



**REGULAR CITY COUNCIL AND SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY, AND HOUSING AUTHORITY*
JUNE 20, 2023 - 6:00 P.M. - MINUTES**

CALL TO ORDER –The Closed Session meeting was called to order by Mayor Stephens at 4:00 p.m.

ROLL CALL

Present: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, and Mayor Stephens.

Absent: Council Member Reynolds and Mayor Pro Tem Harlan.

PUBLIC COMMENTS – NONE.

CLOSED SESSION ITEMS:

1. **CONFERENCE WITH LEGAL COUNSEL
ANTICIPATED LITIGATION - ONE CASE**
Pursuant to California Government Code Section 54956.9 (d)(2)
2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Pursuant to California Government Code Section 54957, (b)(1)
Title: City Manager

City Council recessed at 4:02 p.m. for Closed Session.

Closed Session adjourned at 5:45 p.m.

CALL TO ORDER –The Regular City Council and Successor Agency to the Redevelopment Agency, and Housing Authority meeting was called to order by Mayor Stephens at 6:00 p.m.

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE

A video was played of the National Anthem and Mayor Stephens led the Pledge of Allegiance.

MOMENT OF SOLEMN EXPRESSION – Led by Ian Stevenson.

ROLL CALL

Present: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, and Mayor Stephens.

Present Via Zoom Webinar: Council Member Reynolds.

Absent: Mayor Pro Tem Harlan.

CITY ATTORNEY CLOSED SESSION REPORT – No reportable action.

PRESENTATIONS:

Michele Richards, CEO, Orange County Fair & Event Center, presented an update on upcoming events.

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Speaker, spoke on supporting committee volunteers.

Sandi Lester, Board Member representing Groundswell, previously Orange County Human Relations, spoke on the organization's activities.

Russell Toler spoke on traffic in the city and requested south bound bike lanes on Santa Ana Avenue.

Juana Trejo spoke on high rents, evictions, and requested assistance.

Speaker, spoke on Fairview Park, wildlife, and against allowing the flying activity.

Speaker, requested a rent control ordinance, spoke on high rents, evictions, requested assistance, and spoke on enforcement of laws.

Speaker, spoke in support of the leading pedestrian interval signals, requested an update on the senior affordable housing project at the senior center, and requested council take a position on state legislation.

Speaker, Resilience Orange County, spoke on high rents and evictions, and spoke on Assembly Bill 1482 legislation.

Jennifer Friend, Project Hope Alliance CEO, thanked the Council for their financial investment.

Chris McEvoy spoke against the residential permit parking program.

Speaker, requested rent control.

Sandra Genis spoke on oversight for animal care services, stated staff should be allowed to enter shelters on demand, and committee members monitoring services.

Speaker, spoke against Orange County Animal Care Services.

Roberto Herrera requested a rent control ordinance, spoke on tenant rights workshops, pop-up workshops in the neighborhoods, collaboration, and spoke on housing insecurity.

Jennifer Tanaka, Costa Mesa Alliance for Better Streets, spoke in support of the leading pedestrian interval signals, spoke on committees and resident involvement, spoke on a pick-up soccer game at Davis Field and thanked staff for opening the field, and requested the fence at Harper Park to be removed.

Cynthia McDonald spoke on committees and their scope, requested a code of ethics and code of conduct policies, spoke on the committee annual reports, and spoke on the dedication of volunteers.

Speaker, spoke in support of monies from year-end savings be used to improve the tennis center.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Council Member Harper spoke on the Tennis Center Request For Proposals, and spoke in support of renovating the tennis center.

Council Member Marr spoke on the cost of housing, an inclusionary housing ordinance, and spoke on Resilience OC and opportunities for legal assistance.

Council Member Reynolds spoke on rent challenges and housing needs, developing a Network for Renter Solutions, exploring eviction policies, provided updates on the Active Transportation Committee, and on the Fairview Park Committee meeting and the Fairview Park Master Plan process, spoke on attending the Luke Davis field opening and the symphony event at Balearic Park, spoke on the library maintenance and thanked staff for their efforts, spoke on the Police Department open house and signing up for the 529 program, spoke in support of Assembly Bill 413, and spoke on “A Week Without Driving” national campaign and would like the City to participate in the program.

