

**CITY COUNCIL COMMITTEE ON
DEVELOPMENT AND TRANSPORTATION
Meeting Minutes
September 4, 2014**

CALL TO ORDER

The meeting was called to order at 5:10 p.m. in Room 1600 of the City Hall Ross Annex.

ATTENDANCE

The following Committee Members were present: Vincent Sarmiento, David Benavaides
Absent: Michele Martinez

Staff present were: Karen Haluza, Interim Executive Director/Planning & Building Agency; William Galvez, Interim Exec. Director/Public Works Agency; Ryan Hodge, Assistant City Attorney; Scott Kutner, District Manager; Alma Flores, Senior Management Assistant; Nabil Saba, Water Resources Manager; Taig Higgins, Acting City Engineer; Gerald Caraig, Building Safety Manager; Vince Fregoso, Acting Planning Manager; Alvaro Nuñez, Community Preservation Coordinator; and Rosa Barela, PBA Executive Secretary.

PUBLIC COMMENTS

Gilad Salmon noted concern on the impact on Fourth Street business and events with the Streetcar Project and requested mitigation of any potential impacts, and requested to make this project bikeable.

Chris Garrett, attorney for Latham & Watkins LLP, representing TelePacific Communications, noted concern on the possible conversions of industrially designated land to residential use and urged Council to consider compatibility and spoke on the proposal of residential at their site.

AGENDA ITEMS

1. APPROVAL OF MINUTES – June 30, 2014 Special Meeting

Motion by Committee member Benavides and seconded by Chairman Sarmiento to approve the June 30, 2014 Special Meeting minutes and approved unanimously by a vote of 2:0 (Martinez absent).

Taken out of Agenda Order

8. UPDATE ON YMCA {Strategic Plan No. 3, 5A}

Scott Kutner provided an update on the reuse of the YMCA Building noting Council voted to authorize staff to enter into discussions with St. Joseph Health and Taller San Jose development team; will bring to the Council for their consideration at their

September 16, 2014 meeting the approval of an Exclusive Negotiation Agreement, authorization of a Reimbursement Agreement and agreement for security enhancements and physical improvements to the exterior of the building; and noted the completion of a lead and asbestos survey to assess the air quality which provided recommendations for entry into the building.

4. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)/ CLEAN WATER EFFORTS PRESENTATION {Strategic Plan Nos. 6, 1B; 6, 1G}

Taig Higgins provided a brief overview on the National Pollutant Discharge Elimination System (NPDES) Program to improve quality and reducing quantity of urban stormwater runoff with the goal to keep pollutants out of the receiving waters; discussed the Clean Water Act regulatory requirement which requires all agencies to secure a permit before discharging water in which Santa Ana and other cities are all under one permit with the County of Orange; discussed permit requirements, the three main approaches to improving stormwater quality which include private land development and capital improvement projects, discussed the improving water quality inspection programs and municipal maintenance activities, noted staff also provides education which consists of community awareness programs, events, presentations and outreach, and includes rigorous staff training.

5. LEVEL 1 WATER SHORTAGE DECLARATION – IMPLEMENTATION OF THE CITY'S STAGE 1 WATER SHORTAGE CONTINGENCY PLAN IN COMPLIANCE WITH THE SWRCB DROUGHT REGULATIONS {Strategic Plan No. 5, 6F}

William Galvez provided an overview on the Drought State of Emergency proclaimed by Governor Brown in January 2014 which called for a voluntary 20% reduction and in July the California State Water Resources Control Board (SWRCB) passed a resolution adopting emergency drought regulations which apply to all cities and imposed mandatory outdoor irrigation restrictions, noted in 2009 the city adopted a water conservation ordinance that include four levels of water conservation which include: Permanent Measures, Level 1 Water Shortage, Level 2 Water Shortage and Level 3 Water Shortage Emergency Condition; noted the city is currently in permanent water conservation level and in compliance with most of the State requirements; in order to reach full compliance to the State the city must declare a Level 1 Water Shortage which imposes restrictions to irrigating, plumbing leaks and breaks must be repaired within 72 hours, and a mandatory reduction (2.5% or 5%) in consumption compared to the previous year. Mr. Galvez noted the first violation will result in a notice of violation, the second is a 15% penalty fee, and third and subsequent violations will result in the installation of a water flow restrictor; spoke on the notification and outreach to resident users, and comparisons to the city's permanent measures and the new State law.

