

MINUTES
CITY COUNCIL OF THE CITY OF LA HABRA
ADJOURNED REGULAR MEETING
&
REGULAR MEETING

Monday, April 02, 2018

APPROVED: These Minutes were approved on June 18, 2018.

ADJOURNED REGULAR MEETING 5:30 P.M.:

CALL TO ORDER: Mayor Shaw called the Adjourned Regular Meeting of the City Council of the City of La Habra to order at 5:34 p.m. in the Council Chamber, Closed Session Room 112c, located at 100 East La Habra Boulevard in La Habra, California.

COUNCILMEMBERS PRESENT: Mayor Shaw
Mayor Pro Tem Blazey
Councilmember Beamish

COUNCILMEMBERS ABSENT: Councilmember Espinoza (excused absence)
Councilmember Gomez (excused absence)

OTHER OFFICIALS PRESENT: City Manager Sadro
City Attorney Jones
City Clerk Mason

I. ORAL COMMUNICATIONS FROM THE PUBLIC FOR CLOSED SESSION MATTERS:
None

II. CLOSED SESSION:

- a. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One Case).

Police Chief Price and Assistant to the City Manager Ferrier were present for this item.

- b. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One Case).

Deputy City Attorney Gary Kranker and Deputy City Attorney Baron Bellenausen with the Law Firm of Jones and Mayer, Police Chief Price, and Community and Economic Development Director Ho were present for this item.

- c. Conference with Real Property Negotiator per Government Code Section 54956.8 - Property: 121 N. Euclid Street, (APN 022-063-027); City Negotiator: Jim Sadro, City Manager; Negotiating Party: Daniel Uribe, Property Owner; Under Negotiation: Price and terms of payment.

Community and Economic Development Director Ho was present for this item.

RECESS: Mayor Shaw called a recess at 6:25 p.m.

RECONVENE: City Council reconvened at 8:25 p.m. All members were present, with the exception of Councilmember Gomez and Councilmember Espinoza who had excused absences.

- d. Conference with Labor Negotiator per Government Code Section 54957.6 - Agency Representative: Jim Sadro, City Manager; Employee Organizations: Police Sworn Employees, Police Civilian Employees, La Habra Municipal Employees Association, General Services Employees, Professional Employees, and Management and Executive Management Groups.

Finance Director Shannon, Community Services Director Failla, Human Resources Director Balderrama, and Human Resources Manager Coelho-LaFreniere were present for this item.

III. ADJOURNMENT: The City Council reconvened at 8:44 p.m. There were no Closed Session announcements. Mayor Shaw adjourned the Adjourned Regular Meeting of the City Council of the City of La Habra at 8:44 p.m.

REGULAR MEETING 6:30 P.M.:

CALL TO ORDER: Mayor Shaw called the Regular Meeting of the City Council of the City of La Habra to order at 6:34 p.m. in the Council Chamber, located at 100 East La Habra Boulevard in La Habra, California.

Mayor Shaw announced that Councilmember Espinoza's husband Alex Espinoza passed away over the weekend. He asked everyone to stand for a moment of silence in memory of Alex Espinoza.

INVOCATION: City Attorney Jones

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Blazey

COUNCILMEMBERS PRESENT: Mayor Shaw
Mayor Pro Tem Blazey
Councilmember Beamish

COUNCILMEMBERS ABSENT: Councilmember Espinoza (excused absence)
Councilmember Gomez (excused absence)

OTHER OFFICIALS PRESENT: City Manager Sadro
City Attorney Jones
City Clerk Mason
Deputy City Clerk Swindell

CLOSED SESSION ANNOUNCEMENT: None

I. PROCLAMATIONS/PRESENTATIONS:

- a. Proclaim Thursday, May 3, 2018, as a day set apart for the Annual Mayor's Prayer Breakfast in recognition of the National Day of Prayer.

