

**Minutes
City Council / Public Financing Authority
City of Huntington Beach**

**Monday, July 21, 2014
4:00 PM – Study Session Room B-8
6:00 PM – Regular Meeting Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648**

**An audio recording of the 4:00 PM portion of this meeting,
and a video recording of the 6:00 PM portion of this meeting
is on file in the Office of the City Clerk and is archived at
www.surfcity-hb.org/government/agendas/**

4:00 PM - ROOM B-8

CALL TO ORDER – 4:05 PM

ROLL CALL

Present: Carchio, Boardman, Sullivan, Harper, Hardy, and Katapodis
Absent: Shaw (Pursuant to City Council Resolution No. 2001-54, Councilmember Shaw requested, and was granted permission to be absent during the Study Session portion of the meeting)

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Flynn announced receipt of supplemental communications received by her office following distribution of the Council agenda packet:

Study Session

#1 A PowerPoint communication submitted by Lori Ann Farrell, Director of Finance dated July 21, 2014, entitled *City of Huntington Beach Fiscal Year 2014/2015 Proposed Budget*.

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit) - None.

STUDY SESSION

- 1. City Manager and City staff presented an overview of the City Manager's recommended proposed Fiscal Year 2014/15 Budget.**

Lori Ann Farrell, Director of Finance introduced Carol Molina-Espinosa, Budget Manager, who presented a PowerPoint entitled *City of Huntington Beach Fiscal Year 2014/15 Proposed Budget*, that included the following titled slides: FY 2014/15 Proposed Budget - 100 Years of Surfing, 100 Years of Surfing - A Century of Excellence, Building the Foundation for the Next 100 Years - The Strategic Plan, FY 2014/15 Proposed Budget Overview, General Fund Overview, General Fund Revenue, General Fund Highlights, General Fund Expenditures, and Citywide Table of Organization (All Funds).

Director Farrell continued with FY 2014/15 Staffing Highlights, Enhance and Maintain Public Safety, Enhance Quality of Life, Enhance Economic Development, Improve the City's Infrastructure, Improve the City's Infrastructure, Senior Center Project, Develop, Retain and Attract Quality Staff, Improve Long-Term Financial Sustainability, General Fund Balance, CalPERS Increases, 8-Year CalPERS Employee Rate Increases, Plan to Address PERS Liabilities, Unfunded Costs on the Horizon, 2014/15 Proposed Budget Recap, Budget Calendar, Awards and Accolades, and Questions?

Councilmember Boardman and Director Farrell discussed inclusion of funds for five full-time Police Officer positions, and two full-time Community Services Officer positions.

Councilmember Sullivan and Police Chief Handy discussed funding options for the Gun Range Study.

Councilmember Sullivan voiced concerns about future pension requirements.

Councilmember Hardy and Director Farrell discussed offsetting revenues for summer day camp, and the increase in expenses identified for animal control services.

Councilmembers Boardman and Sullivan, City Manager Fred Wilson and Assistant City Manager Ken Domer discussed funding for a new Commercial Revolving Loan Fund in lieu of lost redevelopment dollars for business improvement use (commercial facade improvements, etc.).

Councilmember Carchio, Councilmember Sullivan, and Library Services Director Stephanie Beverage discussed funding needed to keep the Central Library open on Sunday.

Councilmember Carchio and Director Farrell discussed growth of, and potential to lobby for return of, online sales tax. Councilmember Carchio recognized honors recently received by the Finance Departments.

RECESS TO CLOSED SESSION – 4:57 PM

Mayor Harper announced: *Pursuant to Government Code Section 54957.6.a, the City Council takes this opportunity to publicly introduce and identify designated labor negotiator City Manager Fred Wilson, who will be participating today in Closed Session discussions regarding labor negotiations with FMA, MEO, MSMA, PMA and SCLEA.*

A motion to recess to Council Session Item Nos. 2 through 4 was approved by a consensus of Council.

CLOSED SESSION

- 2. Pursuant to Government Code § 54957.6, the City Council recessed to Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: FMA, MEO, MSMA, PMA, and SCLEA.**
- 3. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Barber v. Garrels, et al., Orange County Superior Court Case No. 30-2012-00598472, where Plaintiff tripped and fell on an uneven cement slab while walking up from a**

driveway to the sidewalk of a private home located at 16311 Angler Lane.

4. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Parks Legal Defense Fund et al. v. The City of Huntington Beach et al., Orange County Superior Court Case No. 30-2008-00051261 and Court of Appeal Case No. G048620 and Parks Legal Defense Fund et al. v. City of Huntington Beach et al., Orange County Superior Court Case No. 30-2012-00570541. In these two lawsuits challenging the Senior Center, a public interest advocacy organization alleges that the City violated CEQA, City Charter Section 612 (Measure C), and the City's General Plan in approving the Senior Center.

6:00 PM – COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING – 6:02 PM

CLOSED SESSION REPORT BY CITY ATTORNEY – None.

Mayor Harper reported there is a group called Parks Legal Defense Fund that is stopping the ability to proceed forward regarding the Senior Center.

City Attorney Jennifer McGrath reported that the item is on the agenda but added that at this point, Parks Legal Defense has lost to the Court of Appeals.

ROLL CALL

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

PLEDGE OF ALLEGIANCE – Led by Councilmember Boardman

INVOCATION - Led by Kelly Frankiewicz of Surf City Methodist Church and the Greater Huntington Beach Interfaith Council

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

AWARDS AND PRESENTATIONS

Mayor Harper called on members of the city and local community to recognize 9-year-old Huntington Beach resident Lucky Day for his environmental and recycling efforts.

Mayor Harper commented on Lucky's interest in environmental and recycling matters and recognized him for his efforts in inspiring a community clean-up of the City's beaches. He was presented him with a commendation in appreciation of his efforts.

Sue Gordon, Rainbow Environmental Services, presented Lucky with a certificate of appreciation and a belt for partnering with Rainbow in keeping the community clean.

Mayor Harper called on Victoria Albery and Gisela Campagne to present the Adoptable Pet

of the Month.

Gisela Campagne, Waggin' Trails Rescue Foundation, thanked the City for helping with the Adoptable Pet of the Month program and deferred to Nicole and Gina of the Orange County Humane Society who encouraged those considering adopting an animal to consider the shelter first and presented Bernadette, a five (5) month old kitten and Toby, a five (5) year old cat. The public was encouraged to visit www.ochumanesociety.com for more information.

Mayor Harper called on former Huntington Beach Mayor and Chair of the Orange County Explorers Cathy Green to assist with presenting special certificates of recognition to the Huntington Beach Search and Rescue Explorers.

Ms. Green commented on the Explorer program and presented special certificates of recognition to the Huntington Beach Police Chief, the Huntington Beach Fire Chief and to the Huntington Beach Search and Rescue Explorers.

Mayor Harper called on Director of Library Services Stephanie Beverage to present the Mayor's Award to Adult Literacy Coordinator Diane Moseley.

Director of Library Services Stephanie Beverage presented the Mayor's Award to Adult Literacy Coordinator Diane Moseley for her efforts in helping people learn basic, essential skills and for her leadership in the City's Literacy program and activities.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan L. Flynn announced supplemental communications that were received by her office following distribution of the Council agenda packet:

Consent Calendar

#2. Communication submitted by Lori Ann Farrell, Director of Finance, dated July 21, 2014, submitting a corrected Exhibit A for Attachment 1 (Confidentiality Statement).

#3. Communication submitted by Lori Ann Farrell, Director of Finance, dated July 21, 2014, submitting a revised Exhibit A for Resolution No. 2014-38.

Public Hearing

#13. Communications received regarding Environmental Impact Report 13-003/Conditional Use Permit No. 12-026/Coastal Development Permit No. 12-001/Noise Deviation Permit No. 13-009 (Appeal of Planning Commission's Approval – Surf City Nights): Susan Worthy, Guy Guzzardo, James A. Aul, Marcie Rosenberg, and Anonymous.

Administrative Items

#16. Communication submitted by Mike Vigliotta, Chief Assistant City Attorney, dated July 21, 2014, submitting a corrected Exhibit A for Attachment 1 (Resolution 2014-45) and Attachment 3 (Resolution 2014-47).

Councilmember Items

#19. Communications received regarding City Council consideration of a Mobile/ Manufactured Home Charter Amendment: Diane Atkins, Sam Nevarov, Norma Sternes, Brianne Virden,

Charles Baur, Bob Raemer, Vickie Talley, Pete & Jodie Wollman, Tim Geddes, Mary Landin, and Joan Walker.

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/>).

