

**MINUTES
JOINT MEETING OF THE CITY COUNCIL AND HOUSING AUTHORITY
REGULAR CITY COUNCIL MEETING AND
SPECIAL HOUSING AUTHORITY MEETING
MAY 9, 2023**

CALL TO ORDER

The regular meeting of the City Council of the City of Highland was called to order at 6:00 p.m. by Mayor McCallon at the Donahue Council Chambers, 27215 Base Line, Highland, California.

The invocation was given by Pastor Willie Hicks, Harvest Care Church, and the Pledge of Allegiance was led by Council Member Timmer.

ROLL CALL

Present: Chavez-Cordova, Lilburn, McCallon, Solano, Timmer
Absent: None

REPORT FROM CLOSED SESSION

None

SPECIAL PRESENTATIONS

Mayor McCallon presented a Proclamation proclaiming May 21-27, 2023, as National Public Works Week.

Mayor McCallon presented a Proclamation proclaiming May 15-21, 2023, as National Salvation Army Week.

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA)

David Gandolfi spoke requesting video live streaming of City Council meetings and he expressed his concern with the pavement condition along Greenspot Road related to East Valley Water District's 30" Recycled Water Project.

CITY COUNCIL CONSENT CALENDAR

A MOTION was made by Council Member Chavez-Cordova, seconded by Council Member Solano, to approve the consent calendar as submitted. Motion carried on a roll call vote, 5-0.

1. Waive the Reading of All Ordinances
Waived the reading of all Ordinances in their entirety and read by title only.

2. Minutes – April 11, 2023 City Council Regular Meeting
Approved the Minutes as submitted.
3. Warrant Register
Approved Warrant Register No. 753 for May 9, 2023, in the amount of \$5,539,409.28 and Payroll of \$218,015.07.
4. Treasurer’s Report for March 2023
Received and filed Treasurer’s Report for March 2023.
5. Claim Consideration – Page Thompson
Rejected claim.
6. Claim Consideration – David Vega
Rejected claim.
7. Claim Consideration – Allen Mealey
Rejected claim.
8. Records Destruction Authorization
Approved the destruction of certain records.
9. Declare One (1) Seat Vacant on the Historic and Cultural Preservation Board
 - 1) Declared one (1) seat vacant on the Historic and Cultural Preservation Board; and
 - 2) Directed the City Clerk to advertise the vacancies on the Historic and Cultural Preservation Board.
10. Contract Streetlight Maintenance Renewal – “Energy Services Agreement”
 - 1) Extended the Energy Services Agreement with Yunex LLC (formerly Siemens Industry, Inc.) for one-year; and
 - 2) Approved a 0.5% increase to the contract unit prices.
11. Contract Renewal – 2021-01 “Tree Trimming and Arborist Service Agreement”
 - 1) Extended the Tree Trimming and Arborist Service Agreement with West Coast Arborists, Inc. (Contractor) for one-year.
12. Street and Drainage Maintenance District 96-1 – Annual Report (Fiscal Year 2023/24)
 - 1) Adopted Resolution No. 2023-008 giving preliminary approval of the Annual Report; and
 - 2) Adopted Resolution No. 2023-009 setting June 13, 2023, as the date of the protest hearing.

RESOLUTION NO. 2023-008

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, GIVING PRELIMINARY APPROVAL OF REPORT FOR STREET AND DRAINAGE MAINTENANCE DISTRICT NO. 96-1 FISCAL YEAR 2023-24

RESOLUTION NO. 2023-009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL 2023-24 IN STREET AD DRAINAGE MAINTENANCE DISTRICT NO. 96-1, AN ASSESSMENT DISTRICT, AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO

13. Consolidated Landscape and Lighting District 96-1 Annual Report (Fiscal Year 2023/24)

- 1) Adopted Resolution No. 2023-010 giving preliminary approval of the Annual Report; and
- 2) Adopted Resolution No. 2023-011 setting June 13, 2023, as the date of the protest hearing.

RESOLUTION NO. 2023-010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, GIVING PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR CONSOLIDATED LANDSCAPING & LIGHTING DISTRICT NO. 96-1 FISCAL YEAR 2023-24

RESOLUTION NO. 2023-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL 2023-24 IN CONSOLIDATED LANDSCAPE AND LIGHTING DISTRICT NO. 96-1, AN ASSESSMENT DISTRICT, AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO

14. Sheriff's Department Schedule A Amendment for Fiscal Year 2023-2024 and Amendment No. 2 to the Reimbursement Agreement between the City of Highland and East Valley Water District for Law Enforcement Services for Fiscal Year 2023-2024

- 1) Authorized the Mayor to execute the amended Schedule A contract (FY 2023-2024) for Law Enforcement Services with the San Bernardino County Sheriff's Department; and
- 2) Approved Amendment No. 2 to the Reimbursement Agreement between the City of Highland and East Valley Water District for Law Enforcement Services (FY 2023-2024).

- 15. A Special Event Permit (SEP 23-002) by Immanuel Baptist Church for a 4th of July Community Event and Request for Co-sponsorship
 - 1) Approved the Special Event Permit 23-002 subject to the conditions of approval; and
 - 2) Approved a request by Immanuel Baptist Church for co-sponsorship and waiving of City police and fire permit fees in the amount of approximately \$11,879.68.

CITY COUNCIL PUBLIC HEARING

- 16. General Plan Amendment (GPA 22-001) and Zone Change (ZC 22-001) to Change the Land Use and Zoning Designation of Seven (7) Parcels from Industrial (I) to Business Park (BP). Related Entitlements include Conditional Use Permit (CUP 22-008) for the Development of a Vehicle Fueling Station, Convenience Store, and Carwash, Tentative Parcel Map No. 19209 (TPM 22-006) to Merge the Seven (7) Existing Parcels into One (1), Design Review Application (DRA 21-019) for a Site Plan, Conceptual Landscape Plan, and Grading Plan, and Mitigated Negative Declaration (ENV 23-002)

Mayor McCallon opened the public hearing for a general plan amendment and zone change for a new gas station.

