

**CITY OF LAGUNA WOODS, CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
December 16, 2009
2:00 P.M.**

I. CALL TO ORDER

Mayor Ring called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:00 p.m.

II. FLAG SALUTE

Hasan Ikhata, Executive Director, Southern California Association of Governments, led the flag salute.

III. ROLL CALL

COUNCILMEMBERS: PRESENT: Conners, Hack, Rhodes, Robbins, Ring
 ABSENT: None

STAFF PRESENT: City Manager Keane; Assistant City Manager Reilly; Deputy City Clerk Trippy; Special Projects Manager Macon; City Attorney McEwen

IV. PRESENTATIONS

4.1 Community Civic Association: Staff and Volunteer Appreciation Day

George Henderson, on behalf of the Community Civic Association, thanked the City Council and staff for their service to the community.

4.2 Sustainable Community Strategies: Hasan Ikhata, Executive Director, Southern California Association of Governments (SCAG)

Mr. Ikhata reviewed a PowerPoint presentation outlining demographic changes in Orange County and the possible effects on the future of the City.

Councilmember Hack thanked Mr. Ikhata for his presentation and noted the effect on the City of Laguna Woods.

Corkey Eley, resident, asked how she could obtain a copy of Senate Bill 375 and stated that, in her opinion, the issue was not relevant to the City due to its demographics.

Mr. Ikhata stated that he could provide City staff with a copy of Senate Bill 375 via e-mail. He concurred with Councilmember Hack's comments that while the changes may not have significant impacts on Laguna Woods, there will be some impact.

Mayor Ring stated that new and retrofit construction is certain to be affected by SB 375.

Councilmember Hack clarified that Mr. Ikhata's presentation noted that the availability of income is necessary for future generations to afford the resale of properties. He cited the number of empty manors as one way that the City is directly affected.

Mr. Ikhata discussed home sales and their relation to sustaining the quality of life in Southern California.

Jim Juhan, resident, stated that if the community continues to market itself as it has in the past, it will not attract future generations of buyers.

Mr. Ikhata concurred with Mr. Juhan's comments and thanked the City Council for the opportunity to make his presentation.

4.3 Laguna Woods Green Building Certification Program

City Manager Keane summarized the agenda report and recommended minor wording clarifications on several practices (1-18, 1-19, and 1-25) and deleting Practice 3-9 as it is no longer appropriate. She also reviewed the performance of the environmental fund.

Mayor Ring proposed to amend the resolution and name of the program to reinsert the term "voluntary," which was removed by the Land Use and Design Review Committee.

Councilmember Connors clarified that the title of the resolution would be revised to add the term "voluntary" before "Green Building Certification" and the body of the resolution would be similarly revised.

Moved by Councilmember Hack, seconded by Councilmember Connors, and carried unanimously to approve the initiation of a green building certification program, effective February 1, 2010;

AND

Approve **Resolution No. 09-33** establishing fees for residential green building certification, as amended to include the term "voluntary" in the title and body, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA WOODS, CALIFORNIA, ESTABLISHING FEES FOR
VOLUNTARY GREEN BUILDING CERTIFICATION

V. CITY PROCLAMATIONS – None

VI. CONSENT CALENDAR

Moved by Councilmember Hack, seconded by Councilmember Connors, and carried unanimously to approve Consent Calendar Items 6.1 – 6.4.

6.1 City Council Minutes

Approved the minutes from the November 18, 2009 regular meeting.

6.2 Approved the reading by title of all ordinances and resolutions. Said ordinances and resolutions that appear on the public agenda shall be determined to have been read by title only and further reading waived.

6.3 Treasurer's Report

Received and filed the November 2009 monthly Treasurer's Report.

6.4 Warrant Register

Approved the December 16, 2009 Warrant Register in the amount of \$435,825.42.

VII. PUBLIC HEARINGS

7.1 San Sebastian Condominium Development

City Manager Keane provided the City Council with a new proposed project condition and summarized the agenda report. The new proposed project condition requires the 119 market rate units to be owner-occupied for at least one year when they are initially sold.

Mayor Ring stated that he and Councilmember Hack met with the applicant recently to discuss the project and proposed conditions.

Councilmember Rhodes asked if the applicant has comments on the proposed conditions.

City Manager Keane responded that the applicant is aware of the proposed conditions and has agreed to the requirement that the 119 market rate units would be owner occupied for at least one year.

The public hearing was opened.

