

MINUTES OF THE REGULAR MEETING  
OF THE LA PALMA CITY COUNCIL

August 1, 2017

CALL TO ORDER: Mayor Steggell called the Regular Meeting of the La Palma City Council at 6:15 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

CLOSED SESSION

CS-1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: SMG Property Management

Mayor Steggell recessed to Closed Session at 6:16 p.m.

Mayor Steggell reconvened the City Council in Open Session at 7:05 p.m. and asked for a report.

City Manager Murray announced that there were no reportable actions out of Closed Session.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Hwangbo

INVOCATION: Father William Goldin, St. Irenaeus Catholic Church

ROLL CALL: Council Members

Council Members present: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

Council Members absent: None

City Officials present:

Laurie Murray, City Manager  
Joel Kuperberg, City Attorney  
Michael Belknap, Community Services Director  
Scott Hutter, Planning Manager  
Sea Shelton, Administrative Services Director  
Ron Wilkerson, Police Captain  
Kimberly Kenney, Deputy City Clerk

## PRESENTATIONS

City Manager Murray announced that Assemblywoman Sharon Quirk-Silva has Certificates of Recognition for everyone being presented tonight and will have Staff hand them to all individuals on her behalf.

1. Noella Lew, Chairperson of the La Palma Community Activities and Beautification Committee and Home Spotlight Subcommittee, recognized the home of Robert and Daisy Barker, 7501 Trabuco Lane, La Palma.
2. Police Captain Wilkerson introduced Ryan Genera as the City's new Police Officer.
3. City Manager Murray introduced Kathy Graham as the City's new Community Development Consultant.
4. Community Services Director Belknap recognized Recreation Specialist Megan Hana for her years of dedicated service. Recreation Specialists Brandon Alfajora and Megan Hana recognized the 2017 Volunteens and, along with Mayor Steggell, presented them with Certificates of Recognition and Stipends.

## ORAL COMMUNICATIONS

Christopher Aguilera, representing Assemblywoman Sharon Quirk-Silva's office, invited everyone to her Open House on August 31 at their new district office location of 6855 La Palma Avenue, and added a call for Artists to submit their artwork for the new offices.

Kathy Salazar, a La Palma resident, addressed the City Council regarding her opposition to the appearance of the education building at La Palma United Methodist Church; disappointment with the height of the new building; support for tree installation along the shared fence line; and a request for a meeting to address the issues with the project and outcome.

Council Member Goedhart responded that the City will evaluate the situation and will communicate the results to the neighborhood. City Manager Murray concurred.

Sue Geer, representing the Sierra Club, addressed the City Council regarding a conservation coalition with water shed protection allies; support for eliminating trash from our water ways; that cities must reduce their trash contributions in a few years; and support for a partnership with La Palma allowing volunteers to clean up trash after storms and help with trash monitoring.

Larry Herman, a La Palma resident, addressed the City Council regarding support for the Sierra Club efforts and encouraged a partnership to eliminate the trash from having an impact on our oceans.

Keith Nelson, a La Palma resident, addressed the City Council regarding concerns regarding the pipeline work being done on his street; that completion of the project was supposed to be before school started; traffic concerns during school hours that would impede the project; concern for the increase and influx in home burglaries and crime; support for a Public Safety Action Plan to address crime prevention and communicate it to the community.

Community Services Director Belknap responded that the pipeline project is a Gas Company project and not a City project; that this project is going to be extended due to soil issues; and that traffic will not be impacted as the construction has been scheduled from 9:00 a.m. to 2:00 p.m. while school is in session.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding safety concerns with open trenches during pipeline construction.

Community Services Director Belknap responded that although the project is along a school route, there will be no open trenches and that any construction or related vehicles will not impact the school children.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:40 P.M.

Deputy City Clerk Kenney stated, "The City Council will now recess and convene as the Successor Agency to the Dissolved Community Development Commission of the City La Palma. Members of the La Palma City Council receive no compensation or stipend as a result of convening or participating in the Successor Agency or otherwise as serving as members of the Successor Agency."