Gary Thiessen, Rancho Huntington Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He urged Council to consider what the seniors have been through in terms of financial downturns, think about the future and steps to be taken, going forward. (00:24:34)

Gloria Alvarez, Chairwoman, Historic Resources Board, announced the publication of the board's historic walking tour guide. She added that it is a free, self-directed tour that takes approximately twenty (20) minutes to complete. She thanked the City for its support and wished City Attorney McGrath a happy birthday. (00:26:58)

Mona Risch voiced concerns about the conditions of the bike trail along the beach. Additionally, she commented on the proposed Senior Center and spoke in opposition to placing buildings in Central Park. She suggested a site near Adams and Lake. She addressed the upcoming U.S. Open of Surfing and commented against having a Budweiser tent at the event. (00:29:17)

Jean Tietgen, Realtor, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She expressed concerns that the housing that would be subject to rent control would be arbitrarily selected and not based on any kind of study, financial analysis or demonstration of need. She encouraged Council to slow down and have the City explore other alternatives to avoid discriminating sectors of the population who may need financial assistance. (00:32:40)

Josephine Capelle, Rancho Huntington Senior Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She asked that Council keep senior parks affordable in order for seniors to be able to stay in their homes. She added that she is not asking for City-wide rent control, but rather for rent stabilization for all senior communities. This will prevent mobile home park owners from gouging seniors with excessive space rental increases. (00:34:57)

Don Neely spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He urged Council to allow the matter to be placed on the ballot to decide if seniors in mobile home parks can have rent stabilization. He commented on the importance of allowing citizens the right to petition. (00:37:00)

John Van Hogen, Orange County Association of Realtors, spoke in opposition to Agenda No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He wondered how much this will cost taxpayers and the City, and if the matter has been thoroughly studied. He indicated that the City should proceed deliberately and answer the hard questions before reaching for easy answers. Additionally, he wondered if this is the best approach and whether there are other citizens in the City that are equally-deserving and commented on possible alternative solutions. (00:38:52)

Jeff Jackson, Realtor, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment

related to Mobile/Manufactured Homes. He wondered why Council is rushing to get this matter enacted and referenced Charter Amendment 804, relating to allowing the right to review and change the Charter at any time. He opined that Council has not explored other options and noted the need to look at the issue carefully, including possible impacts. He urged Council not to approve the measure at this time, to appoint a study committee to look at this issue thoroughly and ensure that proper policies are enacted. (00:41:43)

Teri Miles, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes and wondered what the rush to get this done so quickly was. She referenced Section 804 to the City Charter and felt that the issue is being handled piece-meal. She added that it would be more appropriate for changes to Section 803 of the City Charter be initiated by the Charter Commission and not City Council. She added that State law allows mobile homeowners to demand a long-time lease with rent restrictions. She hoped that the rush is for a good reason and not for grandstanding. (00:44:30)

Dave Stefenides, Orange County Association of Realtors, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He addressed the Property Rights Protection Initiative adopted by voters in 2002 and noted that it does not preclude Council from adopting rent-mitigation measures. He listed alternatives to the proposed Charter Amendment that would cost taxpayers far less than a government bureaucracy. He believed that this matter will ultimately lead to litigation and wondered if the City really wants to take that on. He added that the matter should be discussed in more open forums. He wondered why Council is ignoring the process for studying a Charter Amendment as set forth in Charter Amendment 804. (00:45:45)

William T. McCann, Rancho Huntington Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on the owner's motto as "push rent relentlessly" and noted that the rush involves \$160/month rent increases. He stated that seniors in mobile home parks are segregated and referenced the Land and Lease Act which protects brick and mortar but separates out mobile and manufactured homes. Additionally, he reported that this matter is not about property rights but rather about extortion, as many seniors are being forced out of their homes because of unreasonable space rent increases. He distributed copies of various documents for Council's review. He added that people don't want rent control but rather protection for veterans, seniors, minorities and low-income residents. (00:47:56)

Richard Kushnir, Rancho Huntington Senior Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He referenced a recent article in the *Orange County Register* from the Manufactured Housing Education Trust (MHET) and asked if Former Mayor Don Hansen knew of any loopholes to contest the 2002 Land Rights Measure. Additionally, he stated that residents do not care what he charges renters in his houses, four-plexes or apartments. Mr. Kushnir stated that the proposed amendment should be for mobile homes only and that the 2002 measure is not being contested only modified to protect manufactured home property rights. (00:51:18)

Shirley Lewis spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She reported recently celebrating her eightieth (80) birthday and that she still works five (5) days a week. She reported she owned a home in Huntington Shore Cliffs Mobile Home Park but indicated that the rent was increased to such a degree, that she could no longer pay it. At the time, she was offered \$6,000 for her mobile home and she owed \$10,000 so that she could not sell it. Therefore, she was forced to walk away from the only home

she ever had. She urged Council to do something to help the seniors. She added that she was lucky enough to find senior housing in which she presently lives. She commented on the number of people applying for HUD in a month and noted that if she is lucky, she will get help when she is eighty-four (84) years old. Until then, she still has to work in order to pay her bills. She added that it is almost too late for her, but that there are many seniors who can be helped and urged Council to do so. (00:52:46)

Jerry Wheeler, President/CEO Huntington Beach Chamber of Commerce, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He believed it will change the language of the law that protects property rights in the City. He stated that the rights of many should not be taken away to protect the abuses of a few. He added that citizens voted overwhelmingly to protect their property rights and that there is a subsidy program in place for those in need. He reported that if this issue is passed, that subsidy will go away. He urged Council to let the lawyers find another way and stated that rent control decreases property value and does nothing to encourage anyone to buy property. It is a short-term solution, based on emotion, with ramifications affecting citizens for years to come. He encouraged Council to slow down before acting on this. (00:55:26)

Bill and Karen Reitz, Rancho Huntington Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He stated that in 2002, rent stabilization would have passed, unanimously, but failed because of the egregious manner in which it was written. He commented on Council's consideration of placing fireworks on the ballot and stated this issue is more important than fireworks as it is a life issue. He asked that Council let the people have the right to petition and to vote in favor of placing this matter on the ballot. (00:57:39)

Robert Cronk spoke in opposition to Agenda Item 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He stated that no one has the right to take away a person's property rights regardless of who that is or what they own. He added that mobile home park owners should have the right to do what they want to do in terms of the rents they charge. He added that if rents at mobile home parks are too high, tenants will leave. But if the value of the park owner's property is reduced, by taking his ability to make a profit on the value of his property, that is considered a "taking". (00:59:06)

Travis Allen, 72nd Assembly District, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on economic issues that are at stake with the proposed Charter Amendment and noted that the people of the City overwhelming approved an initiative which prohibited the City from enacting rent control. Additionally, he alleged that the City has not explored other avenues for providing financial assistance to targeted groups. While this measure is well-intentioned, this proposal leaves far too many unanswered questions. He presented examples of same and stated that moving forward with this proposal at this time is too hasty. He urged Council to vote against the matter. (01:02:04)

Allan Mansoor, 74th Assembly District, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on his respect for seniors and veterans but stated that it is important to consider property rights as well. He urged Council to take its time and keep in mind the erosion of property rights and find a better solution. (01:05:03)

Terrence Haxton, President of Del Mar Estates Homeowners Association, spoke in support of

Agenda Item 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He believed this action is long overdue for approval and commended Council for its protection of seniors living in senior parks. He expressed agreement with Councilmember Sullivan's position on this matter and commented on Mayor Harper's support of park owners and their paid lobbyist. He complained about excessive rent increases and on people losing their homes because of same. (01:05:50)

Carmine Santaniello spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. Commented on excessive rent increases and noted that in speaking to various people, they stated that mobile home park owners can increase space rents as often and as much as they want. He asked Council to do what it can to ensure that park owners are fair and give home owners a chance to stay in their parks. (01:09:09)

Kelly Miller, President and CEO of Visit Huntington Beach (VHB), spoke in support of Agenda Item No. 8 - Huntington Beach Tourism Business Improvement District (HBTBID), and Agenda Item No. 13 - Surf City Nights. Regarding Item No. 8, he reported that it will provide more sales and marketing dollars and that VHB will set up a Capital Improvement Fund for improvements in the City to entice visitors and visitor enhancement services. Additionally, he commented on Item No. 13 and indicated support for making it a permanent program in the City. (01:10:36)

Devin Dwyer, former Councilmember, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He provided testimony and reported results of his research of mobile home parks and stated that market forces are dictating space rental prices. He added that the City owns two (2) parks and has the ability to be part of the market. He spoke in support of private property rights and stated that imposing rent control is a "taking". He believed that property owners have a right to charge what they want for their property, based on market forces and that the City should not be in the business of subsidizing housing. (01:12:45)

In response to an inquiry from Councilmember Hardy, Mr. Dwyer indicated he was looking at prices to purchase a mobile home. (01:15:49)

Chris Waring, Pacific Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He reported that his space rent is approaching \$1,400 per month and that in January; it was increased by \$400 per month. He expressed concerns with seniors losing their homes because of excessive rent increases noting that they have nowhere to go. (01:16:27)

