

**REGULAR MEETING OF THE CITY COUNCIL, HOUSING AUTHORITY, AND
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY – 5:45 P.M.**

May 3, 2016

CALL TO ORDER

The Closed Session meeting was called to order by the Mayor at 5:02 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

ROLL CALL

Council Members Present: Council Member Foley, Council Member Genis (arrived at 5:04 p.m.), Council Member Monahan, Mayor Pro Tem Righeimer (arrived at 5:10 p.m.) and Mayor Mensinger

Council Members Absent: None

PUBLIC COMMENTS ON CLOSED SESSION ITEMS – NONE

CLOSED SESSION

The City Council recessed into Closed Session at 5:04 p.m. to consider the following items:

1. Conference with legal counsel regarding anticipated litigation, significant exposure to litigation pursuant to California Government Code Section 54956.9(d)(2) for 1 potential case – Correspondence received regarding Voting Rights Act.
2. Conference with Thomas R. Hatch, Chief Executive Officer, and Labor Negotiator, Agency Negotiator regarding Employee Organization: Costa Mesa City Employee Association (CMCEA), pursuant to California Government Code Section 54957.6.
3. Conference with legal counsel regarding existing litigation: Phillip A. Luchesi and Karen S. Luchesi vs. City of Costa Mesa, et al, Superior Court of California, County of Orange, Case No. 30-2015-00824266-CU-WM-CXC, pursuant to California Government Code Section 54956.9(d)(1).
4. Conference with legal counsel regarding existing litigation: The Kennedy Commission, et al vs. City of Costa Mesa, Superior Court of California, County of Orange, Case No. 30-2016-00832585-CU-WM-CJC, pursuant to California Government Code Section 54956.9(d)(1).

The City Council reconvened at 5:45 p.m.

CALL TO ORDER (00:00:07)

The meeting was called to order by the Mayor at 5:46 p.m. in the Council Chambers at Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California.

PLEDGE OF ALLEGIANCE (00:00:34) – Council Member Genis

MOMENT OF SOLEMN EXPRESSION (00:00:57)

Pastor Dr. Jim Turrell, Center for Spiritual Living Newport-Mesa, Costa Mesa

ROLL CALL (00:01:26)

Present: Council Member Foley, Council Member Genis, Council Member Monahan (arrived at 6:43 p.m.), Mayor Pro Tem Righeimer and Mayor Mensinger

Absent: None

Officials Present: Chief Executive Officer Tom Hatch, City Attorney Thomas Duarte, Assistant Chief Executive Officer Rick Francis, Assistant Chief Executive Tamara Letourneau, Economic and Development Services Director Gary Armstrong, Public Services Director Ernesto Muñoz, and City Clerk Brenda Green.

CITY ATTORNEY CLOSED SESSION REPORT (00:01:39)

- COIN: Ex Parte Communications pursuant to Municipal Code Section 2-238 (b) –

Council Member Foley stated she had a conversation with the Fire Association to inquire if they had submitted an offer. (00:01:48)

City Attorney Thomas Duarte reported that with respect to Closed Session Item #1, Voting Rights Act, on a vote of 5-0 the parties agreed to settle the claim between Eloisa Rangel & Southwest Voter Registration Education Project and the City. The City agreed to place the measure on the November ballot regarding district elections. The City also agreed to pay 55,000 to settle the claim and once signed it will be posted on the website. City Attorney Duarte also reported that with respect to item 3, Luchesi v City of Costa Mesa, on a vote of 5-0, the parties agreed to settle the case and the plaintiffs agreed to dismiss the City for no monies and the settlement agreement will be posted on the website. (00:02:02)

ANNOUNCEMENTS (00:03:00)

"Costa Mesa Minute" was played featuring upcoming events and activities in the community.