City Manager Keane noted that the City received a letter from United Mutual that was supportive of the 30-year deed restriction and indicated that while they would prefer that the project be for-sale, they are not opposed to the temporary lease proposal. Their letter was received before the staff recommendation of a 45-year deed restriction was noted.

Clinton Fuller, President of the Urban Division for Standard Pacific Homes, explained his company's proposal and discussed the circumstances surrounding the project.

City Manager Keane asked Mr. Fuller if Standard Pacific Homes is willing to increase the number of low-income units from 15 to 17, to deed restrict the project as senior housing for 45 years and to provide the affordable units for 45 years.

Mr. Fuller responded that they would agree to these conditions as well as the others noted

in the resolution.

Councilmember Rhodes asked Mr. Fuller if Standard Pacific intends on remaining the owner of San Sebastian or if they are looking to sell it to a management company.

Mr. Fuller replied that they are considering selling the project.

City Manager Keane clarified that Standard Pacific is able to sell at their discretion.

Councilmember Rhodes asked if units could be sold and leased, at the same time.

Mr. Fuller explained that from an economics standpoint, it would be not be beneficial to offer both options at the same time.

City Manager Keane noted that the regulatory agreement does not allow both options at once and that the current proposal is to lease the property. The only exception is for low-income tenants when the project switches from a lease to for-sale project. Low-income tenants would be allowed to remain until they voluntarily terminate their lease.

Councilmember Hack explained his early opposition to the project, but noted that he does not want the property to become subject to vandalism or detract from the overall City aesthetics. He also explained his support for the owner-occupancy restriction and the eventual ability of individuals to own their units. He asked City Attorney McEwen for a comment on the proposed owner-occupancy restriction.

City Attorney McEwen explained that the enforceability of the restriction will depend on whether the restriction reasonably advances a legitimate government interest. He stated that based on the information in the record, the restriction is reasonable.

Corkey Eley, resident, asked for clarification on who the regulatory agreement is between.

City Manager Keane stated that the regulatory agreement is between the City and the property owner of record.

Ms. Eley asked what the regulatory agreement consists of.

City Manager Keane indicated that copies are available in the back of the room.

Ms. Eley asked how the City proposes to ensure that the property owner of record will abide by the rules of the Declaration of Covenants, Conditions, and Restrictions.

City Manager Keane explained the major components of the regulatory agreement and stated that the agreement is enforceable.

Ms. Eley asked who would enforce the regulatory agreement and asked for assurance.

City Manager Keane responded that the City would enforce the regulatory agreement.

Mrs. Hemmelstein, resident, asked if the regulatory agreement would continue to apply to future owners of the property.

City Manager Keane stated that the agreement runs with the land.

Mrs. Hemmelstein asked for clarification that the entire property would be for seniors.

City Manager Keane stated that the property would be deed restricted for seniors for 45-years.

Mrs. Hemmelstein stated that she is leery of the project and feels very unprotected due to the height of the perimeter fences.

City Manager Keane stated that she would be happy to show Mrs. Hemmelstein the sections of the regulatory agreement that include the age restriction.

There being no further requests to speak, the public hearing was closed.

Councilmember Connors agreed with Councilmember Hack that despite the controversy, the City must do what it can to make this development successful. In light of the economy, she believes that the City has done everything that it could to aid the builder in marketing the property while preserving the nature of the community.

City Manager Keane stated that the title of the resolution needs to be amended to change "15 affordable units" to "17 affordable units" and add new condition 17-J, which was provided in writing to the City Council.

Moved by Councilmember Hack, seconded by Mayor Pro Tem Robbins and carried unanimously to approve **Resolution No. 09-29** modifying conditions of approval for the San Sebastian Project, as amended, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING AN AMENDMENT TO CONDITIONAL USE PERMIT (CUP-243) AND SITE DEVELOPMENT PERMIT (SP-242) FOR A 134 UNIT SENIOR RESIDENTIAL CONDOMINIUM DEVELOPMENT WITH 17 AFFORDABLE UNITS DESIGNATED FOR LOWER INCOME RESIDENTS LOCATED AT 23522 PASEO DE VALENCIA (LOT 1 TRACT 16835)

City Manager Keane stated that the density bonus housing agreement and the regulatory agreement need to be amended to increase the 15 low-income units to 17 and the deed restriction period from 30-years to 45-years.

Moved by Councilmember Hack, seconded by Mayor Pro Tem Robbins, and carried unanimously to approve the Amended and Restated Density Bonus Housing Agreement with Standard Pacific Homes, and authorize the Mayor to execute the agreement subject to approval as to form by the City Attorney, as amended.