CONSENT CALENDAR

- A. Approval of Successor Agency Minutes

Minutes of the July 18, 2017, Regular Meeting of the Successor Agency.

- B. Successor Agency 4th Quarter Cash and Investment Report, Fiscal Year 2016-17, as of June 30, 2017

Receive and file the Cash and Investment Report for the fourth quarter of Fiscal Year 2016-17.

Council Member Kim made a motion to approve Consent Calendar Items A and B.

The motion was seconded by Council Member Goedhart and carried on the following vote:

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

NOES: None

#### PUBLIC HEARINGS

None Scheduled.

#### REGULAR ITEMS

None Scheduled.

ADJOURN THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:41 P.M.

#### CONSENT CALENDAR

1. Waive the Reading of All Ordinances

Waive the reading of all Ordinances in their entirety and read by title only.

2. Approval of Council Minutes

Minutes of the July 18, 2017 Regular Meeting of the City Council.

3. Approval of Register of Demands

Resolution No. 2017-46 approving the Register of Demands for August 1, 2017.

4. City of La Palma 4th Quarter Cash and Investment Report, Fiscal Year 2016-17, as of June 30, 2017

Receive and file the Cash and Investment Report for the fourth quarter of Fiscal Year 2016-17.

5. Destruction of Obsolete Records

Resolution No. 2017-47 authorizing the destruction of obsolete finance records pursuant to the California Government Code Section 34090.

Council Member Kim made a motion to approve Consent Calendar Items 1 through 5.

The motion was seconded by Council Member Goedhart and carried on the following vote:

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

NOES: None

REGULAR ITEMS

6. Purchase and Sale Agreement for 5062 La Palma Avenue

City Manager Murray first addressed Mr. Nelson's concerns in regards to crime by reporting that Staff will evaluate the situation and report back.

City Manager Murray gave the Staff Report.

City Attorney Kuperberg explained the legal outcome if the City denied the project; gave a history of how the State addresses a lack of housing and that the State supports high density projects in response to lack of availability; that State legislation notes that if the housing development proposals meet zoning code and density requirements, cities have no reason to deny the project; that if we denied the project, we would have to have substantial findings to deny it, and would have to carry the burden of proof in court; that if the City lost, the court would allow the project to be built, the City would then have to pay for all attorney fees, and that the Courts have the authority to impose fines for not complying with

the law; and that for these reasons, Staff is recommending a resolution to approve the acquisition of this property.

The City Manager continued with the Staff Report.

#### Council Comments and Questions:

Discussion ensued regarding the housing issue ensuing over many years; that cities are forced to deal with this 'housing crisis' with lack of affordable housing; that the State imposes the requirements; opposition to the height and number of units allowed with the current zoning; the current urbanization happening in communities; directing Staff to consider the process in changing the housing requirements in regards to zoning for our City; pursuing communications with the State Housing Department; that because the State mandates requirements, that does not preclude the City from giving input; that this process was a learning experience for both the citizens and Council of this community; that the site has been identified since 1999 as a multifamily zoned property; that between 2010-2012, the City Council took several steps in order to create a Village Overlay zone; and that sound financial responsibility and management by the current City Council has allowed the City to positively handle this situation by purchasing the property in an effort to counter the proposed high density project.

#### Public Comment:

Kathy Kueller, a La Palma resident, addressed the City Council regarding Marin County's exemption from low income housing through 2023 due to their small size; that La Palma does not have the money to fight State mandates; support to review Marin County's issue; and opposition to the Governor of California defying the law in regards to sanctuary cities.

Krista Marvin, a La Palma resident, addressed the City Council regarding her appreciation for the City Council taking the community's concerns into consideration; and support to speak to the State on behalf of the residents.

James Zagorski, a La Palma resident, addressed the City Council regarding his concerns for the high purchase price of the property.

Keith Nelson, a La Palma resident, addressed the City Council regarding the City owning the land - what is the value of that property? What are we looking to get back out of this after spending \$1.6 million; and what the value of the land is that the City purchased.