PRESENTATIONS (00:05:29)

1. Mayor's Award – Chick-fil-A
Tammy Guadagno, Owner and Operator of Chick-fil-A restaurant, accepted the Mayor's award. (00:10:08)

PUBLIC COMMENTS (00:13:19)

Ashley Collins, spoke on the Orange County Vector Control Board meeting she attended and aerial spraying. (00:14:42)

Dr. Nina Reich, spoke on the Fairview Park petition, affordable housing, and the Trump rally at the Orange County Fairgrounds. (00:17:21)

Speaker, spoke on the Fairview Park petition and the Trump rally at the Orange County Fairgrounds. (00:20:28)

Chuck Perry, Costa Mesa, spoke regarding construction on Harbor Boulevard and stated he is pleased with all the City improvements. (00:23:41)

David Twiss, Garden Grove, spoke on the Orange County Vector Control Board meeting he attended and aerial spraying. (00:25:18)

Richard Mehren, Costa Mesa, spoke on the Fairview Park petition. (00:28:07)

Speaker, spoke on good governance. (00:29:37)

Beth Refakes, Costa Mesa, spoke on the potential agreement between Costa Mesa Women's Club and the Attic Theater. (00:33:02)

Krissie Bogner, Costa Mesa, encouraged people to speak at public meetings. (00:35:50)

Ralph Taboada, Costa Mesa, spoke on bikeways and the need for bike racks. (00:38:00)

Speaker, spoke regarding speaking at public meetings. (00:40:10)

Barrie Fisher, Costa Mesa, spoke on sober living homes. (00:43:25)

Kim Hendricks, Costa Mesa, spoke on the Fairview Park initiative. (00:47:06)

Greg Tunnell, Costa Mesa, spoke on the Trump rally at the Orange County Fairgrounds. (00:50:21)

Jay Humphrey, Costa Mesa, spoke on the Fairview Park initiative and the Trump rally at the Orange County Fairgrounds. (00:53:05)

Public Comments Closed

Council Member Monahan arrived at 6:43 p.m.

Council Member Foley returned at 6:43 p.m.

COUNCIL MEMBER' REPORTS, COMMENTS, AND SUGGESTIONS (00:56:30)

Council Member Genis spoke on the Trump rally; the General Plan; Fairview Park, bikeways and bike racks; the Orange County Vector Control Board meeting and aerial spraying; and the West Nile virus and mosquito fish. (00:56:57)

Council Member Monahan spoke on the mosquito fish issue and asked the CEO for an update on the Newport Harbor landscaping plan. (01:06:12)

Mayor Pro Tem Righeimer spoke on the Solid Landings lawsuit settlement; the Trump rally at the Orange County Fairgrounds and praised the police department for their work during the event. (01:09:12)

Mayor Mensinger thanked all police agencies involved at the Trump rally; spoke on the Neighbors for Neighbors event; the Orange County Marathon; the Mayor's Dinner on May 12th; and praised staff for the City's street improvements. (01:17:54)

Council Member Foley spoke on the Trump rally at the Orange County Fairgrounds and praised the police department; inquired on the implementation of the Crony Act; reported her attendance at the Orange County Visitors Association Travel and Tourism conference; and spoke on branding of the City and the Costa Mesa High School performing arts program and the new piano. (01:25:01)

REPORT – CHIEF EXECUTIVE OFFICER (CEO) – (01:37:49)

Chief Executive Officer Tom Hatch clarified the ticketing of bikes in parks and biking through Tewinkle Park; spoke on the budget process and invited the public to attend the upcoming study session; spoke on the Costa Mesa Women's Club and the Attic theatre proposal. (01:38:00)

Assistant Chief Executive Officer Rick Francis provided an overview of voter district formation and announced upcoming "Meet the Expert" meetings. (01:42:00)

Chief of Police Sharpnack provided an overview of the Trump rally at the Orange County Fairgrounds and the police response. (01:45:45)

CONSENT CALENDAR (02:02:30)

MOTION: Approve recommended actions for Consent Calendar Item Nos. 1 through 7 except for 1, 4 and 6.

MOVED/SECOND: Council Member Monahan/Mayor Mensinger

The motion carried by the following roll call vote:

Ayes: Council Member Foley, Council Member Genis, Council Member Monahan, Mayor Pro Tem Righeimer and Mayor Mensinger.