AND

Approve the Regulatory Agreement and Declaration of Covenants and Restrictions between the City of Laguna Woods and property owner of Record, as amended, and authorize the City Manager to execute the agreement subject to approval as to form by the City Attorney.

7.2 Water Efficient Landscape Regulations

Special Projects Manager Macon summarized the agenda report.

Mayor Ring congratulated staff and those responsible for modifying the State's model regulations to meet the needs of the community.

The public hearing was opened.

There being no further requests to speak, the public hearing was closed.

Moved by Mayor Pro Tem Robbins, seconded by Councilmember Conners, and carried unanimously to adopt **Ordinance No. 09-10** establishing water efficient landscape regulations, entitled:

AN ORDINANCE OF THE CITY OF LAGUNA WOODS,
CALIFORNIA, AMENDING THE LAGUNA WOODS MUNICIPAL
CODE TO ESTABLISH WATER EFFICIENT LANDSCAPE
REGULATIONS

AND

Approve **Resolution No. 09-30** establishing guidelines for implementation of the water efficient landscape Ordinance No. 09-10, entitled:

A RESOLUTION OF THE CITY OF LAGUNA WOODS,
CALIFORNIA, ESTABLISHING GUIDELINES FOR
IMPLEMENTATION OF THE WATER EFFICIENT LANDSCAPE
ORDINANCE

VIII. CITY MANAGER

8.1 Cortese Properties, Inc. Offer to Convey Property

City Manager Keane summarized the agenda report and noted that staff has received communication from Third Mutual and Professional Community Management (PCM) recommending that the City acquires the property in the vicinity of Santa Vittoria.

Councilmember Hack asked City Manager Keane to clarify the difference between the Laguna Village Homeowner's Association and Laguna Woods Village.

City Manager Keane explained that the Laguna Village Homeowner's Association is located in the City of Laguna Hills and is not the same as Laguna Woods Village.

Councilmember Hack noted that the advantage of acquiring the property is that the City would have control over it and that the disadvantage may be that it is out of sight and could be a place for teenagers to congregate. Having received communications from Third Mutual and PCM, he feels that there is a net benefit and is supportive of it.

Phil Bettencourt, President of Cortese Properties, expressed his support for the staff recommendation.

Corkey Eley, resident, asked which property is being given away by Third Mutual and why the City would consult with PCM.

City Manager Keane clarified that the property is not being given away by Third Mutual. It borders Third Mutual and so the acquisition was discussed with them; and, that it is the City's policy to discuss proposals with all those it might affect.

Councilmember Connors explained that the property is owned by Cortese Properties and explained the reasons the City might consider acquisition beneficial.

Councilmember Rhodes stated that the property is not being acquired for development and that it would be maintained in good condition.

City Manager Keane stated that there is no agreement in place with the Laguna Village HOA to continue maintaining the property, but that the City would approach them. They have not indicated that they would not continue to maintain the property.

Moved by Mayor Pro Tem Robbins, seconded by Councilmember Rhodes, and carried unanimously to approve **Resolution No. 09-31** accepting the conveyance of real property from Cortese Properties, Inc., entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING AND ACCEPTING A GRANT DEED FOR THE CONVEYANCE OF REAL PROPERTY FROM CORTESE PROPERTIES, INC.

Mr. Bettencourt thanked the City Council and staff.

Mayor Ring asked if there were any additional remnant pieces of land.

Mr. Bettencourt replied that he does not believe there are.

8.2 Floodplain Management Regulations

Special Projects Manager Macon summarized the agenda report.

Moved by Mayor Ring, seconded by Councilmember Connors, and carried unanimously to approve the introduction and first reading of an ordinance modifying current floodplain

management regulations, entitled:

AN ORDINANCE OF THE CITY OF LAGUNA WOODS,
CALIFORNIA, AMENDING CHAPTER 10.04 OF THE LAGUNA
WOODS MUNICIPAL CODE PERTAINING TO FLOODPLAIN
MANAGEMENT

8.3 2010 Community Services Organization Grants

City Manager Keane announced that Mayor Ring and Councilmember Rhodes serve on the Board of Directors for one of the applicants and asked that City Attorney McEwen explain his opinion on their participation in this agenda item.