City Attorney Kuperberg responded that as part of the negotiations, the appraisal was done by a state licensed appraiser and it was based on the property zoning,

entitlements, and comparable properties; that if the zoning density was lower, the appraisal would have been lower; that it was valued based on the housing unit density; that the appraisal helped form and support the settlement of the negotiating parties; that the City included monies spent on plans and agreement not to pursue further legal action.

Mr. Nelson asked for clarification on the units per acre allowable; whether the City has received any sales tax increment from Measure JJ; the source of the payment for the property acquisition; his opposition to paying for this; and his opposition to making this small property into a park.

City Attorney Kuperberg responded that the approved zoning of the property is 20-30 units per acre and based on the square footage of this lot it would be 7-11 units.

City Manager Murray responded that the City has already received sales tax from the last tax quarter, but not for this quarter.

Administrative Services Director Shelton clarified the sales tax and Transaction and Use tax processes; that the State sends sales tax advances; that the City has received two advances totaling \$315,000 to date and is waiting for the first quarter Fiscal Year 2017-18 advance; and in September the State looks at what they received and then true ups the amount advanced; that the monies received so far are only estimates; that this amount is only the 1% sales tax increment approved by the voters in 2016; that the \$1.6 million payment for the property came from unassigned fund balance that is not part of the City's Reserves, and not from any new revenue from the sales tax increment.

Mayor Steggell added that no sitting members of the current City Council had an opportunity to vote on this density and that the overlay zone was approved by the previous City Council.

Sharon Nix, a La Palma resident, addressed the City Council regarding her concerns for transparency; the individual responsible for telling the developers about the allowed property density; opposition to any apartment building at that site even if the City purchases the property; and support for making the entire City aware of any future zoning changes.

City Attorney Kuperberg responded that the City is not required to develop the site after taking ownership of the property.

Council Member Goedhart noted that the City does not have secret meetings; that the City conducted duly noticed public hearings for zoning at which he spoke as a resident in regards to this matter on numerous occasions; that actions taken in 2012 have caused the City to review the zoning process and reevaluate it; that the

City is taking steps to rectify this situation; and that the City Council had to take this action in order to stop this development.

Krista Marvin added that \$1.6 million is not a lot of money when it comes to turning the property around for a profit and would be happy to be the agent at no cost on the City's behalf.

Terryl Weber, a La Palma resident, addressed the City Council regarding his opposition to the payment; his previous concerns for keeping emergency reserves; concerns for lack of fiscal control; ability to grow the City's reserves back to their previous levels; and looking at capacity to control its cost by outsourcing jobs or Community Development obligations, cutting administrative overhead, or sharing agreements with other cities.

Council Member Goedhart stated the City is not going to contract out services or our Police Department; that the City is well run financially; that eventually the property will be sold as a result of this purchase; that those opposing Measure JJ wanted to contract out our Police Department; that the City cut 20% of full time positions and is currently cutting another position; that the City Council has economized this City; and that when he got on City Council, there were 65 full time positions and we are now down to 51.

Elfriede MacIver, a La Palma resident, addressed the City Council regarding her experience growing up in New York; concerns about spending City funds for this project; and hopes for a positive outcome with this purchase.

Jerry Lomeli, a La Palma resident, addressed the City Council regarding the lack of information on the City's website about this project except for frequently asked questions; clarification with the State's affordable housing being 'suggested' and not mandated; opposition to developers building large complexes; that Senate Bill 35 allows for exemptions for certain communities; why the current City Council did not vote against this zoning requirement in 2012; and that as citizens, most are not aware of what is happening in the City.

Mayor Steggell responded that she was a resident in 2012 and only sitting members of the City Council can vote on any matter before them, not residents; that Council Member Goedhart was also a resident in 2012, attended the public hearings, and was vocally opposed to the higher density proposed; that no member of this audience came to those meetings to declare opposition; and that the City Council is taking this action in order to correct the previous mistakes.