Nays: None

Absent: None

Motions carried: 5-0

2. MINUTES OF THE REGULAR CITY COUNCIL, HOUSING AUTHORITY, AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

ACTION:

City Council approved the minutes of April 19, 2016.

3. APPARATUS ROOM EXTENSION AND RESCUE VEHICLE STORAGE BUILDING, FIRE STATION NO. 4, CITY PROJECT #15-10

ACTION:

1. City Council accepted the work performed by St. George Construction, Inc. and authorized the City Clerk to file the Notice of Completion; and
2. City Council authorized the release of the Labor and Materials Bond one (1) year after the filing date; release of the Faithful Performance Bond one (1) year after the filing date; and release of the retention monies 35 days after the Notice of Completion filing date.

5. FINAL MAP FOR TRACT NO. 17869 LOCATED AT 1672 PLACENTIA AVENUE, COSTA MESA, CALIFORNIA

ACTION:

City Council approved the Final Map for Tract No. 17869 and authorized signing of the Map by the City Clerk and the City Engineer.

7. ESTABLISHMENT OF THE NEW CLASSIFICATION OF EMERGENCY SERVICES ADMINISTRATOR

ACTION:

City Council adopted Resolution No. 16-21, which amends Resolution 15-34 establishing the new Emergency Services Administrator job classification; and corresponding salary range of \$7,682 - \$10,296 (Tier 1) and \$6,969 - \$9,338 (Tier 2) per month.

----- **END OF CONSENT CALENDAR** -----

PUBLIC HEARINGS – 7:00 p.m. (Resolution No. 05-55): (02:04:22)

1. PUBLIC HEARING FOR FISCAL YEAR 2016-2017 FUNDING PRIORITIES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) (02:04:23)

Staff report by Mike Linares, CDBG/Home Coordinator. (02:05:00)

Public Comments: (02:09:09)

Wendy Weeks, Youth Employment Service, spoke in support of funding for YES. (02:10:00)

Henry Michaels, Elwyn California, spoke in support of funding for Elwyn California. (02:13:00)

MyRenna Ogbu, Council on Aging, spoke in support of grant funding for seniors. (02:14:30)

Public Comments Closed

Council Member Monahan expressed concern on having no funding for the disabled and recommended \$9,000 for Elwyn California. (02:16:30)

MOTION: To approve recommendations 1, 2, 3, and 4 with the change of allocating \$9,000 to Elwyn California and \$1,000 less to the other 9 applicants. (02:18:00)

MOVED/SECOND: Council Member Monahan/Mayor Pro Tem Righeimer Council Member Genis expressed support for Elwyn California. (02:18:30)

Andrew Smith, Housing and Public Services Ad-Hoc Committee member, spoke on the committee's recommendations. (02:20:00)

SUBSTITUTE MOTION: To approve recommendations 1, 2, 3, and 4 with the change of allocating to Elwyn California \$4,000.00, and \$500.00 less to every other group except the Fair Housing Foundation. (2:25:40)

SUBSTITUTE MOTION/SECOND: Council Member Foley/Mayor Pro Tem Righeimer (02:26:20)

The motion carried by the following roll call vote:

Ayes: Council Member Foley, Council Member Genis and Mayor Pro Tem Righeimer.

Nays: Council Member Monahan and Mayor Mensinger

Absent: None

Motion carried: 3-2-0

ACTION:

1. City Council held a Public Hearing regarding the 2016-2017 Annual Action Plan; and
2. City Council approved recommended allocation of \$990,347 for the Fiscal Year 2016-2017 Community Development Block Grant (CDBG) Application; and
3. City Council approved recommended allocation of \$338,895 for the Fiscal Year 2016-2017 HOME Investment Partnership Grant including an allocation of \$4,000 to Elwyn California; and
4. City Council approved Resolution No. 16-22 to authorize the following:
 - a. City's Chief Executive Officer (CEO) to act as the official representative of the City in order to submit the 2016-2017 Annual Action Plan and all certifications and assurances contained therein; and
 - b. CEO to act in connection with submission of the Annual Action Plan; and
 - c. CEO to approve minor changes and provide additional information as may be required.