Mayor Shaw invited Brian Burgess to the podium. Mr. Burgess spoke regarding past Mayor's Prayer Breakfast events. He stated that the speaker this year would be Ego Elder, a world ranked professional boxer.

- b. Proclaim the week of April 8 - 14, 2018, as "National Public Safety Telecommunications Week" in the City of La Habra.

Mayor Shaw invited Police Chief Price to the podium. Chief Price invited Lead Dispatcher Kristen Kernohan and Captain Capelletti to the podium. Chief Price explained the work that dispatchers do for the public and thanked them for their service. Lead Dispatcher Kristen Kernohan accepted the proclamation.

- c. Proclaim the week of April 8 - 14, 2018, as "Animal Control Officer Appreciation Week" in the City of La Habra.

Mayor Shaw invited Police Chief Price to the podium. Chief Price invited Animal Control Officer Kristy Hernandez to the podium. Chief Price explained the work that Animal Control Officers do for the public and thanked them for their service. Animal Control Officer Kristy Hernandez accepted the proclamation.

- d. Proclaim April 2017 as the "DMV/Donate Life California Month" in the City of La Habra.

Mayor Shaw invited Monica Castro, Ambassador for One Legacy which is affiliated with Donate Life, to the podium to accept the proclamation. Monica Castro stated that there are currently 114,000 people awaiting life-saving transplants; of which 21,000 of those are in California. She encouraged residents to become organ donors through the Department of Motor Vehicles by having a pink dot placed on their driver's license.

- e. Proclaim April 2018 as Fair Housing Month in the City of La Habra.

Mayor Shaw invited Stella Lugo, Program Manager with the Fair Housing Foundation, to the podium to accept the proclamation. Stella Lugo stated that it is the 50th Anniversary of the Fair Housing Act. She thanked City Council for proclaiming April 2018 as Fair Housing Month and for supporting efforts to eliminate housing discrimination.

URGENCY ITEM:

Mayor Shaw inquired of the City Attorney Jones regarding adding an item to the agenda. City Attorney Jones explained that a motion has to be made to confirm two findings; the first being that the item arose since the posting of the agenda and the second that the item cannot wait until the next City Council meeting. He noted that the vote must be unanimous by the three Councilmembers present to add the item to the agenda.

Mayor Shaw reported that several letters had been received after the posting of the agenda requesting to extend the Public Review Period that is due to expire April 11, 2018, for the Rancho La Habra Specific Plan Draft Environmental Impact Report (EIR); a date that is prior to the next Council Meeting. Mayor Shaw requested that an item be added to the agenda to consider extending the Public Review Period for the Rancho La Habra Specific Plan Draft EIR since the expiration date of April 11, 2018, is prior to the next City Council Meeting of April 16, 2018.

Moved by Mayor Shaw, seconded by Mayor Pro Tem Blazey, and CARRIED UNANIMOUSLY (3-0) TO ADD URGENCY ITEM TO THE AGENDA DUE TO CIRCUMSTANCES ARISING AFTER THE POSTING OF THE AGENDA AS NOTED BELOW UNDER CONSIDERATION OF URGENCY ITEM 1.

Said motion CARRIED by the following roll call vote:

AYES: COUNCILMEMBERS: Beamish, Blazey, Shaw
NOES: COUNCILMEMBERS: None
ABSTAIN: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: Espinoza, Gomez

City Attorney Jones explained that now that the Rancho La Habra Specific Plan Draft Environmental Impact Report (EIR) is now on the agenda that it would be inappropriate for the public to speak about the item during the Public Comment section of the agenda.

II. PUBLIC COMMENTS:

Tim Aragon, resident of La Habra, proposed that the City pass a resolution, like the City of Los Alamitos and the County of Orange, to fight the State of California and rescind Assembly Bill 54. He asked for the resolution to be placed on a future City Council agenda.

CONSIDERATION OF URGENCY ITEM:

1. Consider extending the Public Review Period for the Rancho La Habra Specific Plan Draft Environmental Impact Report (EIR) that is due to expire April 11, 2018.