Deborah Gabel spoke in opposition to Agenda Item No. 16 - Charter Amendment Relating to Fireworks. She addressed the term "safe and sane" noting that it is misleading and suggested a more appropriate description would be "dangerous and destructive". She stated that in Huntington Beach, this issue transcends individual choice and becomes one of public safety. She reported that the State is in a situation of extreme drought and is in a time of increased fire risk. She added that the use of fireworks increases the burden of first responders and puts them at risk. She suggested having non-profit groups selling other types of Fourth of July related materials such as hats, shirts and mugs in order to raise funds. She urged Council not to put the City's people and first responders at risk. (01:19:17)

Peter Wollman, Rancho Huntington Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes and rent control for all mobile home residents. He noted that residents of mobile home parks need protection, urged

Council to support this matter and wished a happy birthday to the City Attorney. (01:21:47)

John Saunders, Investor in Pacific Mobile Home Park, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on increases in land values in the City over the last twenty (20) years adding that property and rent values are up. He stated he is a fair businessman who also has sympathy for people. He added that he supports the MHET program and also has implemented a program that subsidizes up to 100% of rent increases. He encouraged home owners having problems paying their rents to contact his company in order to discuss the matter and stated that if this matter is passed, they will not be able to subsidize people who truly need it. (01:22:30)

Councilmember Boardman and Councilmember Carchio questioned the subsidy program mentioned by Mr. Saunders. (01:25:36)

Councilmember Boardman noted that the subsidy involves help with payment of rent increases but if homeowners sell their homes, they will need to pay that back if the value of their homes so merit.

Councilmember Carchio asked whether the program is similar to a reverse mortgage.

Mr. Saunders responded that it is, adding that it is a "non-recourse" reverse mortgage. He added that if it is an issue, he would be happy to modify that subsidy program.

Heather Brooks, Pacific Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She reported that her space rent has doubled in the past year from \$900 per month to \$1,800 per month. She added that many seniors and young families have had to walk away from their property because they cannot afford the increased space rent. She believed that the practice is extortion and elder abuse and urged Council to support this matter. (01:27:44)

Kathryn Curtiss, Co-owner of Rancho del Rey Mobile Home Estates, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on increased expenses to retrofit many units and reported there are reasons why space rents must be increased. She believed that if this issue passes, it may destroy her business and stated that she is doing the best she can to sustain the business. She stated that Council has not done its due diligence and encouraged Members to visit the park. (01:29:12)

In response to Councilmember Hardy's question, Ms. Curtiss stated that space rent increases in her park have been about 2.5%. (01:31:48)

In reply to Councilmember Carchio's question, Ms. Curtiss addressed the location of her park and noted that she is involved with MHET as a subsidy and helps people in need by providing information regarding appropriate resources. (01:32:47)

Councilmember Sullivan noted that if all park owners acted like Ms. Curtiss, this wouldn't be an issue.

Deborah Gardner spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on the misinformation provided by MHET advising apartment owners that this matter is about them. She noted that mobile home park owners and apartment owners are as different as night and day and indicated that

differences have to do with "pass-throughs". She addressed additional differences between apartment landlords and mobile home park owners and urged Council and the public not to be fooled by the rhetoric coming out of MHET. (01:33:47)

Richard Hughes, Co-owner of Rancho del Rey Mobile Home Estates, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He reported that the park is a senior park and expressed concerns with the proposed amendment. He stated that their rent increases have been at or below 2.5% and is less than the increases in their operating costs. He reported their intention of being good corporate citizens and noted they have always tried to provide a safe and friendly environment for tenants at a fair price. He urged Council to reconsider the measure and find another way to help those in need. (01:36:06)

Julie Paule, Western Manufactured Housing Association, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She stated that the rents are not out of the ordinary for the location and that the various subsidy programs will be eliminated if this measure passes. She spoke in opposition of rent control and in support of having residents negotiate leases with the mobile home park owners. She noted that if residents feel strongly about this matter, they should work to get the necessary signatures to repeal the 2002 Charter Amendment. Additionally, she alleged that rent control is a "loser" for taxpayers and asked that Council not pursue this. (01:38:21)

Mary Jo Baretich spoke support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She suggested including all mobile home parks in the City rather than this applying only for seniors and veterans. She added that this matter will affect a small fraction of the citizens of the City including seniors, veterans and young families and complained of greedy park owners arbitrarily raising their rents knowing the needs of the homeowners and commented on the number of people who have had to abandon their homes because they have been unable to pay the exorbitant rents. She commented on other counties and cities in the State with rent stabilization and urged Council to support this item. (01:41:29)

Vickie Talley, Huntington Beach Property Owners for Property Rights and the Manufactured Housing Education Trust (MHET), spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on efforts to prohibit rent control in the City in 2002 and noted that voters spoke loud and clear then and still feel that way. She alleged that Council has not heard all of the facts and that most of the information heard today is misleading and erroneous. Additionally, there is no basis for Council to ask City voters to allow adoption of rent control and noted that mobile home owners are not poor and that rental assistance programs are offered in the parks and for low-income seniors. No rental property owner wants to be forced to subsidize all of their tenants and they do not all need to be subsidized. (01:45:02)

Craig Houser, General Partner for Rancho del Rey Mobile Home Estates, submitted a written communication to Council and spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on the history of mobile home parks in the City and efforts of the Mobile Home Park Advisory Committee and asked Council to take its time to consider this matter and look for alternate ways to help those in need. (01:48:08)

Abe Arrigotti, President, Sierra Corp Management, representing owners and management of Rancho Huntington Mobile Home Park, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He reported that rents in Rancho

Huntington Mobile Home Park increase once a year, rents range from \$683 to \$1,250 and increases range from \$50 to \$150. He added that the majority of their residents are on long-term leases and exempt from rent control. He commented on typical space rents in surrounding cities and felt that rents in Huntington Beach are more than fair. He added that the park also offers rent subsidy programs based on need. He asserted that it is not the government's place to require property owners to subsidize rents on their properties and urged Councilmembers Sullivan and Katapodis to withdraw their request as citizens have voted on this matter and do not need to do so again. (01:51:19)

Jeff Leek, Property Manager with Star Management representing Huntington Shore Cliffs and Pacific Mobile Home Parks (Surf City Beach Cottages), spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He addressed the cost of housing in Huntington Beach and commented on mobile home parks being a "city within a city" where mobile home park owners provide similar services as the City while costs continue to rise. He commented on the uniqueness of mobile home parks including subsidizing rents on a monthly basis to those in need. (01:54:22)

Chris Houser, Co-owner of Rancho del Rey Mobile Home Estates, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He reported that the owners of the park are responsible property owners who maintain their property and offer fair-market rates to residents. Additionally, he reported that mobile home owners are not poor and have made a choice to live in mobile home parks. He addressed typical requirements for owning a mobile home and living in a mobile home park including affording to pay rent, mortgage and utilities. He detailed income requirements and yearly housing and utility expenses and asserted that they do not need subsidies or government control. He addressed subsidy programs already available to residents in need. (01:56:48)

Brianne Virden, MHET Rental Assistance Program, submitted a written communication to Council and spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on the MHET 10% program and the special subsidy program available to Orange County residents in need. She added that in qualifying people for the programs, they follow the same guidelines of the Section 8 Housing Program and noted submitting copies of the guidelines for Council's review. Additionally, she cautioned that the subsidy is in jeopardy as it would be eliminated with the passing of rent control and addressed the special subsidy program implemented by Mr. Saunders. (02:00:00)

Leland Jay, Sea Breeze Mobile Estates, reported that his family owns the mobile home park and spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He urged Council to vote against rent control in the City. He reported that currently, mobile home owners in his park pay less than \$800 for their spaces. He reported that Sea Breeze is a small, family business and stated there is nothing American about selectively discriminating against a small, family business. He added that rents are at-market or below-market and indicated that if the City adopts rent control it is businesses like his that will be hurt the most as well as residents as park owners will be unable to keep up with the costs of property maintenance and repairs. He urged Council not to take action at this time. (02:03:10)

Peter Herzog, MHET, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on cities where he has helped with mobile home park-related issues and noted that most of those cities do not have rent control. He commented on the City of Yucaipa and the problems caused by rent control. Additionally, he listed tasks needed to administer and enforce rent control including increased litigation. He

referenced a report from the City of Yucaipa regarding the deterioration of mobile home parks and quoted from the findings of the report. (02:06:07)

