



CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

THE CITY OF SIGNAL HILL
WELCOMES YOU TO A REGULAR
PLANNING COMMISSION MEETING
October 17, 2017

The City of Signal Hill appreciates your attendance. Citizen interest provides the Planning Commission with valuable information regarding issues of the community. Meetings are held on the 3rd Tuesday of every month.

Meetings commence at 7:00 p.m. There is a public comment period at the beginning of the regular meeting, as well as the opportunity to comment on each agenda item as it arises. Any meeting may be adjourned to a time and place stated in the order of adjournment.

The agenda is posted 72 hours prior to each meeting on the City's website and outside of City Hall and is available at each meeting. The agenda and related reports are available for review online and at the Community Development office and the Signal Hill Community Center on the Friday afternoon prior to the Commission meeting. Agenda and staff reports are also available at our website at www.cityofsignalhill.org.

During the meeting, the Community Development Director presents agenda items for Commission consideration. The public is allowed to address the Commission on all agenda items. The Chair may take agenda items out of order and will announce when the period for public comment is open on each agenda item. The public may speak to the Commission on items that are not listed on the agenda. This public comment period will be held at the beginning of the public portion of the meeting. You are encouraged (but not required) to complete a speaker card prior to the item being considered, and give the card to a City staff member. The purpose of the card is to ensure speakers are correctly identified in the minutes. However, completion of a speaker card is voluntary, and is not a requirement to address the Commission. The cards are provided at the rear of the Council Chamber. Please direct your comments or questions to the Chair.

Planning Commission Members are compensated \$125.00 per meeting.

(1) CALL TO ORDER – 7:00 P.M.

(2) ROLL CALL

COMMISSIONER BROOKS
COMMISSIONER FALLON
COMMISSIONER WILSON
VICE CHAIR PARKER
CHAIR RICHÁRD

(3) PLEDGE OF ALLEGIANCE

(4) PUBLIC BUSINESS FROM THE FLOOR ON ITEMS NOT LISTED ON THIS AGENDA

(5) PRESENTATION

a. National Community Planning Month

Summary: Administrative Assistant Phyllis Thorne will make a presentation regarding celebrating National Community Planning Month with the students in the After-School Recreation Club.

Recommendation: Receive and file.

(6) PUBLIC HEARING

a. Zoning Ordinance Amendment 17-01 Prohibiting All Commercial Marijuana Activities in the City, Prohibiting Outdoor Cultivation of Marijuana for Personal Use, and Establishing Reasonable Regulations for the Indoor Cultivation of Marijuana for Personal Use

Summary: The City of Signal Hill currently prohibits medical marijuana dispensaries in all commercial and industrial zoning districts, and as a home occupation, citywide. Mobile dispensaries and delivery services are also prohibited citywide. In response to recent changes in State law, specifically the passing of Proposition 64 – The Adult Use of Marijuana Act, the Planning Commission will consider two items:

1. A Zoning Ordinance Amendment to the “Use Classifications” Section of Title 20 prohibiting all commercial marijuana activities and uses such as retail sales, manufacturing, cultivation, testing, distribution and deliveries, in all zoning districts citywide, prohibiting personal outdoor marijuana cultivation and regulating personal indoor marijuana cultivation; and

2. An Ordinance Amendment to Title 5 entitled “Business Taxes, Licenses and Regulations” and Title 9 entitled “Public Peace, Morals and Welfare”, prohibiting all commercial marijuana activities and uses such as retail sales, manufacturing, cultivation, testing, distribution and deliveries, in all zoning districts citywide, prohibiting personal outdoor marijuana cultivation and regulating personal indoor marijuana cultivation.

Recommendations:

1. Waive further reading and adopt the following resolution, entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, CALIFORNIA, RECOMMENDING CITY COUNCIL APPROVAL OF ZONING ORDINANCE AMENDMENT 17-01, PROHIBITING ALL COMMERCIAL MARIJUANA ACTIVITIES IN THE CITY, PROHIBITING OUTDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE, AND ESTABLISHING REASONABLE REGULATIONS FOR THE INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE

2. Receive public comment on an Ordinance Amendment for adoption by the City Council to prohibit all commercial marijuana activities and uses such as retail sales, manufacturing, cultivation, testing, distribution and deliveries in all zoning districts citywide, prohibiting personal outdoor marijuana cultivation and regulating personal indoor marijuana cultivation.

(7) DIRECTOR’S REPORT

a. Planning Commission Email Access

Summary: Community Development Director Scott Charney will give a demonstration of how to access the City email server for official Planning Commission business purposes.

Recommendation: Receive and file.

(8) CONSENT CALENDAR

The following Consent Calendar items are expected to be routine and non-controversial. Items will be acted upon by the Commission at one time without discussion. Any item may be removed by a Commissioner or member of the audience for discussion.

a. Planning Commission Meeting Schedule 2018

Summary: Attached for review are the dates of the Planning Commission meetings in 2018.

Recommendation: Receive and file.

b. Minutes of the Following Meeting

Regular Meeting of September 19, 2017.

Recommendation: Approve.

c. City Council Follow-up

Summary: Below for your review is a brief summary of the City Council's actions from the last City Council meeting(s).

Recommendation: Receive and file.

d. Development Status Report

Summary: Attached for your review is the monthly Development Status Report which highlights current projects.

Recommendation: Receive and file.

e. In the News

Summary: Attached for review are articles compiled by staff that may be of interest to the Commission.

Recommendation: Receive and file.

(9) COMMISSION NEW BUSINESS

COMMISSIONER BROOKS
COMMISSIONER FALLON
COMMISSIONER WILSON
VICE CHAIR PARKER
CHAIR RICHÁRD

(10) ADJOURNMENT

Adjourn tonight's meeting to the next regular meeting to be held Tuesday, October 17, 2017 at 7:00 p.m. in the Council Chambers located at City Hall.

CITIZEN PARTICIPATION

If you need special assistance beyond what is normally provided to participate in City meetings, the City will attempt to accommodate you in every reasonable manner.

Please call the City Clerk's office at (562) 989-7305 at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.

October
5a.





CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: PHYLLIS THORNE
ADMINISTRATIVE ASSISTANT**

SUBJECT: PLANNING MONTH 2017

Summary:

Administrative Assistant Phyllis Thorne will make a presentation regarding celebrating National Community Planning Month with the students in the After-School Recreation Club.

Recommendation:

Receive and file.

October
6a.





