

**Minutes
City Council Special Meeting
City of Huntington Beach**

**Monday, August 11, 2014
6:00 PM – Council Chambers
Civic Center - 2000 Main Street
Huntington Beach, California 92648**

**A video recording of this meeting is on file
in the Office of the City Clerk and is archived at
www.surfcity-hb.org/government/agendas/**

CALL TO ORDER – 6:00 PM

ROLL CALL

Present: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, and Carchio
Absent: None

PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was led by Councilmember Katapodis

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, Assistant City Clerk Robin Estanislau announced supplemental communications that were received by the City Clerk's office following distribution of the Council agenda packet:

Councilmember Items

#1. Approximately 116 communications received regarding the proposed adoption of Resolution No. 2014-60 removing the Ballot Measure related to amending Charter Section 803 (exemption for regulation of real property in mobile/manufactured home parks): Vickie M. Talley, Executive Director, Manufactured Housing Educational Trust, Unknown (7), Gary Akin, Don Albrecht, James A. Atherton, Raymond Aube, Mary Jo Baretich, Carlos H. Bernales, Mike Betancourt, Barbara Brown, Randy Bruno, Jeff & Judy Burrows, Dale Case, Bonnie Cayer, Art Ciancio, Gina Conti, Mark Davis, Dana Drake, Henry & Jeri Egigian, Erik Eisel, Martie Etheridge, Janet Ferris, Pam Frey, Randall Gall, Mark E. Galyean, Marquise Hawley, Paul A. Hoffman, Sara & Glen Irving, Chad Irwin, Jake (2), Janis Johnson, Paul Johnson, Jon, Kathy LaMarche, Tim Lavin, Rosemarie Lee, Roy Lothringer, Dennis Lynch, Rita Machado, April Masterpole, Neven Matasovic, Phil Mayorga, Terri McCann, Lisa McNeil, Mary Ann Mercer, Bob Merritt, William E. Miller, Tom Molinaro, Jan Mulholland, Jneil Nelson, Mark Neumann, T. Stephen Nichols, Carol Philipp, Kandi Queen, Job M. Quesada, Pat Quintana, Joseph Ranalla, Joseph Reynolds, Bob & Noreen Sammut, Scott A. Sanders, Paul Smith, Mr. & Mrs. N. Spagnoli, Robert Spellmire, Karen Stewart, Dr. Stan Tsakoumakis, Edward Van Wig, Claude von Plato, Paul Walker, Terry Weller, Jutta Werrlein, Bruce West, Norm Westwell, Jerry Wheeler, Lorna White, William E. Wiley, Judy Wright, Arnold Alvarez, Dennis Andrade, Bruce Arbon, Joel Benson, Jean Beres, Tina Byrne, James & Linda Creason, Vicky L. Dages, Lyne DeCuir, Edward DeMeulle, Jim Frasset, Jack & Elizabeth Edmondson, Chris Gamble, Donald Hart, James, Allan Johnson, Penny Kawabe, Steven & Marsha Lillard, Richard Lorenz, Margaret Lunogo, Ron Malecki, David Martin, Ted May, Donna Meade, Mike, Dan

Niemiec, Marie Outlaw, Edward Rugel, Ray Ward, George G. Wray, Jodie Wollman, Sandy Besch, William Lammers, and Barbara Rocha.

PUBLIC COMMENTS (3 Minute Time Limit)

(The number (hh:mm:ss) following the speakers' comments indicates the approximate starting time in the archived video located at <http://www.surfcity-hb.org/government/agendas/>).

Carol Dooley, apartment owner, spoke in opposition to rent control adding that the free market process keeps rents competitive. She reported raising rents by a small amount every year because of increased utility costs. (00:03:26)

Terry Dooley, apartment owner, spoke in opposition to rent control, voicing concerns that rents must be increased to cover rising costs for utility and maintenance. (00:04:14)

Terry Haxton, Del Mar Estates, spoke in support of rent stabilization for mobile home parks. He reported that the fear of corporate take-over caused mobile home owners in Del Mar to form a Home Owners Association because of concerns with what would happen upon the sale of the park. He distinguished between mobile homes and apartment buildings and expressed concerns regarding increased space rents. He noted that the proposed ordinance is the best hope that mobile home owners have to control space rent increases in the City. He urged Council to help in their cause as they are virtually powerless against runaway rents. (00:05:01)