Jack Siart, Huntington Shore Cliffs, submitted a written communication to Council and spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He stated that mobile home owners in the City need the City's protection from predatory space rent increases. He added that park owners would lead people to believe that the rents charged are market rates but noted that space rents in Huntington Beach are much higher than those in Newport Beach, including those that are near the ocean and there is no recourse for mobile home owners to petition park owners. He added that this has resulted in over 100 families losing their homes by turning them over to the park. The owners have in turn, made minor improvements and rented the homes at just under what apartment rents are going for in the area. He urged Council to look seriously at ways to protect mobile home owners because existing organizations are not doing so. He distributed a packet of information for Council's review. (02:10:11)

Mark Pittman, Pacific Mobile Home Park and a 100% disabled war veteran, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He stated that his income in the past two (2) years has increased about 2.3% and that his rent has increased 30%. He noted that this is about people who are suffering and about real lives. Regarding Mr. Saunders, he asked how many people have been evicted by his practices and how many people have lost everything they have by his practices. He stressed that greed is immoral and wrong and noted that the love of money produces all sorts of evil. (02:13:33)

Sandra Robertson, Huntington By The Sea, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on her experience in the City and owning a mobile home and complained of excessive rent increases. She urged Council to vote in support of this item. (02:16:29)

In response to Councilmember Hardy's inquiry, Ms. Robertson reported that space rent today, if someone were to buy a mobile home, would be \$1,750. (02:20:00)

David Raymond, speaking on behalf of his mother, Yvonne Raymond, Pacific Mobile Home Park; spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He reported that she is ill and was unable to attend and that he is taking care of her, temporarily. He stated that his mother is on a fixed income and that her last rent increase was \$300. He commented on the increased number of for sale signs at the park and stated the units are not selling as it is well known that rents will be increasing in the future. He added that many older mobile homes that have been given up are mysteriously replaced by new mobile homes that are owned by the park and that this seems to be a typical practice among park owners. (02:20:20)

Jason Krup, Pacific Mobile Home Park, spoke in support of Agenda Item 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. Stated he has lived in the park for over nine (9) years and complained of excessive rent increases. He reported that he recently had to have his daughter move back in because he and his wife could not afford the mortgage plus the increased space rent. He noted that many who cannot afford the rents walk away from their homes and the park owners take them over, renovate it and rent them out as their own. He asserted that is not only extortion, but it is criminal. He added that the owners have not made improvements to warrant the exorbitant increases. (02:22:31)

Michael Kircher spoke in support of Agenda Item No. 16 - Proposed Charter Amendment related to Fireworks. He commented on arrests made during the last Fourth of July event and referenced recent articles in the newspaper regarding same. He suggested adding undercover Police Officers in order to increase enforcement effectiveness. Additionally, he commented on funding for City youth sports programs and suggested including community leaders in the process for determining the conditions of permits and what they will be used for. (02:25:05)

Leslie Helmich, Pacific Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She reported that her daughter will be moving in with her in order to help pay for the \$400 per month rent increase on her mobile home space. She reported that when the rent was increased, she decided to sell but has been unsuccessful in doing so. She noted that the mobile home is her property but because of the increased space rents she is unable to sell it. She reported on her efforts to implement a lease agreement but expressed concerns that because of the excessive rent increases she is unable to sell her home. She wondered about her property rights. (02:29:02)

In response to Councilmember Hardy's inquiry, Ms. Helmich reported that she has been trying to work out a lease with the mobile home park owner for many months, without success. She added there is a core group of about thirty (30) people that have tried to negotiate a lease agreement without success.

Dianne Thompson, Chair of the Board of the Huntington Beach Chamber of Commerce, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She noted that this is an emotional issue and stated she believes there are options that can assist mobile home owners that are less bureaucratic than creating a whole new City department. She asked that Council consider other options to protect all property owners in the City. (02:34:02)

Robert Johnson voiced concerns about the City's affordable housing program for moderate income people. (02:36:03)

Sandra Acklam spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She expressed concerns with rent spiking noting that it causes fear and uncertainty for her. She stated that she applied and was accepted for the special rent subsidy of \$57 per month but would have to pay it back if she were to leave or sell her home. She urged Council to help and vote in support of this item. (02:39:07)

Chuck Grant spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He hoped that Council would address this matter with an elegant solution to help individuals in need, beyond the programs that already exist. He spoke in support of private property rights and in opposition to rent control. (02:42:13)

Bryan Schauer spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He reported that management is consistently and systematically harassing tenants and listed ways in which they are doing so. He commented on the lack of sufficient handicap parking stalls and noted various code violations. (02:45:10)

Sharon Petersen spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on her choice to live in the City and stressed that mobile home residents need the City's protection. She reported that many parks have sold to investor groups and that rents have been increased, dramatically and that people have been

forced out. She noted that many home owners are elderly, sick and vulnerable and that many are on fixed incomes which make them an easy target. They are told to either pay or be evicted and Ms. Petersen asserted that equates to bullying. She commented on the City's adoption of an anti-bullying policy and proposed that one is needed for the City's mobile home residents. She noted that in a mobile home park, there are two (2) property owners, one (1) owning the land and the other the home. She stated that property owners can have ethics, be fair and do what is right and still make a profit and urged Council to support this matter. (02:48:27)

Myron Huffman spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He noted the importance of this issue for many residents and complained of excessive space rent increases which cause many mobile home owners to lose their homes. He added that by increasing space rents, park owners increase their value but home owners lose their equity and often their homes. Many home owners have been forced out of their homes while park owners take the properties and subsequently rent them as their own. He added that they are stealing and financially abusing elders, veterans and the disabled. He addressed efforts by MHET to mislead the public regarding this matter and stressed that what mobile home owners are asking for is to have fair space-rent regulations for all mobile/manufactured homes in Huntington Beach. (02:51:32)

Stephanie Green spoke regarding Agenda Items No. 16 and 20 relative to fireworks and youth sports grants. She expressed concerns that by prohibiting fireworks, residents do not get to celebrate how they want to celebrate and commented about safety in the downtown area during the Fourth of July. Regarding the youth sports grant criteria, she asked that the process, going forward, include those that are interested in making sure the way it is established is most beneficial to the City's youth. (02:54:43)

Phillip Anshutz spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on his experience in the City and affirmed that things have changed and prices have gone up. He suggested that many who are complaining about increased rents have been paying old rates and the rents increased dramatically when the park(s) changed hands. He encouraged Council to study this and figure it out. (02:57:10)

James Kretschmar spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on rent control causing stagnation, suppressing economic growth and depressing neighborhoods. He believed that market prices will go down as will property tax revenues. (03:00:20)

Sharon Dana, Huntington Shorecliffs Mobile Home Park and Member of the Mobile Home Advisory Board, submitted a written communication to Council and spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on her experience in the City and specifically, Huntington Shorecliffs. She noted that her rent has more than tripled since she moved there. She addressed mobile home owner and park owner responsibilities and distinguished mobile homes from apartments in that the home owners cannot simply pick up and move. She expressed concern that seniors are being priced out and forced to abandon their homes as rents are being increased excessively and are unregulated. She noted that park owners can increase rents every ninety (90) days, ad infinidum. Home owners lose their investments when they must leave their homes. Additionally, homes cannot be sold unless the new owner agrees to a lease. She added that more than 100 homes in Shorecliff are now rentals. She addressed a letter sent out to the community by former Councilmember Don Hansen who did not identify his association to MHET and should be required

to do so. (03:00:52)

In response to a question from Councilmember Hardy, Ms. Dana reported that several home owners have had leases denied. One home owner had several offers of purchase but each lease was denied and subsequently sold the home to park owners for \$3,000. A home cannot be sold if the park does not approve a lease for the buyer.

Randy Wells, Pacific Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on the number of realtors who spoke and noted they are not mobile home realtors as mobile home realtors will note that they cannot sell the homes. He reported that recently, a widow on his street had her home for sale for \$110,000. The sale dropped to \$30,000 but was not approved. He noted that is a typical scenario and that the widow has moved out. Additionally, he commented on a mailer that was sent out and the money that was spent in doing so, adding that there is "big money" out there. What is lacking, however, is heart. He noted that the rush in this matter pertains to seniors being forced out of their homes. The next rent increase notice is due out in September and many more homes will be lost. Leases have been promised without the promise being kept. Most recently, park owners stated that all leases are off the table until this City Council meeting. He reported there is a concerted effort to take advantage of people adding that this is not about rent control but rather mobile home owners' property rights and a limited exemption for people that can be means-tested. He urged Council to look at a means-tested formula and approve the limited exemption. (03:04:48)

Betsy Crimi, Rancho Huntington Senior Park, spoke in support of Agenda Item 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She reported that those on moderate incomes are going down the slippery slope to low income yet will not be eligible for Section 8. She reported that space rents in her park will be raised by \$150 per month in November and that although she is 74 years old, she will need to go back to work, part-time, to be able to pay for that raise in rent. She noted she has the opportunity to sign a twenty-five (25) year lease and that her attorney told her it is the worse lease there is. She stated that MHET declares that many have failed to acknowledge the various rental programs; however, they have examined several of the programs and have found them to be misleading and Ms. Crimi explained how they are so. She urged Council to do the right thing and make the hard decisions. (03:08:38)