Associate Planner Syed presented the item before the City Council and stated the proposed development is located across 1.83 acres at the northeast corner of Palm Avenue and 5th Street. The site consists of seven parcels and is mostly vacant. Aside from an existing contractor storage facility, surrounding the property are a variety of uses that include a contractor storage yard to the north, an ARCO gas station to the south, a trailer parking facility to the east, and a Farmer Boys restaurant to the west. The Applicant is looking to construct a gas station and a car wash on this site. The current industrial land use and zoning designation won't allow it; however, because the site is located at a major intersection that features two other gas stations, the Applicant is seeking a change to Business Park which would allow a fueling station with the approval of a conditional use permit. According to the general plan, both the Business Park and Industrial land uses envision a variety of light industrial type of businesses. Both land uses seek an attractive working environment, considering their proximity to the airport. Therefore, this amendment to change the land use would have no impact to the build out that was envisioned by the general plan. According to the Employment Uses section of the Municipal Code, the Business Park and Industrial zones share many of the permitted uses. Aside from fueling stations, there is an existing ARCO gas station to the south of the site and an approved Mobile gas station to the southwest. The approval of this project will include diesel truck fueling, an amenity that is not found in any of the other gas stations within the City. The layout of the site consists of a 4,000 square foot fuel canopy for six gasoline pumps. A 500 square foot canopy for three diesel fueling pumps, an automated car wash, and a 4,600 square foot convenience store building. There are three points of access on this site, one from Meines Court to the north, one from 5th Street to the south, and

one from Palm Avenue to the west. The access from Meines Court will primarily be an ingress for semi-trucks accessing the diesel fuel pumps. The semi-trucks will exit the site onto 5th Street to the south and both the Palm Avenue and 5th Street entrances will provide ingress and egress for passenger vehicles. There are two vacuum stalls and 20 parking spaces on this site; 18 are dedicated to the convenience store use, which satisfies the parking requirement per the Municipal Code. Additionally, City Ordinance 456 requires one EV charging space per eight fueling stalls. There are actually two EV charging stations for the nine total pumps that will be on site. There are two seven-foot-tall monument signs that are proposed on this site, one along 5th Street and one along Palm Avenue. Once the fueling tenant has been confirmed, the Applicant will then submit a Sign Program application that includes elevations for the monument signs, the building mounted signage, as well as corner monument statement at the intersection that will be reviewed by the Planning Commission at a later date. The original design that was approved by the Planning Commission was for the convenience store and car wash building to have a tan, yellow stucco exterior with light brown trim and brick accent cladding. As shown, however; the Applicant did convey that the materials and colors will likely change upon their confirmation of a fueling tenant. Once a tenant is confirmed, branding on the fuel canopies will be reviewed by the Planning Commission as part of the Sign Program. The conceptual landscape plan features a variety of drought tolerant trees, shrubs, and vines that include dwarf weeping bottlebrush, blue flame agave, silver dollar plants, and Mexican sage brush. In addition, Australian Willows, Queen Palms, and Drake Elm trees will be located along the drive access points to the site. The landscape plan has been reviewed by the City's landscape architects and conditions have been included as part of the conditions of approval of the project. Lastly, the project has been conditioned to include a six-foot-tall block wall along the eastern property boundary as well as the portion of the northern boundary that borders the adjacent business. Planning Commission and staff recommend approval of this project. Associate Planner Syed then opened it up for questions.

Mayor McCallon asked if the Applicant was present, and if so, were they wanting to come up and make a presentation?

Associate Planner Syed responded that the Applicant was present but did not want to make a presentation. He was available for questions if necessary.

Council Member Timmer had a question about the egress out from Meines Court. He mentioned he frequents the Farmer Boys often, and traffic along Palm Avenue makes it difficult sometimes to make a left turn. How will this work with 18-wheelers trying to go southbound onto Palm Avenue to get back to the freeway or to head north onto Base Line?

Associate Planner Syed clarified that Meines Court will serve only as an ingress point, the egress will be back onto 5th Street.

Mayor McCallon asked if that exit was right-in, right-out only?

Public Works Director/City Engineer Zamano responded the exit will be a right-turn only because as part of the City's capital improvement project, a raised median will be constructed through this area between Palm Avenue and Church Avenue.

Mayor McCallon asked when will this aspect of the project be completed?

Public Works Director/City Engineer Zamano clarified the project is underway now. It is envisioned that the median will be in before the project is completed. Movement will be restricted so that you will only be able to make a right as you are exiting onto 5th Street.

Mayor McCallon expressed his concern with the stacking that occurs now at 5th Street and Palm Avenue. Making a left onto Palm Avenue to go down to 3rd Street, right now is insufficient. He is concerned with the ability for trucks to come out of the gas station and contribute to the "stacking" situation to make a left turn to go to 3rd Street.

Public Works Director/City Engineer Zamano responded that as part of the City's capital improvement project, the City is improving the intersection corners in this area. A right-turn pocket will be constructed heading westbound on 5th Street and the other intersection corners will also be improved. A dual left-turn for westbound traffic on 5th Street and Palm Avenue will also be designated.

Mayor McCallon then responded he hoped those exiting the gas station would head west on 5th Street down to Victoria Avenue to access 3rd Street instead.

Council Member Timmer mirrored Mayor McCallon's concerns about trucks exiting out onto 5th Street and trying to make that left-turn onto Palm Avenue. The intersection has a lot of traffic issues. He is skeptical if the proposed egress option is feasible. He asked if the proposed plan met all the City's standards.