City Attorney Jones noted a conflict of interest stating that he resides in the Westridge area and left the dais at 6:52 p.m.

Community and Economic Development Director Ho reported on the item. He presented a brief history of the item and stated that there was a desire in the community to review the EIR and that additional time was requested. He reported that there was no legal requirement to extend the public review period.

Mayor Shaw invited the public to testify at 6:55 p.m.

The following individuals spoke in favor of extending the public review period and in opposition to the potential Rancho La Habra development project: James "Jim" Lee, Sue Ham, Helen Yoon, Tim Aragon, Jay Patel, and Chris Lee.

Council discussion included: support for extending the public review period of the EIR; confirming additional days needed; and clarified that the EIR will be considered at a future City Council Meeting by the City Council who must take action at that time.

Moved by Councilmember Beamish, seconded by Mayor Pro Tem Blazey, and CARRIED UNANIMOUSLY (3-0) TO APPROVE EXTENDING THE PUBLIC REVIEW PERIOD FOR THE RANCHO LA HABRA SPECIFIC PLAN DRAFT ENVIRONMENTAL IMPACT REPORT (EIR) 30 DAYS TO MAY 11, 2018.

Said motion CARRIED by the following roll call vote:

AYES: COUNCILMEMBERS: Beamish, Blazey, Shaw
NOES: COUNCILMEMBERS: None
ABSTAIN: COUNCILMEMBERS: None
ABSENT: COUNCILMEMBERS: Espinoza, Gomez

III. CONSENT CALENDAR:

City Attorney Jones returned to the dais at 7:11 p.m.

City Manager Sadro requested that Item No. 4 be removed from the agenda completely to be brought back to Council at the next City Council Meeting.

Moved by Mayor Pro Tem Blazey, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY (3-0) TO APPROVE CONSENT CALENDAR ITEMS III.1 THROUGH III.6; WITH THE EXCEPTION OF ITEM III.4 WHICH WAS REMOVED FROM THE AGENDA TO BE BROUGHT BACK TO CITY COUNCIL ON MONDAY, APRIL 16, 2018, AT 6:30 P.M.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: Councilmember Gomez, Councilmember Espinoza

A. PROPOSED ITEMS:

1. PROCEDURAL WAIVER: Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title only.
2. Authorize City Manager to place the City's primary earthquake policy with Landmark American Insurance Company at a policy limit of \$5 million and the excess coverage of \$64.83 million to be assigned to Everest Indemnity, QBE Specialty Insurance, and General Security for the term of April 19, 2018 through April 19, 2019 at a 10 percent deductible and an annual premium cost of \$254,328.
3. Approve the Notice of Completion for the Alley No. 84 Improvements Fiscal Year 2016-2017, City Project No. 2-R-17; and authorize City Clerk to send for recordation.

4. REMOVED FROM THE AGENDA. TO BE BROUGHT BACK ON MONDAY, APRIL 16, 2018 AT 6:30 P.M.
5. Approve and authorize City Manager to execute an Agreement with the ICMA Retirement Corporation (ICMA-RC) to become the City's sole 457(b) Deferred Compensation Plan provider for City Employees, and authorize City Manager to execute extensions to the agreement at the City's option.
6. WARRANTS: Approve Nos. 00115606 through 00115823 totaling \$1,005,709.59.

IV. CONSENT CALENDAR ITEMS REMOVED FOR SEPARATE DISCUSSION: None

V. PUBLIC HEARINGS:

1. Duly noticed public hearing to consider Zone Change 18-02 adopting an Ordinance repealing Section 18.08.140 (Cultivation of marijuana prohibited) of Chapter 18.08 (General Regulations) of Title 18 (Zoning) and adding Chapter 18.22 (Commercial Cannabis Activity) to Title 18 (Zoning) relating to commercial cannabis activities; and consider a resolution of the City Council of the City of La Habra, Orange County, California adding Section 3.66 and 3.67 to the Master Schedule of Fees pertaining to the processing of Commercial Cannabis Activity Applications. Pursuant to the provisions of the California Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et seq.) and State CEQA guidelines (Sections 15000 et seq.) has determined that the Ordinance is exempt pursuant to Section 15061(b)(3) of Title 14 the California Code of Regulations.