Council Member Goedhart responded that it was previously approved on January 18, 2012, by that City Council; that they approved the Village Overlay of up to 30 units per acre based on the comments from the State in regards to the Housing Element; that the City Council established the Moratorium in order to correct the

actions from the previous City Council; that Community Development Consultant Kathy Graham is looking into the matter and will give it a full review in an effort to make the appropriate changes to our Zoning Codes.

Jo Studebaker, a La Palma resident, addressed the City Council regarding the property next door and whether the City has already met its low income housing requirements.

Council Member Goedhart responded that the property next door is also under the Moratorium; that the City is looking to revert the properties back to an R-3, Multifamily Zoning designation; and that the City will look at other areas to designate as the higher density project areas.

City Manager Murray reported that Staff will take a global look at the City's zoning to see if there are other places to put the Village Overlay district; that there are some Regional Housing Needs Allocation (RHNA) requirements that Staff will be looking at meeting along Orangethorpe Avenue; that Staff desires a lot of community input; that there will be a joint meeting with the Development and Circulation Committee and the City Council explaining and getting direction from them; plans to meet with small sections of the community at a time to get their input; that Staff will come back to the City Council with the community's input; that this is a very lengthy process; that this is why there is a moratorium; and plans to extend the moratorium.

Kathy Kuellar, addressed the City Council about the current low income availability in the City; concerns with California looking to secede from the United States; and whether the City plans to use eminent domain to meet State mandates.

City Attorney Kuperberg reported that this is not an eminent domain project; that there is no present attention by the City Council to use eminent domain to meet the affordable housing requirement; and that this project is only for the City to study different alternative sites for the higher density.

Jerry Lomeli asked that if the appraisal for 5062 La Palma is at \$1.5 million, whether that means the property next door at 5052 would also be appraised at \$1.5 million as well; and whether the Village Overlay applies to both properties.

City Attorney Kuperberg responded that the appraisal for 5062 La Palma Avenue was with the entitlements of 11 units on that site and if the site next door could get 11 units on it, it could appraise for the same amount; and that the City has placed a moratorium on any development for any Village Overlay zoned properties; and that if the City has decided to rezone these properties back to its original designation, this issue no longer exists.

City Manager Murray responded to an earlier public comment alleging the City has raised salaries, increased positions, and cut into Reserves; she noted that the City has not increased salaries or positions; and that all of the City's Reserves balances are at or above their target levels.

- (a) Adopt a Resolution approving the City's purchase of the property at 5062 La Palma Avenue, La Palma, authorizing the City Manager to execute the Purchase and Sale Agreement and take other necessary actions to perform La Palma's obligations under the Purchase Sale Agreement, and authorizing and directing the filing of a CEQA Notice of Exemption; and
- (b) Adopt a Resolution approving an amendment to the FY 2017-18 Adopted Budget.

Council Member Goedhart made a motion to approve Resolution No. 2017-48 approving the City's purchase of the property at 5062 La Palma Avenue, La Palma, authorizing the City Manager to execute the Purchase and Sale Agreement and take other necessary actions to perform La Palma's obligations under the Purchase Sale Agreement, and authorizing and directing the filing of a CEQA Notice of Exemption; and adopt Resolution No. 2017-49 approving an amendment to the FY 2017-18 Adopted Budget.

The motion was seconded by Council Member Kim and carried on the following vote:

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

NOES: None

- 7. Report on Urgency Interim Moratorium and Consideration of a Moratorium Extension Regarding Prohibiting the Approval of Development Entitlements, Permits, or Approvals on Designated Properties in the Multiple-Family Residential Zones that are Overlaid with the Village Residential Overlay
  - a) Accept, file, and issue the report on the Urgency Interim Ordinance Imposing a 45-day moratorium on the approval of any land use development entitlements, permits, or other approvals within the multiple family residential (R-3) zoned properties to which the Village Overlay has been applied;

City Attorney Kuperberg introduced the item; what the law allows in order to extend the moratorium; and the City's ability to extend the length of the moratorium.