Pat Taylor, Rancho Huntington Senior Park and Member of the Mobile Home Advisory Board, spoke in favor of Agenda Item number 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She commented on the senior overlay and noted the emergence of another pattern in terms of unjustified, egregious rental fees. She reported that all mobile/manufactured home owners are affected by same and suggested the ordinance cover all mobile/manufactured home owners. She distinguished between them and renters noting that they own their homes but pay park owners for using the land. She stressed that the ballot proposal has no bearing on people who own any other kind of property and does not include apartments or homes, whether owned or rented. She urged Council to support this issue to protect all of the mobile/manufactured home owners in the City. (03:12:25)

Tim Geddes, Chair-elect of the Mobile Home Advisory Board but speaking on behalf of himself, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He asked that Council decide tonight, to place the resulting outcome of deliberations on the agenda of the Mobile Home Advisory Board at its next meeting and instruct City staff to immediately comply with its direction. The next Board meeting is scheduled for July 28, 2014, and stated that if City Council schedules that date for a special

meeting, the Advisory Board meeting will be rescheduled and Council liaisons will be invited to attend. He added that any change to the City Charter should have as many opportunities to be discussed by both sides, and citizen input as well. He asked that Council direct the Board to meet monthly, until all aspects of this issue are resolved. If Council requires any reports from the Board, he asked that staff be directed to facilitate Council's wishes. He noted that time is of the essence and urged Council to start making decisions, tonight. (03:15:22)

Greg O'Hagan, representing Villa Huntington Mobile Home Park Owners, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on the negative impacts of rent control and encouraged Council to look further into this matter. He added that the perception that all mobile home owners have low incomes and need financial assistance is not true. He acknowledged there are some that need financial assistance and noted there are rental-assistance programs in place to help in those instances. He stressed that assistance should be based on proof-of-need rather than be universal. He commented on the number of people that have applied for financial assistance and noted that park owners actively market the program annually and are proud to help those that truly need it. He listed consequences of having rent control and reported that over the last ten (10) years, Villa Huntington has increased rent by an average of 3.5%. (03:17:55)

In response to an inquiry by Councilmember Katapodis, Mr. O'Hagan reported that the owners of Villa Huntington own another park in the City of San Marcos.

Mike Cirillo, Star Management, spoke in opposition to Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. He commented on the unintended consequences of rent control and noted that the trend is for cities to get out of rent control. He addressed the burden of administering such ordinances and noted that it does not make sense for the general taxpayer to bear the burden of the special-interest, mobile home owner community. He added that litigation exposure for the City is huge and commented on rent control as a "taking".

Nancy Agostini, Cabrillo Mobile Home Park, spoke in support of Agenda Item No. 19 - Proposed Charter Amendment related to Mobile/Manufactured Homes. She thanked Councilmembers Sullivan and Katapodis for placing this matter on the agenda and expressed concerns that mobile home owners have no protection from the deceptive practices of some mobile home park owners. She presented an example of a forced eviction of someone who was working in good faith to comply with park management requests. She noted that if rents increase on an apartment or house, tenants can simply pack up and move but that mobile home owners cannot do so as they would lose the investments they have made in their homes. She added that property owners should not have the right to spike rents overnight and force people from their homes. She urged Council to amend the proposal to protect all mobile home owners. Ms. Agostini provided testimony on her experience trying to sell her home noting that management never approved the prospective buyer's application although she had financial means and excellent credit. Park owners tried to "wait her out" to see if she would walk away from her home. (03:24:35)

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING

Councilmember Carchio reported attending the Executive Board meeting for the ACCOC.

Councilmember Sullivan reported attending the Health and Nutrition Committee meeting of the Senior Citizens Advisory Council. He asked that Item No. 19 be moved up on the agenda and

Mayor Harper so ordered.

CITY MANAGER'S REPORT

City Manager Fred Wilson reported that with the upcoming U.S. Open of Surfing, the Police Department has been working actively to prepare for the event. He deferred to Police Chief Handy for a report.

Chief Handy commented on the planning of this year's event and reported that a mid-week meeting will be held on Wednesday, July 30, 2014, at 6:30 PM at the Downtown Library to talk about the effects of the event and possible necessary adjustments.

A motion to move Councilmember Item No. 19 forward was approved by a consensus of Council. The minutes will reflect actions taken in their original agenda order.

CONSENT CALENDAR

1. Received and filed the City of Huntington Beach Strategic Plan Update

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to receive and file the Twelve-Month Strategic Objectives.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

2. Adopted Resolution No. 2014-37 authorizing certain City Employees and Hinderliter, De Llamas & Associates access to Sales and Use Tax Records

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Resolution 2014-37, "A Resolution of the City Council of the City of Huntington Beach Amending Resolution No. 2007-32 and Authorizing Certain City Employees and Hinderliter, de Llamas & Associates Access to Sales, Use or Transactions and Use Tax Records Pursuant to Section 7056 of the Revenue and Taxation Code", ***as amended by supplemental communication (Exhibit "A")***.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

3. Adopted Resolution No. 2014-38 approving the certification of Special Assessments for delinquent Civil Fines for Municipal Code Violations

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Resolution No. 2014-38, "A Resolution of the City Council of the City of Huntington Beach Certifying Special Assessments for Collecting Delinquent Civil Fines for Municipal Code Violations", ***as amended by supplemental communication (Exhibit "A")***.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

4. Adopted Resolution No. 2014-39 accepting State Grant funds; authorized execution of a one-year California Department of Alcoholic Beverage Control (ABC) Grant Agreement in the amount of \$50,000; and approved appropriation and expenditure of funds on enforcing state laws regulating the sales of alcohol.

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to approve and authorize Chief of Police to execute the State of California, Department of Alcoholic Beverage Control Grant Assistance Program Standard Agreement; adopt Resolution No. 2014-39, "A Resolution of the City Council of the City of Huntington Beach Authorizing Application for and Acceptance of Grant Funds From the State of California Department of Alcoholic Beverage Control and Authorizing Execution of the Grant Agreement;" and, approve the appropriation and expenditure of \$50,000, of which is to be fully reimbursed by the grant from the Department of Beverage Control.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

5. Adopted Resolution No. 2014-40 confirming reports of cost for weed abatement on private property within the City – 2014 season

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Resolution No.2014-40, "A Resolution of the City Council of the City of Huntington Beach Confirming the Report of the Cost for Weed Abatement on Private Property Within the City for the 2014 Season;" and, direct that all charges listed thereon be certified to the Orange County 2014/15 Property Tax Roll.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

6. Adopted Resolution No. 2014-41 ordering the summary vacation of a portion of an existing Walkway Easement at the former Lamb School Site

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Resolution No. 2014-41, "A Resolution of the City Council of the City of Huntington Beach Ordering the Summary Vacation of an Excess Portion of a Public Service Easement for Pedestrian Walkway Purposes Generally Located Between Mauna Lane and the Former Lamb School in the City of Huntington Beach;" and, authorize Director of Public Works to instruct the City Clerk to record the said Resolution and attached exhibits with the Orange County Recorder.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

7. Adopted Resolution No. 2014-42 expressing support for the City of Newport Beach's Petition for U.S. Supreme Court Review of the Ninth Circuit's Decision in Pacific Shores, LLC et al., v. City of Newport Beach

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Resolution No. 2014-42, "A Resolution of the City Council of the City of Huntington Beach Expressing Support for the City of Newport Beach's Petition for U.S. Supreme Court Review of the Ninth Circuit's Decision in Pacific Shores, LLC et al., v. City of Newport Beach."

