety Center Project**

Fiscal Impact:

Expense:	\$ 470,000	Total Construction Management & Inspection Contract Amount
Available Budget:	\$ 1,832,148	Fiscal Year 2023-24 CIP Budget (105213-6850 JL# 229999-6850)

Recommended Action: It is recommended that the City Council:

- 1) Approve Amendment No. 3 to a professional services agreement with Totum Corp for project construction management and inspection services in the amount of \$470,000 and extend the Agreement term an additional two-years to May 18, 2026; and
- 2) Authorize the City Administrator to approve the agreement in a form approved by the City Attorney.

(Approved 5-0, as recommended)

1.e. **Revise the Defined Contribution Plan for Designated Miscellaneous Employees Participating in the 2.0% at 60 or 2.0% at 62 Retirement Formula under CalPERS**

Fiscal Impact: \$35,000 in one lump sum. Ongoing Annual increase of \$14,000 for the entire program.

Recommended Action: It is recommended that the City Council:

Approve a revised Defined Contribution Plan administered by Mission Square Retirement Solutions (Mission Square).

(Approved 4-1, as recommended, Wanke no)

Mayor Pro Tem Kirwin pulled Item 1.e. for further discussion and asked for clarification on the new plan.

City Administrator Arrula explained that employees were at different percentages and the proposed revision will create more equity by setting a standard percentage and grandfathering a few employees. He explained the impacts to employees in the Executive Management team.

Councilmember Wanke asked how many employees are in the Executive Management team and inquired about an increase in costs to the City.

City Administrator Arrula responded that there are seven (7) in the Executive Management Team. He discussed the benefits of moving the Defined Contribution plan to Mission square noting that it will result in a reduction in fees.

There was discussion about setting a four (4) percent standard going forward, existing employment agreements and the fiscal impact to the City.

Motion by Shader, seconded by Yamaguchi, and carried a (4-1-0) vote to approve Item 1e, as recommended, Wanke voted no.

2. PUBLIC HEARINGS:

2.a. **Public Hearing Regarding General Plan Amendment No. GPA 2021-02, 2021-2029 Housing Element Update (Amendment to the Adopted 2021-2029 Housing Element to address additional California Department of Housing and Community Development (HCD) Comments)**

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Open the public hearing concerning General Plan Amendment No. GPA 2021-02; and
- 2) Receive the Staff report and Staff presentation, and consider all public testimony and Planning Commission recommendations; and
- 3) Adopt Resolution R-2024-06, a Resolution of the City Council of the City of Placentia, California, finding that adoption of the Housing Element is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Section 15061(b)(3) and approving and adopting General Plan Amendment No. GPA 2021-02, an amendment to the City of Placentia General Plan Housing Element, including any additional revisions required by the California Department of Housing and Community Development (HCD); and
- 4) Authorize the Director of Development Services or designee to file all documents with the California Department of Housing and Community Development (HCD) on behalf of the City.

(Approved 5-0, as recommended)

Mayor Yamaguchi opened the Public Hearing at 7:45 p.m.

City Administrator Arrula introduced Director of Development Services Lambert who gave a brief presentation on the item.

Councilmember Shader expressed frustration with the state's housing requirements citing a lack of local control for cities and ongoing delays with the Metrolink station. She asked if the Development Services Department will be able to keep up with the cadence of the state's housing demands and requirements.

Director Lambert detailed the department's role in annual reporting, entitlements, and CDBG funding and expressed confidence that the City will continue to meet the state's housing reporting requirements.

There was discussion about the City's TOD area, transportation plan and parking requirements. Councilmember Shader expressed the need for more parking and suggested that the Housing Element be reviewed more frequently than once a year to ensure compliance with state standards.

Mayor Pro Tem Kirwin inquired about what minor changes might be made to the plan before it is submitted in February.

Director Lambert shared information about a meeting with the Director of Housing and Community Development (HCD). He noted that HCD provided helpful information on changes the City can make to the plan to elaborate on the progress the City has made to encourage housing.