ZOA 17-01
Adult Use of Marijuana Act

CITY OF SIGNAL HILL

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PROCEDURES RELATIVE TO PUBLIC HEARINGS/WORKSHOPS

1. At the request of the Mayor/Chair, the City Clerk/Secretary reports on the Form of Notice given:
 - a. Notice was published in the *Signal Tribune* newspaper in accordance with Gov't Code §65091(a)(4) on October 6, 2017.
 - b. Notice was posted in accordance with Signal Hill Municipal Code Section 1.08.010 at City Hall, Discovery Well Park, Reservoir Park and Signal Hill Park Community Center on October 6, 2017.

2. Mayor/Chair asks for a staff report, which shall be included in written materials presented to the City Council/Commission so that they can be received into evidence by formal motion.

In addition, the staff report shall include the following:

- a. Summarize the resolution/ordinance;
 - b. The specific location of the property, and/or use, the surrounding properties;
 - c. The criteria of the Code which applies to the pending application; and
 - d. The recommendation of the Council/Commission and/or other legislative body of the City and staff recommendation.
3. Mayor/Chair declares the public hearing open.
4. Mayor/Chair invites those persons who are in favor of the application to speak.
5. Mayor/Chair invites those persons who are in opposition to the application to speak.
6. Applicant or their representative is provided a brief rebuttal period.
7. Mayor/Chair declares the public hearing closed.
8. Discussion by Council/Commission only.
9. City Attorney reads title of resolutions and/or ordinances.
10. City Clerk/Secretary conducts Roll Call vote.



CITY OF SIGNAL HILL

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October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: COLLEEN DOAN
SENIOR PLANNER**

**SUBJECT: PUBLIC HEARING – ZONING ORDINANCE AMENDMENT 17-01
PROHIBITING ALL COMMERCIAL MARIJUANA ACTIVITIES IN THE
CITY, PROHIBITING OUTDOOR CULTIVATION OF MARIJUANA FOR
PERSONAL USE, AND ESTABLISHING REASONABLE REGULATIONS
FOR THE INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL
USE**

Summary:

The City of Signal Hill currently prohibits medical marijuana dispensaries in all commercial and industrial zoning districts, and as a home occupation, citywide. Mobile dispensaries and delivery services are also prohibited citywide. In response to recent changes in State law, specifically the passing of Proposition 64 – The Adult Use of Marijuana Act, the Planning Commission will consider two items:

1. A Zoning Ordinance Amendment to the “Use Classifications” Section of Title 20 prohibiting all commercial marijuana activities and uses such as retail sales, manufacturing, cultivation, testing, distribution and deliveries, in all zoning districts citywide, prohibiting personal outdoor marijuana cultivation and regulating personal indoor marijuana cultivation; and
2. An Ordinance Amendment to Title 5 entitled “Business Taxes, Licenses and Regulations” and Title 9 entitled “Public Peace, Morals and Welfare”, prohibiting all commercial marijuana activities and uses such as retail sales, manufacturing, cultivation, testing, distribution and deliveries, in all zoning districts citywide, prohibiting personal outdoor marijuana cultivation and regulating personal indoor marijuana cultivation.

Recommendations:

1. Waive further reading and adopt the following resolution, entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, CALIFORNIA, RECOMMENDING CITY COUNCIL APPROVAL OF ZONING ORDINANCE AMENDMENT 17-01, PROHIBITING ALL COMMERCIAL MARIJUANA ACTIVITIES IN THE CITY, PROHIBITING OUTDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE, AND ESTABLISHING REASONABLE REGULATIONS FOR THE INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE

2. Receive public comment on an Ordinance Amendment for adoption by the City Council to prohibit all commercial marijuana activities and uses such as retail sales, manufacturing, cultivation, testing, distribution and deliveries in all zoning districts citywide, prohibiting personal outdoor marijuana cultivation and regulating personal indoor marijuana cultivation.

Strategic Plan Objectives:

Goal No. 2: Ensure that Public Safety is a High Priority

Goal No. 5: Ensure an enhanced quality of life for residents of the City.

Background:

The information below provides a chronology of medical marijuana laws and the actions taken by the City.

Proposition 215 – The Compassionate Use Act

In 1996, California voters approved Proposition 215, which made it legal under State law for individuals of any age to cultivate and possess marijuana in California for medical purposes only, specifically with a recommendation from a licensed physician.

In 2003, the Legislature enacted Senate Bill 420 to clarify the scope of the Compassionate Use Act and to authorize the formation of medical marijuana cooperatives, which are nonprofit organizations of medical marijuana users that cultivate and distribute marijuana to their members through outlets known as dispensaries. State law also gave cities and counties the discretion to regulate the location and operation of such facilities.

On July 7, 2009, the Signal Hill City Council adopted Urgency Ordinance No. 2009-07-1400 imposing a 45-day moratorium on the establishment or operation of medical marijuana dispensaries after the discovery of two dispensaries operating illegally in the City. At the time, dispensaries were not a listed use in any zoning district and therefore were considered a prohibited use. To ensure that the record was clear, the City Council adopted a moratorium after finding that there were potential negative and harmful effects

on the public health, safety and welfare associated with unregulated dispensaries including:

- Increase of crime such as burglary, robbery and loitering;
- Use of marijuana in public around dispensaries;
- Increase of marijuana DUIs;
- Illegal resale of marijuana to individuals without physician recommendations;
- Street dealers attempting to sell marijuana to dispensary customers; and
- Increase of sale of illegal drugs in the vicinity of dispensaries.

At the August 4, 2009 City Council meeting, four persons addressed the City Council during public business from the floor to speak in opposition to the moratorium.

On August 18, 2009, the City Council extended the moratorium for an additional 10 months and 15 days to June 28, 2010. Two persons spoke in opposition to the moratorium extension.

On June 15, 2010, the City Council extended the moratorium for the maximum time allowed under State law, a period of one year. The extension was granted to allow staff and the Planning Commission time to establish standards to regulate medical marijuana dispensaries under the zoning code.

On March 8, 2011, the Planning Commission conducted a public workshop to discuss possible regulations, including prohibiting the use of medical marijuana dispensaries in the City. During the workshop, two community residents spoke in favor of prohibiting the use. Staff, including the then Interim Chief of Police, was also supportive of prohibiting the use. The Planning Commission unanimously directed staff to proceed with a zoning ordinance amendment to list the use as prohibited.

On April 12, 2011, the Planning Commission conducted a public hearing and unanimously recommended City Council approval of Zoning Ordinance Amendment 11-02 listing medical marijuana dispensaries as a prohibited use in all commercial and industrial zoning districts, including specific plans and as a home occupation.