OLD BUSINESS: NONE

NEW BUSINESS: (2:30:20)

1. **CITY COUNCIL RESOLUTION OF INTENTION RELATING TO A PROPOSED BALLOT MEASURE TO AUTHORIZE ACQUISITION, CONSTRUCTION, OR COMPLETION OF A CITY PLAN OF MUNICIPAL IMPROVEMENTS FOR AFFORDABLE RENTAL HOUSING PURPOSES IN THE CITY, EXCLUDING THE R-1 SINGLE-FAMILY ZONES, AND THEIR FINANCING THROUGH THE ISSUANCE OF A GENERAL OBLIGATION BOND (02:30:59)**

RECOMMENDATION:

1. City Council adopt Resolution No. 16-xx determining the public interest and necessity demands the acquisition, construction or completion of certain municipal improvements for affordable rental housing purposes and their financing through the issuance of a general obligation bond, and directing the presentation to the Planning Commission of the city plan of municipal improvements; and
2. City Council direct the CEO and his staff, and the City Attorney, special counsel and financial advisor to proceed with the ballot measure for the general obligation bond for affordable housing.

Staff presentation by Celeste Brady, Special Counsel and Stephen Dunivent, Interim Finance Director. (02:31:00)

Discussion ensued on the current estimated costs; defining low and moderate income housing; annual tax rates of assessed value on homes; affordable rental housing; prevailing wages; a plan; and study sessions. (02:36:00)

Kurt Yeager, Stradling Yocca Carlson & Rauth, discussed the limitation of number of words for the ballot measure and source of funds for affordable housing. (02:54:00)

Public Comments: (03:09:30)

Cindy Brenneman, Costa Mesa, spoke against the item. (03:10:13)

Tamar Goldmann, Costa Mesa, spoke against the item. (03:11:20)

Kathy Esfahani, Affordable Housing Coalition, spoke on the need for affordable housing. (03:14:10)

Jay Humphrey, Costa Mesa, spoke on the need for a study session. (03:17:30)

Linda Tang, Kennedy Commission, spoke on strategies for affordable housing. (03:19:00)

Jeff Cullen, Costa Mesa, spoke against the item. (03:21:45)

Wendy Leece, Costa Mesa, spoke on a defined plan and a budget. (03:24:00)

Speaker, spoke against the item. (03:26:30)

Public Comments Closed

Mayor Pro Tem Righeimer clarified the Bethel Towers affordability provisions; and spoke in support of affordable housing. (03:26:30)

MOVED/SECOND: Mayor Pro Tem Righeimer/Council Member Monahan (03:35:05)

Council Member Monahan spoke in support of placing the item on the ballot. (03:35:45)

Council Member Genis spoke on the low and moderate incomes and not supporting the item. (03:37:10)

Council Member Foley spoke on not supporting the item. (03:44:48)

SUBSTITUTE MOTION: To refer the item to the Housing and Residential Rehab Committee, the Finance and Investment Oversight Committee and the Planning Commission. (03:52:15)

SUBSTITUTE MOTION/SECOND: Council Member Genis/Council Member Foley (03:52:15)

Council Member Foley withdrew her motion. (03:52:25)

Motion died for a lack of a second.

ORIGINAL MOTION: To approve as recommended. (03:53:35)

MOVED/SECOND: Mayor Pro Tem Righeimer/Council Member Monahan

The motion carried by the following roll call vote:

Ayes: Council Member Monahan and Mayor Pro Tem Righeimer

Nays: Council Member Foley, Council Member Genis, and Mayor Mensinger

Absent: None

Motion failed: 2-3-0

2. BUSINESS IMPROVEMENT AREA (BIA) REAUTHORIZATION AND RESOLUTION OF INTENTION, AND REVIEW OF ANNUAL REPORT (03:54:35)

Staff report presentation by Daniel Baker, Assistant to the CEO and Paulette Lombardi-Fries, President, Costa Mesa Conference and Visitor Bureau.