Mary Jo Baretich spoke in support of rent stabilization for mobile home parks and noted that while space rent increases are not illegal, the amount raised and frequencies of raises are unethical. She added there is no protection without rent stabilization from greedy park owners and that park owners raise rents to the point where home owners are unable to pay, causing them to walk away from their homes. Park owners, in turn, rent these abandoned homes out as if it were theirs. She urged City Council to have compassion for those less fortunate and support them by giving them a chance for a vote on this matter. (00:08:09)

Richard Kushnir, Rancho Huntington, asked whether it is protocol and/or legal to influence the outcome of the measure before City Council by brokering a deal with one of the entities involved to influence the outcome. He also commented on Councilmember Sullivan's desire to help veterans adding that it must have gone "sour". (00:10:40)

Peter Herzog, Manufactured Housing Educational Trust (MHET), thanked Councilmember Katapodis and Councilmember Carchio for bringing this item forward, adding that MHET supports it and that it is in the best interest of the City and its residents. He reported the attendance of numerous other supporters and hoped that Council will vote "yes" on this resolution and remove the rent control initiative from the ballot. He commented on the negative consequences of rent control adding that it is extremely divisive and commented on other programs available to help home owners who are truly in need. He commented on the desire for collaboration and alleged that collaboration ends with rent control and division takes over. (00:11:44)

Jonathan Boggs, Real Estate Broker and owner of Beach View Community, reported that space rent in their park is currently \$672.00 per month. He stated that Beach View Community is a family business with no intention to sell, and that the rents were raised by 3.2% this year (\$21.00). He noted that they have been fair and equitable, and asked that City Council not place rent control on the ballot and penalize fair communities for the actions of one (1) park. He reported

that rent control will hurt him as well as other communities and the City, listed negative effects of rent control, and reported the need for less government intervention, not more. (00:15:00)

Dianne Thompson, Chairman of the Board of the Huntington Beach Chamber of Commerce, spoke in support of Item No. 1 to repeal the ballot measure relating to rent control/stabilization for mobile home parks. She suggested finding a solution that will be acceptable and timely to each side. (00:18:03)

Mike Cirillo, Pacific Surf City Beach Cottages and Huntington Shore Cliffs, and on behalf of Mr. Saunders, noted the negotiation of a deal with mobile home owners to the satisfaction of the Home Owners Association. He spoke in support of Item No. 1 and urged that Council approve same. (00:19:02)

Tommy Thompson, Executive Director for the California Apartment Association, expressed support of Item No. 1 and expressed opposition of any form of rent control in Orange County. (00:19:44)

Amber Monte, representing the owners of Rancho Huntington Mobile Home Park, provided an update on their long-term leasing process, indicating that currently 60% of the community is on long-term leases. She added that they are diligently working on getting 100% of the community on long-term leases so that residents have peace and security, and reported that they are willing to negotiate with the Home Owners Association, welcoming Council to get involved. (00:21:30)

Chip Ahlswede, Orange County Association of Realtors, thanked Council for considering this important issue noting that everyone is looking for a solution. He added that Council has an opportunity to facilitate conversations where there are existing problems and find a solution that does not force one side against another. (00:23:02)

Rita Tayenaka, President-elect for the Orange County Association of Realtors, thanked Council for reconsidering the proposal and commented on working together with clients to find the right solution for their housing needs and to solve issues in the community without engaging a protracted campaign that divides everyone. (00:24:10)

Pat Taylor, Rancho Huntington, wondered what changed from a week ago adding that the issues have not gone away. She asked why Council does not allow this measure to go to a vote of the people noting that it asks only for a very limited exemption to Section 803 of the City Charter and is for mobile/manufactured home parks only, a small segment of the City. It is not a foot-in-the-door to be expanded at some later date. She added that it will allow the City government to address the predatory, unreasonable financial burdens that are being placed on some of the most vulnerable citizens. She stressed that there are people who need protection and the measure would allow that to be developed. She added that mobile home owners pay utilities, personal property taxes and maintenance of their homes which is different from people renting apartments. She urged Council to allow this to go to a vote of the people. (00:24:43)