On May 3, 2011, the City Council by unanimous vote adopted Zoning Ordinance Amendment 11-02 that defines 'medical marijuana dispensary' and prohibits the use in all commercial and industrial zoning districts in the City, including commercial and industrial specific plan areas and as a home occupation. At the time, the City Council determined that dispensary prohibition was justified for the following reasons:

- There were many dispensaries already available in the City of Long Beach within close proximity and, therefore they were not essential for Signal Hill patients;
- The City had given ample time for the dispensary industry to work with staff to develop regulations. The City Council had encouraged dialogue between operators and staff to develop standards and regulations and no operators responded by showing genuine interest in working with the City;

- It was in the City's best financial interest to avoid the legal costs that cities which were attempting to regulate dispensaries had been subject to;
- Prohibition would help the City avoid the most harmful secondary effects associated with dispensaries;
- The City Attorney believed that the City could prohibit the use as there is no State law preempting such action and the use was not a fundamental right or protected under the First Amendment; and
- The City did not have any existing operating dispensaries and was well-positioned to prohibit new dispensaries with prompt adoption of a new ordinance.

Medical Cannabis Regulation and Safety Act

On October 9, 2015, Governor Brown signed the Medical Cannabis Regulation and Safety Act. The law consists of three bills and is collectively referred to as the "MCRSA". The law allows local agencies to maintain local control over land use decisions and does not require local agencies to allow dispensaries, cultivation operations, or delivery services. Key provisions of the law include:

- AB 243 – Establishing a regulatory and dual licensing structure for the *cultivation of medical marijuana* (Attachment B). Both a State license *and* local approval are required (similar to the process for the sale and consumption of alcohol). The State Department of Food and Agriculture is the primary regulator.
- AB 266 – Establishing a dual licensing structure for the *delivery of medical marijuana* (Attachment C). Both a State license *and* local approval are required. The State Department of Consumer Affairs is the primary regulator.
- SB 643 – Establishing criteria for licensing of medical marijuana businesses, regulating physicians and providing authority for local taxes and fees.

The MCRSA included a mandate to put into place cultivation regulations or explicit prohibitions by March 1, 2016. Consequences to local agencies that failed to adopt regulations by the deadline included:

- The agency would forfeit its ability to prohibit the activity for the foreseeable future;
- Operators of medical marijuana cultivation facilities would not be subject to local approval; and
- The sole regulatory tool would be the State license.

Additionally, under provisions of the MCRSA, deliveries of medical marijuana would be allowed by State licensed medical marijuana dispensaries in all jurisdictions, except in jurisdictions that explicitly prohibit such deliveries.

On December 15, 2015, the Planning Commission held a public hearing and unanimously recommended two City Council actions:

- Approval of Zoning Ordinance Amendment 15-03, prohibiting medical marijuana cultivation in all zoning districts, including specific plans and as a home occupation,

and revising the definition of medical marijuana dispensary to include mobile delivery services.

- Approval of Ordinance Amendment 15-06, prohibiting mobile medical marijuana dispensaries and delivery services citywide.

At the hearing, two members of the public spoke. One was supportive of local cultivation and the other encouraged public sector ownership of production and distribution of medical marijuana

On January 26, 2016, the City Council adopted ordinances prohibiting medical marijuana cultivation in all commercial and industrial zoning districts, including specific plan areas and as a home occupation. The ordinances also revised the definition of medical marijuana dispensaries to include mobile delivery services and prohibited mobile medical marijuana dispensaries and delivery services citywide.

Proposition 64 – The Adult Use of Marijuana Act

On November 8, 2016, California voters approved Proposition 64 – The Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical use of marijuana by persons 21 years of age and over, and the personal cultivation of up to six marijuana plants. In addition, the AUMA created a state regulatory and licensing system governing the commercial cultivation, testing, and distribution of non-medical marijuana, and the manufacturing of non-medical marijuana products. The AUMA also provides local governments the ability to prohibit, or regulate and license, nonmedical marijuana within their community; however, local governments must take action to prohibit or regulate by January 1, 2018. The following is a brief description of the provisions in the AUMA:

- Personal Use - Persons age 21 or older may possess, process, transport, purchase, obtain, or give away 28.5 grams of non-concentrated non-medical marijuana, or 8 grams of concentrated marijuana products. These products may be smoked or ingested. Personal use also includes the ability to possess, plant, cultivate, and harvest up to 6 marijuana plants. These plants may be cultivated indoors or outdoors.
- Restrictions on Personal Use - Marijuana may not be smoked in a public place unless authorized locally nor in locations where smoking tobacco is prohibited. Smoking is prohibited within 1,000 feet of a school, day care center, or youth center. Marijuana may not be smoked while driving or riding in a vehicle. Cities may prohibit smoking and possession in buildings owned, leased, or occupied by the city and employers may maintain drug-free workplaces.
- Personal Cultivation - Local governments may reasonably regulate but not prohibit personal indoor cultivation within a private residence. For example, a city may require a personal cultivation permit with an appropriate fee. Conditions of the permit may require periodic inspections to ensure that cultivation is not causing a health and safety issue such as fire hazard, mold growth, or excessive water use. Local governments may regulate or prohibit personal outdoor cultivation.

- Commercial Operations - All non-medical marijuana business must have a state license to operate. The state will not issue a license to an applicant whose operations would violate the provisions of any local ordinance or regulations.

Local municipalities must have local regulations in place, and notify the state, by January 1, 2018 or they will lose their ability to regulate and the State will issue licenses upon request.

SB 94 – Medicinal and Adult Use Cannabis Regulation and Safety Act

On June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA and provides that the State of California will begin issuing licenses in 2018 for both medical and recreational marijuana businesses in 20 different categories, which are found in Business & Professions Code § 26050, and which categories include marijuana cultivation, manufacturer, testing, retailer, distributor, and microbusiness.

- MAUCRSA - The MAUCRSA, Business & Professions Code § 26200(a)(1), provides that local jurisdictions may completely prohibit the establishment or operation of any or all of the 20 different medical and recreational business operations to be licensed by the state under Business & Professions Code § 26050. In addition, a state commercial marijuana license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation

At the September 12, 2017, City Council meeting, a representative from HdL Companies Cannabis Management Program, one of the state’s most recognized experts in cannabis horticulture, processing and dispensary operations, made a presentation on Proposition 64 - the AUMA, and noted provisions allowing local governments to regulate non-medical marijuana. The Council determined that there was much to learn and prepare for if commercial activities are to be allowed. The Council recognized the time limitation of the State mandate that the City must adopt and notify the State of their local regulations by January 1, 2018, in order to retain local control. Therefore, in consideration of maintaining local control, and to allow time to further study and consider future regulatory options, the Council directed staff to prepare ordinance amendments to prohibit all commercial marijuana activities and to regulate the allowed use of personal indoor cultivation prior to the January deadline.