Council Member Chavez spoke on programs to assist renters, suggested researching Buena Park ordinances, spoke in support of creating a Network for Renter Solutions, spoke on the My Costa Mesa App, spoke on the Luke Davis field opening, spoke on Assembly Bill 1482 regarding a statewide rental cap law and adopting a resolution in support of the law.

Council Member Gameros spoke on the Luke Davis field opening, the Police Department open house on June 25th, spoke on the July 3rd celebrations, and spoke on the success of the June 10th job fair.

Mayor Stephens spoke on attending the Soy 30-year anniversary Gala, spoke on the Costa Mesa Little League tournament of champions, spoke on the Luke Davis field opening, spoke on the Fish Fry at Luke Davis Field on June 23rd through June 25th, spoke on attending the Lions Club Golf Tournament supporting Estancia High School, requested the fence to be removed at Harper Park, requested an update on the Senior Housing project, and spoke on a Network for Senior Solutions.

REPORT – CITY MANAGER – NONE.

REPORT – CITY ATTORNEY – Ms. Hall Barlow spoke on the Orange County Fair’s agricultural program.

CONSENT CALENDAR:

MOVED/SECOND: Council Member Chavez/Council Member Marr

MOTION: Approve recommended actions for consent calendar items 1-12.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: None.

Absent: Mayor Pro Tem Harlan.

Abstain: Council Member Gameros recused himself on item 3 the Warrant Resolution due to his wife's employment at Priceless Pets and Mayor Stephens recused himself on item 3 the Warrant Resolution due to campaign contributions received.

Motion carried: 6-0-1

1. PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS

ACTION:

City Council, Agency Board, and Housing Authority approved the reading by title only and waived full reading of Ordinances and Resolutions.

2. READING FOLDER

ACTION:

City Council received and filed Claims received by the City Clerk: Charlynn Gerber, Jonathan Godinez, Mark Herschthal, Emily Keller, Erica Callahan, Colin Callahan, Erin Callahan, Khosrow Jahanbin, Mercury Insurance (Daniel Vo).

3. ADOPTION OF WARRANT RESOLUTION

Council Member Gameros recused himself on this item due to his wife's employment at Priceless Pets and Mayor Stephens recused himself on this item due to campaign contributions received.

ACTION:

City Council approved Warrant Resolution No. 2700.

4. MINUTES

ACTION:

City Council approved the minutes of the regular meeting of June 6, 2023.

5. ACCEPTANCE OF THE 2022 PROPOSITION 69 FUNDS

ACTION:

1. City Council adopted Resolution 2023-32 authorizing the acceptance of the 2022 Proposition 69 funds and authorizing the City Manager or designee to accept the funds in the amount of \$122,606.

2. Approved revenue and expense appropriations in the amount of \$122,606 from the Proposition 69 funds.

6. ORANGE COUNTY TRANSPORTATION AUTHORITY TIER 1 GRANT PROGRAM APPLICATION FOR A HYDRODYNAMIC SEPARATOR (HDS) AT COSTA MESA COUNTRY CLUB

ACTION:

1. City Council adopted Resolution No. 2023-33 for the submittal of a grant application to the Orange County Transportation Authority (OCTA) Environmental Cleanup Program (ECP), Tier 1 Grant for the procurement and installation of a Hydrodynamic Separator (HDS) at Costa Mesa Country Club.
2. Authorize the Public Works Director or designee as the City's representative.

7. RENEWED MEASURE M (M2) ELIGIBILITY

ACTION:

1. City Council approved the City's Maintenance of Effort (MOE) for Fiscal Year 2023-24.
2. Approved the M2 Seven-Year Capital Improvement Program (CIP) comprised of the City's Five-Year and future year CIP for FY 2023-24 through FY 2029-30.
3. Adopted Resolution No. 2023-34, for the Master Plan of Arterial Highways Conformance and Mitigation Fee Program.
4. Adopted Resolution No. 2023-35, for the Update of the Local Signal Synchronization Plan.
5. Authorized staff to submit documents to meet M2 Eligibility requirements.