Public Works Director/City Engineer Zamano answered yes to his question.

Mayor McCallon asked if there were any additional questions from staff? He opened it up for public comment. He closed the public hearing and brought it back to Council for deliberation and action.

Mayor Pro Tem Lilburn stated she is also concerned with diverting trucks onto Base Line, it should be avoided and would prefer they use the 5th Street freeway entrance. She asked if there is going to be alcohol sales in the convenience store of this proposed project?

Associate Planner Syed answered yes, the Applicant is in the process of applying for an ABC license that will be going before the Planning Commission soon.

Mayor Pro Tem Lilburn asked if it was for beer and wine or hard liquor as well?

Associate Planner Syed answered it is for beer and wine, a type 20 license.

Mayor Pro Tem Lilburn mentioned she is glad that the City is considering changing it to Business Park use instead of Industrial because she sees a lot of warehouses, and it is going to be nice to see a business coming in. She wanted to thank the Planning Commission for their thorough review of this project and their comments and suggestions. She saw the Sign Program application will be going back to the Planning Commission, chances are that the color selection for the facility might change. She asked if the Planning Commission's parking concern was addressed. There were only 18 proposed parking slots, and they were requesting 20.

Associate Planner Syed clarified that it was a miscalculation of square footage on his part, initially the Applicant's proposed parking slots did meet standards.

Mayor Pro Tem Lilburn asked for confirmation if a median would be constructed along 5th Street?

Public Works Director/City Engineer Zamano confirmed that it will be constructed along 5th Street between Palm Avenue and Church Avenue.

Mayor Pro Tem Lilburn asked if staff thought this was the best location for this median? In terms of traffic flow, did staff give consideration of this type of business coming in?

Public Works Director/City Engineer Zamano mentioned that staff presented the capital improvement project to the Council before, because this project has been in the works for several years. He believes because the area was vacant, consideration of the median construction was given but he was not involved at the time with this project, it was during the previous Public Works Director/City Engineer Wong's tenure. His recollection is that it was taken into consideration.

Mayor McCallon commented that was part of the 3rd Street punch through project.

Public Works Director/City Engineer Zamano responded that was correct.

Mayor McCallon stated he had additional comments and questions on the mitigation measures on page 257 of the staff report.

Council Member Timmer asked if he meant page 57?

Mayor McCallon clarified it was on page 257, Air-3 and quoted, "provides incentives for vendors and material delivery trucks that would be visiting the hotel." He questioned what hotel they were referring to?

Associate Planner Syed clarified it was a cut and paste typo, it is not a hotel.

Mayor McCallon mentioned it should read, “and visiting the service station”. He continued to read the excerpt, “to encourage the use of zero-emission or near-zero emission heavy-duty trucks during operation, such as trucks with natural gas engines that meet CARB’s adopted optional NOx emissions standard of 0.02 grams per brake horsepower-hour (g/bhp-hr).” That’s a near zero electric vehicle, and Cummins engines are the cleanest natural gas engines that we have on the road right now. He is disappointed that these types of semi, 18-wheelers are visiting this service station, they would not be able to accommodate them with natural gas.

Associate Planner Syed clarified this service station would only be providing normal 87 octane, 91 octane and diesel.

Mayor McCallon responded that the State is in the process of trying to get rid of diesel engines for a good reason because they are a health hazard. The State is mandating they go out of service by a certain date. He is hopeful that the Applicant realizes this and that their business model will take this into account adapting to putting in natural gas, more electric charging stations and hydrogen fuel.

Associate Planner Syed acknowledged those were good points because in discussions with the Applicant, they did mention they are open to adapting to what the demand is for the future, should there be. They have proposed two EV fast charging stations on site.

Mayor McCallon responded those amenities are for vehicles though.

Associate Planner Syed stated the Applicant in the future would be willing to do so, should they need to modify their station to accommodate natural gas or CNG and add additional EV chargers.

Mayor McCallon responded it is a bold decision to put in truck diesel refueling when that is on the way out, for a good reason. He moved on to section Air-4 which discussed providing electric vehicle charging stations for the restaurant.

Associate Planner Syed responded there was originally a quick serve restaurant proposed on this site, through revisions, they removed the restaurant.

Mayor McCallon then suggested the section should be changed to reflect this update.

Associate Planner Syed confirmed the change should be made.

Mayor McCallon moved onto section Air-5 and read, “Maximize the use of solar energy including solar panels. Installing the maximum possible number of solar energy arrays on the building roofs and/or on the Proposed project site...” He questioned if solar panels will be placed on the canopies or the building?

Associate Planner Syed responded he did not discuss with the Applicant solar panels on the building but there will be some on the canopies.

Mayor McCallon inquired if there were any further questions or comments?

Council Member Timmer asked for clarification from Public Works Director/City Engineer Zamano if he foresaw construction of the capital improvement project before the opening of this new proposed business?

Public Works Director/City Engineer Zamano responded while he does not know the specific timeline for this new business, he did confirm that the City's capital improvement project is predicted to be completed by July of 2024.

Council Member Timmer responded the reason he asked that question was because with the traffic flow coming into Meines Court, going south through the pumps, then the normal way out is on 5th Street. If they try and make a left going across three or four lanes of traffic, he foresees that becoming a conflict at some point. With a median, that should eliminate that issue. He wanted to envision the phasing of how that would work. He once again asked the Public Works Director/City Engineer if he believed that the median will be constructed before this new business is opened?

Public Works Director/City Engineer responded that he did.

Mayor McCallon asked what is the Council's pleasure on this item?