On October 10, 2017 the City Council acknowledged that the City has a compelling interest in protecting the public health, safety, and welfare of its citizens, and that several California cities have reported negative impacts from marijuana cultivation and related activities, including offensive odors, associated criminal activity, and other public health and safety concerns. Therefore, the Council approved the formation of a Proposition 64 Subcommittee consisting of two City Council Members, the City Manager, the Police Chief, and the Community Development Director. The purpose of the Subcommittee is to work with industry experts to learn more about the emerging marijuana industry and to assist the City in determining whether to develop a regulatory framework.

Analysis:

Zoning Ordinance Amendment 17-01

The City's most pressing concern regarding the AUMA is the mandate to adopt and inform the State of any associated local regulations by January 1, 2018. Consequences to local agencies that fail to adopt regulations and notify the State by the deadline include:

- Forfeiting the ability to prohibit the activity for the foreseeable future; and
- State issuance of licenses to applicants requesting to operate in the City as the sole regulatory tool.

In accordance with Council direction from the September 2017 City Council workshop, the City Attorney's office has prepared a Zoning Ordinance Amendment (ZOA) to Title 20 and an Ordinance Amendment to Title 5, and Title 9.

Pursuant to the Signal Hill Municipal Code (SHMC), the ZOA is properly a matter for Planning Commission review and recommendation to City Council. Although the SHMC does not require Planning Commission action on the Ordinance Amendment it is included for the Commissions further information, consideration, and for public comment.

The Zoning Ordinance Amendment will amend Title 20 of the SHMC to do the following:

- Add new definitions for "commercial marijuana activity" and "marijuana";
- Replace references to prohibited medical marijuana activities with "all commercial activities";
- Amend the residential section for "Use Classifications" to prohibit personal outdoor cultivation and regulate personal indoor cultivation; and
- Amend the commercial sections for Use Classifications, including relevant specific plans to prohibit all commercial marijuana activities citywide.

Ordinance Amendment 17-02

Although the Ordinance Amendment does not require a recommendation from Commission, it is included with the associated ZOA to further inform the Commission and to allow additional opportunity for public comment on the topic. The Ordinance amends Title 5 to clarify the details of the prohibited commercial marijuana activities, provide associated definitions, and codify penalties for violations. The Ordinance also amends Title 9 to regulate personal indoor cultivation, which is allowed by the State for up to six plants, but can be regulated by local ordinances. The Ordinance Amendment prohibits outdoor personal cultivation citywide (Attachment A).

CEQA Exemption

This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(3) and 15061(b)(3), because it can be

seen with certainty that it will not have a significant effect or physical change to the environment in that it prohibits commercial marijuana activity and regulates personal indoor cultivation, already allowed by the State.

Approved:

Scott Charney

Attachments

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
SIGNAL HILL, CALIFORNIA, PROHIBITING ALL
COMMERCIAL MARIJUANA ACTIVITIES IN THE CITY,
PROHIBITING OUTDOOR CULTIVATION OF MARIJUANA
FOR PERSONAL USE, AND ESTABLISHING
REASONABLE REGULATIONS FOR THE INDOOR
CULTIVATION OF MARIJUANA FOR PERSONAL USE**

WHEREAS, in 1996 California voters approved Proposition 215, the Compassionate Use Act (“CUA”), codified as Health and Safety Code §11362.5, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for medical purposes; and

WHEREAS, in 2003 the California legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Health & Safety Code §§ 11362.7, et seq., and as later amended, to clarify the scope of the Compassionate Use Act of 1996 relating to the possession and cultivation of marijuana for medical purposes, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical marijuana operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by California voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial recreational (adult use) marijuana operations, and which also legalized limited personal recreational marijuana use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, the MAUCRSA provides that the State of California will begin issuing licenses in 2018 for both medical and recreational marijuana businesses in 20 different categories, which are found in Business & Professions Code § 26050, and which categories include marijuana cultivation, manufacturer, testing, retailer, distributor, and microbusiness; and

WHEREAS, the MAUCRSA, Business & Professions Code § 26200(a)(1), provides that local jurisdictions may completely prohibit the establishment or operation of any or all of the 20 different medical and recreational business operations to be licensed by the state under Business & Professions Code § 26050; and

WHEREAS, the MAUCRSA, Business & Professions Code § 26055(d), provides that a state commercial marijuana license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation; and

WHEREAS, the City Council of Signal Hill now desires to expressly prohibit, to the fullest extent allowed under state law, any and all commercial medical and/or recreational marijuana activity, including all of the 20 different MAUCRSA state license categories for both medical and recreational commercial marijuana businesses described above (and as may be amended); and

WHEREAS, the AUMA, Health & Safety Code § 11362.1(a)(3), makes it lawful for any person 21 years of age or older to “[p]ossess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants”; and

WHEREAS, the AUMA, Health & Safety Code § 11362.2(b)(3), explicitly allows a city to “completely prohibit persons from engaging in [the personal cultivation of marijuana] outdoors upon the grounds of a private residence”; and

WHEREAS, the AUMA, Health & Safety Code § 11362.2(b), explicitly allows a city to “enact and enforce reasonable regulations to reasonably regulate” the cultivation of marijuana permitted under Health & Safety Code § 11362.1(a)(3), so long as the city does not completely prohibit the cultivation of up to six plants “inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure”; and

WHEREAS, the AUMA, Health & Safety Code § 11362.2(a)(2), further restricts such personal marijuana cultivation so that “[t]he living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person’s private residence, or upon the grounds of that private residence, are in a locked space, and are not visible by normal unaided vision from a public place”; and

WHEREAS, several California cities have reported negative impacts of marijuana cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of marijuana), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests); and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors or if grown indoors without proper ventilation, odor control, and other regulations; and

WHEREAS, due to the value of marijuana plants and their strong smell (which alerts others to their location), marijuana cultivation has been linked to break-ins,

robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects on the structural integrity of the buildings in which marijuana is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings and residents; and

WHEREAS, unregulated indoor cultivation of marijuana can be harmful to the public health, safety and welfare, because electrical modifications can cause fires, poor irrigation can cause mold, overloaded circuits can leave entire neighborhoods in the dark, plant chemicals can cause illness and can contaminate soil and water, carbon dioxide mixed with insufficient ventilation can cause injury or death, and structural changes put first responders in danger if they rush into the unknown; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognize that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering and/or crime; and

WHEREAS, marijuana cultivation is likely to generate these negative effects on the public health, safety, and welfare in the city, based on the experiences of other cities; and

WHEREAS, absent clear regulation, marijuana cultivation in the city poses a potential threat to the public peace, health, and safety, and, unless the city takes action to regulate it, the secondary impacts described above are likely to occur; and

WHEREAS, the city has a compelling interest in protecting the public health, safety, and welfare of its citizens, residents, visitors, and businesses, and in preserving the peace and quiet of the neighborhoods within the city, by prohibiting outdoor marijuana cultivation and by regulating the personal indoor cultivation of marijuana; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the city has the authority to prohibit outdoor marijuana cultivation, and to enact reasonable regulations for the indoor personal cultivation of up to six marijuana plants, to protect the public health, safety and welfare, by adding a new Chapter 9.50 “Personal Cultivation of Marijuana” to the Signal Hill Municipal Code; and

WHEREAS, this ordinance is enacted, consistent with the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act of 2015, the Adult Use of Marijuana Act of 2016, and the Medicinal and Adult Use of Cannabis Regulation and Safety Act of 2017, to protect the public health, safety, and welfare of the public in relation to marijuana-related uses and activities; and

WHEREAS, pursuant to the above-described express statutory authority and the city’s police power, the city has the authority to prohibit all commercial marijuana activities (whether not-for-profit or for-profit) that may otherwise be permitted by the State of California under the MCRSA, the AUMA, and the MAUCRSA, by adding a new Chapter 5.15 to the Signal Hill Municipal Code; and

WHEREAS, nothing in this Ordinance shall be construed to: (1) allow any person to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity relating to the cultivation, distribution, or consumption of marijuana that is illegal under state or federal law; and

WHEREAS, because new Chapter 5.15 (Marijuana Uses and Activities Prohibited) prohibits in all zones of the City the activities and uses of “mobile medical

marijuana dispensaries” and “medical marijuana delivery services” as those terms are understood and prohibited by the existing Chapter 9.50 (Mobile Medical Marijuana Dispensaries and Delivery Services), the City Council now desires to completely replace the existing Chapter 9.50 of the Signal Hill Municipal Code for the sole purpose of centralizing and expanding this prohibition in Chapter 5.15 (Marijuana Uses and Activities Prohibited) (including those already prohibited by existing local law); and

WHEREAS, on October 17, 2017, the Planning Commission held a duly noticed public hearing and recommended City Council adopt the associated Zoning Ordinance Amendment 17-01 prohibiting commercial marijuana activities and regulating cultivation and received public comment on the Ordinance Amendment 17-02 and all public comment was considered; and

WHEREAS, on October 3, 2017, notice of a City Council public hearing was published in the Signal Tribune newspaper in accordance with Government Code §65091(a)(4) and was posted in accordance with Signal Hill Municipal Code Section 1.08.010; and

WHEREAS, the project is exempt from requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of CEQA Guidelines in that it is not a project which has the potential to cause a significant effect on the environment; and

WHEREAS, on November 14, 2017, the City Council held a duly noticed public hearing and all persons were given an opportunity to be heard; and

WHEREAS, the City Council has considered all comments received and responses thereto; and

WHEREAS, all legal prerequisites to the adoption of this ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council finds the above recitals are true and correct and incorporated herein by this reference.

Section 2. That a new Chapter 5.15 MARIJUANA USES AND ACTIVITIES PROHIBITED is hereby added to read in its entirety as follows:

Chapter 5.15

MARIJUANA USES AND ACTIVITIES PROHIBITED

Sections:

5.15.010 Purpose and intent.

5.15.020 Definitions.

5.15.030 Prohibition of commercial marijuana activities.

5.15.040 Violations and penalties; public nuisance.

Section 5.15.010 Purpose and intent. A. In order to preserve the public health, safety, and welfare of the residents and businesses of the city, all marijuana-related businesses, activities and uses are prohibited, except as provided for by Chapter 9.50 (Personal Marijuana Cultivation).

B. This chapter is not intended to interfere with a patient's right to medical marijuana as provided for in Section 11362.5 of the Health & Safety Code.

Section 5.15.020 Definitions. The following words and phrases shall, for the purposes of this chapter, be defined as follows:

A. "Cannabis" has the same definition as "marijuana" provided in this Chapter.

B. "Commercial marijuana activity" includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of marijuana and marijuana products; but not including personal marijuana cultivation in compliance with Chapter 9.50 (Personal Marijuana Cultivation) of this Code.

C. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

D. “Delivery” means the commercial transfer of marijuana or marijuana products to a customer, and includes the use of any technology platform owned and controlled by the same person making such use.

E. “Distribution” means the procurement, sale, and transport of marijuana and marijuana products between entities licensed for and/or engaged in commercial marijuana activities.

F. “Distributor” means a person engaged in distribution.

G. “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

H. “Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages marijuana or marijuana products or labels or relabels its container.

I. “Marijuana” has the same definition as provided in Section 26001 of the Business & Professions Code for the term “cannabis,” and as may be amended, defined as “all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. ‘Cannabis’ also means the separated resin, whether crude or purified, obtained from cannabis. ‘Cannabis’ does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.”

J. “Marijuana products” means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to, concentrated marijuana, or an edible or topical product containing marijuana or concentrated marijuana and other ingredients.

K. “Medical marijuana” or “medical marijuana product” means marijuana or a marijuana product used for medical purposes in accordance with state law, including the Compassionate Use Act (Health and Safety Code § 11362.5) and the Medical Marijuana Program Act (Health and Safety Code §§ 11362.7, *et seq.*).

L. “Microbusiness” shall have the same definition as provided for in Section 26070 of the Business and Professions Code, and as may be amended from time to time.

M. “Nursery” means a person that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of marijuana.

N. “Person” means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

O. “Retailer” shall mean a person engaged in the retail sale and delivery of marijuana or marijuana products to customers.

P. “Testing laboratory” means a laboratory, facility, or entity that offers or performs tests on marijuana or marijuana products.

Section 5.15.030 Prohibition of commercial marijuana activities. A. All commercial marijuana activities, whether medical or recreational (adult use) and including non-profit operations, are expressly prohibited in all zones. No person shall establish, operate, conduct, or allow commercial marijuana activities anywhere within the city.

B. The city shall not issue any permit, license, or entitlement for any commercial marijuana activity, including, but not limited to, any activity covered by the state license classifications listed below as provided for in Section 26050 of the Business & Professions Code:

Type 1 = Cultivation; Specialty outdoor; Small.

Type 1A = Cultivation; Specialty indoor; Small.

Type 1B = Cultivation; Specialty mixed-light; Small.

Type 1C = Cultivation; Specialty cottage; Small.

Type 2 = Cultivation; Outdoor; Small.

Type 2A = Cultivation; Indoor; Small.

Type 2B = Cultivation; Mixed-light; Small.

Type 3 = Cultivation; Outdoor; Medium.

Type 3A = Cultivation; Indoor; Medium.

Type 3B = Cultivation; Mixed-light; Medium.

Type 4 = Cultivation; Nursery.

Type 5 = Cultivation; Outdoor; Large.

Type 5A = Cultivation; Indoor; Large.

Type 5B = Cultivation; Mixed-light; Large.

Type 6 = Manufacturer 1.

Type 7 = Manufacturer 2.

Type 8 = Testing laboratory.

Type 10 = Retailer.

Type 11 = Distributer.

Type 12 = Microbusiness.

C. This prohibition includes any activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of medical or recreational (adult use) marijuana commercial activities, or similar operations, including non-profit, collective or cooperative operations.

D. The prohibition provided by this section includes medical marijuana collectives and cooperatives that operate pursuant to Section 11362.775 of the Health & Safety Code, the Compassionate Use Act, or otherwise.

Section 5.15.040 Violations and penalties; public nuisance. A. Any violation of this chapter, at the discretion of the city prosecutor, is punishable as a misdemeanor or as an infraction pursuant to Chapter 1.16 (General Penalty) of this Code, and any violation of this chapter is punishable at the discretion of the City pursuant to Chapter 8.13 (Administrative Citation) of this Code.

B. Any commercial marijuana activity that is conducted in violation of any provisions of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation in accordance with the procedures set forth in Chapter 8.12 (Nuisances).

C. The remedies described in this section are not exclusive. Pursuit of any one remedy shall not preclude the city from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.

Section 3. That Chapter 9.50 MOBILE MEDICAL MARIJUANA DISPENSARIES AND DELIVERY SERVICES is hereby deleted and a new Chapter 9.50 PERSONAL MARIJUANA CULTIVATION is hereby added to Title 9 PUBLIC PEACE, MORALS, AND WELFARE to read in its entirety as follows:

Chapter 9.50

PERSONAL MARIJUANA CULTIVATION

Sections:

9.50.010 Purpose and intent.

9.50.020 Definitions.

9.50.030 Personal marijuana cultivation.

9.50.040 Indoor personal marijuana cultivation permit.

9.50.050 Violation and penalties; public nuisance.

Section 9.50.010 Purpose and intent. A. The purpose and intent of this chapter is to prohibit throughout the entire city the outdoor cultivation of marijuana, and to establish reasonable regulations, consistent with the meaning of Section 11362.2 of the Health & Safety Code, and as may be amended, for the indoor cultivation of up to six (6) marijuana plants at a private residence.

B. This chapter is not intended to interfere with a patient's right to medical marijuana as provided for in Section 11362.5 of the Health & Safety Code.

Section 9.50.020 Definitions. The following words and phrases shall, for the purposes of this chapter, be defined as follows:

A. "Accessory structure" means a subordinate building located on the same lot as a private residence, the use of which is customarily part of, incidental and secondary to that of the private residence, and which does not change the character of the residential use of the private residence.

B. "Applicant" means an applicant for a permit.

C. "Application" means an application for a permit.

D. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of one or more marijuana plants or any part thereof.

E. "Cultivation site" means the real property on which marijuana cultivation occurs.

F. "Director" means the Director of Community Development for the City of Signal Hill, or his or her designee.

G. "Marijuana" has the same definition as provided in Section 26001 of the Business & Professions Code for the term "cannabis," and as may be amended, defined as "all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. 'Cannabis' also means the separated resin, whether crude or purified, obtained from cannabis. 'Cannabis' does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination."

H. "Permit" means an indoor personal marijuana cultivation permit issued pursuant to this chapter.

I. "Person" means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit.

J. "Private residence" has the same meaning as the term is defined in Section 11362.2(b)(5) of the Health & Safety Code, and as may be amended, which provides that

private residence “means a house, an apartment unit, a mobile home, or other similar dwelling.”

Section 9.50.030 Personal marijuana cultivation. A. Prohibition. Marijuana cultivation is prohibited in all zones of the city. No person shall engage in the cultivation of marijuana in the city for any purpose.

B. Limited Exemption. The general prohibition on marijuana cultivation in above subsection (A) does not apply to the indoor cultivation of marijuana at a private residence conducted both pursuant to a valid permit as provided for in this chapter, as well as with complete adherence to the following regulations:

1. Six plants. Cultivation is limited to no more than six (6) living marijuana plants per private residence at any one time.

2. Indoor cultivation only. Cultivation shall occur entirely within a private residence or within an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.

3. Locked space. Marijuana plants and any marijuana produced by the plants in excess of 28.5 grams shall be kept within a locked space located either within the private residence or upon the grounds of the private residence.

4. Visibility. Marijuana plants and any marijuana produced by the plants in excess of 28.5 grams shall not be visible from any neighboring property or public right of way, or in any manner be visible by normal unaided vision from a public place.

5. Odor.

a. The odor resulting from all marijuana cultivation shall not be detectable by human senses from any neighboring property or public right of way.

b. As necessary (which final determination shall be made by the Director), to ensure that no odor resulting from marijuana cultivation shall be detectable by human senses from any neighboring property or public right of way, a marijuana cultivation site shall install and continuously operate a functioning ventilation and filtration system which complies with all applicable building code regulations, including obtaining all required permits and approvals.

6. Nuisance Activity. Cultivation shall not result in a nuisance or adversely affect the health, welfare, or safety of the resident or nearby residents by creating dust, glare, heat, noise, noxious gases, odors, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or waste.

7. Fire Extinguisher. A working portable fire extinguisher, which complies with the regulations and standards adopted by the state fire marshal and applicable law, shall be kept in the same room as the marijuana cultivation.

8. Electricity.

a. The collective draw from all electrical appliances at the marijuana cultivation site shall not exceed the maximum rating of the approved electrical panel for the residence where the marijuana is being cultivated.

b. The maximum rating shall be as established in the manufacturer specifications for the approved electrical panel.

9. Lighting. Any lighting fixture or combination of lighting fixtures used for marijuana cultivation shall:

a. Not exceed the rated wattage and capacity of the circuit breaker; and

b. Shall be shielded so as to completely confine light and glare to the interior of the private residence or fully enclosed accessory structure.

10. Private Residence. Any private residence used for cultivation shall:

a. Include a fully functional and usable kitchen, as well as bathroom and bedroom areas, for use by the permit holder; and

b. Shall not be used primarily or exclusively for marijuana cultivation.

11. Garage. Cultivation shall not displace required parking in a garage.

12. Additional Regulations. Further rules, regulations, procedures, and standards for the administration and implementation of this chapter may be adopted from time to time either by resolution or ordinance from the City Council, or by the Director (upon authorization by resolution of the City Council).

Section 9.50.040 Indoor personal marijuana cultivation permit. A. Permit Application. An applicant shall submit an application to the Director, in a form provided by the city, and the application shall contain the following information:

1. The address of the property where marijuana cultivation is to occur.

2. The name of the applicant and a statement as to whether the applicant is an owner or tenant of the property where marijuana cultivation is to occur.

3. If the applicant is not the owner of the property, property owner acknowledgement, in a form provided by the city, that the property owner consents to the cultivation of marijuana at the marijuana cultivation site.

4. Any other information the Director deems necessary to efficiently administer applications and permits so as to further the purposes of this chapter.

B. Action on Applications.

1. Upon receipt of an application and payment of any application and permit fees, the Director shall review the information contained in the application to determine if the application has been properly completed. If the Director determines that the applicant has improperly completed the application, the Director shall notify applicant.

2. Upon receipt of a completed application, the Director shall review the application, approve or deny the application in accordance with the provisions of this chapter, and so notify the applicant. Notice of a successful application shall include a written copy of regulations applicable to personal marijuana cultivation, including but not limited to those contained in Section 9.50.030(B).

C. Permit not transferable. A permit issued pursuant to this chapter is non-transferable and is specific to both the permit holder and the private residence or fully enclosed accessory structure for which it was issued.

D. Appeals. Any decision regarding an application for an indoor personal marijuana cultivation permit may be appealed to the City Manager, or his or her designee, by an applicant, a permit holder or interested party as follows:

1. Appellant must file a written appeal with the Signal Hill City Clerk within 10 calendar days of the decision. The written appeal shall specify the person making the appeal, identify the decision appealed from, state the reasons for the appeal, and include any evidence in support of the appeal.

2. Notice of the time and place of an appeal hearing shall be provided to the appellant within 30 days of receipt by the Signal Hill City Clerk of the written appeal.

3. The appeal hearing shall be held within 60 days of the filing with the Signal Hill City Clerk of the written appeal, unless the 60-day time limit is waived by the appellant, or unless the City Manager continues the appeal hearing date for good cause and upon written notification to the appellant.

4. The City Manager shall review the facts of the matter, written documents submitted for review, the basis for making the decision which is under appeal, and then determine whether the Director's decision should be reversed or affirmed. The determination made shall be in writing, shall set forth the reasons for the determination, and shall be final.

E. The provisions of Sections 1094.5 and 1094.6 of the Code of Civil Procedure set forth the procedure for judicial review of any final determination.

F. Fees. An application fee set by resolution of the City Council may be required for formal processing of every application and appeal made under this chapter. The City Council is authorized to pass resolutions to recover any and all fees and costs incurred by the administration and implementation of this chapter through an appropriate fee recovery mechanism to be imposed upon indoor marijuana cultivators and their operations.

Section 9.50.050 Violations and penalties; public nuisance. A. Any violation of this chapter, at the discretion of the city prosecutor, is punishable as a misdemeanor or as an infraction pursuant to Chapter 1.16 (General Penalty) of this Code; and, any violation of this chapter is punishable at the discretion of the City, and in compliance with state law, pursuant to Chapter 8.13 (Administrative Citation) of this Code.

B. Any cultivation of marijuana that is conducted in violation of any provisions of this chapter is hereby declared to constitute a public nuisance and, as such, may be abated or enjoined from further operation, in accordance with the procedures set forth in Chapter 8.12 (Nuisances) of this Code.

C. The remedies described in this section are not exclusive. Pursuit of any one remedy shall not preclude city from availing itself of any or all available administrative, civil, or criminal remedies, at law or equity.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such

decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Section 5. Certification and effective date. The City Clerk shall certify to the passage and adoption of this ordinance by the City Council of the City of Signal Hill and shall cause a summary of this ordinance to be published in accordance with Government Code Section 36933, in a newspaper of general circulation which is hereby designated for that purpose, and this ordinance shall take effect thirty (30) days after its passage.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Signal Hill, California, on this ____ day of _____, 2017.

EDWARD H.J. WILSON
MAYOR

ATTEST:

KEIR JONES
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SIGNAL HILL)

I, KEIR JONES, City Clerk of the City of Signal Hill, California, hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Signal Hill held on the ____ day of ____ 2017, and adopted at a regular meeting of the City Council held on the ____ day of ____ 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

KEIR JONES
CITY CLERK

RESOLUTION NO. _____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, CALIFORNIA, RECOMMENDING CITY COUNCIL APPROVAL OF ZONING ORDINANCE AMENDMENT 17-01, PROHIBITING ALL COMMERCIAL MARIJUANA ACTIVITIES IN THE CITY, PROHIBITING OUTDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE, AND ESTABLISHING REASONABLE REGULATIONS FOR THE INDOOR CULTIVATION OF MARIJUANA FOR PERSONAL USE

WHEREAS, in 1996 California voters approved Proposition 215, the Compassionate Use Act (“CUA”), codified as Health and Safety Code §11362.5, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for medical purposes; and

WHEREAS, in 2003 the California legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Health & Safety Code §§ 11362.7, et seq., and as later amended, to clarify the scope of the Compassionate Use Act of 1996 relating to the possession and cultivation of marijuana for medical purposes, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical marijuana operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by California voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial recreational (adult use) marijuana operations, and which also legalized limited personal recreational marijuana use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, the MAUCRSA provides that the State of California will begin issuing licenses in 2018 for both medical and recreational marijuana businesses in 20 different categories, which are found in Business & Professions Code § 26050, and which categories include marijuana cultivation, manufacturer, testing, retailer, distributor, and microbusiness; and

WHEREAS, the MAUCRSA, Business & Professions Code § 26200(a)(1), provides that local jurisdictions may completely prohibit the establishment or operation of any or all of the 20 different medical and recreational business operations to be licensed by the state under Business & Professions Code § 26050; and

WHEREAS, the MAUCRSA, Business & Professions Code § 26055(d), provides that a state commercial marijuana license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation; and

WHEREAS, the City Council of Signal Hill now desires to expressly prohibit, to the fullest extent allowed under state law, any and all commercial medical and/or recreational marijuana activity, including all of the 20 different MAUCRSA state license categories for both medical and recreational commercial marijuana businesses described above (and as may be amended); and

WHEREAS, the AUMA, Health & Safety Code § 11362.1(a)(3), makes it lawful for any person 21 years of age or older to “[p]ossess, plant, cultivate, harvest, dry, or process not more than six living marijuana plants and possess the marijuana produced by the plants”; and

WHEREAS, the AUMA, Health & Safety Code § 11362.2(b)(3), explicitly allows a city to “completely prohibit persons from engaging in [the personal cultivation of marijuana] outdoors upon the grounds of a private residence”; and

WHEREAS, the AUMA, Health & Safety Code § 11362.2(b), explicitly allows a city to “enact and enforce reasonable regulations to reasonably regulate” the cultivation of marijuana permitted under Health & Safety Code § 11362.1(a)(3), so long as the city does not completely prohibit the cultivation of up to six plants “inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure”; and