Deputy Director of Community and Economic Development Carlos Jaramillo presented the staff report. He reviewed the passage of Proposition 64 by California voters on November 8, 2016, which enacted the Adult Use of Marijuana Act (Act). He stated that the State advised cities that existing ordinances that prohibited cannabis activities but did not call out adult use, were at risk of a finding that the existing ordinance was insufficient to prohibit the state from issuing licenses permitting adult use cannabis activities within those communities. He reviewed previous interim urgency ordinances approved by City Council prohibiting any type of cannabis use in the City. He noted that the current urgency ordinance is due to expire on November 10, 2018, previous instruction by City Council to City staff regarding potential cannabis activity in the City, and staff actions/investigations conducted. He explained cannabis distribution warehouse requirements, allowances, enforcement, and the Cannabis Task Force activities. He introduced La Habra Police Lieutenant Henderson to speak regarding a recent staff visit to a cannabis distribution facility.

La Habra Police Lieutenant Henderson spoke regarding the November 2017 staff visit to the cannabis distribution facility in West Sacramento. He described the cannabis distribution center's security measures and safety measures; the fact there had been no negative impact to the surrounding community; confirmed a decreased crime; and the track and trace system for cannabis distribution to retail facilities.

Council discussion included: identified Commercial Cannabis Activities be limited to the industrial zones specifically in the M-1, M-1 PUD, and PCI zones, which are normally located

away from residential zones; confirmed the proposed ordinance was modeled after best practices based on the West Sacramento distribution facility and other Southern California cities who have adopted cannabis ordinances; modification of the CUP via the proposed ordinance; using caution and starting with issuing only two permits; the process to add to the number of permits in the future; clarification that only cannabis distribution is being addressed in the proposed ordinance; state law regarding cannabis businesses distance of 600 feet from schools, daycare centers, and youth centers; clarification that staff added churches and parks to be included in the 600 foot distance requirement; external appearance of cannabis distribution businesses, their lack of identification, and lack of any odors to the public; La Habra Police Department preparedness if a burglary took place at a cannabis distribution business; inclusion of distance from parks and churches being consistent with exclusion zones of other adult type of businesses regarding zoning; churches located in warehouse areas currently versus after cannabis distribution facility is established; Conditional Use Permits; potential to increase in the amount of permits to four and remove proximity to churches; clarification that the proposed cannabis distribution centers will only be delivering to licensed cannabis dispensary businesses located outside the City; process of becoming an approved cannabis distribution center business; and approaching the cannabis business in phases.

Mayor Shaw opened the public hearing at 7:29 p.m.

The following spoke in support of cannabis in the City of La Habra:

- Chad LaChance, 551 Corona Street, stated he has been in the cannabis industry for seven years and operates a license medical dispensary in the City of San Diego. He opposed limiting the permits to only two.
- Chris Egger, Community Relations and Public Affairs Director for the Longwith Group, 111 North Harbor Boulevard in Fullerton. spoke in favor of a regulatory environment for cannabis in La Habra.
- Attorney Randall Longwith with the Longwith Group, 111 North Harbor Boulevard in Fullerton, identified the services of the Longwith Group and described their services to other cities. He commented regarding the restrictions around churches and indicated it could be limited to pre-existing churches. He offered his company's services to the City of La Habra.
- Mike Simpkins, River Distribution representative, 3121 Evergreen Avenue, West Sacramento, described the briefly the business of distribution. He commended City Council for their work on the proposed ordinance.

The following spoke in opposition to cannabis in the City of La Habra:

- Karen Cyrus, 221 West Whittier Boulevard, spoke regarding being approached by aggressive cannabis retailers to rent space in her building.

Mayor Shaw explained that her retail property is not zoned for retail cannabis business under the proposed ordinance.

Councilmember Beamish clarified that retail cannabis businesses are not legal in La Habra. Karen Cyrus was referred her to Police Chief Price and/or the Community Preservation Division of the Community and Economic Development Department if she has any issues regarding potential illegal cannabis retailers in the future.

- Tim Aragon, La Habra resident, stated that he opposed drug use and opposed the look of cities that allow cannabis activities.

Mayor Shaw closed the public hearing at 7:44 p.m.

Moved by Councilmember Beamish, seconded by Mayor Shaw, and CARRIED UNANIMOUSLY (3-0) TO APPROVE FIRST READING OF **ORDINANCE NO. 1791** ENTITLED: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA HABRA, COUNTY OF ORANGE, CALIFORNIA, APPROVING ZONE CHANGE 18-02 REPEALING SECTION 18.08.140 ("CULTIVATION OF MARIJUANA PROHIBITED") OF CHAPTER 18.08 ("GENERAL REGULATIONS") OF TITLE 18 ("ZONING") AND ADDING CHAPTER 18.22 ("COMMERCIAL CANNABIS ACTIVITY") TO TITLE 18 ("ZONING") OF THE LA HABRA MUNICIPAL CODE RELATING TO COMMERCIAL CANNABIS ACTIVITIES; AS MODIFIED TO EXCLUDE CHURCHES FROM THE 600 FOOT DISTANCE RESTRICTION AND INCREASE THE MAXIMUM NUMBER OF COMMERCIAL CANNABIS FACILITY CONDITIONAL USE PERMITS FROM TWO TO FOUR.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: Councilmember Gomez, Councilmember Espinoza

Moved by Mayor Shaw, seconded by Councilmember Beamish, and CARRIED UNANIMOUSLY 3-0 TO APPROVE AND ADOPT **RESOLUTION NO. 5836** ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA, ORANGE COUNTY, CALIFORNIA ADDING SECTION 3.66 AND 3.67 TO THE MASTER SCHEDULE OF FEES PERTAINING TO THE PROCESSING OF COMMERCIAL CANNABIS ACTIVITY APPLICATIONS.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: Councilmember Gomez, Councilmember Espinoza

Councilmember Beamish received clarification from staff that after the second reading of the ordinance at the April 16, 2018 City Council Meeting, a facts sheet will be placed on the City's website explaining that applications for cannabis distribution center businesses will be accepted within the next 30 days.

VI. CONSIDERATION ITEMS:

1. Consider legislative review of Senate Bill 1033 (SB 1033) and Senate Constitutional Amendment 10 (SCA 10).

Rob Ferrier presented the staff report.

Council discussion included: clarification of Senate Bill 1033 regarding potential pension costs to the City of La Habra if an employee leaves for a higher paying job at another city; identified SCA 10 as inconsistent with the City's platform regarding local control of pensions by giving control to the voters; confirmation that the legislative analyst has not issued a report regarding any of the five Senate bills; the lack of fiscal impact information; confirmation that additional time could be asked for regarding the letters of support that have already gone out on the other three bills reviewed by staff that fell within the City of La Habra's platform; Senate Bill 1031 explanation and the relating effects regarding COLA's, concerns and request for a legislative analyst report; Senate hearing timelines and identified that legislative analyst reports are not always completed for proposed Senate bills; and the ability for Council to rescind support of any of the Senate bills at any time.

Mayor Shaw invited the public to testify at 8:07 p.m. There was no public testimony.

Mayor Shaw expressed his support for Senator Moorlach's efforts.

Motioned by Councilmember Blazey TO TABLE SENATE CONSTITUTION AMENDMENT 8 (SCA 8), SENATE CONSTITUTION AMENDMENT 10 (SCA 10), SENATE BILL 1031 (SB 1031), SENATE BILL 1032 (SB 1032), AND SENATE BILL 1033 (SB 1033) UNTIL LEGISLATIVE ANALYST REPORTS ARE RECEIVED. Motion failed due to the lack of a second.