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

8. Adopted Resolution of Intention No. 2014-43 to establish a Huntington Beach Tourism Business Improvement District (HBTBID) fixing a Public Meeting for August 18 and a Public Hearing for September 15, 2014 and giving notice thereof

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Resolution No. 2014-43, "A Resolution of the City Council of the City of Huntington Beach Declaring Its Intention to Establish the Huntington Beach Tourism Business Improvement District (HBTBID) and Fixing the Time and Place of a Public Meeting and a Public Hearing Thereon and Giving Notice Thereof;" and, direct the City Clerk to provide Notice to all Huntington Beach Hotels and Motels.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

9. Approved and authorized execution of an Amendment to an existing agreement between the City and All City Management Services Inc. for Crossing Guard Services

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to approve and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Agreement Between the City of Huntington Beach and All City Management Services, Inc. for Crossing Guard Services" extending the term of the contract four years.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

10. Approved and authorized execution of four Caltrans Landscape Maintenance Agreements and four License Agreements for the Beach & Ocean, Élan, Hoag and Oceana Development Projects on Beach Boulevard

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to approve and authorize the Mayor and City Clerk to execute Landscape Maintenance Agreements between the

State of California and the City of Huntington Beach for maintenance of landscaping improvements within the State right-of-way along the Beach Boulevard project frontage for four (4) new development projects (Beach & Ocean, Élan, Hoag and Oceana) on Beach Boulevard; and, approve and authorize the Mayor and City Clerk to execute and record License Agreements between the City of Huntington Beach and the owner(s)/developer(s) for the installation and continuing maintenance of landscaping improvements for four(4) new development projects (Beach & Ocean, Élan, Hoag and Oceana) within the public right-of-way on Beach Boulevard.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

11. Approved and authorized execution of the Landlord's Acknowledgement and Subordination of the Lease with National Equestrian Centers, Inc. (NEC) for the Huntington Central Park Equestrian Center

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to approve the "Landlord's Acknowledgment and Subordination" for the Equestrian Centers, Inc.; and, authorize the City Manager to sign all related documents.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

**12. Adopted Ordinance No. 4029 amending District Map 24 of the Huntington Beach Zoning and Subdivision Ordinance to rezone property located on the west side of Airport Circle approximately 300 feet north of Warner Avenue (Airport Circle Residential)
Approved for introduction July 7, 2014 - Vote: 7-0**

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Carchio to adopt Ordinance No. 4029, "An Ordinance of the City of Huntington Beach Amending District Map 24 (Sectional Map 21-5-11) of the Huntington Beach Zoning and Subdivision Ordinance to Rezone the Real Property Generally Located on the West Side of Airport Circle Approximately 300 Feet North of Warner Avenue from Residential Medium Density (RM) to Residential Medium High Density (RMH) (Zoning Map Amendment No. 2014-001)."

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

PUBLIC HEARING

13. Adopted Resolution No. 2014-44 approving Environmental Impact Report No. 13-003/ Conditional Use Permit No. 12-026/ Coastal Development Permit No. 12-001/ Noise Deviation Permit No. 13-009 (Appeal of Planning Commission's Approval - Surf City Nights)

Councilmember Carchio stated he appealed this matter because it should be discussed by Council.

Planner Ethan Edwards presented details of the proposed project addressing location, background, the appeal, EIR analysis, Land Use analysis, parking analysis, noise deviation analysis, appeal analysis and staff recommendations.

Councilmember Sullivan noted that the Planning Commission voted unanimously to have a one-year trial and wondered why staff is recommending no trial period.

Planner Edwards explained that staff looked at noise impacts on Fifth Street and there is no amplified music or live entertainment proposed for Fifth Street.

In response to Councilmember Carchio's question, Planner Edwards reported that the event will require approximately fifty (50) parking spaces. He added that no parking spaces will be used on the Fifth Street block.

Deputy Economic Development Director Fritzel stated that several mailings have been sent to residents on Fifth Street and that they have been notified. She explained access from the hotel and noted that the hotel, businesses and residents are in support of the item. She added there will be no food sold at the event.

In response to Councilmember Boardman's question, Planner Edwards reported that if amplified music or live entertainment is desired, the conditional use permit would need to be amended.

Mayor Harper opened the public hearing.

City Clerk Flynn listed the names of individuals who submitted written communications in support of this item.

Lyn Semeta, Planning Commissioner, reported that the Commission heard from nearby residents and businesses who expressed concerns about possible adverse impacts the event may have on Fifth Street. However, it was noted that businesses on Fifth Street were in support of the matter. She reported that the Commission decided the best course of action would be a balanced approach to grant the request for one (1) year and reevaluate it for subsequent years. (04:39:35)

Dianne Thompson, speaking on behalf of Jerry Wheeler, President of the Huntington Beach Chamber of Commerce, urged Council to approve this item as it will allow the Downtown BID to move forward with the expansion to include Fifth Street. She noted that almost every business on Fifth Street is in favor of the item. (04:41:19)

Mary Sensice, Market Manager for Surf City Nights, commented on the history of the event and noted that it creates a positive image for the downtown area. She addressed benefits of the event and performers and commented positively on the item. (04:42:16)

Lori Eckman, Property Manager for the Strand, commented in support of this item. She added that the Strand needs more of this type of exposure to bring more people and the community to Fifth Street and that it will stay with arts and crafts, a community booth and a family-friendly environment. She reported this is an economic development tool that the Strand can use. (04:44:12)

Guy Guzzardo stated he doesn't have a problem with the existing event or expanding it onto Fifth Street. However, he expressed concerns if it were to expand to the second or third block of Fifth Street as it would impact nearby residents. Additionally, he expressed concerns with the Noise Deviation Permit adding that existing noise levels are already in excess of City standards and the permit allows for up to a 9 dB increase of ambient noise. He added that approving this action grants the permit to override the City's Municipal Code and asked that Council deny that portion of the item. (04:44:48)

Susan Worthy commented in opposition to the expansion of the event onto Fifth Street as it is a further encroachment into residential areas and will impact traffic flows. She added that she is concerned with the noise deviation permit and suggested separating it from consideration. She opined that the latter goes against the City's Municipal Code and residents' rights to complain about noise. (04:45:20)

Mayor Harper closed the public hearing.

Mayor Pro Tem Shaw commented on the success of the event and stated it makes sense to expand it to Fifth Street. He addressed noise impacts and noted he is excited about making the event even better.

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Katapodis to certify Environmental Impact Report No. 13-003 as adequate and complete in accordance with CEQA requirements by adopting Resolution No. 2014-44 , "A Resolution of the City Council of the City of Huntington Beach Certifying the Final Environmental Impact Report (SCH#2013051088) for the Surf City Nights Project;" approve Conditional Use Permit No. 12-026, Coastal Development Permit No. 12-001 and Noise Deviation Permit No. 13-009 with suggested findings and conditions of approval (5-year plan); and, approve CEQA Findings of Fact with a Statement of Overriding Considerations – EIR No. 13-003.

Councilmember Boardman stated that the Planning Commission was wise in wanting to see what would happen after one (1) year. She noted there could be unknown consequences of expanding the event to Fifth Street and expressed support for the matter, as long as there is a one (1) year trial.

Councilmember Sullivan agreed with Councilmember Boardman's comments.

Councilmember Hardy noted that one of the features of the Strand is that streets were able to close for special events. She spoke in support of expanding the event and agreed with a one (1) year trial.

Councilmember Carchio stated he agrees with the Planning Commission in terms of having a one (1) year trial. He commented on the number of vendors and asserted that retailers are not getting any money as people visit the vendors and not the businesses. He wondered if vendors have sales permits and whether the City is getting its share of money.

In responses to Mayor Harper's inquiry, Lori Eckman, Property Manager for the Strand, stated this would be a key opportunity to encourage visitors onto Fifth Street. She added that she would be open to a one (1) year trial period.

Councilmember Boardman asked if the maker and second of the motion would agree to amend the motion to a one (1) year trial.

Mayor Pro Tem Shaw and Councilmember Katapodis agreed.

Director of Planning and Building Scott Hess explained the distinctions between the Planning Commission's and staff's recommendations.

Discussion followed regarding the BID renewal process and Council actions necessary and options to facilitate changes in the future.

An amended motion was made by Mayor Pro Tem Shaw, second by Councilmember Katapodis to certify Environmental Impact Report No. 13-003 as adequate and complete in accordance with CEQA requirements by adopting Resolution No. 2014-44 , "A Resolution of the City Council of the City of Huntington Beach Certifying the Final Environmental Impact Report (SCH#2013051088) for the Surf City Nights Project;" and approve Conditional Use Permit No. 12-026, Coastal Development Permit No. 12-001 and Noise Deviation Permit No. 13-009 with suggested findings and conditions of approval, **as amended to in one year, report back to Council on any issues related to the addition of Fifth Street on Tuesday nights**; and, approve CEQA Findings of Fact with a Statement of Overriding Considerations – EIR No. 13-003.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

A motion was made by Councilmember Hardy, second by Councilmember Boardman to approve holding Public Hearing Items No. 14 and 15 after the hour of 11:00 PM, pursuant to City Council Resolution No. 6547.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

14. Approved the 2014-2015 Housing and Urban Development (HUD) Action Plan for the Community Development Block Grant (CDBG)/HOME Investment Partnership Program (HOME); and authorized the City Manager to sign the Application for Federal Assistance Funds

City Manager Wilson introduced the item noting that the matter was previously considered in a study session and that recommendations have not changed.

Economic Development Project Manager Simone Slifman provided details of the report and addressed expected allocations for the coming year. She added this is a yearly process but also part of a five (5) year plan and addressed the CDBG Allocation Process, CDBG Category Allocations, Public Services Allocations, Home Allocations and recommendations.