Sharon Dana, Huntington Shore Cliffs Mobile Home Park, urged Council not to abandon mobile home owners and to allow this to go to a vote of the people. She commended responsible park owners noting it used to be the situation in all Huntington Beach parks. But, all of that changes when original owners sell their property and large corporations come into the picture. She commented on the actions of Mr. Saunders but wondered about other mobile home parks in the City. She wondered about those who have already lost their homes and noted that Mr. Saunders

is getting substantial income from renting out those homes that he got for "almost nothing". She commented on the twenty-five (25) year leases being "shoved down" residents throats and noted there have been complaints that if the lease is not signed, rent will be increased every ninety (90) days. She expressed concerns with the implementation and cancellation of the leases. She urged Council to protect residents of mobile home parks. (00:27:56)

Rob Cosner spoke in opposition to Item No. 1 adding that it does not make sense to take the matter off the ballot because of one person's promise of a lease agreement. He expressed concerns with unaffordable space rents adding that the park owners are not maintaining the parks as they should. He clarified that this does not apply to apartments but rather, to mobile homes. He urged Council to keep the measure on the ballot. (00:31:03)

William T. McCann, Rancho Huntington, hoped that Councilmembers will search their souls before doing anything rash. He added that if this measure is placed before the voters, it will stand a chance. He commented on Councilmember Carchio brokering a deal with Mr. Saunders and stated they should not be brokering any deal for the senior citizens of the City. He added that Mr. Saunders has about 130 vacant homes taken from people who have lost them and have nowhere to go. He did not believe this deal is an advantageous approach. He urged Council to consider this matter carefully and allow the people to vote on the matter. (00:32:15)

Scott Peotter, representing Assemblyman Allan Mansoor, noted that the need for senior housing is evident but stated that regulation often causes increased housing costs. He addressed unintended consequences of rent control. (00:35:28)

COUNCILMEMBER ITEMS

1. Request Submitted by Councilmember Carchio and Councilmember Katapodis Approved - Adopted Resolution No. 2014-60 to remove the Ballot Measure related to amending Charter Section 803 (exemption for regulation of real property in mobile/manufacturing home parks)

Mayor Harper stated that the request to bring this item forward came from Councilmember Katapodis and asked regarding any kind of deal affecting how people would vote on this matter.

City Attorney Jennifer McGrath reported there is no legal restriction to changing positions on a ballot measure, whether a Councilmember was in favor or opposed to the matter in the first place. She added that whatever happens this evening is absolutely within the law.

Councilmember Katapodis stated that after a lot of soul-searching, he decided to reconsider this matter. He thanked Mr. John Saunders for taking the necessary steps to come to an agreement with home owners that is fair and equitable for both sides. He noted that other mobile home park owners have been fair in their dealings with resident/owners. He added that MHET has communicated to City Council that management at Rancho Huntington Mobile Home Park has started offering leases at 4% to 6% annual increases and that 60% of residents have signed same. He indicated he would still like to meet with Rancho Huntington management to ensure this will be a normal practice going forward and not just because of an impending Charter amendment. He hoped that together, a dialogue can be started to ensure that seniors and veterans of Huntington Beach residing in their parks are being taken care of.

Councilmember Boardman noted hearing about collaboration at this time but also, for many

months, that the residents of Pacific Mobile Home Park had tried to meet with management and were put-off continuously, without success. It wasn't until the ballot measure was placed, that the park owner came forward and started to offer leases with reasonable rent increases. She stated that she saw very little collaboration from this park owner and its residents, until Council took this action.

Councilmember Carchio stated that when Councilmember Sullivan brought this item forward, it was a resolution to help seniors, veterans and people living at or below the poverty level. He believed it would have been easier to address this issue with compromise rather than bringing rent control forward, adding that rent control does not work. He listed the negative effects of rent control and confirmed contacting Mr. Saunders and asking him if he would reconsider and meet with some of the mobile home owners. He reported that he met with Mr. Wells and they reached an agreement. He provided highlights of the agreement including a rent subsidy program that requires no repayment and changes in qualification criteria. He hoped that other parks under scrutiny would meet with home owners to come up with a resolution to the problems being faced. Councilmember Carchio stated that placing this on the ballot would be very volatile, that it will not pass and therefore, will make it worse for mobile home owners. He asked for the support of Council colleagues.

Mayor Harper opined that the original item was hastily prepared and conceived and that he was surprised that it got the votes that it did. He commented negatively on the ballot argument in favor of the ballot measure noting that it is full of grammatical and factual errors. He suggested that pulling this back may be a way of not having to pay legal fees for corrections.