Committee member Benavides inquired on users who already take serious measures to conserve water and might not be able to make reduction. Mr. Galvez noted residents who receives a notice can appeal and would take on a case by case basis.

Mr. Galvez noted Santa Ana daily water consumption is very low in comparison to other large cities; discussed water production/use trends; noted the average residential bi-monthly use and anticipated reduction per household, discussed the fiscal impacts on the water production, water sales, penalty fee & customer notification; discussed the water bill revisions; spoke on the increase water conservation messaging and contact for water wasting complaints; and asked for the Committee's input on the amount of mandatory reduction of 2.5% or 5%.

Resident noted concern for those who have reduced water consumption and meet reduction and asked that Community Preservation not issue citations for those who remove lawn and plant native gardens with drought resistant plants.

Resident commented that a household with a history of wasting water over the years would not be affected by cutback and still waste water and show a reduction.

Peter Katz noted concern indicating statistics show 80% of water consumption is agriculture and 20% by residents and commercial combined and questioned how to control the number of people in a household.

Chairman Sarmiento supported a 2.5% or 3% mandatory reduction and requested that when the item goes to Council on September 16 to include a breakdown of what other cities have imposed.

Committee member Benavides noted 3% seemed reasonable for mandatory reduction and asked when the item goes to Council to add an analysis of what an average home would pay with the different fee options.

2. STREETCAR PROJECT UPDATE {Strategic Plan Nos. 6, 1G; 3,2C}

Mr. Galvez provided a brief update on the environmental assessment and the remaining steps for the Streetcar Project indicating the responses to questions and comments that were received during the public review period has been completed and incorporated into the public record, the document is now known as Final Environmental Impact Report (FEIR) and was sent by OCTA to the Federal Transit Administration (FTA), and will then be certified by the City Council, with the final action of filing a Finding of No Significant Impact (FONSI) by the FTA. Mr. Galvez then provided a timeline of the project noting OCTA will take over the project and procure preliminary engineering design.

Committee member Benavides noted the importance of keeping the City of Garden Grove informed and engaged in discussions.

3. CONVERSION OF NON-RESIDENTIALLY ZONED LAND – PRESENTATION AND DISCUSSION OF THE CITY'S POLICIES REGARDING THE CONVERSION (RE-ZONING) OF NON-RESIDENTIAL LAND TO RESIDENTIAL USES {Strategic Plan Nos. 3, 1C; 3, 5A; 5, 3A; 5, 4B}

Written communication received from Christopher Garrett of Lastham & Walkins LLP representing TelePacific, who has a data center at 2001 East Dyer Road, noted

opposition to The Heritage Project which proposes to convert the site from light industrial into an apartment complex with associated retail.

Karen Haluza noted staff has received applications as well as serious inquiries regarding rezoning of property that is not zoned for residential development to allow for residential or mixed-use development; briefed committee on how staff evaluates these requests and what criteria, standards and policy that is used to make analysis and recommendations; noted adjacent cities have completed major re-zones to accommodate residential development in previously industrial, office or commercial areas; discussed the city's re-zone activity and projects in site plan review, plan check or completed in the last 18 months; discussed the evaluation criteria which include the Housing Element and the Land Use Element; noted U.S. Bureau of Labor Statistics identifies the LA/Long Beach/SA area is one of the largest states in manufacturing; discussed overarching considerations; noted residential land uses are one of the most enduring, residential populations are always deemed to be "sensitive receptor" for CEQA purposes, residential development patterns form the primary back-bone for overall land use and resource allocation; and residential uses tend to consume more in services than they generate in revenue.