In response to Councilmember Sullivan's inquiry, Mr. Hess reported that the \$225,000 for Code Enforcement under Housing is used for two (2) full-time Code Enforcement Officers who are assigned solely to CDBG areas within the City.

Police Chief Handy addressed public ADA improvements for the Police Department including the

front area of the Police Station to secure the desk and become ADA compliant.

Mayor Harper opened the public hearing.

There were no requests to speak and Mayor Harper closed the public hearing.

A motion was made by Councilmember Carchio, second by Councilmember Katapodis to approve the 2014-2015 Housing and Urban Development (HUD) Action Plan for the Community Development Block Grant (CDBG)/HOME Investment Partnership (HOME); and, authorize the City Manager to sign the federal assistance application and all other necessary documents.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

15. CONTINUED TO AUGUST 18, 2014 - Request to approve and adopt a Resolution that makes findings, authorizes financing, appropriates funding and awards a contract to Seimens Industry, Inc. to upgrade City-owned streetlight and parking lot LED lighting; and, authorized the City Manager to execute related lease/purchase and escrow agreements.

A motion was made by Councilmember Carchio, second by Councilmember Boardman to continue this item to the August 18, 2014, City Council meeting.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

ADMINISTRATIVE ITEMS

16. Approved Proposed Ballot Measure for Charter Amendment Relative to Fireworks - Adopted Resolution Nos. 2014-45, 2014-46, 2014-47 and 2014-48

In response to an inquiry from Councilmember Hardy, City Attorney McGrath reported that if the resolutions are adopted, City Council will determine the level of regulation for this item, next year, if the measure is successful.

Councilmember Boardman wondered if there is anything that precludes Council from making it clear to the public that fireworks will not be approved everywhere and that if this passes, there would be the same kinds of restrictions there were during the trial period.

City Attorney McGrath recommended leaving Charter language as policy and provide specific direction in the ordinance as things change over time but the Charter does not change frequently.

A motion was made by Councilmember Carchio, second by Mayor Harper to adopt Resolution No. 2014-45, "A Resolution of The City Council of The City of Huntington Beach Calling for the Holding of a General Municipal Election to be held on November 4, 2014, for the Election of Certain Officers and Submission of a Proposed Charter Amendment" (related to fireworks) **as amended to include correct Exhibit A**; adopt Resolution No. 2014-46, "A Resolution of The City

Council of The City of Huntington Beach Requesting The Board of Supervisors of The County of Orange to Consolidate A General Municipal Election to be Held on Tuesday, November 4, 2014, With The Statewide General Election to be Held on the Date Pursuant To Section 10403 of The Elections Code"; and, adopt Resolution No. 2014-47, "A Resolution of The City Council of The City of Huntington Beach Ordering Submission to The Qualified Electors of The City A City Measure" (To Amend The Charter of The City of Huntington Beach Related To Fireworks); **as amended to include correct Exhibit A.**

The motion carried with the following vote:

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

Mayor Harper and Councilmember Carchio offered to write arguments in favor, and Councilmembers Boardman and Hardy offered to write arguments against proposed measure.

In response to Councilmember Boardman's inquiry, City Clerk Flynn reported that there is a limit of five (5) people that are able to sign the arguments on each side of the measure. She addressed the hierarchy related to writing arguments against and for the measure. She noted that the writers of the arguments may allow someone else to write the rebuttals if they so choose.

A motion was made by Councilmember Carchio, second by Councilmember Sullivan to adopt Resolution No. 2014-48, "A Resolution of The City Council of The City of Huntington Beach Setting Priorities For Filing Written Arguments Regarding A City Measure And Directing The City Attorney To Prepare An Impartial Analysis of Said Measure" (To Amend The Charter of The City of Huntington Beach Related To Fireworks), **amended to approve Mayor Harper and Councilmember Carchio to write arguments in favor of the measure and Councilmembers Hardy and Boardman to write arguments against the measure.**

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

17. Updated and discussed construction of the Senior Center in Huntington Central Park

City Attorney McGrath reported this was agendized to note the win for the City of Huntington Beach in the Senior Center litigation. She added that the City has successfully defended the first lawsuit that was filed. Additionally, CEQA, Charter, park fee and General Plan arguments have been completed and a final decision is due in forty (40) days (from July 15, 2014). The judge will then decide what to do with the second case on August 19, 2014. She hoped that by September there will be resolution of both cases.

The report was received and ordered filed.

ORDINANCES FOR INTRODUCTION

18. Approved for introduction Ordinance No. 4030 providing consent to the assignment of the Oxy Franchise Agreement to SoCal Holdings, Inc. for the installation, operation, and maintenance of a pipeline system for the transportation of oil, gas,

and other hydrocarbon substances

A motion was made by Councilmember Hardy, second by Councilmember Sullivan to after the City Clerk reads by title, approve for introduction Ordinance No. 4030, "An Ordinance of the City of Huntington Beach Providing Consent to the Assignment of the Oxy USA, Inc. Franchise to Construct, Operate and Maintain a Pipeline System for the Transportation of Oil to SoCal Holding, LLC."

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

COUNCILMEMBER ITEMS

19. Submitted by Councilmember Sullivan and Councilmember Katapodis - Direct the City Attorney to prepare a Resolution, Ballot Title, Statement, and Impartial Analysis for Charter Amendment Language related to mobile/manufactured homes

Councilmember Sullivan introduced the item by commenting on the number of times City Council has heard stories of abusive practices by mobile home park owners. He noted that personally, he opposes rent control in apartments but the difference is that people can move if they cannot afford to pay their rents. It is very difficult for mobile home owners to move. He stated that on the basis of his own research, he believes the testimony that was presented tonight. He commented on his belief in property rights but noted that mobile home park owners are not entitled to gouge people for rent. He presented his proposal as follows: "to direct the City Attorney to prepare a resolution, ballot title, statement, and impartial analysis for City Council's consideration at a Special City Council meeting no later than 7/28/14 to establish an additional Charter Amendment (#7) to City Charter Section 803 that grants a limited exemption for mobile/manufactured part real estate. The limited exemption establishes guidelines for mobile/manufactured home owners whose monthly rent payment exceeds 33% of their gross monthly income from all sources. People qualifying would be required to pay no more than a 6% increase or the CPI urban index, whichever is higher. This resolution includes, but is not limited to seniors, veterans and the disabled." He added that this is extremely fair to park owners who are responsible and protects seniors.

A motion was made by Councilmember Sullivan, second by Councilmember Katapodis to direct the City Attorney to prepare a resolution, ballot title, statement and impartial analysis to City Council's consideration at a Special City Council meeting no later than 7/28/14 to establish an additional Charter Amendment (#7) to City Charter Section 803 that grants a limited exemption for mobile/manufactured park real estate. The limited exemption establishes guidelines for mobile/manufactured home owners whose monthly rent payment exceeds 33% of their gross monthly income from all sources. Annually, people qualifying cannot be charged more than a 6% increase, or the CPI for the Los Angeles - Orange County - Riverside Urban index, whichever is higher. This exemption includes, but is not limited to, seniors, veterans, and the disabled.

In response to an inquiry from Councilmember Hardy, Deputy Economic Development Director Kellee Fritzal reported that rents for apartments in the Affordable Income Program are based on HUD which goes to California Housing and Community Development (HCD) which determines the Orange County/Los Angeles County median income. She added there are different ways to calculate rent and that it is typically based on the number of bedrooms.

In terms of the Huntington Harbor Mobile Home Park where there is ownership of the land and the home, Councilmember Hardy asked if they are allowed to sub-lease their property. Deputy Economic Development Director Fritzal stated that it would be based on their CR&Rs and that staff does not have a copy of them.

City Attorney McGrath was unsure but stated that since they own both the land and their homes, it would be likely that they would be allowed to rent it. She added that this ordinance could potentially impact that rent, depending on how it is written.

Councilmember Hardy noted that she understands that home owners as well as park owners have personal property rights. She indicated a dilemma exists in that in this case there are two (2) property owners involved and it is not easy for home owners to pick up and move their homes. She addressed comments by the public encouraging Council to take its time but noted that the Mobile Home Advisory Board was established in 1993 and noted that when this issue of rents came up, many considered the possibility of disbanding the Board. She agreed with going back to monthly meetings of the Board rather than quarterly. She acknowledged Rancho del Rey, Villa Huntington and Sea Breeze park owners noting that they seem to be fair in dealing with home owners. She added that not all the parks are like that and that the ordinance, as stated seems fair to all park owners. Buying a piece of land and asking home owners to make up for the purchaser's capital outlay does not seem fair. She commented on the qualifications for assistance and on the median income of seniors needing help. She commented positively on the proposal applying to all mobile home owners and stated she worries about the speed that this is taking and about having a well-written and vetted measure that will pass legal, political, fundraising and message challenges. However, the people who need the help cannot wait two (2) more years for the next election and she noted she will support the motion. She added that she is not available for a special meeting on July 28, 2014, after 4:00 PM.