City Administrator Arrula discussed the Regional Housing Needs Allocation (RHNA) numbers and the state's expectation for cities to add these housing units.

Mayor Pro Tem Kirwin mentioned that Placentia's RHNA numbers are higher than Brea's because of the proposed Metrolink Station.

Councilmember Wanke commented on the RHNA housing numbers and expressed concerns about higher density housing in the City.

Mayor Pro Tem Kirwin echoed Councilmember Wanke's concerns about higher density housing in the City.

Deputy City Clerk Wayman stated that the City Clerk's Office had received no public comment for Item 2.a. and there were no members of the public wishing to speak. Mayor Yamaguchi closed the Public Hearing at 8:22 p.m.

Motion by Shader, seconded by Smith, and carried a (5-0) vote to approve Item 2.a., as recommended.

2.b. **Public Hearing Regarding General Plan Amendment No. GPA 2023-01, Zone Change No. ZCA 2023-01, and Supplemental Initial Study/Mitigated Negative Declaration No. EA 2023-01 Expanding the City's Existing Transit Oriented Development (TOD) Packing House District Zoning and Land Use Designation to Include Approximately 11.5 Acres Located South of Crowther Avenue and West of South Melrose Street and Approximately Three (3) Acres along Cameron Street South of Crowther Avenue**

Fiscal Impact: Potential for significant increase in annual sustainable revenue (property tax, transient occupancy tax, sales tax) and approximately \$8-\$10 million in one-time revenue including development impact fees. Infrastructure costs associated with TOD District will be funded by impact fees and annual assessments. No General Fund dollars will be utilized for the proposed District.

Recommended Action: It is recommended that the City Council:

- 1) Open the Public Hearing concerning General Plan Amendment No. GPA 2023-01 and Zone Change No. ZCA 2023-01; and
- 2) Receive the Staff Report and consider all Public Testimony; and
- 3) Close the Public Hearing; and
- 4) Adopt Resolution No. R-2024-07, a Resolution of the City Council of the City of Placentia, California, adopting Supplemental Initial Study/Mitigated Negative Declaration (EA 2023-01) to a previously adopted Initial Study/Mitigated Negative Declaration of Environmental Impacts for GPA 2023-01 and ZCA 2023-01, prepared in full compliance with the California Environmental Quality Act ("CEQA"), California Public Resources Code §§ 21000, *et seq.*, and the Environmental Guidelines of the City of Placentia; and adopting General Plan Amendment No. GPA 2023-01 to change the current land use designation from Industrial to Transit Oriented Development (TOD) for the approximately 14.5 acre project area; and
- 5) Waive full reading, by title only, and introduce for first reading Ordinance No. O-2024-01, an Ordinance of the City Council of the City of Placentia, California Approving Zone Change No. ZCA 2023-01, expanding the Transit Oriented Development (TOD) Zone for the approximately 14.5-acre project area.

(Approved 5-0, as recommended with statement of intent)

Mayor Yamaguchi opened the Public Hearing at 8:23 p.m.

City Administrator Arrula introduced Director of Development Services Lambert who gave a brief presentation on the item. He noted that current zoning requirements for the project site necessitates the use of a Transit-Oriented Development (TOD) zone to meet Housing and Community Development (HCD) requirements. He added that the Housing Element cannot be State certified without completing the rezoning actions. He explained that property owners would continue to retain the rights to continue a use which would be deemed non-conforming. He discussed adoption of the TOD zone in 2017 and addressed concerns about the amortization section in the zoning code that is specific to the TOD zone. He emphasized that the amortization section does not take away anyone's rights, the existing uses are grandfathered in.

Councilmember Wanke inquired about the differences between the TOD zone and high-density zoning..

A discussion ensued about legal non-conforming uses, the TOD District and overlay zoning.