8. SCHOOL CROSSING GUARD SERVICES

ACTION:

1. City Council approved Amendment No. 3 to the Professional Services Agreement (PSA) with All City Management Services (ACMS), increasing the maximum compensation by \$25,000 for school crossing guard services for the 2022-23 school year, for a total not-to-exceed amount of \$254,027.63.
2. Authorized the City Manager and the City Clerk to execute the amendment and future authorized amendments to the Professional Services Agreement.

9. PROFESSIONAL SERVICES AGREEMENTS FOR ON-CALL PUBLIC WORKS/ ENGINEERING STAFF SUPPORT SERVICES

ACTION:

1. City Council awarded a Professional Services Agreement (PSA) to Kabbara Engineering for a three-year period starting on July 1, 2023, with two one-year renewal periods for a not to exceed amount of \$300,000.
2. Awarded a Professional Services Agreement (PSA) to Z&K Consultants, Inc. for a three-year period starting on July 1, 2023, with two one-year renewal periods for a not to exceed amount of \$300,000.
3. Authorized the City Manager or designee to execute the agreements and any future authorized amendments to these agreements.

10. AUTHORIZE THE PURCHASE OF FORD FLEET VEHICLES

ACTION:

1. City Council authorized by minute action, that compliance with the bidding requirements and procedures is inefficient and not in the best interest of the City, based on identified conditions and supported by substantial evidence.
2. Authorized the purchase of Ford fleet vehicles from local authorized Ford dealerships.
3. Authorized the City Manager or designee to execute the necessary documents for the purchase of new and replacement Ford fleet vehicles as approved in Fiscal Years 2021-22, 2022-23, and 2023-24 annual budgets.

11. RESOLUTION ADOPTING THE FY 2023-2024 STATEMENT OF INVESTMENT POLICY

ACTION:

City Council Adopted Resolution No. 2023-36 approving the Statement of Investment Policy for FY 2023-2024.

12. AMENDMENT NUMBER THREE TO PROFESSIONAL SERVICES AGREEMENT WITH LYONS SECURITY SERVICE, INC.

ACTION:

1. City Council approved Amendment No. 3 to the Professional Services Agreement (PSA) with Lyons Security Services, Inc., increasing the maximum compensation by \$45,000 for unarmed security guard services for the Lions Park Campus and the Costa Mesa Senior Center, for a total not-to-exceed amount of \$300,000 with a contingency of 10%, or \$30,000, for a total amount of \$330,000.
2. Authorized the City Manager and City Clerk to execute the agreement and all future amendments to the Professional Services Agreement.

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

PUBLIC HEARINGS: NONE.

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

OLD BUSINESS: NONE.

NEW BUSINESS:

1. SMART CAMP MEMORANDUM OF UNDERSTANDING

Presentation by Mr. Minter, Parks and Community Services Director and Ms. Villasenor, Recreation Manager.

Discussion ensued on the number of participants each year and the annual cost.

Public Comments: None.

MOVED/SECOND: Council Member Chavez/Council Member Marr

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: None.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion carried: 6-0-1

ACTION:

City Council approved the Memorandum of Understanding (MOU) between the City and Newport-Mesa Unified School District to provide SMART Camp to Costa Mesa residents and authorize the City Manager and City Clerk to execute the agreement and future amendments to the agreement.

2. COMPENSATION PLAN AND SALARY SCHEDULE REVISIONS FOR DESIGNATED CLASSIFICATIONS REPRESENTED BY THE COSTA MESA CITY EMPLOYEES ASSOCIATION AND THE COSTA MESA DIVISION MANAGERS ASSOCIATION

Presentation by Ms. Carvajal, Human Resources Administrator.

Public Comments: None.