Councilmember Sullivan noted that there were many people who addressed Council that were really suffering. He reported that this may resolve the problem in one (1) park, but that he knows people who have lost their equity and their homes and that his original intent was to make this matter very precise and tied to income to protect those needing protection. He commented on the City being a "Compassionate City" and stated that if the City turns a deaf ear to what is happening to these residents, the City does not deserve to call itself compassionate. People have had to leave their homes without having any place to go. He agreed with the comments of Pat Taylor and Sharon Dana that an agreement in one park does not take care of the problems that exist in other parks. He added that this is a limited exemption and that there is no intent to implement rent control for apartments. He addressed Mr. McCann's comments and wished him well in his efforts in support of rent stabilization. He commented on the sacrifices of veterans in need of help and stated he will oppose this item at this time.

Councilmember Hardy stated she has been in support and still supports this ballot measure. She agreed with the comments of Mr. McCann and commented on an email exchange from a party who expressed support once he understood the issue. She added that if people are educated on this matter, they will support it. However, she expressed concerns with getting the word out and noted that writing the ballot measure lacked organization. She reported that getting this ballot measure passed requires much more time than what has been given to it as well as a lot of money. Councilmember Hardy stated that having the ballot measure fail would bring about a worse situation than what currently exists. She added that having the threat of placing this on the ballot made one park owner change his tactics noting that if the bad practices continue, it will be on a future ballot with a strong organization, a lot of time to prepare, and a lot of money raised to do it right in 2016. She added that she supports solving this problem, but wants to have it done right and not make it worse. She stated she will support removing the ballot measure at this time, but will support one in 2016. She noted the need to start organizing and stated that if landowners

do not want this issue to return, they will take action to prevent it.

Mayor Harper asked who would be liable for costs if errors are made in the ballot statement and the matter is taken to court.

City Attorney McGrath stated that the authors of the arguments would be liable for those costs and not the City.

Councilmember Carchio stated that it does not matter how long it took for the park owners to reach a compromise. What matters is that a compromise was reached. He noted that every Councilmember is struggling with this issue. He noted the importance of taking care of seniors, veterans and the disabled and believed that the compromise reached does just that. He commented on the probability of the ballot measure being challenged in court and failing and on the possibility of apartment renters asking for relief through rent control. He promised to work in support of the seniors in the community as he has always done and noted he does not want them to lose.

Mayor Pro Tem Shaw noted that the proposal approved previously was to allow a vote and does not create rent control but addresses a narrow, specific issue for mobile home owners. He stated that he will stand firm in his original decision and that just as in the matter of fireworks, the people have the right to a vote.

Councilmember Boardman commented on a previous ballot measure (Measure Z) where both sides contested the language of the ballot argument. The language was changed without any court involvement. She wondered what the recourse would be for people in the community raising objections to the ballot argument and the recourse for the author of the ballot argument.

City Clerk Joan L. Flynn reported that the first course of action in the referenced measure was to see if both authors were amenable to changing the arguments and there was no court action involved.

Councilmember Boardman reported that it is possible, if there are factual errors, for the authors to object and agree to changes.

City Clerk Flynn addressed the process for contacting her office with objections and changes as well as the timeline.

Mayor Harper indicated he will vote in favor of the motion.

A motion was made by Councilmember Katapodis, second by Councilmember Carchio to adopt Resolution No. 2014-60, "A Resolution of the City of Huntington Beach to Repeal Resolutions 2014-51 through 2014-54 to Remove the Ballot Measure Related to Huntington Beach Charter Section 803 [Exemption for Regulation of Real Property in Mobile/Manufactured Home Parks] and Reaffirm Resolutions 2014-45 through 2014-48 Calling for and Consolidating the Election, Submitted Measure Related to Safe and Sane Fireworks, and Set Priorities."

The motion carried with the following vote:

AYES:	Katapodis, Hardy, Harper, Carchio
NOES:	Shaw, Boardman, Sullivan

COUNCILMEMBER COMMENTS (Not Agendized) - None

ADJOURNMENT – At 7:11 PM, Mayor Harper adjourned the meeting to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Monday, August 18, 2014, at 4:00 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach, California

ATTEST:



City Clerk



Mayor