Mayor Harper commented on implementation of the program and asked whether that would be paid for by General Fund or another source.

Councilmember Sullivan noted that is still to be determined but is not a difficult process and suggested that it could be outsourced. He added that the cost of administration would be minimal compared with the pain and suffering going on in the City.

Councilmember Boardman stated she is glad that the recommended action includes means-testing. She acknowledged that this could result in an increase in workload for City staff but stated that she supports it so that seniors, veterans and the disabled can stay in their homes. She indicated that when rents are increased in apartments, tenants can move but when it happens to mobile home owners, they are forced out and lose their homes. She expressed concerns that rents are raised in a predatory way, forcing home owners to leave their homes and the company that raised the rent takes over the homes, and makes money off of that. She added that there are also restrictions on moving mobile homes, depending on its age. She noted that she has many of the same concerns raised by Councilmember Hardy and that she will support the motion.

Councilmember Katapodis thanked Rancho del Rey, Villa Huntington and Sea Breeze park owners for offering their testimony and commended them for doing the right thing. He noted that he is opposed to rent control and addressed distinctions as it relates to mobile homes. He commented on his responsibility to take care of seniors, veterans and the disabled and voiced his support of the motion.

In response to an inquiry from City Attorney McGrath regarding the calculations, Councilmember

Sullivan stated income needs to be three (3) times the space rent and that mortgage would not be part of the calculation.

In response to Mayor Harper's inquiry, Councilmember Sullivan stated that the 6% or CPI would be the maximum raise in a given year.

Mayor Pro Tem Shaw agreed that there are many questions that have not been answered and that issues like this should not be decided "on the quick". He stated that Council's vote does not result in rent stabilization but does allow voters to decide. He commented on the decision made by voters in 2002 but noted that since then, laws and conditions regarding mobile home parks have changed. He addressed comments made by Councilmember Carchio and Mayor Harper regarding fireworks and wondered why placing this matter on the ballot is different than placing fireworks on the ballot and what makes seniors less important than fireworks. To be consistent, residents who have asked that this matter be placed on the ballot have as good an argument as those who wanted the issue of fireworks placed on the ballot. He asked Council colleagues to be consistent and allow a vote.

Mayor Harper stated that the government has no business deciding the price for rent for land than it does the price of a potato, tomato, a rifle, a printing press, a Bible or even a plastic bag. He added that the consumer should decide, and not the government. Whether it goes by the name of rent control, stabilization or any other name, the voters of the City have already decided this issue in 2002. He commented on the issue of fireworks and added that when it comes to rent control in Huntington Beach, the voters have made a decision and were absolutely clear, by an overwhelming margin and nothing has changed to indicate that they would decide any other way. He stated that first there was the overlay and now rent control and asked what is next. He indicated that this will depress property values in the City. He reported that when the matter of rent control was placed on the ballot, it was done by petition, not four (4) or five (5) Councilmembers. He commented against the decision of the voters being undone by a majority of Councilmembers and stated he will vote no on the motion.

Councilmember Carchio asked if mobile home park owners are working on a lease and if so, why is it twenty-five (25) pages long.

It was noted that the item relates to Pacific Mobile Home Park and if residents want one the park owners are willing to meet with them to discuss the matter.

A speaker reported that a lease arrangement has been worked on by Rancho Huntington for quite some time. Those negotiations fell apart in terms of the home owners group but that a little over 60% of home owners in the park are on long-term leases. He addressed the length of the lease as complying with the mobile home residency law.

Councilmember Carchio commented on inequities relative to the way mobile home parks are operated. He believed that if the parties can negotiate, they could come up with a better solution than City Council. He added that if this is placed on the ballot and is defeated, mobile home owners will be in a worse position than they were before. He noted that rent control does not work and that it deteriorates towns and will deteriorate mobile home parks, in time. He added that this is not fair to park owners and stated that he will not support the motion.

In response to an inquiry from Councilmember Sullivan, Deputy Economic Development Director Fritzel reported there are approximately 2,500 mobile home residents in the City of Huntington Beach. Councilmember Sullivan stressed that this is not about rent control for the whole City, but

only for people living in mobile home parks. No one that is well-to-do will benefit, as there are conditions for qualifying. In response to his question, Mr. Wells reported that mobile home owners have tried to discuss the issue in a meeting prior to the first increase taking place (October 2013) and that meeting kept getting deferred until after the increase hit. A meeting was held after the 32% increase where discussions pertained to getting a lease. Subsequent meetings kept being deferred and when a meeting was finally held, three (3) weeks ago, Mr. Cirillo indicated they were not yet done drafting a lease. Home owners have made every effort to reach a solution and have been circumvented in that effort.

Councilmember Sullivan commented on the need to agree to a special meeting next week, in order for this matter to move forward.

Mayor Harper suggested scheduling the meeting on Friday, July 25, 2014.

Councilmember Carchio stated he would not be able to attend.

Councilmember Boardman reported she could meet earlier in the day on Monday, July 28, 2014, and suggested 2:30 PM.

City Attorney McGrath noted that she needs time to prepare the appropriate documents.

Mayor Harper suggested two separate motions.

Councilmember Hardy asked for clarification that park owners have the option of raising space rents up to 6% or CPI, whichever is greater and that they don't have to raise the rents.

Councilmember Sullivan responded affirmatively.

City Attorney McGrath suggested that persons qualifying cannot be charged more than 6% increase or CPI, whichever is higher.

An amended motion was made by Councilmember Sullivan, second by Councilmember Katapodis to direct the City Attorney to prepare a resolution, ballot title, statement and impartial analysis to City Council's consideration at a Special City Council meeting no later than 7/28/14 to establish an additional Charter Amendment (#7) to City Charter Section 803 that grants a limited exemption for mobile/manufactured park real estate. The limited exemption establishes guidelines for mobile/manufactured home owners whose monthly rent payment exceeds 33% of their gross monthly income from all sources. Annually, people qualifying cannot be charged more than a 6% increase, or the CPI for the Los Angeles - Orange County - Riverside Urban index, whichever is higher. This exemption includes, but is not limited to, seniors, veterans, and the disabled.

The motion carried with the following vote:

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

Discussion followed regarding the preferred date and time to hold a special meeting.

A motion was made by Councilmember Sullivan, second by Councilmember Katapodis to direct staff to schedule a special meeting on Monday, June 28, 2014, at 2:30 PM.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

A motion was made by Councilmember Hardy, second by Councilmember Boardman, to direct that the Mobile Home Advisory Board (MHAB) meet on a monthly basis through November 2014.

City Attorney McGrath noted that the matter needs to be agendized and cannot be acted upon at this time. She added that it is not appropriate for the MHAB to review this matter and provide comments as it is inappropriate for using government resources for political purposes.

Councilmember Hardy withdrew the motion.

20. Approved a Request Submitted by Councilmember Shaw - Direct staff to work with the Community Services Commission to establish new criteria for funding Youth Sports Grants

Mayor Pro Tem Shaw presented a brief history of the grants and presented recommendations. He asked that the Community Services Commission include in the discussions, the speakers who expressed interest in participating. He noted the need for funding the City's youth sports programs.

Councilmember Carchio commented on the City's responsibility of allocating field space on public school sites as well as City parks, but noted that City no longer has that ability.

It was noted that schools allocate their own fields at this time.

Councilmember Sullivan commented on the history of the grants and their amounts and noted that although the money will help, it in no way comes close to the money raised through the sale of safe and sane fireworks.

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Boardman to direct staff to work through the Community Services Commission to establish new criteria for funding the grants in order to efficiently address the needs of our youth sports organizations, as well as an appropriate funding amount based upon the annual Park Fund balance. These criteria will be utilized for funding projects starting with the 2015/2016 fiscal year.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio
NOES: None

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Hardy commented on the recent loss of a member of the Marina High School community, John Turner, and asked the Mayor to adjourn this meeting in his memory.

Councilmember Carchio congratulated the Chamber of Commerce on a great golf tournament.

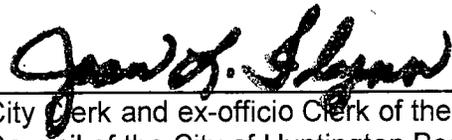
Mayor Harper reported attending Eagle Scouts Courts of Honor for Daniel Joseph Mertan, Luke

William Culhane and Jarrett Michael Anton and congratulated them for their achievements. Additionally, he announced the upcoming U.S. Open of Surfing and urged residents to be a part of it.

ADJOURNMENT

There being no other business to come before City Council, Mayor Harper adjourned the meeting at 11:32 PM in memory of Marina High School teacher, John Turner.

The next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Monday, August 04, 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 and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary



Mayor-Chair