Public Comments: None

Discussion ensued on bus stops; attachment 5 Master Plan for Public Art; marketing for vacations and action sport branding; funds used for branding; and calendar of events. (04:09:00)

MOVED/SECOND: Mayor Pro Tem Rigeimer/Council Member Genis (04:35:35)

The motion carried by the following roll call vote:

Ayes: Council Member Genis, Council Member Foley, Council Member Monahan, Mayor Pro Tem Rigeimer and Mayor Mensinger.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

1. City Council received and filed the Business Improvement Area (BIA) annual report for Fiscal Year 2015-16; and
2. City Council received and filed audited financial report for Fiscal Year 2014-15; and
3. City Council approved Resolution No. 16-23: A resolution of the City Council of the City of Costa Mesa, California, declaring its intention to levy an annual assessment for fiscal year 2016-2017 for a Business Improvement Area covering certain Costa Mesa hotels and motels and setting the time and place for a public hearing for June 7, 2016 at 7:00 p.m.

ITEMS REMOVED FROM THE CONSENT CALENDAR (04:37:00)

1. **WARRANT RESOLUTION NO. 2556 OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS, INCLUDING PAYROLL REGISTER NOS. 16-08 "A" FOR \$1,191.12; and 16-09 FOR \$2,089,197.86; AND CITY OPERATING EXPENSES FOR \$824,635.53; AND SPECIFYING THE FUNDS OUT OF WHICH THE SAME ARE TO BE PAID – (04:37:06)**

Public Comments:

Greg Tunnell, Costa Mesa, spoke on several payments. (04:37:40)

MOVED/SECOND: Council Member Monahan/Mayor Pro Tem Rigeimer (04:40:30)

The motion carried by the following roll call vote:

Ayes: Council Member Foley, Council Member Monahan, Mayor Pro Tem Rigeimer and Mayor Mensinger.

Nays: None

Absent: Council Member Genis

Motion carried: 4-0-1

ACTION:

City Council approved Warrant Resolution No. 2556.

4. EMERGENCY REMOVAL OF UNDERGROUND FUEL STORAGE TANK (04:41:08)

Public Comments: None

MOVED/SECOND: Mayor Pro Tem Righeimer/Mayor Mensinger

The motion carried by the following roll call vote:

Ayes: Council Member Foley, Council Member Genis, Council Member Monahan, Mayor Pro Tem Righeimer and Mayor Mensinger.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council received and filed.

6. TEMPORARY WEB MASTER CONSULTANT SERVICES FOR THE DESIGN AND DEVELOPMENT OF THE CITY'S INTERNAL WEB PLATFORM AND APPLICATIONS (04:41:28)

Council Member Foley requested continuing this item to the next meeting. (04:41:40)

Public Comments:

Greg Tunnell, Costa Mesa, spoke in support of continuing the item and spoke on the issue. (04:42:22)

MOTION: To continue item to the next meeting (04:25:20)

MOVED/SECOND: Council Member Foley/Council Member Monahan

The motion carried by the following roll call vote:

Ayes: Council Member Genis, Council Member Foley, Council Member Monahan, Mayor Pro Tem Righeimer and Mayor Mensinger.

Nays: None

Absent: None

Motion carried: 5-0

ACTION:

City Council continued the item to the next meeting.

CONTINUED PUBLIC COMMENTS: (04:45:45)

Terry Koken, Costa Mesa, spoke on a song he sang. (04:46:36)

Jeff Cullen, Costa Mesa, spoke on the Trump rally at the Orange County Fairgrounds.
(04:49:53)

Public Comments Closed

REPORT – CITY ATTORNEY – NONE (04:52:54)

ADJOURNMENT - The Mayor and City Council adjourned the meeting at 10:39 p.m.

Minutes adopted on this 17th day of May, 2016.



Stephen M. Mensinger, Mayor

ATTEST:



Brenda Green, City Clerk