MOVED/SECOND: Council Member Gameros/Mayor Stephens

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: None.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion carried: 6-0-1

ACTION:

1. City Council adopted Resolution No. 2023-37 revising the pay ranges for designated classifications represented by the Costa Mesa City Employees Association.

2. Adopted Resolution No. 2023-38 revising the pay ranges for designated classifications represented by the Costa Mesa Division Managers Association.

3. FISCAL YEAR 2022-23 PRELIMINARY UNAUDITED YEAR-END FINANCIAL REPORT

Presentation by Ms. Molina, Finance Director.

Discussion ensued on mutual aid, labor and pension costs, and use of the projected \$4.0 million in year-end savings.

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Council Member Harper

MOTION: Approve staff recommendation items 1b and 2, and bring back for consideration in November options to allocate the projected \$2.5 million in year-end savings.

SUBSTITUTE MOTION/SECOND: Council Member Marr/Council Member Reynolds

SUBSTITUTE MOTION: Approve staff recommendation.

Discussion ensued on fiscal responsibility, alternatives for the \$2.5 million surplus, and councils' goals and priorities.

SUBSTITUTE MOTION/SECOND: Council Member Marr/Council Member Reynolds

SUBSTITUTE MOTION: Approve staff recommendation.

The motion failed by the following roll call vote:

Ayes: Council Member Chavez, Council Member Marr, and Council Member Reynolds.

Nays: Council Member Gameros, Council Member Harper, and Mayor Stephens.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion failed: 3-3-1

ORIGINAL MOTION/SECOND: Mayor Stephens/Council Member Harper

MOTION: Approve staff recommendation items 1b and 2, and bring back for consideration in November options to allocate the projected \$2.5 million in year-end savings.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Harper, and Mayor Stephens.

Nays: Council Member Marr and Council Member Reynolds.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion carried: 4-2-1

ACTION:

1. City Council authorized the City Manager, or her designee, to allocate and appropriate Fiscal Year 2022-23, if available, year-end savings as follows:
 - b. Allocate up to \$1.5 million into the Housing Authority Fund for the General Plan Housing Element implementation program.
2. Transfer actual amounts needed to cover the remaining COVID-19 and winter storm related costs in the Disaster Fund, from the American Rescue Plan Act Fund (ARPA), currently estimated at \$500,000.
3. Defer recommendations “1a” and “1c” and bring back for consideration in November options to allocate the projected \$2.5 million in year-end savings.

City Council recessed into a break at 8:20 p.m.

City Council reconvened at 8:35 p.m.

4. AGREEMENTS FOR HOUSING-RELATED SUPPORTIVE SERVICES IMPLEMENTING THE PREVIOUSLY-APPROVED HOME-AMERICAN RESCUE PLAN (HOME-ARP) FUNDING ALLOCATION PLAN

Presentation by Ms. Daily, Grant Administrator.

Discussion ensued on performance metrics and available funding for mobile home residents.

Public Comments:

Anthony Filer, Directing Attorney at Community Legal Aid of SoCal, spoke on the organization.

MOVED/SECOND: Council Member Chavez/Council Member Marr

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: None.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion carried: 6-0-1

ACTION:

1. City Council authorized the City Manager and City Clerk to appropriate and execute an agreement funded by HOME-ARP and ARPA funding with Community Legal Aid of Orange County in the amount of \$250,000 for a one (1) year term with an additional three (3) year renewal options depending on funding, in substantially the same form as attached and in such final form as approved by the City Attorney.
2. Authorized the City Manager and City Clerk to appropriate and execute an agreement funded by HOME-ARP and ARPA funding with Project Hope Alliance in the amount of \$120,000 for a one (1) year term with an additional three (3) year renewal options depending on funding, in substantially the same form as attached and in such final form as approved by the City Attorney.
3. Authorized the City Manager and City Clerk to appropriate and execute an agreement funded by HOME-ARP and ARPA funding with Stand UP for Kids in the amount of \$72,348 for a one (1) year term with an additional three (3) year renewal options depending on funding, in substantially the same form as attached and in such final form as approved by the City Attorney.
4. Authorized the City Manager and City Clerk to appropriate and execute an agreement funded by HOME-ARP and ARPA funding with Trellis in the amount of \$29,640 for a one (1) year term with an additional three (3) year renewal options at \$87,952 depending on funding, in substantially the same form as attached and in such final form as approved by the City Attorney.
5. Authorized the City Manager and the City Clerk to appropriate and execute an amendment to the existing agreement with Mercy House to add ARPA funding allocated to rental assistance in the FY 23-24 Adopted Budget, plus an additional \$750,000 in ARPA funds, to continue to provide rental assistance in the City of Costa Mesa and extend the term of the agreement to December 31, 2024.
6. Authorized the City Manager, or the City Manager's Designee, to amend the HOME-ARP Allocation Plan to re-allocate \$100,000 from Development and Support of Affordable Housing to Supportive Services.

5. COSTA MESA BRIDGE SHELTER CAPACITY PROJECT

Presentation by Mr. Robbins, Neighborhood Improvement Manager.

Discussion ensued on the additional beds, current shelter capacity, other services provided by Newport Beach, communication on shelter vacancies, the next Point in Time Count, enforcement of the anti-camping ordinance, and criteria for the waitlist.

Public Comments:

Larry Haynes, CEO of Mercy House, thanked council and staff for their support and working together.

MOVED/SECOND: Council Member Gameros/Council Member Reynolds

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Harper, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: None.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion carried: 6-0-1

ACTION:

1. City Council approved Amendment No. One to the Memorandum of Understanding with the City of Newport Beach to increase their annual payment by \$275,000 for an updated annual contribution of \$1,275,000 and a one-time payment of \$50,000 to cover capital costs; and appropriate said funds to the Housing Authority Budget.
2. Approved Amendment No. One to the Subrecipient Agreement with Bracken's Kitchen increasing the compensation by \$73,000 for a new annual not-to-exceed amount of \$400,600.
- 2a. Approves a contract amendment permitting the carryover of unspent funds from one fiscal year to the next to assist with cashflow and hiring needs, This adjustment is net-neutral as the 3-year (plus optional 1-year extension) total contract amount (\$8M) will remain the same.
3. Approved Amendment No. One to the Subrecipient Agreement with Mercy House increasing the compensation by \$185,286 for a new annual not-to-exceed amount of \$2,185,286.
4. Authorized the City Manager and City Clerk to execute all agreements and any amendments to the agreements.

6. COMMITMENT OF \$4,000,000 TO AMERICAN FAMILY HOUSING FOR THE TRAVELODGE NORTH HOUSING PROJECT AS PART OF HOMEKEY ROUND 3

Presentation by Mr. Robbins, Neighborhood Improvement Manager.

Discussion ensued on vouchers, operating budget, occupancy per unit, maintenance of the building, and any potential impacts to the community.

Public Comments:

Speaker, spoke in favor of the item.

MOVED/SECOND: Council Member Marr/Mayor Stephens

MOTION: Approve staff recommendation.

Council Member Harper spoke in opposition of the motion as he does not have enough information to support the motion.

MOVED/SECOND: Council Member Marr/Mayor Stephens

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: Council Member Harper.

Absent: Mayor Pro Tem Harlan.

Abstain: None.

Motion carried: 5-1-1

ACTION:

1. City Council approved a commitment of \$2,500,000 in Low- and Moderate-Income Housing Asset Funds and \$1,500,000 in ARPA funds to American Family Housing for conversion of the Travelodge North Motel as a Homekey Round 3 permanent housing project.
2. Authorized the City Manager or their designee to execute a Commitment Letter with American Family Housing in the amounts listed above for the Travelodge North Homekey project.
3. Authorized the City Manager to execute all applicable agreements to bring the Travelodge North Homekey project to fruition.

ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS – NONE.

ADJOURNMENT—The Mayor adjourned the meeting at 10:05 p.m.

Minutes adopted on this 18th day of July, 2023.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT