

**MINUTES  
CITY COUNCIL REGULAR MEETING  
OCTOBER 10, 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 Tracy Johnson, Immanuel Baptist Church, and the Pledge of Allegiance was led by Mayor Pro Tem Lilburn.

**ROLL CALL**

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

**REPORT FROM CLOSED SESSION**

None

**SPECIAL PRESENTATIONS**

None

**PUBLIC COMMENT (ITEMS NOT ON THE AGENDA)**

None

**CITY COUNCIL CONSENT CALENDAR**

**A MOTION** was made by Council Member Timmer, 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 - September 12, 2023 City Council Regular Meeting  
Approved the Minutes as submitted.
3. Warrant Register  
Approved Warrant Register No. 758 for October 10, 2023, in the amount of \$3,297,175.13 and Payroll of \$241,962.10.

4. Treasurer's Report for August 2023  
Received and filed Treasurer's Report for August 2023.
5. Claim Consideration – Anna Cabrera  
Rejected claim.
6. Claim Consideration – Jordan Nicole Lovato  
Rejected claim.
7. Claim Consideration – Moises Vasquez  
Rejected claim.
8. Records Destruction Authorization  
Approved the destruction of certain records.
9. KOA Contract Amendment for Professional Services – Highland/Redlands Regional Connector Project (Project No. str15002)  
Approved a contract amendment to the Professional Services Agreement with KOA Corporation (KOA) to extend the term of the contract until the Highland/Redlands Regional Connector Project (Phase 2) is completed.
10. Notice of Completion – Bid No. 2022-05, "Pacific Street Pavement Rehabilitation from Victoria Avenue to Church Avenue" (Project No. str20002a)
  - 1) Accepted Bid No. 2022-05, "Pacific Street Pavement Rehabilitation from Victoria Avenue to Church Avenue" (Project No. str20002a) as complete;
  - 2) Authorized the Mayor to sign the Notice of Completion; and
  - 3) Directed the City Clerk to file the Notice of Completion.
11. Contract Renewal – 2022-06 Highland HVAC Systems Maintenance, Monitoring, and Repair Contract  
Approved contract extension of the HVAC Systems Maintenance, Monitoring, and Repair Contract with F.M. Thomas Air Conditioning, Inc. for one year.
12. Easement Acceptance Manoutchehr and Kamyar Khorshidi for "Victoria Square" Commercial/Retail Project (Southeast Corner of Victoria Avenue and Pacific Street)
  - 1) Accepted the Grant of Easement for Road and Drainage purposes from Manoutchehr and Kamyar Khorshidi; and
  - 2) Directed the City Clerk to record the Grant of Easement.
13. Selection of an Event Date and Budget for the 26th Annual Citrus Harvest Festival
  - 1) Selected March 30, 2024, as the event date for the Citrus Harvest Festival with a rain date of April 6, 2024; and
  - 2) Adopted the budget.

- 14. Conduct a Second Reading of Ordinance No. 461, an Ordinance Adding a New Chapter 3.36 “Development Impact Fees” to Title 3 (Revenue and Finance) of the Highland Municipal Code Codifying, Updating, and Amending the City’s Comprehensive System of Development Impact Fees, Superseding Ordinance Nos. 309 and 422, and Making Determinations Under CEQA  
Conducted a second reading, read by title only, and waiving further reading of an Ordinance codifying, updating, and amending the city’s comprehensive system of development impact fees, superseding Ordinance Nos. 309 and 422, and making determinations under CEQA.

ORDINANCE NO. 461  
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND,  
CALIFORNIA, ADDING A NEW CHAPTER 3.36 “DEVELOPMENT IMPACT  
FEES” TO TITLE 3 (REVENUE AND FINANCE) OF THE HIGHLAND  
MUNICIPAL CODE CODIFYING, UPDATING AND AMENDING THE CITY’S  
COMPREHENSIVE SYSTEM OF DEVELOPMENT IMPACT FEES,  
SUPERSEDING ORDINANCE NOS. 309 AND 422, AND MAKING  
DETERMINATIONS UNDER CEQA

- 15. Declare Two (2) Seats Vacant on the Community Trails Committee
  - 1) Declared two (2) seats vacant on the Community Trails Committee; and
  - 2) Directed the City Clerk to advertise the vacancies on the Community Trails Committee.

**CITY COUNCIL PUBLIC HEARING**

- 16. Design Review Application (DRA 23-002) for the Development of a 220-Unit, Multi-Family Apartment Complex with Eleven (11) Affordable Units; a Conditions, Covenants, and Restrictions--Density Bonus and Inclusionary Housing Agreement to Demonstrate Compliance with Highland Municipal Code Chapters 16.40 Development Density and 16.50 Inclusionary Housing; Lot Line Adjustment (LLA 23-003) to Relocate the Existing Parcel Boundaries and Create Separate Parcels for a Multi-Phase Development; Variance (VAR 23-003) to Construct a Perimeter Fence/Wall 29% Taller than the Maximum Height Permitted for Residential Projects; and the Adoption of a Mitigation Negative Declaration (ENV 23-005) and Associated Mitigation Monitoring, and Reporting Program on Three (3) Vacant Parcels, Totaling 6.77 Acres in Area, Located on the West Side of Sterling Avenue, 250 Feet North of 9th Street, Assessor Parcel Numbers: 0278-131-45, -46, and -47

Mayor McCallon opened the public hearing regarding the 220 unit, multi-family apartment complex and asked for staff presentation by Assistant Community Development Director Stater.

Assistant Community Development Director Stater presented the item.

She stated the project presented is a unique four story 220 unit apartment project in which the applicant proposes to set aside five percent of the units to families of very low-income and utilize density bonus provisions. The site is within the city's former development project area and will aid in the revitalization of the surrounding community. It was identified in the 5th and 6th Cycle Housing Element as providing high density housing. It was estimated to yield 134 units at a minimum density of 20 units to the acre. The project as proposed exceeds expectations by 86 units.

The project is located on approximately 6.7 acres on the west side of Sterling Avenue, 250 feet north of 9th Street. Elm Street dead ends into the property on its north side towards the rear of the lot. To the south and the west of the site are residential uses and to the southeast is a neighborhood shopping center. At the corner of Sterling Avenue and 9th Street, on the north side, is Indonesian 7th Day Adventist Church and a small cluster of commercial and residential uses. On the opposite side of Sterling Avenue, to the east is Warm Springs Elementary School.

The proposed project is a gated community that contains two, four story buildings with two access points on Sterling Avenue. The buildings are referred to as "Building A" at the front and "Building B" at the rear. They are both 52.5 feet tall with footprints of 32,000 and 44,000 square feet with a mix of one-, two- and three-bedroom units. They range in size from 445 to 1,100 square feet, which exceeds the city's minimum requirements with respect to access. The southerly drive allows ingress and egress of vehicles, while the second northerly driveways are designated for egress only with a pedestrian gate between the two. There is emergency only access located on the northerly drive leading to Elm Street.

Shown on the screen are examples of the building elevations from the project plan set. The overall design is modern with linear form due to the narrow dimensions of the property. The buildings have long and tall massing. The architect has designed them with physical relief and color variation to break up the long expanses. These include tiered roof balconies, three color variations, wood grain accents at the corner, and a clubhouse with a single-story element to offset the roof line near the center of "Building A".

Shown on the screen are perspective drawings that are from the front and the interior of the site. The image is a depiction of the project's recreational amenities. The front of "Building A" will contain a leasing office, community pool, fitness center, barbecue, and top lot. "Building B" has additional open space in two areas, with additional barbecues, seating, and a second top lot.

The site's landscaping is comprised of perimeter trees, landscape planters, interior open space, active areas, and shrubs along its boundaries and parking lot. There are 17 date palms planted along the project entry to give the project a strong identity.

As previously mentioned, the project is utilizing a density bonus which allows the developer to build above the maximum densities if a certain number of units are set aside as affordable. The standard maximum density of 30 dwelling units to the acre in the city's R-4 zone would allow the project 204 units. The applicant has proposed to set aside five percent of the units, a total of 11 units available to very low-income families. This grants a 20% density bonus, giving the developer the opportunity to build as many as 245 units. They have elected to request a total of 200 units, with an additional 11 affordable units spread throughout the development within both buildings, on the second, third, and fourth floors, representing all unit sizes. The affordable units will be rented only to individuals or families whose combined income does not exceed 50% of the area median income and their rent will not exceed 30% of the 50% median income.

In addition to density, the developer has been granted a number of incentives, they have asked the city for a reduction in the minimum private open space requirement of 100 square feet within the second, third, and fourth floors. The applicant is proposing to reduce this to 60 square feet for the balconies on the three levels. The incentive is permitted by state law. The Density Balance Law also allows a reduction in required parking. The municipal code standards for a project of this size would require 458 spaces. The law permits a reduction to 288, however, the applicant has accounted for 418 spaces on site, 91 of these are parking garages. One additional waiver was requested by the applicant to reduce the public open space from 30% to 9%. The law states this may be granted if it is substantiated by the applicant to show that it helps the project to be affordable. The applicant has exhibited that if the full 30% of open space were provided, they could not achieve the density bonus that is permitted and thus, would not be able to provide affordability. As a result, the waiver should be granted.

The Density Bonus Agreement was included in the staff report, which enumerates all the mentioned conditions, as well as the proposed project's inclusionary housing requirement. The applicant proposes to build a third of their required affordable units and pay the allowable in-lieu fee for the remainder. The fee would be \$490,365.

The project is requesting one municipal code variance, an increase to perimeter wall heights from the maximum 6-feet to 7.75-feet, providing additional security for its residents.

An initial study was prepared and circulated for the project. It resulted in the preparation of a Mitigated Negative Declaration with mitigation measures in the CEQA topics of biological resources, trail, cultural resources, noise, geology, and soil. These are included in the Mitigation Monitoring and Reporting Program (MMRP) and the Conditions of Approval.

The Planning Commission reviewed the project on September 9, 2023, and recommended approval.

The Planning Commission made several recommended directives on each of the project's components regarding design for the City Council's consideration and these were outlined within the staff report. This concludes the presentation and the applicant, and I are available for any questions.

Mayor McCallon asked if the City Council would like to ask staff questions prior to the applicant's presentation?

Mayor McCallon asked if the applicant would like to make a presentation?

Assistant Community Development Director Stater responded she would request they come up shortly while she sets up their PowerPoint presentation.

The applicant Jonathan Webb introduced himself and thanked Mayor McCallon and the City Council. He stated he is the managing partner of Helios Holdings (Helios). He has been a real estate developer, entrepreneur, investor, and operator for 12 years. He has a powerful team behind him who is more competent than himself, with laser focused expertise. Most importantly, he is a father and a dutiful husband. The guiding principle for Halcyon throughout the past two years, and the team's purpose for calling it Halcyon was to bring a safe workforce attainable housing product to Highland residents and to future residents. Family and faith are at the core of who he is and safety is paramount, in that it served as the guiding light in making Halcyon a calm and peaceful enclave for current and future residents of Highland.

He stated he was there with a few of his team members. Daniel Gehman is the principal architect who has been the master and commander of all things design and could not thank him enough for being there with him that evening. In addition, his CEQA consultant Mrs. Collette Morse from Morse Planning Group. They have been extremely diligent in checking every box and covering everything that needs to be uncovered. Oscar Durango who assisted with the Planning Commission meetings and worked very closely with Assistant Community Development Director Stater has decades of construction, consulting, and development expertise.

The vision of this project is a safe and healthy enclave. Comments from the Planning Commission hearing mentioned the location of this project is within a certain part of town, and Helios is aware of some of the crime and some of the issues that are present there and not in other parts of town. He assured this concern was at the center of what they envisioned to construct, to bring before resident safety. Their market is targeted towards workforce attainable housing. It is not necessary to remind everyone in the room of the lack of affordable housing in the State of California. A lot of passion went into this project, for him it was zoned an opportunity zone. There are tax benefits, but the intention is to see a catalyst project for the city for all parts of town. The price points mentioned are workforce attainable and naturally occurring affordable housing, the market will dictate the non-very low income (VLI) units.

There is quite a bit of risk there but, the modern and contemporary design doesn't have to cost a ton of money. Good design just has to be good design. Daniel and his team have done it, they have done a tremendous job of bringing form and function to the project in a very eloquent manner that is also value engineered and cost effective. He assures this approach will provide a meaningful dent. Part of the strategy that got Helios to Highland is in part due to the housing crisis. One of the components that is on the docket tonight is the lot line adjustment. It references that phasing approach. Within the current time, capital markets are a mess. Helios had the flexibility of phasing this project from one phase and then immediately into the second to borrow less money upfront. The audience does not have to be reminded either that the cost of capital has gone up more than three times since Helios began this process almost two years ago. Inflation is out of control. Thankfully, it has been very nice to lock in the fixed fees established with city staff via SB 330. It has been a very nice constant to plan his project around construction costs, which have gone parabolic as well. In terms of the environment, Helios will construct a sustainable building. It will not be a similar product that might have been constructed 30-40 years ago that is dilapidated or not of a certain aesthetic or condition. It will be a sustainable building and a safe enclave. Helios' architect can come up if there are any questions on design or he can attempt to answer the questions as well.

Mayor McCallon asked what has Helios built?

Applicant Webb responded that Helios at the moment has got various assets under management. They have mixed commercial and residential projects throughout Los Angeles, South Central, East Los Angeles, South Bay, and Gardena. They are a variation of apartments and single-family homes. Helios has done spec builds throughout the beach cities. Overall, a variety of products.

Mayor McCallon asked if Helios still owns all those developments?

Applicant Webb responded yes, most of them.

Mayor McCallon then responded if his intention was to own this property, Halcyon?

Applicant Webb responded, yes, his and his family's intention is a "buy and hold" practice. Helios treats its tenants like an extension of the family and goes above and beyond for them in almost everything. When the land was purchased and the broker brought it to them, they were unaware of the opportunity zone aspect of it. Finding this information after-the-fact was a "cherry on top" for the "buy and hold" strategy. With that being the case, it is Helio's only opportunity zone asset and the intention is to solve the enigma of fully capitalizing on it, making it a reality, and partaking in the operations of it. It will be managed professionally by Greystar or someone similar. The intention is to own it long term.

Mayor McCallon stated there was a reference to workforce housing, will any of the housing be market rate?

Applicant Webb replied that five percent of the units or 11 units of the 220 will be per the Inclusionary Housing Agreement (IHO). The other 209 units will be dictated by the market.

Mayor McCallon asked for any further questions?

Mayor Pro Tem Lilburn responded and stated that Jonathan Webb kept referring that it is a safe housing project and safety was a priority, but not once in the report it was mentioned that Helios met with the Sheriff's Department or Fire Department. It is a four story building, did Helios members have an opportunity to drive around the community and see what the needs were?

Applicant Webb replied they did. Several conversations took place with the Sheriff's Department over the phone. An in-person visit was not conducted but multiple phone conversations took place. The intention was to get a lay of the land. My family has other assets in Highland, like single family homes that have been owned for a few years. We are aware of the area.

Helios did not start out with a four story building, it was only possible due to an agreement that was between the tribe and the city that now has enabled us to be four stories. The first iteration of the project was far less dense, had no affordability or upper-case components, so it was exclusively market rate and half the size. Helios is a party that wants to build affordable housing for the very much underserved community and 11 units are being provided.

Mayor McCallon asked if there were any other questions for the applicant?

Council Member Timmer replied he had some questions but will wait. Some questions will be engineer related.

Mayor McCallon asked Jonathan Webb if he wanted his architect to speak?

Applicant Webb replied he would love to have Daniel speak and can answer anything on the design aspect of the project.

Principal Architect Daniel Gehman from Helios stated he does not want to repeat things that Assistant Community Development Director Stater said. His firm Danielian Associates has done tens of thousands of single and multi-family units, they live, breathe, and think housing. They have done lots of it and are doing a lot of products that are in this type of marketplace, not in Highland so much, but in the same type of market combo, mixed income projects.

There were a couple of renderings for Halcyon. As seen in the image on the PowerPoint presentation, the courtyard shown in "Building B" shows a nice gathering place. It has native landscaping, with the building serving as a backdrop.



The design tried to address the building in such a way that it feels like evening wear, it doesn't go out of style, it is not flashy or garish. It is neutral colors with some warm wood accents. In addition, the goal was to give it a highly enjoyable and usable central amenity space to be used both by adults and children. There are special places for children, and there are varying areas that have nuanced activities within the site itself. That was the primary thinking, there was a lot of thinking involved. Because our firm has done so many of them, there is more of a focus on the intimate spaces where people live, and the places where they gather outside of their units as well. I can get into further details on that if questions are asked.

Mayor McCallon asked if they wanted to hear questions from the public first?

Principal Architect Daniel Gehman responded; he had no preference.

Mayor McCallon stated there were several people that would like to speak. He suggested public comments should be heard first before the City Council's questions. He introduced the first speaker slip in opposition from Margaret Cisneros.

City Attorney Marroquin directed a comment to Mayor McCallon, she stated for the record, on the dais was a letter from Ms. Cisneros that was distributed to the City Council.

Mayor McCallon instructed Marget Cisneros she had three minutes to speak.

Margaret Cisneros spoke stating she was first located at the property at Norton Air Base. Her family and foster children were on the property and stated it was not a good time to give up her property. They gave her three years to relocate but was not able to find anything that equaled what she had, which was her house. She had two and a half acres of vacant land and of rental. She finally found a piece of land in Highland on Sterling Avenue that had vacant property, commercial property, her house, and a rental house. That was as close as she got to match what she had on Central Avenue. She had to go through eminent domain, to give up that land. When she settled in Highland, it was County and not the City of Highland. When she closed escrow, the city incorporated, and it became the City of Highland. She originally thought she had purchased within the City of San Bernardino.

She continued to explain what has happened during her duration in Highland. She stated her house, and her property are her and her family's life, including her family's inheritance. Her property is no longer commercially zoned, which she did not know. It is zoned R-4 multiple dwelling zone, high density.

Mayor McCallon stated her three minutes were up, and that the City Council and staff had the written statement she submitted to read, which is what he believed she was reading.

Kathleen Olguin, the daughter of Margaret Cisneros responded she was not reading the statement submitted.

Mayor McCallon responded that her three minutes were up and they had to move on to the next speaker.

Margaret Cisneros responds that her house value has gone down.

Mayor McCallon responds he understood, but they had to move on to the next speaker.

Margaret Cisneros responds she did not see him limit the other man's speech.

Mayor McCallon clarified, he was an applicant, and they are allotted more time to speak.

Margaret Cisneros responded she understood, but questioned if a resident should also have more time to speak?

Mayor McCallon stated the normal speaking time is three minutes.

Margaret Cisneros responded that she did not mean to be rude but according to the City of Highland's Mission Statement, the city is dedicated to the people in Highland.

Mayor McCallon agreed that the city was, but there were limits on the time for public comment. He designated two more minutes for her to speak.

Margaret Cisneros continued by stating that her property values have gone down. It is not commercial use anymore or business, it is high density, residential which she knew nothing about. The homeless did not allow her to open a store, it was ready to go but it cannot be used as such. If this project is constructed, it would box her property in, with a seven-foot wall and a four story building, it would allow others to look into her yard. She would have no privacy. The two main egress and ingress entries to the project are her property. She questioned how it is allowed to have so many people going in and out through that entry along Sterling Avenue when the school is right across the street. She stated children need to go to school and there is nothing for their safety. There was a middle school student killed on Central Avenue and another one after that. It is not the place for a project of this kind.

City Clerk Hughes stated two minutes had transpired.

Margaret Cisneros continued that she does not believe anyone else in the area has a four story building. She thanked the City Council for allowing her to speak.

Mayor McCallon introduced the next speaker, Kathlee Olguin.

Kathleen Olguin stated she brought a letter and was unsure if anyone had a chance to read it. She was going to speed through her comments and would like the letter to become a public record. She continued by stating that in 1956 Loopy and Margaret Cisneros purchased a large parcel with a house, which was then San Bernardino County zoning. Years later, the City of San Bernardino incorporated their land at 1256 East Central Avenue where the current Amazon building acquired the parcel by eminent domain. Their dreams were ruined to have a business on their property. In 1987, they relocated to 7510 Sterling Avenue with both commercial and residential zoning. In 2011, the City of Highland, without their knowledge, change the zoning of less than an acre of land. Their dream to have a business and residence on the same property had carried over to their new property, but realized years later that their location invited crime, graffiti, weed abatement, and other code violations. The neighborhood was neglected with lack of services, and Margaret currently pays for utilities based on her commercial building and offices. The City Council should be reminded that the City of Highland's mission statement states, it is dedicated to the betterment of the individual, family, the neighborhood, and community. The City Council and staff are dedicated to providing the quality of facilities, services, and so on.

During her quick search, she learned that the City Council and staff as a collective board do not adequately inform residents of planned or proposed projects. It is not practiced, the inclusion of rights to public meetings to get feedback from all residents who will be impacted. In particular, the rights of those who are not fluent or command of the English language. Their neighborhood is diverse in culture, religion, race, ethnicity, and economic status which has been habitually ignored or dismissed as not important. She is speaking on behalf of her neighbors who are existing renters and homeowners. She met one-on-one with them and had conversations about this development, and none of them received letters or were informed. The proposed high density apartment complex development was legalized through years of zone changes, including direct and indirect neglect to its residents that struggle economically and work hard for their families. This zoning change allows for high density to help cities to comply with state mandates for affordable housing, while it stacks and crowds people into frustration, forcing them to live at low welfare and become neglected in the urban life. The repercussions of this result in high numbers of deadly crimes, drug infestation, prostitution, density, homelessness and so on. Without the backbone of governing boards that complicate these problems, such as yourselves, you are adding more fuel to the fire to a neighborhood such as this one, that needs the attention of enforcing codes and laws already in the city's books. She believes the continuation of lowering the property values in the neighborhoods and allowing more depreciation is the city's way of the future. The demolition and sale of cheap land to developers whose goal is to sneak in and offer solutions to affordable housing with their comfortable lives in Orange County and plenty of money to spend all on their lives.

The main concern is safety, the 220 unit apartment development with a projected 1,000 residents is an outrage for a small neighborhood such as theirs.

It is also an outrage for a small neighborhood school like Warm Spring Elementary School which has a northwest drop-off lane and southwest parking lots that fill up fast during school hours. It forces parents and children to illegally park and cross Sterling Avenue. Neighbors have witnessed many near car and pedestrian hit-and-misses. The special events hosted at the school and their outlined evacuation and emergency plan involves Sterling Avenue as a safe choice for kids, parents, staff, and teachers. This project has both ingress and egress onto Sterling Avenue, which are parallel to three private residences across the street on the east side, and the school parking lot. During the morning, noon, and night, neighbors have witnessed large semi-trailers headed to warehouses built between Sterling Avenue and Victoria Avenue.

City Clerk Hughes signaled five minutes had transpired.

Kathleen Olguin continued to state that the semi-trailer drivers often stop with flashing lights to pick up breakfast snacks. The close traffic signal within this busy intersection will potentially block residential, business, and school driveways.

Mayor McCallon stated the public speaking time of five minutes had run out. It was the same amount of time allotted to Ms. Cisneros.

Kathleen Olguin concluded that she encouraged everyone to read the letter and the points of concern before the City Council makes their very important decision. She encouraged them to spend more time researching. She did a cursory search and came up with a group of things that did not make sense. It would be a detrimental project to the neighborhood.

Mayor McCallon introduced the next speaker, Jody Scott.

Jody Scott stated that the City Council should have a copy of the letter she presented to the Planning Commission and a new one at the current meeting. She is concerned about the schools and the traffic with the ingress and egress of this project which is inadequate. In addition, her other concerns are the height of the project, law enforcement and other things. She wanted to know if there were any incentives that were given to the developer to go from two to four stories? How will vacancies be handled for the 220 units? There are many apartments in proximity whose vacancy rates are high and are worn down. There is also Section 8 that comes in. She is aware of the State of California's policies, and their mandates on cities to inundate and flood communities with low and moderately low properties. The public officials in Sacramento do not care. Look at Sacramento, look at San Francisco. They don't care. She cares about the City of Highland. She does not want another Pinehurst apartment complex or Hillview apartments. She does not want that anymore in Highland. She was interested in Jonathan Webb from Helios' comment about him having a family, and how this was a family project. It is a good project, but not at that location.

She wonders if Applicant Webb is going to live in one of those units, his firm is building them, but is he going to live there with his family? Her attitude might change slightly if that were to be the case.

Mayor McCallon thanked Jody Scott for her comments. He asked if the applicant had a rebuttal to the statements and comments made? He stated he had no further speaker slips in favor or against the item. Seeing there were no further comments, he asked if there was anyone else in the audience who wished to speak either in favor or against the project?

City Attorney Marroquin asked Mayor McCallon if he is considering closing the public hearing?

Mayor McCallon responded that he was.

City Attorney Marroquin asked if the applicant could do a rebuttal?

Mayor McCallon responded that he asked the applicant already, and he did not want to.

City Attorney Marroquin stated she just wanted to double check. She was not able to see who Mayor McCallon was talking to because the podium was blocking.

Mayor McCallon confirmed there were no more public comments and suggested the closing of the public hearing. He brought it back to the City Council for discussion and action. He asked who would like to speak first?

Mayor Pro Tem Lilburn responded that she appreciated public speaker Margaret Cisneros for coming out to the meeting. She asked if Assistant Community Development Director Stater could show her on the screen where Margaret Cisneros' home is on the map.

Assistant Community Director Stater stated her property is immediately to the north.

Mayor Pro Tem Lilburn directed a comment to Margaret Cisneros and all the residents of Highland by stating that she believes all of the City Council and staff adhere to the city's mission statement. The State of California is the entity that appears not to have a mission statement. The State of California disregards property values, overloading of schools, and parking. When they initiate their mandates, they should provide communities with money for public safety. There is a need for fire and police services. They disregard those needs, and residents should remember that the State of California is mandating this to all cities. The City of Highland likes it no more than the residents do. She wished Margaret Cisneros lived in her council district to be a voice to these concerns.

She has a concern with apartments in general. She represents and lives in the third district, and there are several apartments where parking is limited and there is never enough. Apartment tenants tend to use the majority of public safety services, while City of Highland homeowners are the individuals funding these services through tax dollars. There is a lot of activity within apartment complexes. A four story apartment building directly across the street from a school is going to create a lot of parking issues. She has a lot of heartburn over that and does not find it fair. If it was her neighborhood, she would be furious with the construction of a four story apartment building. She witnesses an overflow of parking onto the streets with various apartment complexes throughout the city every day. People are insensitive when it comes to parking, using trash cans, and parking in front of mailboxes where residents are unable to get their mail. The homeowners pay the price of inconsiderate renters. The State of California requests high density apartments but they overlook the smog, the lack of services in communities, and the lot line adjustments. She looked at the top lot and saw various plants but did not see any amenities. She emphasizes the negative aspects of the project because the residents are the individuals who are going to pay the price for a project like this.

She asked if there was going to be an onsite manager? She understood during the applicant's comments that the intent was of long-term ownership. Can the city enforce a multi-unit crime free agreement on this development? It would be unjust if tenants were allowed to create havoc and the property owners would not have a leg to stand on to remove tenants. Only 11 units are affordable, five percent of the total units. She questioned if these units were going to have their own parking?

Assistant Community Development Director Stater responded that these 11 units will appear as standard units and will have parking, the same amenities that other units will be provided.

Mayor Pro Tem Lilburn asked if there was going to be 30 electric vehicle (EV) chargers? The plans show 34.

Assistant Community Development Director Stater responded there are 34 on the plans. As the project goes through the plan check process, it will be vetted to ensure that it meets all the Green Code and Building Code standards that are required for the entire site. What is included in the attachments and what has been reviewed is correct.

Mayor Pro Tem Lilburn responded that she finds it interesting there is an apartment complex with 34 EV chargers. She understands EV chargers are a trend, but realistically, will all the 34 EV chargers be used by the tenants?

Mayor McCallon responded that the state gives incentives to low-income households to obtain electric vehicles.

Mayor Pro Tem Lilburn wished when the state imposes their mandates, they would provide funding for law enforcement. Month after month the City Council is briefed on the number of service calls from the Sheriff's Department and the Fire Department. The city has a ladder truck through a mutual agreement with San Manuel but how far will the city tap into that resource? She understands the city must approve this project because it is what the state is requiring, but it does not mean she likes or supports this project for the community.

Her main concern is the location of the project across the school. She witnesses motorists' driving behaviors and they do not obey the laws. She is hopeful her concerns can be addressed or talked about with other City Council members and hear more positive remarks about the project.

Mayor McCallon asked if anyone else had a question.

Council Member Solano stated she had a question. She saw there are a total of 418 parking spaces, will each unit be allotted one parking space?

Assistant Community Development Director Stater responded there will be one covered parking space for each unit. Any additional parking spaces will be spread out based on unit size.

Council Member Solano asked if the additional parking space will be an additional cost to the tenants?

Assistant Community Development Director Stater stated there is a requirement that there are no additional fees for parking.

Mayor Pro Tem Lilburn requested clarification that if a parking space is covered, it does not mean it is a garage?

Assistant Community Development Director Stater stated there are 91 garages.

Mayor Pro Tem Lilburn asked for a three-bedroom unit, will they be entitled to additional parking based on their unit size?

Assistant Community Development Director Stater stated there would be additional parking allocated to that unit. She suggested the applicant could speak on this matter.

Council Member Solano stated she was unclear how the parking spaces were going to be managed. She requested clarification from the applicant on this topic and to further account for the use of all 34 EV parking spaces, given the area within the project location already struggles with parking.

Assistant Community Development Director Stater replied it is just short of two units or two parking spaces per unit. Whether a one-bedroom unit will have one parking space or whether a two-bedroom unit will have two or three parking spaces, the applicant would be able to speak to that. There will be an on-site manager 24/7.

Mayor McCallon asked if anyone else had any questions.

Council Member Timmer stated he met with Community Development Director Mainez and Assistant Community Development Director Stater the previous day and they answered all his questions. He stated he had heartburn with the state's mandates as well and what they are enforcing on the city through the housing element process. However, he acknowledges it is a different issue all together. He wanted to address the issue with parking and the school. Years ago, the City of Highland acquired property on Rogers Lane, which is the street directly behind the school. There was an understanding with the city and the school district that there would be offloading and onloading of students on Rogers Lane because of the traffic issue along Sterling Avenue. He is unclear whether that is being utilized in the current day. The school district agreed to have all their buses load and unload on Rogers Lane and have students walk into the school from that point. The city acquiring the property was for that purpose. If the school district is not adhering to this agreement, the city should investigate why they are not complying with it.

His subsequent issue is more of a technical question for either the engineer or the architect. He stated for the topic of water quality, the project calls out for water storage underneath the paved parking lot. The design is based off a certain size, he assumes for the 100-year storm, but Highland frequently gets storms with high intensities. The neighborhood where the project is located is relatively flat and does not contain any major storm drain systems. When a large storm hits, the water will collect into the facility underneath the parking lot which is hard capped. How is the water going to disseminate when it overflows? How is the design of the project taking this into consideration for the overflow of the detention basins? The state mandates that you cannot have runoff, you must contain it. Where is the excess water going to go if it overflows? The engineer probably has not been to the area to view, but this should be taken into consideration to avoid a long-term problem.

Public Work Director/City Engineer Zamano responded to Council Member Timmer's questions by stating that staff had the same concerns relative to the drainage. It is an item the developer must address with their engineer. Staff will be interested in seeing how they address this during the final engineering phase.

Council Member Timmer responded that he is glad it is being looked at. When the storms back up against the mountains, Highland gets intensive storms. He wants to assure staff will look into it very carefully and that the developer adequately addresses any overflow issues and how the water will soak into the ground. Usually, these facilities are exposed to the sun and the sun evaporates some of the water, but this is not the case for this location because it is capped.



He is concerned with stagnant water and mold issues that are associated with standing water.

He stated he also has heartburn about it being a four-story building and its density; however, he acknowledges the city is adhering to state mandates. The state's plan is to take all planning issues away from cities and have them oversee it. At the end, he wants the city to adhere to the housing element. The project with its high density and lowering of parking standards will potentially create management issues.

One additional observation on this project is the applicant does not have to consolidate all three parcels under one parcel unit. Along Cunningham Street and Ward Street, there are multiple individual parcels and there is a high tendency to sell to different individual owners. This can create a bigger management issue of having multiple owners instead of one. In the future, if anything changes with the parcels, he would like to see it come before the City Council for review and approval. Overall, he is not happy with the project, but understands why it is before the City Council.

Council Member Chavez-Cordova stated the project is utilizing the state's density bonus law, which leads to an increased number of housing units. It might raise concerns about overcrowding and traffic congestion in the area. He asked how this project will address the potential for overcrowding?

Assistant Community Development Director Stater asked if he meant traffic wise or within the site? Council Member Chavez-Cordova is correct in his statement, that it is a state density bonus law where the city is mandated by state law and by the city's own municipal code to permit the increase in density. The applicant for this project is entitled to a larger and denser project with up to 245 units. It is the staff's responsibility to ensure the project has the appropriately sized units. This project meets that requirement, and they exceed the R-4 unit sizes, and they contain their own private open space. The project offers public open space through amenities that are provided within buildings A and B. Staff does not believe there is an overwhelming physical crowding. It will be a requirement for the developer and the ongoing site manager to ensure that occupancy of the units is restricted as permissible by law to reduce or eliminate any type of overcrowding. With respect to traffic, the Engineering Department and the city's consultants reviewed the ingress and egress from the site onto Sterling Avenue, the turning movements north and southbound and the signals. Their review concluded everything was appropriately sized for the traffic that would be generated by this project.

Council Member Chavez-Cordova continued to state that the project offers affordable housing units, the five percent allocation may not be sufficient to address the housing needs of very low-income families in the community. Is there a way to increase the five percent?

Assistant Community Development Director Stater responded it is the will of the developer to do so. It is a conversation that is welcomed, but it is ultimately the discretion of the developer. The housing element states that this project should have a density between 20 and 30, the project exceeds 30 so it meets state requirements. Reviewing the site's inventory relative to the housing element, it provides more than 134 units, thus staff believes that the majority of the units are going to be affordable. Under what threshold of affordability will it be, within 50%, 80% or 120%, staff is unsure, but based on the density, amenities, geographic location, and the rents in the area, it will lead to affordable units. It is difficult to compare units to others in the area because of its four-story density compared to other structures in the neighborhood, but based on development standards it meets the requirements.

Council Member Chavez-Cordova continued to state that reducing the number of parking spaces could lead to parking issues in the neighborhood, particularly if there is already a shortage of parking spaces. He asked how parking issues will be mitigated if there is a shortage of parking spaces in the area?

Assistant Community Development Director Stater responded the developer has the responsibility to ensure that their tenants are only bringing to the property the number of vehicles that have been allocated. While they do not meet the full municipal code requirement, they far exceed what the state permits. That is based on density bonus requirements only, it does not factor in the housing element. The state assumes lower income families have less vehicles. While many can agree that residents commonly drive and have multiple vehicles, the state is stating you cannot force families within affordable projects to provide two or three parking spaces per family. Staff acknowledges it is not reality or appropriate, and feels the developer did a good job in assuming people might want to drive more than one. They have done the best they can to balance the footprint of the building by getting the density required for the zoning, landscaping, amenities, and parking, all while not losing additional recreation and green space around the property.

Council Member Chavez-Cordova stated, while the project includes mitigation measures, concerns about air quality, noise and other environmental impacts need to be thoroughly addressed. What specific environmental mitigation measures are in place to address identified impacts of air quality, noise, and other environmental factors?

Assistant Community Development Director Stater responded that the multiple factors have been addressed within the staff report under two sections, the design review resolution and in the Mitigated Negative Declaration. On page 70 of the staff report, it lists all the mitigation measures. As the project goes through plan check, it is the planner's responsibility to ensure that each measure is met and enforce it. Some are enforced during pre-construction, construction, and post construction. Noise is mitigated during the construction phase to prevent disturbances from nearby residents. These mitigations are outlined on page 73 of the staff report.

They relate to the hours of construction, equipment, idling times, and haul deliveries. Noise mitigation is mentioned on page 75 of the staff report. There are multiple mitigation measures in bullet points. Staff and the consultant are available to go through each, but they all address factors the city can enforce.

Council Member Chavez-Cordova responded he enjoys the project. It is a beautiful project, as a young millennial in the workforce, he would enjoy living in the area. It is great and beautiful, but there are so many issues. He would like to highlight one in particular that Jody Scott wrote in her letter about the project being four stories. The city depends on the San Manuel fire ladder truck, in case of an emergency and God forbid a major catastrophe in our region like a major earthquake or a fire, the city would not have priority on the fire ladder truck. He is sure the hotel will take priority if they need it. It is not beneficial to rely on their fire ladder truck for a huge project like this one within the district. He likes the project but does not think Highland is ready for a project like this on the west side of the city. Potentially in the future he might be able to support this project, but not currently.

Mayor McCallon responded he shares the sentiment of his colleagues on this project. The four-story design bothers him for the same reason Council Member Chavez-Cordova mentioned. The San Manuel fire ladder truck may not be available if it is needed. He is also concerned about the property emergency exit backing up onto Elm Street because the street is notorious for crime. Traffic and parking are also a concern because he witnesses parents parking everywhere within the schools in his district. There is no place to get around during drop-off and pick-up hours. He is familiar with the traffic patterns at Warm Springs Elementary School because he would go there often to read to the kids. If there is not sufficient parking on the property for the tenants or their visitors, they are going to be parking on the street. He acknowledges state mandates have to be met, there is a need for density housing, as well as low-income housing which is why he is torn about the project. The state is holding cities accountable because of the housing shortage, so it is not going to get easier. The California Department of Housing and Community Development has come down on cities for not adhering to their housing element and will continue to do so under the current administration.

Mayor Pro Tem Lilburn stated she noticed you cannot have covenants, conditions, and regulations (CC&Rs), but is there anything in place for laundry facilities? Many apartments do not have appropriate laundry facilities, so tenants hang their clothing and towels over balconies.

Assistant Community Development Director Stater responded each unit will be provided with a stackable washer and dryer. Within the lease agreement, there will be a stipulation restricting tenants from hanging items over their balconies.

Mayor McCallon asked about trash services.

Assistant Community Development Director Stater responded that the topic of trash services has been discussed, and trash valets were the resolution.

Principal Architect Daniel Gehman stated it was an interesting question for the number of units. The trash facilities in place within the buildings exceeds the ratio you would find in a project of this size. Because the building is very long, they have split it, so no one must walk a long distance to get to the trash chute. They can deposit their trash into the chute, and it goes down to a collector room at the bottom. A few times a week on-site janitorial services will pull the bins so the trash trucks can come and pick them up. It is a resident run system, but tenants will not have to walk to a dumpster, they will just deposit it into a chute. The chutes deposit the trash into the dumpsters. Maintenance moves one when it gets full and then several times a week Burrtec will come and collect. There have been several talks with Burrtec throughout the design process.

Mayor Pro Tem Lilburn asked if there will be on-site maintenance that will remove daily graffiti on the walls?

Assistant Community Development Director Stater responded on-site management will be available but is unsure if daily graffiti removal will be done.

Principal Architect Daniel Gehman spoke about how a professionally managed apartment community runs. He stated Grace Star is one of the country's largest landlords and they are a very sophisticated company. Part of the rule and responsibility of the property maintenance and management organization is to keep the demand for the property high. They self-police to keep the highest quality residents there. Concerns such as laundry on the railings, the management of cars per resident, etc. are all managed by the lease agreement which is a legal binding document. The management company must go through great lengths to ensure a quality of life at the property. Many properties of this size are managed professionally, it is not Jonathan Webb's mom and dad trying to manage it.

Council Member Timmer followed up with the fire ladder truck concern, he stated he recalls the city had a quasi-agreement with the City of Redlands that they would assist to respond to calls as well. The city then has two trucks available, however, knowing what the state is doing to our cities collectively, and the city continues to develop projects of this size, at some point money or no money, the city will need to look seriously at getting their own ladder truck. Whether that is within the next year or ten years, at some point as a collective body, this must be addressed because the issue is not going away. He stated he also had a question about the ingress and egress traffic issue on this project along Sterling Avenue. Was there any discussion about constructing a traffic signal at the entrance? There will be a lot of tenants coming in and out of the complex. A full traffic signal might not be needed, but maybe one that will be activated when it detects vehicles. Mid-block signals are not favorable, but he asked if any discussions were made for an option like this? He anticipates a conflict with the school traffic and tenants going to work. Tenants might try and make a left hand turn onto Sterling Avenue because traffic can get congested.

Assistant Community Development Director Stater responded she will defer the question to the Engineering Department.

Public Works Director/City Engineer Zamano replied that due to the proximity of the entrance of the facility being approximately 200 to 300 feet from 9th Street, it becomes difficult to put in another signal at that location. There were internal discussions about the possibility of installing one, but it requires significant room, especially if you are going to allow turn movements through the mid-block intersection. It became difficult for that reason and because of its proximity to the existing signal on 9th Street and Sterling Avenue.

Council Member Timmer responded that the Fire Department had a similar setup when they received a call, they pushed a button that enabled the traffic lights to come on so that fire engines could come in and out without impacting traffic. That is why he mentioned it did not have to be a full traffic signal, but a signal that was only triggered when someone wants to come in and out without always impeding traffic and cycling through.

Public Works Director/City Engineer Zamano stated staff did not insist on the traffic signal condition because of the limitation to construct a second signal near the existing one south of the project location. By standard, a few hundred feet are required to construct a signal in each direction to allow the turn movements.

Council Member Timmer stated it would only have to be a T-intersection, only for residents coming out. It would make them feel safer to make a left-hand turn onto Sterling Avenue.

Public Works Director/City Engineer Zamano agreed with the statement. He responded that a right turn is necessary as motorists are traveling southbound on Sterling Avenue heading towards 9th Street. And you have a left turn movement onto the complex as well. Those would be the two movements that would be needed the most. Due to the proximity to the existing signal, staff did not feel that it would be viable to construct a mid-block intersection traffic signal.

Council Member Timmer stated the ingress into the complex shows it is quite long. Is it going to be gated towards the end so that vehicles can stack up trying to get in the gate, rather than traffic backing out onto the street?

Principal Architect Gehman referenced the PowerPoint presentation to depict a picture outlining a deep driveway through. He stated the collection of spaces outside the gate is intended for future resident parking to be able to come in.

Council Member Timmer responded that his question then is for the engineer, would the placement of the gate into the property provide sufficient stacking space for people to get in and out of the gate? Would the gate system be sophisticated enough to allow more than one vehicle through at a time? He anticipates cars stacking out onto the street.

Principal Architect Gehman responded that there is substantial stacking distance prior to the gate. There is an escape loop feature for the gate that allows vehicles if they get there, they do not have to use a clicker to get in the gate. If you are not a resident, you have a way to turn around and get out.

Mayor McCallon asked if the other entrance to the complex was an exit only? There is only one entrance and two exits.

Council Member Timmer responded the exit along Elm Street was an emergency exit only that is going to be secured.

Assistant Community Development Director Stater responded the southerly entrance was an ingress and egress and the northerly one is an egress only.

Council Member Chavez-Cordova asked will there be a security guard? What are the safety features? Will there be cameras installed by the gates?

Assistant Community Development Director Stater responded there would be cameras installed. A plan will be submitted to the Sheriff's Department for their review. She is not aware of 24-hour security being provided but there will be 24-hour management. There will be a video monitoring system.

Council Member Chavez-Cordova asked if that will be throughout the complex?

Assistant Community Development Director Stater responded it would be throughout the complex.

Mayor McCallon asked if there were any further questions? What is the City Council's pleasure?

Council Member Timmer responded the developer is aware of some of the issues the City Council is concerned about and will hopefully include those when they submit the final drawings in for grading. One additional issue that was not mentioned was the stairwells at the ends of the buildings. Is there a security system in place for people getting into the building and accessing those stairs? The tenants will have a clicker to drive into the complex but if an average person climbs over the fence and wants to access those stairs and into the building.

Principal Architect Gehman responded the stairs have sculptural quality and will be gated at the ground level and residents will have a fob to allow for electronic access control of the stairs and building.

Council Member Timmer responded he wanted to get clarification on this because of the concerns within the neighborhood.

Principal Architect Gehman responded, if an individual was to get over the 7.75-foot wall, there is an additional security feature that will prevent them from getting into the building both at the doors and at the stairs.

**A MOTION** was made by Council Member Timmer, seconded by Council Member Solano, to:

- 1) Adopt Resolution No. 2023-043 adopting a Mitigated Negative Declaration (ENV 23-005) and associated Mitigation Monitoring and Reporting Program, and direct staff to file a Notice of Determination with the County Clerk of the Board;
- 2) Adopt Resolution No. 2023-044 approving “Conditions, Covenants and Restrictions--Density Bonus and Inclusionary Housing Agreement” to facilitate the development of a 220-unit multi-family housing project utilizing Density Bonus provisions and establishing the Inclusionary Housing Unit requirements for the project;
- 3) Adopt Resolution No. 2023-045 approving Design Review Application (DRA 23-002) for the site plan, landscape plan, grading plan, photometric plan, and building elevations related to the construction of a 220-unit, 4-story apartment complex, subject to the Conditions of Approval and Findings of Fact;
- 4) Adopt Resolution No. 2023-046 approving Lot Line Adjustment (LLA 23-003) to relocate the existing parcel boundaries and create separate parcels for a multi-phase development; subject to the Conditions of Approval and Findings of Fact; and
- 5) Adopt Resolution No. 2023-047 approving Variance (VAR 23-003) to allow an increase in the maximum height for the perimeter fence/wall from 6-feet to 7.75-feet, 29% greater than the maximum height permitted for residential projects, subject to the Findings of Fact. Motion carried, 3-2, with Council Member Chavez-Cordova and Mayor Pro Tem Lilburn dissenting.

**RESOLUTION NO. 2023-043**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, ADOPTING A MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM (ENV 23-005) FOR THE DEVELOPMENT OF A OF A 220-UNIT, 4-STORY APARTMENT COMPLEX ON A VACANT 6.77 ACRE SITE LOCATED ON THE WEST SIDE OF STERLING AVENUE, 250 FEET NORTH OF 9TH STREET. RELATED ENTITLEMENTS INCLUDE DESIGN REVIEW APPLICATION (DRA 23-002), LOT LINE ADJUSTMENT (LLA 23-003), AND VARIANCE (VAR 23-003)

RESOLUTION NO. 2023-044

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING THE CONDITIONS, COVENANTS, AND RESTRICTIONS---DENSITY BONUS AND INCLUSIONARY HOUSING AGREEMENT RELATED TO DESIGN REVIEW APPLICATION (DRA 23-002) FOR THE CONSTRUCTION OF A 220-UNIT, 4-STORY APARTMENT COMPLEX, UTILIZING A FIVE (5) PERCENT "DENSITY BONUS" FOR ELEVEN (11) AFFORDABLE UNITS UNDER SECTION 16.40.090 OF THE HIGHLAND MUNICIPAL CODE, ON A VACANT 6.77 ACRE SITE LOCATED ON THE WEST SIDE OF STERLING AVENUE, 250 FEET NORTH OF 9TH STREET

RESOLUTION NO. 2023-045

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING DESIGN REVIEW APPLICATION (DRA 23-002) FOR SITE PLAN, LANDSCAPE PLAN, PHOTOMETRIC PLAN, GRADING PLAN, AND BUILDING ELEVATIONS RELATED TO THE CONSTRUCTION OF A 220-UNIT, 4-STORY APARTMENT COMPLEX ON A VACANT 6.77 ACRE SITE LOCATED ON THE WEST SIDE OF STERLING AVENUE, 250 FEET NORTH OF 9TH STREET

RESOLUTION NO. 2023-046

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING LOT LINE ADJUSTMENT (LLA 23-003) TO RELOCATE THE EXISTING PARCEL BOUNDARIES TO CREATE SEPARATE PARCELS FOR THE MULTI-PHASE DEVELOPMENT OF A 220-UNIT, 4-STORY APARTMENT COMPLEX ON A 6.77 ACRE SITE LOCATED ON THE WEST SIDE OF STERLING AVENUE, 250 FEET NORTH OF 9TH STREET

RESOLUTION NO. 2023-047

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING VARIANCE (VAR 23-003) TO ALLOW AN INCREASE IN THE MAXIMUM HEIGHT FOR A PERIMETER FENCE/WALL FROM 6-FEET TO 7.75-FEET IN ASSOCIATION WITH DESIGN REVIEW APPLICATION (DRA 23-002) AND LOT LINE ADJUSTMENT (LLA 23-003) TO CONSTRUCT A MULTI-PHASE, 220-UNIT, 4-STORY APARTMENT COMPLEX ON A VACANT 6.77 ACRE SITE LOCATED ON THE WEST SIDE OF STERLING AVENUE, 250 FEET NORTH OF 9TH STREET

Mayor McCallon adjourned for a five-minute recess at 7:24 p.m.

Mayor McCallon reconvened into regular session at 7:29 p.m.



City Attorney Marroquin stated there was a lot of discussion about the density bonus and housing element law and why the state is dictating that these types of projects are approved. While this law still holds, there is an additional law that binds the city. Under the Housing Accountability Act, the city cannot deny a project that meets the objective standards. If a project is zoned for its specific type of use, unless the city can find that the project would have a specific adverse impact upon the public health and safety based on public health and safety standards, policies, and conditions. That is an additional law that hamstrings the city's ability to say no to a housing development project. It is not just state housing element law, or density bonus law, it is also the Housing Accountability Act that further prevents cities from being able to deny housing projects.

Mayor Pro Tem Lilburn asked who is measuring health and safety? It is very measurable and can be done by the Sheriff's Department and the Fire Department.

City Attorney Marroquin stated she understood, but the state does not measure health and safety by those standards. She wanted to make this statement to acknowledge what was factored in when making the decision.

17. Greenspot Village and Marketplace Specific Plan Revision (SPR 23-001) Proposing an Amendment to Increase the Maximum Dwelling Unit Count from 946 to 1,218 Dwelling Units, Design Review Application (DRA 23-009) Proposing the Construction of a CEQA Finding of Exemption, for a Project Located Within Planning Area 3 of the Greenspot Village and Marketplace Specific Plan Located West of the Intersection of Boulder Avenue and Webster Street, Assessor Parcel Numbers: 1201-351-28, 1201-351-14, 1201-351-15, 1201-351-16

Mayor McCallon asked Jody Scott if she was going to speak on Item 17?

Jody Scott responded the City Council has already put a rubber stamp on this project.

Mayor Pro Tem Lilburn stated she read the minutes and Jody Scott agreed the project was good.

Mayor McCallon introduced the item and opened the public hearing. He asked Assistant Community Development Director Stater to present the item.

Assistant Community Development Director Stater stated the project is by Rexco Development (Rexco) to extend their building footprint in the city with the proposal of 272 new townhome units within the Greenspot Village and Marketplace. The Greenspot Village and Marketplace Specific Plan was approved in 2014 to act as the zoning guidance document for 104 acres on the north side of Greenspot between SR-210 freeway and Boulder Avenue. The specific plan is divided into three planning areas, each with their own distinctive land use provisions. This project is within planning area three. In 2020, the City Council approved the San Carlo Project located between Calhoun Road and Webster Street.

At the time when San Carlo was approved, the City Council had considerable discussions in allowing residential development to replace the long anticipated commercial and office development. The applicant has expressed that there may still be an opportunity for non-residential uses on the northerly portion of the planning area. Since that time, Rexco was able to purchase the remainder of planning area three. They would market this property to various retail and commercial users but were unsuccessful in retaining interest. Rexco initiated a market study prepared by Retail Insight, it can be found within the staff report. Retail Insight found that the site was not viable for retail development. Since then, Rexco has shifted gears and now proposes to close the gap between San Carlo and planning area two to the north with additional residential development. If the City Council agrees the additional residential is acceptable at this location, the maximum number of units permissible in the specific plan must be increased. San Carlo 2 contains 272 units in a similar townhome style and has a density of 23 units to the acre on the 12-acre site. In keeping with the specific plan, the density within the zoning ranges from 18 to 40 units to the acre. There are 34 buildings, each with eight units, three stories tall. There are garages on the first floor as well as first floor residences and private patios. Within each building there are five units, including one-, two- and three-bedroom layouts between 625 and 14,170 square feet. There are 547 parking spaces compliant with the specific plan standards, including 340 garage spaces and 209 open parking spaces. Each unit will have at least one garage space. Primary access to the project will be from Calhoun Road on the west with secondary access directly to Boulder Avenue on the east. There is an additional emergency evacuation route to San Carlo 1 located near the clubhouse. The elevations depict Spanish influence architecture. The materials are white stucco, the stucco body color is brown and grey accents and Capistrano style concrete tile roof. The Planning Commission was supportive of the project's architecture and provided additional directives for wrought iron treatments and awnings on certain facades for shadowing and visual interest. The conceptual landscape plan honors the specific plan schemes and complements the adjacent developments. It delineates different palettes for patios, open spaces, recreation areas, street trees, and bioswales.

Special attention was given to both project entries, which are aligned with date palms and have embellished concrete. The club house, gym, pool, and BBQ areas are located south of the Calhoun Road entry. The facility also includes the leasing office, and three additional recreation areas located closer to the Boulder Avenue entry. The landscape plan also includes perimeter fencing, which is a five-foot tube steel fence with slump stone pilasters and vine screening. The Planning Commission requested the applicant provide additional parking near the leasing office. The applicant has modified the plans to include the Planning Commission's directives. The Greenspot Village and Marketplace Specific Plan currently permits a residential density of up to 40 dwelling units to the acre with a permissible building envelope of 100 to 300 dwelling units. San Carlo 1 utilized 200 of those 300 units, leaving a remainder of 100 with this project. Rexco is requesting to construct 272 total units. Their request will be facilitated through a plan revision to raise the built-out from 300 to 472, a net increase of 172.

Within the entire specific plan, there is a residential build-out of 946 units. There are entitlements for the full amount with 746 in planning area two and 200 in planning area three. If the number of units in planning area three is permitted to increase the build-up, staff will need to recognize an increase from 946 to 1,218. Planning area three appears in the site's inventory of the certified housing element. It is noted to accommodate high-density housing for at least 100 units. A project would exceed the count by 172. The action requested for the City Council this evening is to amend the Greenspot Village and Marketplace Specific Plan and increase the number of residents permitted and approve the design review package. Both are recommended by the Planning Commission.

Mayor McCallon asked the applicant if he wanted to make a presentation?

Rexco owner Patrick Tritz spoke and stated that the City of Highland has been able to see his previous project titled San Carlo 1, this project is very similar. Rexco acknowledges the need for luxury apartments in Highland. This project caters to people who, based on the market survey conducted, prefer to rent rather than own. Rexco takes a lot of pride in all its projects throughout Southern California. Rexco is an owner and hands-on builder. Assistant Community Development Director Stater did a great job presenting the project, he will answer any questions.

Mayor McCallon had a comment and stated he is aware the first project was approved with tubular fencing, but to have it along Greenspot Road would create privacy concerns. Personally, he would not rent one of those apartments.

Rexco owner Tritz stated when construction is completed with the vines, you will not be able to see through. Rexco has other projects with the same vine material, and it covers the transparency through the fencing.

Mayor McCallon responded he hoped it did because it is a concern having openings like that within a busy street.

Rexco owner Tritz responded it really works and they are comfortable with it. Mayor McCallon asked if there were additional questions from staff or the applicant? He stated he had no speaker slips and inquired if there was anyone from the audience who wished to speak for or against the project? Seeing there were none, he closed the public hearing and brought it back to the City Council for discussion and action.

Mayor Pro Tem Lilburn asked if planning area three was originally slated for commercial and mixed-use with some residential?

Assistant Community Development Director Stater replied it had a footprint of about 85,000 square feet of non-residential space. That could encompass commercial, retail, etc. It also had a residential envelope of 100 to 300 units.

Mayor McCallon asked if there were any additional questions.

Council Member Timmer stated he wanted to thank staff for merging the three parcels into one. Having one parcel rather than multiple is a significant long-term benefit to the city. The main access entry to this project is on Calhoun Road with the understanding Calhoun Road and Greenspot Road will have a signal that will assist. There was a project to the north of this location that are shown on the drawings with a road design. Will this project need to wait until the other project to the north is developed to connect to Calhoun Road?

Assistant Community Development Director Stater replied that Calhoun Road will not connect all the way through to the existing residences along Eucalyptus Avenue. It will not be tied directly to that neighborhood at this time. The site plan shows Calhoun Road going through San Carlos 1 through San Carlo 2 and connecting to the "Alliance Project" within planning area two that is further north of the 546 units. The Rexco project will build out only to its northerly boundary. When planning area two connects, its access is going to stay onto Calhoun Road and Boulder Avenue.

Council Member Timmer responded he understood, he was just unclear by looking at the pictures and plans. He added that one of the things that was talked about a lot of times is the number of exits and entrances in the project. This project has good access onto Boulder Avenue which is going to be signalized. He assumes there will also be an emergency exit that will tie both projects. To have three exits from an apartment project is a good thing. He thanked the developer for doing so.

Mayor McCallon asked if there were any additional questions?

Council Member Chavez-Cordova asked if the developer could provide more information on Covid-19's impact on retail influence and the decision to change from retail to residential?

Assistant Community Development Director Stater replied that the developer would be better suited to answer that question. That information was provided within Retail Insight's report that is included in the staff report. Beyond that, they manage both residential and commercial projects. Their insight into economics is much better than hers.

Rexco owner Tritz responded that Rexco did extensive surveys. They own a lot of other retail centers and mixed-use centers particularly in Corona and neighboring areas. Existing retail unfortunately is dead right now, it is difficult to infill what is already existing and there are multiple reasons for that. The entrance from Calhoun Road is one negative aspect for retail. You have a small opening along Webster Street to try and draw people in, no signage on Greenspot Road. It is just not a retail site. What you can potentially end up with is a bunch of startups or tenants that come and go and no one wants that. It really does not work.

Council Member Chavez-Cordova responded he was just curious and interested.

Rexco owner Tritz assured them they looked at it closely because there were discussions with staff about potentially lining Webster Street with some, but it would not have worked. He asked if there were any other questions.

Mayor McCallon asked what the City Council's pleasure was?

**A MOTION** was made by Mayor Pro Tem Lilburn, seconded by Council Member Chavez-Cordova, to:

- 1) Make a finding under Public Resources Code Section 21166 and the corresponding CEQA Guidelines Section 15162 that there are no substantial changes or new information of substantial importance that would trigger the preparation of a subsequent EIR and further finding that the project is exempt from further environmental review under Government Code Section 65457;
- 2) Introduce and conduct first reading of Ordinance No. 462 to amend the Greenspot Village and Marketplace Specific Plan (SPR 23-001); and
- 3) Adopt Resolution No. 2023-048 to approve Design Review Application (DRA 23-009), subject to the Conditions of Approval and Findings of Fact.

City Clerk Hughes introduced Ordinance No. 462:

**ORDINANCE NO. 462**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, AMENDING THE GREENSPOT VILLAGE and MARKETPLACE SPECIFIC PLAN (SPR 06-001A) TO INCREASE THE TOTAL DWELLING UNIT COUNT WITHIN THE SPECIFIC PLAN FROM 946 DWELLING UNITS TO 1,218 DWELLING UNITS AND MAKING A DETERMINATION THAT THE ADOPTION OF THIS ORDINANCE IS EXEMPT FROM FURTHER CEQA REVIEW UNDER CEQA GUIDELINES SECTION 15162, PUBLIC RESOURCES CODE SECTION 21666 AND GOVERNMENT CODE SECTION 65457

which title was read.

**RESOLUTION NO. 2023-048**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING DESIGN REVIEW APPLICATION (DRA 23-009) TO CONSTRUCT A 272-UNIT MULTI-FAMILY RESIDENTIAL COMPLEX WITH A LEASING OFFICE, RECREATION AREAS, AND OUTDOOR COURTYARDS ON A 12.6 ACRE SITE WITHIN PLANNING AREA 3 OF THE GREENSPOT VILLAGE and MARKETPLACE SPECIFIC PLAN

## CITY COUNCIL LEGISLATIVE

18. Contract Award - Bid No. 2023-05, "Highland City Hall Roof Top Coat and Coping for Existing Polyurethane Roof System"

Public Works Director/City Engineer Zamano gave a brief review of the staff report.

**A MOTION** was made by Council Member Solano, seconded by Mayor Pro Tem Lilburn, to:

- 1) Award the base bid contract to the responsive lowest bidder, Angelus Waterproofing and Restoration, Inc. in the amount of \$207,075.00 for Bid No. 2023-05, "Highland City Hall Roof Top Coat and Coping for Existing Polyurethane Roof System"; and
- 2) Approve a budget adjustment for FY 2023-2024 to transfer \$67,075 from 007-2100 (DIF Fund balance) to be expended from 007-8330-6030 (Building). Motion carried, 5-0.

19. Purchase of Command Post Vehicle Through Sourcewell

Director of Administrative Services/City Treasurer Dantuono gave a brief review of the staff report.

**A MOTION** was made by Council Member Timmer, seconded Council Member Chavez-Cordova, to:

- 1) Approve the purchase of a new Command Post Vehicle for \$100,258.98 through Sourcewell, a cooperative purchasing program; and
- 2) Authorize staff to auction the former Command Post Vehicle. Motion carried, 5-0.

20. Consideration of Proposals for the City's Tow Rotation List Program Beginning January 1, 2024 and Ending December 31, 2025

Community Development Director Mainez gave a brief review of the staff report.

**A MOTION** was made by Council Member Timmer, seconded Council Member Chavez-Cordova, to:

- 1) Review the Proposals from the Tow Operators/Companies;
- 2) Award Agreements to the six existing companies who participate in the City's Tow Rotation Program; and
- 3) Authorize the Mayor to execute the necessary agreements. Motion carried, 5-0.

21. Appoint One (1) Member of the Public to the Community Trails Committee

City Clerk Hughes gave a brief review of the staff report. She opened the floor for nominations.

Mayor McCallon nominated Clayton Troxell.

City Clerk Hughes closed the floor for nominations.

City Clerk Hughes called for the vote for Clayton Troxell, received five votes.

City Council unanimously appointed one member of the public, Clayton Troxell, to the Community Trails Committee.

22. Appoint One (1) Member of the Public to the Planning Commission

City Clerk Hughes gave a brief review of the staff report. She opened the floor for nominations.

Mayor Pro Tem Lilburn nominated Dave Saran.

Council Member Timmer nominated Craig Graves.

City Clerk Hughes closed the floor for nominations.

City Clerk Hughes called for the vote for Dave Saran, received four votes.

City Council appointed one member of the public, Dave Saran, to the Planning Commission.

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

City Manager Hughes stated the city audit work has mostly been completed. Staff will be presenting a draft copy of the financial statements to the Finance/Personnel Subcommittee in early to mid-November with the final draft scheduled for the City Council Meeting in December.

On October 3, the Planning Commission approved a request from D.R. Horton, the developer of the Mediterra community, to revise their plotting of single story versus two-story units. That market is pushing for their larger two-story product, but they will keep single story units on corner lots.

The Building and Safety Department is taking steps to finalize its digital applications and permit forms and anticipates activating its online permitting portal by the end of the month.

The Citywide Countdown Pedestrian Signal Head and Pedestrian Push Button Upgrade Project's design is complete. This project involves upgrading existing pedestrian signal heads to LED countdown pedestrian signal heads and installation of ADA compliant pedestrian push buttons at 26 intersections citywide. Bid advertising is set for October 26, the bid opening will be conducted on November 16 and the bid award will be brought forward to the City Council at the December 12 meeting. This project is funded 100% by the Federal Highway Safety Improvement Program.

The Fire Department for the month of September responded to 486 medical aid calls, 27 traffic collisions, 13 structure fires, 7 vegetation fires, 5 vehicle fires.

The Sheriff's Department for the period of September 11 through October 9, responded to 3,331 calls for service, made 254 reports and 131 arrests.

On Saturday, October 14, Fire Station #3 will host an Open House.

October 23 through October 31 will be Red Ribbon Week.

On Saturday, November 4, there will be a Highland Improvement Team (HIT) cleanup.

On Thursday, November 9, the city will hold the Volunteer Recognition Dinner at the Bear Springs Hotel. Check-in will be at 5:30 p.m. and the program will start at 6:30 p.m.

On Wednesday, November 27, there will be a Blood Drive at the Highland Police Station.

Operation Santa Claus is scheduled for December 18, at Fire Station #3, December 19, at the Highland Police Station, and December 20, at Fire Station #2. The events will be held from 6:00 p.m. to 8:00 p.m.

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

Mayor McCallon stated the Finance/Personnel Subcommittee will be selecting a firm to do the search for the city's new City Manager on October 18. The Request for Proposals went out and responses will be reviewed and selected on October 18.

Mayor Pro Tem Lilburn stated she was able to represent the city at the Discover Highland Run. She attended the funeral for Russel Werts who was a Citizen on Patrol (COP) volunteer for 16 years. Jody Scott extended an invitation to the City Council for the Chamber of Commerce's sponsor appreciation dinner on October 16 from 5:00 p.m. to 7:00 p.m. at California Grill.



The Highland Senior Center is having a craft fair and a pancake breakfast Saturday, October 14 from 8:00 a.m. to noon. The Highland Senior Center is hosting a “Day at the Oscars” volunteer recognition dinner on Thursday, October 26 at the Bear Springs Hotel.

Council Member Timmer stated the Greenspot project looks like it is wrapping up. Is the contractor going to put another layer of asphalt because the current condition of the roadway is terrible?

Public Works Director/City Engineer Zamano responded the contractor will be conditioned to do the appropriate limits of pavement reconstruction or rehabilitation where their project has affected in accordance with city standards. The limits will be on Greenspot Road from east of Boulder Avenue to Plunge Creek. The whole area will be done as a city project, but the other work outside of those limits, East Valley Water District is going to be conditioned to do. They are not done yet. There is one additional limit the city will cover; it is at the east end of the city from about Santa Ana River to the easterly city limit.

Mayor McCallon stated Costco has submitted an application and is scheduled before the Planning Commission on October 17.

## **ANNOUNCEMENTS**

None

## **CLOSED SESSION**

None

## **ADJOURN**

There being no further business, Mayor McCallon adjourned the meeting at 8:09 p.m. in memory of United States Senator Feinstein, Sandra Sue Gamboa, Paul Hopson, Rayfield Ozier, and Russell Werts.

Submitted By:

Approved By:

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Betty Hughes, MMC  
City Clerk

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Larry McCallon  
Mayor