Motioned by Mayor Shaw TO DRAFT A LETTER OF SUPPORT FOR SENATE BILL 1033 (SB 1033) AND SENATE CONSTITUTIONAL AMENDMENT 10 (SCA 10). Motion failed due to the lack of a second.

Motioned by Councilmember Beamish TO TAKE NO ACTION ON SENATE BILL 1033 (SB 1033) AND SENATE CONSTITUTIONAL AMENDMENT 10 (SCA 10) UNTIL FURTHER DATA IS AVAILABLE TO MAKE AN EDUCATED DECISION. Motion failed due to the lack of a second.

City Attorney Jones explained that at this point the item can either come off the agenda with no action taken, or the item can be continued to the next City Council meeting.

Moved by Councilmember Beamish, seconded by Mayor Shaw, and CARRIED UNANIMOUSLY (3-0) TO APPROVE TO CONTINUE THE CONSIDERATION OF LEGISLATIVE REVIEW OF SENATE BILL 1033 (SB 1033) AND SENATE CONSTITUTIONAL AMENDMENT 10 (SCA 10) TO MONDAY, APRIL 16, 2018, AT 6:30 P.M.

Said motion CARRIED by the following roll call vote:

AYES: Mayor Shaw, Mayor Pro Tem Blazey, Councilmember Beamish
NOES: NONE
ABSTAIN: NONE
ABSENT: Councilmember Gomez, Councilmember Espinoza

VII. MAYOR'S COMMUNITY CALENDAR:

Mayor Shaw made the following announcements:

- The La Habra Community Development Department's Open House - Saturday, April 14, from 9:00 a.m. – 12:00 p.m., at City Hall.
- La Habra Community Services Department will host "Kids Night Out" - Friday, April 20, from 6:00 p.m. to 10:30 p.m. at the La Habra Community Center.
- "Love La Habra Block Party" - Saturday, April 28 from 8:00 a.m. – 12:00, at Corona Park.
- City of La Habra's Senior Dance - Sunday, April 29, from 2:00 p.m. – 4:00 p.m., at the La Habra Community Center.

VIII. COMMENTS FROM STAFF:

City Manager Sadro, on behalf of City staff, expressed condolences to Councilmember Espinoza and her family on the passing of her husband Alex Espinoza.

IX. COMMENTS FROM COUNCILMEMBERS:

Councilmember Beamish expressed thanks to Community Services Director Failla, his staff, and the Public Works staff regarding their work on the La Habra Host Lions Club "Eggstravaganza" event. He expressed condolences to Councilmember Espinoza on the passing of her husband Alex.

Mayor Pro Tem Blazey expressed his condolences to Councilmember Espinoza on the passing of her husband Alex and that she will be kept in his prayers. He reported that he attended the Sonora High School gym groundbreaking event, the Student Government Day at City Hall, the La Habra Host Lions Club Easter breakfast event, and the La Habra Host Lions Club "Eggstravanza" event. He noted that he would like to honor his father, Charles Henry Blazey, who passed away in 2016, and who would have had his 92nd birthday this date.

Mayor Shaw reported that he attended the La Habra Heights Republican Women Federated luncheon where he presented certificates to the Lowell Joint School District Writing Contest winners. He recognized City of Brea Councilmember Marty Simonoff in the audience. He stated that the meeting will be adjourned in memory of Alex Espinoza.

- X. ADJOURNMENT:** Mayor Shaw adjourned the Regular Meeting of the City Council in memory of Alex Espinoza at 8:20 p.m. to Monday, April 16, 2018, at 5:30 p.m. in the Council Closed Session Room 112c, 100 E. La Habra Boulevard, followed by the Regular Meeting at 6:30 p.m. in the City Council Chambers.

Respectfully submitted,

Tamara D. Mason, MMC
City Clerk