City Attorney McEwen stated that Government Code Section 1090 prohibits the City from entering into contracts in which a member would have a conflict of interest. While Mayor Ring and Councilmembers Rhodes have no such conflict of interest, they do have remote interests as described in Government Code Section 1091. He recommended that they step outside while the discussion and vote takes place on recommendation "A".

Mayor Ring also stated that he read the applicant's preliminary proposal.

Mayor Ring and Councilmember Rhodes left the meeting.

Assistant City Manager Reilly summarized the agenda report.

Councilmember Hack expressed an interest in supporting the American Lung Association. He encouraged them to submit an application in the future.

Councilmember Conners asked if the Trauma Intervention Program (TIP) is a division or subset of any other entity.

Assistant City Manager Reilly responded that TIP is a national organization that receives some funding from public agencies and operates mostly with volunteers.

City Manager Keane stated that TIP does receive annual funding from the City to provide basic services and that this grant would be for an additional local training program.

Moved by Councilmember Hack, seconded by Councilmember Conners, and carried unanimously to award \$65,000 in competitive Community Services grants to six grantees: The Braille Institute (\$20,000), South County Outreach (\$20,000), Trauma Intervention Program (\$5,000), Laura's House (\$5,000), Dayle McIntosh Center (\$5,000), and Laguna Canyon Foundation (\$10,000).

Mayor Ring and Councilmember Rhodes returned to the meeting.

Moved by Councilmember Conners, seconded by Councilmember Hack, and carried unanimously to award \$75,000 in Community Services grants to South County Senior Services for:

- Adult Day Health Care - \$22,500
- Transportation Services - \$22,500
- General operations at Florence Sylvester Memorial Senior Center - \$30,000

City Manager Keane stated that there was a misunderstanding about the ability of organizations that only serve Laguna Woods Village residents to apply for grants. The Laguna Woods Village Foundation did not submit an application, but would have applied if they thought they were eligible. She noted that there is \$10,000 remaining from the amount allocated for this year's Community Services grants. If the City Council would like to award a grant to the Foundation, it could appear on the consent calendar for the January meeting. She stated that the Foundation probably serves more residents in the City than any other organization that was awarded funding this year.

Mayor Ring stated that he would be supportive of awarding such a grant.

Councilmember Connors expressed her support and asked if it would be appropriate for the grant to appear on next month's consent calendar or if the Foundation should submit an application and go through the committee process.

City Manager Keane stated that it could be done either way and that they would still be required to submit an application and complete the same paperwork as other grantees. She explained that grant funds are distributed quarterly.

City Attorney McEwen agreed that it could be done either way.

Mayor Pro Tem Robbins proposed awarding \$10,000 to the Foundation.

City Manager Keane indicated that no action is necessary at this time, although if any of the members of the City Council objects, the item will appear on the January meeting agenda as a discussion item and not a consent calendar item. She also noted that items on the consent calendar may be pulled by councilmembers, staff or interested individuals for discussion.

Councilmember Hack stated that there is consensus for it to appear as a consent item.

Ruth May, resident, on behalf of the Laguna Woods Village Foundation, thanked the City Council for their consideration.

8.4 Energy Efficiency And Conservation Block Grant Application

Assistant City Manager Reilly summarized the agenda report.

Councilmember Rhodes asked if the lumen output is approximately the same for lights with reduced wattages and existing lights. He also asked if the replacement of windows would include both the first and second floors.

Assistant City Manager Reilly responded affirmatively to both questions.

Councilmember Connors commented on the use of LED traffic lights and asked about the total cost of the proposed improvements.

Assistant City Manager Reilly stated that the estimate provided by the energy consultant is around \$100,000 and that staff is looking to work with Southern California Edison to use rebates to defray the cost.

Moved by Mayor Pro Tem Robbins, seconded by Councilmember Rhodes, and carried unanimously to approve **Resolution No. 09-32** authorizing the City to apply for an Energy Efficiency and Conservation Block Grant from the California Energy Commission, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA WOODS, CALIFORNIA, AUTHORIZING AN
APPLICATION FOR ENERGY EFFICIENCY AND CONSERVATION
BLOCK GRANT FUNDING

8.5 City Hall Fumigation

City Manager Keane stated that this issue requires immediate attention. She also expressed concern about protecting the bee hives on the roof of City Hall.

Assistant City Manager Reilly summarized the agenda report and explained the process for protecting the bee hives. He noted that no one will be able to enter City Hall between December 24 and December 28, 2009.

City Manager Keane discussed the success of the City's bee hive program.

Councilmember Rhodes asked if there have been bee sightings inside the building since the bee hives were installed on the roof.

City Manager Keane noted that several locations have been sealed and that she hopes that the hives keep the majority of the bees out of the building.

Councilmember Connors asked if the fumigation will take care of the bees that do not leave with the bee hives.

City Manager Keane responded that it would.

Councilmember Connors asked how the bees will be removed.

Assistant City Manager Reilly explained that they will be removed through the building.

City Manager Keane noted that the elevator has been fixed.

Moved by Mayor Pro Tem Robbins, seconded by Councilmember Hack, and carried unanimously to allocate \$8,500 from the FY 09-10 Council Contingency reserve for fumigation of City Hall.

IX. CITY ATTORNEY'S REPORT

City Attorney McEwen wished everyone happy holidays.

X. COMMITTEE REPORTS

10.1 Transportation Corridor Agencies (Councilmember Hack)

Councilmember Hack announced that the improvements to the northbound 73 will open by the end of the month.

10.2 Orange County Library Board (Mayor Pro Tem Robbins)

Mayor Pro Tem Robbins announced that the next meeting is December 17, 2009.

10.3 Orange County Fire Authority (Councilmember Rhodes)

Councilmember Rhodes announced that Station 22 is accepting toys for needy children. He recommended changing the batteries in smoke detectors at the start of the year. The OCFA Customer Satisfaction Survey for Laguna Woods resulted in a 97.58% approval rating. Brea and Fountain Valley are considering contracting with OCFA for emergency medical services. The next meeting is January 28, 2010.

10.4 Southern California Water Committee (Councilmember Hack)

Councilmember Hack noted that the Governor has proposed five water bills. The State Water Project allocations for the forthcoming year only grant Southern California 5% of its needs, which is the lowest amount in the 67 year history of the State Water Project.

10.5 Coastal Greenbelt Authority (Councilmember Connors)

Councilmember Connors announced that the next meeting will be in January 2010.

10.6 Laguna Canyon Foundation (Councilmember Rhodes)

Councilmember Rhodes announced that the City of Laguna Beach has been given a gift of 96 acres of wilderness property. It is expected that a shade sail will be installed at the Nix Nature Center in the first quarter of 2010. The volunteer holiday party was a success. The Foundation will be assisting the City of Laguna Beach with a survey to gauge interest in establishing another 20 million bond for open space acquisition. There will be a Board of Directors retreat on January 12, 2010.

10.7 Vector Control District Board (Board Member Bouer)

Board Member Bouer announced that there is no vector activity in the community. He read a letter commending the service of the City's vector control inspector.

XI. PUBLIC COMMENTS – None

XII. CITY COUNCIL

12.1 Council Reorganization – Office of the Mayor

Outgoing Mayor Ring made remarks about the accomplishments of the City over the past year and decade. He thanked the community and City Council for their support.

Moved by Councilmember Hack, seconded by Councilmember Conners, and carried unanimously to appoint Mayor Pro Tem Robbins to serve as Mayor for the period December 2009 to December 2010.

Mayor Robbins thanked the City Council, staff, and volunteers, and made remarks about his hopes for the coming year.

12.2 City Council Reorganization – Office of Mayor Pro Tem

Moved by Councilmember Ring, seconded by Councilmember Conners, and carried unanimously to appoint Councilmember Hack as Mayor Pro Tem to serve for the period December 2009 to December 2010.

12.3 Reports on Meetings Attended (Government Code §53232.3)

Councilmember Rhodes was unable to attend the OC Firefighters Thanksgiving Lunch.

12.4 Other Comments and Announcements

Councilmember Conners announced the opening of the Forrester Trail near the San Juan Capistrano landfill. She also commended staff for the Wood Works newsletter and their ability to identify and pursue grant funding.

City Manager Keane acknowledged Community Services Manager Foley's efforts related to pursuing Energy Efficiency and Conservation Block Grant funds.

Councilmember Rhodes commended Claire Webb, Community Reporter for the Laguna Woods Globe, for her efforts in promoting the community.

Mayor Pro Tem Hack and Mayor Robbins wished everyone happy holidays.

XIII. CLOSED SESSION – None

XIV. ADJOURNMENT

The meeting was adjourned at 4:23 p.m. The next meeting will be at 2:00 p.m. on January 20, 2010 at the Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California.

YOLIE TRIPPY, Deputy City Clerk

Adopted: January 20, 2010

MILT ROBBINS, Mayor