A MOTION was made by Council Member Solano, seconded by Council Member Timmer, to adopt Resolution No. 2023-012 as amended, certifying the Mitigated Negative Declaration (ENV 23-002), and direct staff to file a Notice of Determination with the County Clerk of the board; adopt Resolution No. 2023-013 approving General Plan Amendment (GPA 22-001) to change the land use of the site from Industrial (I) to Business Park (BP), subject to the Findings of Fact; introduce Ordinance No. 460 approving Zone Change (ZC 22-001) to change the zoning designation of the site from Industrial (I) to Business Park (BP), subject to the Findings of Fact; adopt Resolution No. 2023-014 as amended, approving Conditional Use Permit (CUP 22-008) for the development of a vehicle fueling station, convenience store, and carwash, subject to the Conditions of Approval and the Findings of Fact; adopt Resolution No. 2023-015 approving Design Review Application (DRA 21-0169) for the project's Site Plan, Grading Plan, and Conceptual Landscape Plan, subject to the Conditions of Approval and the Findings of Fact; and adopt Resolution No. 2023-016 approving Tentative Parcel Map No. 19209 (TMP 22-006) to merge seven (7) existing parcels into one (1), subject to the Conditions of Approval and the Findings of Fact. Motion carried, 5-0.

RESOLUTION NO. 2023-012

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, CERTIFYING MITIGATED NEGATIVE DECLARATION (ENV 23-002) AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE DEVELOPMENT OF A 4,042 SQUARE FOOT FUEL CANOPY FOR SIX (6) GASOLINE PUMPS, A 2,520 SQUARE FOOT FUEL CANOPY FOR THREE (3) DIESEL PUMPS, A 1,387 SQUARE FOOT AUTOMATED CARWASH, AND A 4,620 SQUARE FOOT CONVENIENCE STORE ON APPROXIMATELY 1.9 ACRES AT THE NORTHEAST CORNER OF PALM AVENUE AND 5TH STREET. RELATED ENTITLEMENTS INCLUDE CONDITIONAL USE PERMIT (CUP 22-008), DESIGN REVIEW APPLICATION (DRA 21-019), TENTATIVE PARCEL MAP NO. 19209 (TPM 22-006), GENERAL PLAN AMENDMENT (GPA 22-001) AND ZONE CHANGE (ZC 22-001)

RESOLUTION NO. 2023-013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT (GPA 22-001) TO CHANGE THE LAND USE OF SEVEN (7) SUBJECT PARCELS FROM INDUSTRIAL (I) TO BUSINESS PARK (BP) FOR A DEVELOPMENT CONSISTING OF A 4,042 SQUARE FOOT FUEL CANOPY FOR SIX (6) GASOLINE PUMPS, A 2,520 SQUARE FOOT FUEL CANOPY FOR THREE (3) DIESEL PUMPS, A 1,387 SQUARE FOOT AUTOMATED CARWASH, AND A 4,620 SQUARE FOOT CONVENIENCE STORE AT THE NORTHEAST CORNER OF PALM AVENUE AND 5TH STREET. RELATED ENTITLEMENTS INCLUDE CONDITIONAL USE PERMIT (CUP 22-008), DESIGN REVIEW APPLICATION (DRA 21-019), TENTATIVE PARCEL MAP NO. 19209 (TPM 22-006), AND ZONE CHANGE (ZC 22-001)

City Clerk Hughes introduced Ordinance No. 460:

ORDINANCE NO. 460

AN ORDINANCE OF THE HIGHLAND CITY COUNCIL, APPROVING ZONE CHANGE (ZC 22-001) TO MODIFY THE ZONING DESIGNATION OF SEVEN (7) PARCELS FROM INDUSTRIAL (I) TO BUSINESS PARK (BP) RELATED TO A DEVELOPMENT CONSISTING OF A 4,042 SQUARE FOOT FUEL CANOPY OF SIX (6) GASOLINE PUMPS, A 2,520 SQUARE FOOT FUEL CANOPY FOR THREE (3) DIESEL PUMPS, A 1,387 SQUARE FOOT AUTOMATED CARWASH, AND A 4,620 SQUARE FOOT CONVENIENCE STORE AT THE NORTHEAST CORNER OF PALM AVENUE AND 5TH STREET

which title was read.

RESOLUTION NO. 2023-014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT (CUP 22-008) FOR A DEVELOPMENT CONSISTING OF A 4,042 SQUARE FOOT FUEL CANOPY FOR SIX (6) GASOLINE PUMPS, A 2,520 SQUARE FOOT FUEL CANOPY FOR THREE (3) DIESEL PUMPS, A 1,387 SQUARE FOOT AUTOMATED CARWASH, AND A 4,620 SQUARE FOOT CONVENIENCE STORE AT THE NORTHEAST CORNER OF PALM AVENUE AND 5TH STREET. RELATED ENTITLEMENTS INCLUDE DESIGN REVIEW APPLICATION (DRA 21-019), TENTATIVE PARCEL MAP. NO. 19209 (TPM 22-006), GENERAL PLAN AMENDMENT (GPD 22-001), AND ZONE CHANGE (ZC 22-001)

RESOLUTION NO. 2023-015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING DESIGN REVIEW APPLICATION (DRA 21-019) FOR THE SITE PLAN, ROUGH GRADING PLAN, AND CONCEPTUAL LANDSCAPE PLAN PERTAINING TO THE DEVELOPMENT CONSISTING OF A 4,042 SQUARE FOOT FUEL CANOPY FOR SIX (6) GASOLINE PUMPS, A 2,520 SQUARE FOOT FUEL CANOPY FOR THREE (3) DIESEL PUMPS, A 1,387 SQUARE FOOT AUTOMATED CARWASH, AND A 4,620 SQUARE FOOT CONVENIENCE STORE AT THE NORTHEAST CORNER OF PALM AVENUE AND 5TH STRET. RELATED ENTITLEMENTS INCLUDE CONDITIONAL USE PERMIT (CUP 22-008), TENTATIVE PARCEL MAP NO. 19209 (TPM 22-006), GENERAL PLAN AMENDMENT (GPA 22-001), AND ZONE CHANGE (ZC 22-001)

RESOLUTION NO. 2023-016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA APPROVING TENTATIVE PARCEL MAP NO. 19209 (TPM 22-006) TO MERGE SEVEN (7) EXISTING PARCELS INTO ONE (1) PARCEL IN ASSOCIATION WITH CONDITIONAL USE PERMIT (CUP 22-008), DESIGN REVIEW APPLICATION (DRA 21-019), GENERAL PLAN AMENDMENT (GPA 22-001), AND ZONE CHANGE (ZC 22-001) TO DEVELOP A 4,402 SQUARE FOOT FUEL CANOPY FOR SIX (6) GASOLINE PUMPS, A 2,520 SQUARE FOOT FUEL CANOPY FOR THREE (3) DIESEL PUMPS, A 1,387 SQUARE FOOT AUTOMATED CARWASH, AND A 4,620 SQUARE FOOT CONVENIENCE STORE AT THE NORTHEAST CORNER OF PALM AVENUE AND 5TH STREET

17. Resolution No. 2023-017 Fixing the Highland Paramedic Special Tax Rate for Fiscal Year 2023-2024

Mayor McCallon opened the item for public hearing and asked Director of Administrative Services/City Treasurer Dantuono to give a review of the staff report.

Director of Administrative Services/City Treasurer Dantuono stated this item is the annual public hearing for the medic tax. The medic tax started back in the mid-1980s at \$19.00 for residential and \$38.00 for commercial, the same as it is today. The City believes it will generate about \$370,000 next fiscal year as opposed to the \$2.4 million in expenditures. The short-fall comes from the Fire Department fund. The City is asking that the rate for fiscal year 2023/2024 be set to \$19.00 for residential and \$38.00 for commercial.

Mayor McCallon asked if there were any questions from staff.

Council Member Timmer made a motion for approval of the item.

Mayor McCallon reiterated this is a public hearing item and asked if anyone in the public wished to speak for or against the item. Seeing none, he closed the public hearing and brought it back to staff for questions.

Mayor Pro Tem Lilburn asked given the City went through this annually or semi-annually with such a deficit, is the City going to at some point “bite the bullet” and require everyone pay their “fair share” because the City is picking up these costs for the paramedic tax? Other cities have a higher tax and Highland keeps it on such a small fee, and it is becoming a burden on our City budget. At some point it will really need to be looked at.

Mayor McCallon reiterated that the City has gone to the voters twice on this particular item and they have never been able to obtain a 2/3 majority required to pass.

Mayor Pro Tem Lilburn responded that she understood. Unfortunately, it has become a burden to the City budget.

Council Member Timmer stated it is due to the Fire Department fund which is City money.

Mayor McCallon asked if there were any additional comments or questions and requested a motion on the item.

A MOTION was made by Council Member Timmer, seconded by Council Member Solano, to adopt Resolution No. 2023-017 fixing the Highland Paramedic Tax rate for Fiscal Year 2023-2024. Motion carried, 5-0.

RESOLUTION NO. 2023-017
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,
CALIFORNIA, FIXING THE HIGHLAND PARAMEDIC SPECIAL TAX RATE FOR
FISCAL YEAR 2023-2024

CITY COUNCIL LEGISLATIVE

18. City Manager Report and Comments (Work Program, Regional/Legislative/Development Issues, Subcommittees, etc.)

City Manager Hughes stated on May 2, the Planning Commission and Appeals Board adopted two resolutions declaring public nuisances for two properties: 7712 Victoria Avenue and 8046 Central Avenue. Both owners were present, and staff is hopeful that the violations will be successfully abated in the next 60 days to avoid further code action. At the next meeting on May 16, the Planning Commission will review draft amendments to the City's adopted Housing Element in response to the Housing and Community Development's (HCD) comments. The Planning Commission will make a recommendation to bring it forward to the City Council in June.

Beazer Homes is currently under construction, located northerly of Aurantia Park and Santa Ana Canyon Road. The development consists of 54 new single-family homes ranging from 2,400 to 3,000 square feet. Their model homes are now open.

As a reminder, next week on May 16, the following meetings are scheduled: (1) Finance/Personnel Subcommittee at 9:45 a.m., (2) closed session with City Council at 10:00 a.m. and (3) Study Session for public hearing on the budget at 10:30 a.m.

The Pacific Street pavement rehabilitation improvements between Victoria Avenue and Church Avenue began on March 27. This is a joint project between the City of San Bernardino and the City of Highland, with Highland serving as the lead agency. Construction is approximately 34% complete. Due to construction impacts to San Andreas High School and Highland Pacific Elementary School along Pacific Street between Central Avenue and Orange Street, construction is suspended from May 8 through June 2. Construction will resume on Monday, June 5 when schools are on summer break. The project completion date is anticipated for July 2023.

Saturday, June 3 from 9:00 a.m. to 2:00 p.m., Fire Station #2 will host an Open House to the public. On Saturday, May 20, there will be a compost giveaway at Immanuel Baptist Church from 8:00 a.m. to 12:00 p.m.

City Manager Hughes opened it up to questions.

Council Member Timmer asked if the code case presented to the Planning Commission for 7712 Victoria Avenue was the property next to the old meat packing plant? The property had burned down, and it used to be an apartment complex.

Community Development Director Mainez clarified it was not, it was further up the street closer to Central Avenue. The property next to the meat packing plant is a different code case.

20. Council Member Comments (Agency/Committee/AB 1234 Reports, District Updates, etc.)

Mayor Pro Tem Lilburn mentioned she has received many compliments on the Pacific Street pavement rehabilitation project, and many residents are excited. This is one of the projects she has received the most feedback on, so she wanted to thank staff. She is glad the City of Highland is the lead agency for this project. She also wanted to inform that she was appointed chair for SBD Cares for the San Bernardino International Airport. On Thursday, May 18 she will be welcoming leaders for the Energy Summit Conference at Bear Valley Springs Hotel.

ANNOUNCEMENTS

None

CLOSED SESSION

None

ADJOURN CITY COUNCIL MEETING

There being no further business, Mayor McCallon adjourned the meeting at 7:06 p.m. in memory of William Ballesteros, Ruben Morales, Dr. Vartkes Najarian, and Donald 'Danny' Schiavone.

JOINT CITY COUNCIL AND HOUSING AUTHORITY MEETING

CALL TO ORDER

The joint meeting of the Highland City Council and Highland Housing Authority of the City of Highland was called to order at 6:41 p.m. by Mayor/Chair McCallon.

ROLL CALL

Present: Chavez-Cordova, Lilburn, McCallon, Solano, Timmer
Absent: None

PUBLIC COMMENT (ITEMS NOT ON THE AGENDA)

None

CITY COUNCIL AND HOUSING AUTHORITY PUBLIC HEARING

1. Disposition and Development/Affordable Housing Agreement and Ground Lease with Wakeland Highland LP for the Development of a Ninety (90) Unit Affordable Senior Household Rental Housing Project (Inclusive of One Manager's Unit)

City Attorney Marroquin stated Vice Chair/Mayor Pro Tem Lilburn is recusing herself from this item. She has a conflict of interest as her real property is located within 1,000 feet of the proposed development, so she will be leaving the room.

Chair/Mayor McCallon opened the item for staff's presentation.

Community Development Director Mainez gave a review of the staff report by stating in December 2021, the Housing Authority declared the subject properties to be surplus land and directed staff to proceed with the legal notice of availability. There were two interest letters received, but one was later withdrawn. The other letter of interest was from Wakeland Housing and Development Corporation (Wakeland). A closed session was held March 2022, during which the Housing Authority directed staff to negotiate with Wakeland on a project as described in the Notice of Availability (NA). July 2022, the Housing Authority approved an Exclusive Negotiating Agreement (ENA) with Wakeland for the development of 90 apartment complex units, with 89 affordable senior housing apartments and one manager's unit. March 2023, the ENA was extended for an additional 90 days by the Housing Authority Executive Director to allow more time to negotiate the agreement before you this evening. The goal of the ENA was to get to this stage this evening and for City Council and Housing Authority consideration this evening. As the Chair/Mayor introduced, it is a depth disposition, development and affordable housing agreement inclusive of a ground lease and density bonus. Under this agreement, Wakeland is to develop a 90-unit apartment complex that will include 89 senior apartments and one manager's unit to be rented at affordable rents with prescribed income levels. The prescribed income levels are listed in the agreement and summarized in the staff report. In short, 27 units will be rented to extremely low-income seniors, 17 units will be rented to very low-income seniors and the remaining 45 units will be rented to very low-income and low-income seniors. It is important to note that these units will be credited towards the City's Housing Element obligations through the Regional Housing Needs Allocation (RHNA) obligations. I think all the Council Members are aware of that obligation. The agreement further stipulates that the property will be on a ground lease for a minimum of 68 years. This term is based on an operating period of 65 years and an estimated three-year period to secure the essential project funding. As noted on attachment three of the agreement, Wakeland has until June 2026 to secure the essential funding. The agreement also stipulates that construction must commence within 30 days after closing escrow. In other words, a lot of work is front

loaded, such as the design review approval by the Planning Commission, plan checking and building permit preparation. Prior to closing escrow, as part of the agreement, the City of Highland and the Housing Authority are committed to providing \$4,577,540 in funding to a project that is estimated to cost a little over \$49 million. A breakdown of this commitment is located on the second page of the staff report.

Chair/Mayor McCallon requested clarification on the amount of \$578,950 from the 13 single family lot subdivision.

Community Development Director Mainez replied the amount was set aside as a bond for improvements for that tract back when we were redevelopment. It has been sitting there and they plan to apply that to this project for things like sidewalks, curbs and gutters.

Chair/Mayor McCallon asked if the 13 single family lot still belonged to the City?

Community Development Director Mainez responded that it is still in our portfolio. The developer that buys it will be responsible for all those improvements. For the City Council and Housing Authority consideration this evening, the agreement includes Wakeland's proposed density bonus agreement that will grant them four incentive items, two waiver items and one statute adjustment. The first incentive requested includes the exterior storage space to be interior rather than exterior, resulting in cost savings of about \$360,000. The second incentive is the laundry facilities are proposed as community laundry facilities rather than washers and dryers in each unit, resulting in a cost savings of about \$252,000. The third incentive is the covered parking proposed by Wakeland includes eight handicap spaces covered by carports and 60 uncovered spaces shaded by trees. This results in cost savings of approximately \$450,000. The fourth incentive is the masonry wall, masonry block wall or other design as approved by the Planning Commission will be required to be installed along the easterly, southerly, and partially along the westerly property line. Wakeland proposes a tubular steel type fence instead of a block wall. This results in cost savings of approximately \$850,000. In terms of the two-development code standard waivers, for the first waiver, Wakeland is proposing a waiver to the required unit sizes. This results in a reduction of approximately 8,342 square feet of building area for cost savings of approximately \$2,085,000. The second waiver includes the individual open space requirement to be replaced with common open space in a small private seating area near each single-story unit. This will result in cost savings of approximately \$450,000. The one statute requirement requested by Wakeland includes a parking adjustment to the City's required 113 parking spaces. Wakeland is proposing to construct 68 parking spaces in total, which then produced a parking analysis which is included as attachment five to your staff report to demonstrate that 68 parking spaces will be sufficient for this affordable senior housing. In terms of the zoning designation, the properties zoned are four multi-family with a minimum density of 20 dwellings per acre and a maximum density of 30 dwellings per acre. The proposed project consists of 24 dwelling units per acre, which includes a two-story

building along Central Avenue surrounding an interior plaza connecting to a linear park and then four single-story buildings surrounding that linear park. The conceptual site plan elevations are included in the staff report. Wakeland tonight is prepared to provide a short presentation about the corporation and the services and management proposed for the Highland Senior Housing project. Rebecca Lewis, the President and CFO of Wakeland will come to the podium and continue this presentation.

Wakeland President/CEO Lewis stated she was here probably about a year ago. She's excited to be back with all the progress that has been made and to see this become a reality. Wakeland is incredibly excited about this project and has been around since 1998. In that time, they've developed almost 7,900 affordable homes throughout California in 57 affordable housing communities. They started doing a lot of family housing, and now they do a lot more special needs housing for seniors and others. Wakeland tries to bring a lot of partners into their projects. They try not to recreate the wheel when they come into a community. They like to work closely with the communities they are with, so they come in and look for people that are already doing stuff and partner up. Resident services are their thing, this is what drives them as a non-profit. As is known, it is not enough just to build housing, it is really about what you do with the housing and what you have there. For the residents, once they move in, especially seniors who are prone to isolation and have health issues, Wakeland focuses on adult enrichment. Wakeland knows the importance of it not being just a home, it is what you do when you are there; thus, they focus on adult enrichment. Technology classes are offered, getting people onto e-mail and skilled on computers, as well as classes on financial literacy, budgeting, and living on a tight budget. A lot of seniors are living on fixed incomes, learning how to get the most out of that is important. Professional development and higher education are another focus. They have many seniors that go back to work and go back to school. They have after school programs for the youth. They focus on community involvement and host parties at their properties such as game nights where there is bingo played. It involves trying to fight the isolation that everyone is prone to post COVID, but that especially affects seniors. Shown are some of their residents, they are all fantastic. Ricky was one of the first ones that moved into supportive housing. Dennis teaches art classes now. These guys were once all homeless when they came in, and now they have been at Wakeland's properties for years and thriving. Their health and attitude changed. They rush up and want to help. Bruce was a veteran who was homeless for seven years. These seniors were once homeless. Many of the seniors were one incident away from homelessness. It is amazing when their stories are heard. Usual cases are they got sick and did not have great health insurance. Other cases are their rents went up more than their Social Security. Since Social Security does not really go up, it is a group that lives really close on the edge. Bruce formed an advocacy network and goes around and advocates for senior housing. He is great and one of their longtime residents. Shown are some of their other projects that they have done for seniors.

Focusing on the project on the agenda, Larry did a great job covering most of it. Wakeland is proposing 90 homes, 89 of which will be for seniors. A mix of one and two bedrooms. The new construction will have on-site property management. Wakeland works with a group called Conam Management and they are fantastic. One of the things that makes Wakeland stand out is they are a nonprofit which allows them to stay in these properties forever and are really hands on owners. Wakeland does not turn it over to proper management and walk away. They are a team and stay very involved because they like it. Staff likes coming by and visiting. There are community rooms with kitchen and community areas, outdoor park areas with seating, barbecues, resident gardens, and pet relief areas because everybody has a pet nowadays. On-site programs geared to enhance their quality of life, help them remain independent as they age. That is a focus with the design, with the intention of having people be able to age in place. Features are then placed in the units that allow them to be if they are not already accessible, easily converted. It is great if people can come to a community and just stay there and thrive. With this property, they are matching it with their Inclusive Care for the Elderly (PACE) program. It is a Medicaid billing program, not administered by Wakeland. It is administered by a service provider, but they get a certain amount per resident that is enrolled in the program. Whether that person has triple heart surgery or is living independently on their own, they get the same amount, so they are really motivated to keep people healthy and living independently. They constantly check in on residents and make sure they have everything they need so they do not start to decline and must have major surgeries. Regarding the site plan, it will be a community with a mix of one and two-story buildings. Wakeland wanted to stick with a low-density bungalow looking design but with high density. The goal was to fit in with the community around. They think it is a beautiful design. Shown are some of the elevations. It is all still very early, there are still design review processes to go through with the City.

Chair/Mayor McCallon asked how many elevators were in the two-story buildings? Wakeland President/CEO Lewis stated they would all be walk-up, so if someone needed an elevator, they would place them on the bottom.

Chair/Mayor McCallon asked again how many elevators were in the two-story buildings?

Community Development Director Mainez clarified elevators were called out in the construction and Mayor McCallon was inquiring on their location.

Wakeland President/CEO Lewis stated she did not know their location.

Community Development Director Mainez stated he recalls there were two, one on each end of the building. Details will be finalized during the design and construction, but they were informed that there would be elevators.

Chair/Mayor McCallon acknowledged the need for them.

Authority/Council Member Timmer stated on the first slide of the presentation, it showed a three-story building but, on the plans, and documents provided, it only depicts one and two-story buildings.

Wakeland President/CEO Lewis confirmed only one and two-story buildings.

Authority/Council Member Timmer stated on the site layout, the south end shows a blue or gray line that depicts access. If residents must access from the north end of the project, some of the elderly have to walk a long distance to get to some of those buildings.

Community Development Director Mainez clarified to Wakeland President/CEO Lewis that Council Member Timmer is pointing to the blue shaded part along the south part of the site plan. He clarified those are water quality management facilities used for water retention.

Authority/Council Member Timmer asked if it was an access for drivers?

Community Development Director Mainez mentioned it was not. There is a walkway along that leading up to all the front doors. What Wakeland's approach was as he understood, is that residents that had mobility issues would probably be in the two-story buildings versus the ones that are more independent would be in the single-story buildings enjoying the activity of being able to walk.

Authority/Council Member Timmer pointed out that from the parking area, they would still have a long way to carry their groceries.

Community Development Director Mainez agreed to that statement and added that part of Wakeland's service was the PACE program as well as a CORE program where they reach out to independent tenants that really need help getting the groceries or they have groceries delivered to them. Because a lot of them won't have vehicles and won't go shopping, they will need certain assistance with their roller carts getting in and out of their units.

Wakeland President/CEO Lewis stated their on-site service staff is always watching out to see what people's needs are. If they see someone is in need, they will try and coordinate assistance with them.

Authority/Council Member Timmer stated the presentation included children's programs, but this is a senior project.

Wakeland President/CEO Lewis confirmed Wakeland offers children programs but not at this proposed facility.

Authority/Council Member Timmer asked on the administration of the company, what kind of restrictions are in place in the lease agreement, or how do you restrict children or grandchildren from living there?

Wakeland President/CEO Lewis stated the primary lease holder has to be a senior. They could have kids but it is really restricted by the unit size too. That would also affect their income qualifications, that problem does not come up very often. Wakeland can't really restrict this if the primary lease holder is of age but terms such as unit size, restrictions on occupancy, how many people you can have there are all in place to deter it.

Authority/Council Member Timmer stated because he hears stories of seniors having their grandkids moving in and never moving out. Grandkids are not compatible with senior lifestyles, and they cause a lot of problems. Will this project pay all the development impact fees?

Community Development Director Mainez stated it will.

Authority/Council Member Timmer asked one last question, under the first option, it is talking about the \$450,000 that says, "the payment will be made upon the condition of closing being satisfied". Is that pulling all building permits or when the project has all the funding, what does that mean?

Community Development Director Mainez stated those two things are really good. Those are the top two. Getting the full funding for the project as well as paying all their fees and having all that wherewithal. Then getting to design review there is a checklist.

Authority/Council Member Timmer asked if the amount is released up front or until they have all approvals?

Community Development Director Mainez confirmed his statement. It was put forward very early in the negotiation process. The City did not want to give the developer money up front.

Chair/Mayor McCallon stated he had one concern about one way in and one way out. He noticed there are indications of the ability for a fire truck to turn around, but the fire truck is not going to turn around, it is going to want to back-up and pull forward and back-up gain to turn around another way. Normally there is not just one way in and one way out.

Wakeland President/CEO Lewis stated that was one of the trade offs made during the design. The layout with more bungalows is a trade-off for parking and pull in area.

Chair/Mayor McCallon stated he was concerned about safety issues as staff reviewed this project.

Community Development Director Mainez stated that is a good concern. Through the preliminary design, the City Fire Marshall has reviewed it with the Battalion Chief but will get this refined a bit more. That is why in all documentation they indicated this is a conceptual design subject to revision.

Chair/Mayor McCallon reiterated this is a valid point of concern.

Authority/Council Member Timmer stated Chair/Mayor McCallon brought up a good point that didn't dawn on him. Accessing the fire equipment is his concern though, not necessarily the in and out points of the property or making turns. His concern is fire trucks being close to the buildings. Is the brick area intended for fire trucks to get closer?

Community Development Director Mainez confirmed that was the intention of the brick paved area.

Authority/Council Member Timmer then mentioned they would lay 3,000 feet of the hose to get to the building instead of 2,000.

Community Development Director Mainez stated they are going to refine that; it is still in the works.

Chair/Mayor McCallon opened it up to questions and comments from the public.

A MOTION was made by Authority/Council Member Timmer, seconded by Chair/Mayor McCallon, to:

- 1) Adopt Housing Authority Resolution No. HA2023-001, approving entering into a Disposition and Development/Affordable Housing Agreement and Ground Lease with Wakeland Highland LP, and Authorizing the Disbursement of \$4,577,450.00 to Wakeland Highland, LP upon the conditions of closing being satisfied;
- 2) Adopt City of Highland Resolution No. 2023-018 approving entering into a Disposition and Development/Affordable Housing Agreement, and Density Bonus Agreement with Wakeland Highland LP, and Authorizing the Disbursement of \$1,213,950 to the Housing Authority; and
- 3) Direct staff to file a Notice of Exemption with the County Clerk of the Board. Motion carried, 4-0, with Vice Chair Lilburn abstaining.

RESOLUTION NO. HA 2023-001

A RESOLUTION OF THE HIGHLAND HOUSING AUTHORITY APPROVING (1) A DISPOSITION AND DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT AND GROUND LEASE WITH WAKELAND HIGHLAND, LP, (2) AUTHORIZING THE DISBURSEMENT OF \$4,577,450.00 TO WAKELAND HIGHLAND, CP UPON THE CONDITIONS OF CLOSING BEING SATISFIED, AND (3) MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RESOLUTION NO. 2023-018
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,
CALIFORNIA, APPROVING (1) A DISPOSITION AND
DEVELOPMENT/AFFORDABLE HOUSING AGREEMENT WITH WAKELAND
HIGHLAND, LP, (2) AUTHORIZING THE DISBURSEMENT OF \$1,213,950 TO
THE HIGHLAND HOUSING AUTHORITY TO BE USED FOR THE
CONSTRUCTION OF A SENIOR HOUSING PROJECT AT 7433 CENTRAL
AVENUE AND THE ADJACENT VACANT PARCEL, (3) APPROVING A
DENSITY BONUS, AND (4) MAKING A FINDING OF EXEMPTION UNDER THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT

ADJOURN JOINT CITY COUNCIL AND HOUSING AUTHORITY MEETING

There being no further business, Chair McCallon adjourned the meeting at 7:06
p.m.

Submitted By:

Approved By:

Betty Hughes, MMC
City Clerk

Larry McCallon
Mayor