Chairman Sarmiento requested the item be brought as a study session item at a future Council meeting and requested staff revisit the western boundary of the Metro East Mixed Use Overlay Zone to possibly extend from the I-5 Freeway on First Street to Grand Avenue to help improve the residential conditions and public safety. Ms. Haluza noted the corridor is identified in the Housing Element and may use revenue generated from the Housing Opportunity Ordinance for acquisition and rehabilitation in the area.

6. **BUILDING INSPECTION STAFF LEVEL IMPROVEMENTS – PRESENTATION ON CURRENT BUILDING INSPECTION STAFFING LEVELS AND THEIR IMPACT ON INSPECTION TURN-AROUND TIME AND RECOMMENDATIONS FOR SERVICE IMPROVEMENTS {Strategic Plan No. 3, 3C}**

Ms. Haluza introduced Gerald Caraig, Building Safety Manager. Mr. Caraig discussed the 11 parts to the California Code of Regulations Title 24 that building inspectors are required to enforce, noted the inspection turnaround time is over one week, and invited committee members on a ride along.

Ms. Haluza commented on the rise in development projects submitted this last fiscal year and the valuation of permits issued indicates larger complex projects submitted; discussed the building inspection staffing reductions, number of days until inspection, building inspection comparisons to other cities, tied item to the Strategic Plan Goal No. 3C becoming a more business friendly environment, noted in order to reach the Gold Standard of providing next-day inspection is the addition of one Senior Combination Building Inspector, three Combination Building Inspectors and one Permit Processor which would be funded with increased revenues received in excess of projected budgeted revenue of approximately \$772,000; noted future revenue projection rates are stable for the foreseeable future, noted they brought item to the Economic Development Task Force on August 12, 2014, requested to reallocate excess revenue back to budget for staffing costs, and will go to the Council for approval on September 16.

Committee member Benavides thanked staff for the great report and working with and receiving feedback from the Chamber of Commerce to improve the process, and asked that staff send out a press release to the public and business community.

Chairman Sarmiento echoed comments and noted to revisit if there is an excess of revenues and possibly get back to what those numbers were and continue improving.

7. COMMUNITY ENGAGEMENT PLAN REQUEST FOR QUALIFICATIONS REVIEW OF DRAFT RFQ FOR THE PREPARATION OF A COMMUNITY ENGAGEMENT PLAN AS THE FIRST STEP IN THE PREPARATION TO THE VISIONING PLAN, GENERAL PLAN UPDATE AND ZONING CODE UPDATE {Strategic Plan No. 5, 1A}

Ms. Haluza noted authorization coming before the Council at the September 16, 2014 meeting is two requests to release the Request for Qualifications (RFQ) for both the Community Engagement Plan and Third & Broadway Development Project. Ms. Haluza provided copies of the plan to Committee members for their review and feedback.

9. UPDATE ON THIRD AND BROADWAY PROJECT {Strategic Plan No. 3, 5A}

Chairman Sarmiento suggested for the Third and Broadway RFQ to include that input was received from the Urban Land Institute (ULI) and inquired if there were height restrictions. Ms. Haluza noted there is no height restriction, adding there are renderings from John Kaliski that illustrate two development scenarios and represent an actual building with real uses with the first being a lower intensify version of 4-5 stories and another model slightly lower than the Ronald Reagan Federal Courthouse. Chairman Sarmiento thanked staff for their work on the new and improved RFQ.

Committee member Benavides noted to also add in RFQ that staff collaborated with Larry Kosmont of Kosmont Associates and John Kaliski of John Kaliski Architects.

COMMITTEE MEMBER COMMENTS - None

FUTURE AGENDA ITEMS - None

ADJOURNED 6:59 P.M. - The next meeting is scheduled for Thursday, November 6, 2014 at 5:00 p.m.



Karen Haluza
Interim Executive Director
Planning & Building Agency

RB rb:Council CommDevel & Transp CC\09-04-14 Devel & Transp CC Minutes