Dennis Bustan, owner of property at 531 Cameron Avenue, expressed concerns about eminent domain and the challenges of finding alternative locations for his business in Orange County. He

noted that attorney Bradley Pierce had submitted a letter on behalf of seven (7) property owners on Cameron Avenue concerning their property rights. He also expressed frustration about the parking on Cameron Avenue and in the surrounding neighborhood. He added concerns that the proposed development in the TOD District would further exacerbate parking problems in the area.

Attorney Bradley Pierce, representing the Crowther Business Center Owners Association, expressed concerns about the amortization and legal non-conforming language in the zoning code that would impact property rights and the current uses on Cameron Avenue should the TOD District be expanded as proposed. He further expressed concerns about Section 23.111.060 of the zoning code stating that it is inconsistent with Section 23.84.010 regarding the continuation of legal non-conforming uses. He urged the Council to exclude the Cameron Avenue properties from the TOD designation and/or continue the item to allow Staff to work on amending the conflicting language in the Zoning Code. (Submitted written comments).

Chris Wissman, owner of property at 521 Cameron Avenue, expressed concerns about the noticing for the hearing, property rights and parking.

Julie McCluney, President of the Crowther Business Association, expressed concerns about the proposed rezoning of the Crowther Business center stating that the rezoning impacts fundamental rights, property values and hard-earned legacies. She added frustration with the insufficient parking in the area and the manner in which public hearing notices were addressed to property owners.

Dominick Ligna, owner of two properties on Cameron Avenue, reiterated the concerns expressed by the previous speakers and urged the Council to consider other areas for development.

Mayor Yamaguchi thanked all who spoke and cited the importance of protecting property rights. He inquired if there was a way to amend or remove a section of the zoning code without delaying the action on the item.

Councilmember Shader thanked all who spoke and sent letters detailing the concerns of property and business owners on Cameron Avenue. She expressed support for clarifying the language in the Zoning Code. She echoed the concerns about parking in the area noting that she is part of a parking committee for the TOD area. She added that the City struggles to get sufficient parking for developments because of state requirements which supersedes the City's ability to require more parking. She also noted that not following the state's requirements could prove to be very costly to the City.

Councilmember Wanke inquired if it is possible to put language into tonight's zone change ordinance that compels staff to approve new legal non-conforming uses for the properties in the TOD district. He emphasized the need to protect property values and rights.

City Attorney Bettenhausen stated that the best path would be to come back with an ordinance that clarifies the ability to continue non-conforming uses. The Council could include a statement of intent in the motion to amend the Zoning Code when approving the zone change.

There was discussion about legal non-conforming uses, preserving property rights, and the language in the Zoning Code.

Director Lambert responded that a code amendment would be necessary to clarify and amend the language in the Code which could be addressed after the state certification of the Housing Element.

Mayor Pro Tem Kirwin commented on the legal noticing for the public hearing and echoed speakers comments that the noticing should be more transparent.

Councilmember Smith commented that the City of Placentia has never been an eminent domain city. He added that through the conversations tonight some common ground has been reached to remedy the issues that the property owners have raised about their property rights.

City Attorney Bettenhausen stated that the Council can, as part of the motion to approve, direct Staff to come back with an Ordinance to amend the zoning code. Director Lambert explained the sections of the code that would be amended.

City Administrator Arrula discussed the deadlines for SB 2 funding and the procedures and timeline for zoning code amendments. He noted that a redline copy of the proposed amendments would be provided to the Council for review. In addition, the Cameron Avenue property owners and attorney Pierce will be provided the same information.

Mayor Yamaguchi closed the Public Hearing at 9:26 p.m.

Motion by Wanke, seconded by Shader, and carried a (5-0) vote to approve Item 2.b.as recommended, with the following statement of intent:

In approving Resolution R-2024-07, the City Council expresses its intent that existing uses be entitled to continue in accordance with Section 23.84 of the Placentia Municipal Code and retaining the secondary use rights set forth in Section 23.111.060(c). The City Attorney is directed to work with City Staff to prepare an ordinance amending Chapter 23.111 to clarify that intent and return to the City Council at the earliest opportunity.

3. REGULAR AGENDA:

- 3.a. Verbal Progress Report on Senior Center/Community Center
Recommended Action: It is recommended that the City Council:
1) Receive and file the report and provide policy direction to Staff.

City Administrator Arrula introduced Director of Community Services Crocker who gave a brief update on the proposed Senior Center/Community Center at Tri-City park. She noted that per City Council's direction, Staff had contacted the county to ask about expanding the current lease agreement to accommodate an additional 125 parking spaces to provide the 225 parking spaces requested by Council. The County responded that they do not want to expand the lease, and that they would prefer that the City take over the park. The County is willing to sell it to the city for \$1. Staff has done some preliminary fact finding to determine maintenance costs for the park. Staff from OC parks responded that the actual costs for FY 22-23 was \$630,000 to maintain the park and the lake. Staff is awaiting information from the City of Lake Forest on the maintenance costs for their park and lake. She discussed alternatives that the Council might want to consider.

Mayor Yamaguchi asked how many parking spaces are included in the current lease. He also commented that another option would be to downsize the proposed center.

Director Crocker stated that 100 spaces are included in the lease and current footprint for zero cost. She also noted that nineteen (19) spaces are also available on Kraemer Boulevard.

Mayor Pro Tem Kirwin thanked Staff for providing an update on the proposed center and expressed concerns about taking over the park, maintenance costs, and debt service on the proposed center.

Director Crocker commented on the business plan that was presented to Council which reflected a net revenue of \$730,000 which could offset some of the costs. Staff is also working on a full analysis of costs.

Councilmember Wanke expressed reservations about the County wanting to give the park away to the City. He inquired about the location for the proposed center and notifications to residents. He also commented on poor conditions at Tri-City park and noted that the HOA in Lake Forest pays a significant portion of the maintenance cost for their park. He commented on the history of the three cities that formerly contributed to the maintenance of the park. He expressed concerns about expending additional monies and Staff time on the proposed center in light of deferred maintenance issues at City Hall and throughout the City.

In response the Councilmember Wanke's question about the location of the center, City Administrator Arrula responded that there were several discussions with the County about the location and the preferred location was the northeast corner of the park.

Director Crocker added that the City's consultant had discovered an issue with a flood drain which did not allow for the construction of the center on the southwest side of the park. She reminded the Council that the City has an existing lease agreement with the County based on the current footprint of the proposed center.

Councilmember Shader commented on the work of the Citizens task force and the investment in time and money spent on the project thus far. She noted that Council had directed Staff to research additional parking for the existing plan and expressed that she would like to see additional solutions brought back to the Council including the possibility that local health care agencies might want to partner with the City.

Mayor Pro Tem Kirwin expressed concerns about whether the City can afford the project.

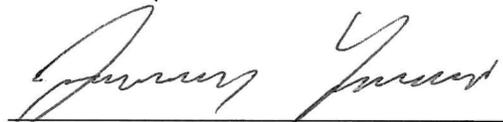
Councilmember Smith expressed that he would like to see more information presented to the Council so that an informed decision could be made as to the viability of the project. He commented on the benefits of the project and the high costs associated with park maintenance. He requested a breakdown of all the costs for park and lake maintenance.

Mayor Yamaguchi expressed appreciation to Staff for providing an update and expressed concerns about the City's resources.

CITY COUNCIL/BOARD MEMBERS REQUESTS: None

ADJOURNMENT:

The City Council/Successor Agency/ICDA/PPFA Board of Directors adjourned at 10:00 p.m. to a regular City Council meeting on Tuesday, February 20, 2024 at 5:30 p.m.



Jeremy Yamaguchi, Mayor/Agency Chair

ATTEST:



Robert S. McKinnell, City Clerk/
Agency Secretary





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