Planning Manager Hutter gave the Staff Report.

Council Member Kim made a motion to accept, file, and issue the report on the Urgency Interim Ordinance Imposing a 45-day moratorium on the approval of any land use development entitlements, permits, or other approvals within the multiple family residential (R-3) zoned properties to which the Village Overlay has been applied;

The motion was seconded by Council Member Goodman and carried on the following vote:

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

NOES: None

- b) Mayor Steggell opened the Public Hearing at 8:52 p.m.
- c) Planning Manager gave the Staff Report.

City Manager Murray added that although four areas are highlighted, the two areas directly affected with this Moratorium are 5062 and 5052 La Palma Avenue as those are the only two properties that have not been redeveloped.

- d) Council Comments and Questions;

Discussion ensued regarding this moratorium impacting the two properties referenced; and that this extension can be terminated by the City Council at any time prior to its expiration; that if Staff completes its review earlier, the moratorium can be lifted.

- e) Receive Public Input:

No members of the public wished to speak.

- f) Mayor Steggell closed the Public Hearing at 8:58 p.m.
- g) Introduce and adopt an extension of an Urgency Ordinance of the City Council of the City of La Palma extending for 10 months and 15 days the Moratorium on the approval of any land use development entitlements, permits, or other approvals within the Multiple Family Residential (R-3)

zoned properties to which the Village Residential Overlay (VRO) has been applied.

Mayor Pro Tem Hwangbo made a motion to introduce and adopt an extension of an Urgency Ordinance of the City Council of the City of La Palma extending for 10 months and 15 days the Moratorium on the approval of any land use development entitlements, permits, or other approvals within the Multiple Family Residential (R-3) zoned properties to which the Village Residential Overlay (VRO) has been applied.

The motion was seconded by Council Member Kim and carried on the following vote:

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

NOES: None

8. Consideration of a Resolution approving Precise Plan 284, Planned Unit Development for the 11-unit Villa De La Palma Apartments proposed at 5062 La Palma Avenue (APN 262-081-04)

City Manager Murray gave the Staff Report.

a) Mayor Steggell opened the Public Hearing at 8:59 p.m.

b) Public Input:

No members of the public wished to speak.

c) Continue Public Hearing to a date uncertain.

Mayor Pro Tem Hwangbo made a motion to continue Public Hearing to a date uncertain.

The motion was seconded by Council Member Kim and carried on the following vote:

AYES: Council Member Goedhart, Council Member Goodman, Mayor Pro Tem Hwangbo, Council Member Kim, and Mayor Steggell

NOES: None

COUNCILMEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

**Council Member Kim** attended the swearing in ceremony for new Police Officer Ryan Genera; the Orange County Sanitation District (OCSD) Board meeting; and the Government and Business Development Reception at the Orange County Fair.

**Mayo Pro Tem Hwangbo** had nothing to report.

**Council Member Goodman** attended the swearing in ceremony for new Police Officer Ryan Genera; the Government and Business Development Reception at the Orange County (OC) Fair; the Orange County Vector Control District (OCVCD) Board of Trustees meeting; the OC Fair Flag Raising Ceremony; and a meeting with Senator Newman regarding the issues with La Palma Students and School Districts.

**Council Member Goedhart** attended the swearing in ceremony for new Police Officer Ryan Genera; and a meeting with Senator Newman regarding the issues with La Palma Students and School Districts.

**Mayor Steggell** attended the swearing in ceremony for new Police Officer Ryan Genera; a tour of South East Area Animal Control Authority (SEAACA); and the OC Fair Flag Raising ceremony.

CITY MANAGER REMARKS

**City Manager Murray** had nothing to report.

CITY ATTORNEY REMARKS

**City Attorney Kuperberg** had nothing to report.

ADJOURNMENT

Mayor Steggell adjourned the Regular Meeting of the La Palma City Council at 9:05 p.m.

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Michele Steggell  
Mayor

Attest:

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Kimberly Kenney  
Deputy City Clerk