WHEREAS, the AUMA, Health & Safety Code § 11362.2(a)(2), further restricts such personal marijuana cultivation so that “[t]he living plants and any marijuana produced by the plants in excess of 28.5 grams are kept within the person’s private residence, or upon the grounds of that private residence, are in a locked space, and are not visible by normal unaided vision from a public place”; and

WHEREAS, several California cities have reported negative impacts of marijuana cultivation and related activities, including but not limited to offensive odors, criminal activity, (such as trespassing, theft, violent robberies and robbery attempts, and the illegal sale and distribution of marijuana), and public health and safety concerns (such as fire hazards and problems associated with mold, fungus, and pests); and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, offensive to many people, and detectable far beyond property boundaries if grown outdoors or if grown indoors without proper ventilation, odor control, and other regulations; and

WHEREAS, due to the value of marijuana plants and their strong smell (which alerts others to their location), marijuana cultivation has been linked to break-ins,

robbery, armed robbery, theft and attendant violence and injury, creating an increased risk to public safety; and

WHEREAS, the indoor cultivation of marijuana has potential adverse effects on the structural integrity of the buildings in which marijuana is cultivated, and the use of high wattage grow lights and excessive use of electricity increases the risk of fire, which presents a clear and present danger to the buildings, its occupants, and neighboring buildings and residents; and

WHEREAS, unregulated indoor cultivation of marijuana can be harmful to the public health, safety and welfare, because electrical modifications can cause fires, poor irrigation can cause mold, overloaded circuits can leave entire neighborhoods in the dark, plant chemicals can cause illness and can contaminate soil and water, carbon dioxide mixed with insufficient ventilation can cause injury or death, and structural changes put first responders in danger if they rush into the unknown; and

WHEREAS, the Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognize that the cultivation or other concentration of marijuana in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering and/or crime; and

WHEREAS, marijuana cultivation is likely to generate these negative effects on the public health, safety, and welfare in the city, based on the experiences of other cities; and

WHEREAS, absent clear regulation, marijuana cultivation in the city poses a potential threat to the public peace, health, and safety, and, unless the city takes action to regulate it, the secondary impacts described above are likely to occur; and

WHEREAS, the city has a compelling interest in protecting the public health, safety, and welfare of its citizens, residents, visitors, and businesses, and in preserving the peace and quiet of the neighborhoods within the city, by prohibiting outdoor marijuana cultivation and by regulating the personal indoor cultivation of marijuana; and

WHEREAS, pursuant to the above-described express statutory authority and its police power, the city has the authority to prohibit outdoor marijuana cultivation, and to enact reasonable regulations for the indoor personal cultivation of up to six marijuana plants, to protect the public health, safety and welfare; and

WHEREAS, this ordinance is enacted, consistent with the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act of 2015, the Adult Use of Marijuana Act of 2016, and the Medicinal and Adult Use of Cannabis Regulation and Safety Act of 2017, to protect the public health, safety, and welfare of the public in relation to marijuana-related uses and activities; and

WHEREAS, pursuant to the above-described express statutory authority and the city's police power, the city has the authority to prohibit all commercial marijuana activities (whether not-for-profit or for-profit) that may otherwise be permitted by the State of California under the MCRSA, the AUMA, and the MAUCRSA; and

WHEREAS, nothing in this Ordinance shall be construed to: (1) allow any person to engage in conduct that endangers others or causes a public nuisance; or (2) allow any activity relating to the cultivation, distribution, or consumption of marijuana that is illegal under state or federal law; and

WHEREAS, the city affirms that Title 20 ("Zoning") of the Signal Hill Municipal Code is structured as a permissive zoning code, whereas any use that is not permitted expressly by any provisions of this title shall be prohibited, and the prohibitions on commercial marijuana activities imposed by this Ordinance are enacted to fully comply

with requirements of state law when a city desires to prohibit commercial marijuana activities; and

WHEREAS, because the changes to Title 20 (Zoning) contained in this ordinance prohibit the activities and uses of “medical marijuana dispensary (including mobile delivery services)” and “medical marijuana cultivation” as those terms are understood and prohibited by various existing provisions of Title 20 (Zoning) of the Signal Hill Municipal Code, the City Council now desires to make the zoning ordinance amendments contained in this Ordinance, for the sole purpose of centralizing and expanding an express prohibition on all commercial marijuana activities (including those already prohibited by existing local law); and

WHEREAS, this Ordinance would affect all properties city-wide; and

WHEREAS, pursuant to Signal Hill Municipal Code, Chapter 20.86, entitled “Amendments,” the subject is properly a matter for Planning Commission review and recommendation for City Council adoption; and

WHEREAS, Zoning Ordinance Amendment 17-01 is consistent with the General Plan; and

WHEREAS, on October 3, 2017, notice of a Planning Commission public hearing regarding Zoning Ordinance Amendment 17-01 and Ordinance Amendment 17-02 was published in the Signal Tribune newspaper in accordance with California Government Code §65091(a)(4) and was posted in accordance with Signal Hill Municipal Code Section 1.08.010; and

WHEREAS, the project is exempt from requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of CEQA Guidelines in that it is not a project which has the potential to cause a significant effect on the environment; and

WHEREAS, on October 17, 2017, the Planning Commission conducted a public hearing on the Zoning Ordinance Amendment and received public comment on the Ordinance Amendment and recommended that the City Council adopt the Zoning Ordinance Amendment; and

WHEREAS, the City has incorporated all comments received and responses thereto.

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Signal Hill, California has considered the public comments and finds as follows:

1. That Zoning Ordinance Amendment 17-01 is consistent with applicable state and federal law for the protection of the health, safety and welfare of the community.

2. That the Planning Commission has reviewed Zoning Ordinance Amendment 17-01 and found the proposed amendment to be in the best interest of the community and its health, safety and general welfare in that it is consistent with the following goals and policies of the City of Signal Hill General Plan:

LAND USE ELEMENT GOAL 3 – Assure a safe, healthy, and aesthetically pleasing community for residents and businesses.

Land Use Policy 3.7 – Maintain and enhance the quality of residential neighborhoods.

Finding regarding Policy 3.7 – Prohibiting all commercial marijuana activities, prohibiting personal outdoor cultivation and regulating personal indoor cultivation will maintain local control of these uses and safeguard against associated crime, nuisances and other health and safety considerations caused by these uses.

Land Use Policy 3.9 – Safeguard residential neighborhoods from intrusion by nonconforming and disruptive uses

Finding regarding Policy 3.9 – Commercial marijuana activities and personal cultivation have been known to be disruptive uses given related harmful effects such as crime, odor, and nuisances and prohibiting commercial activities and regulating personal cultivation is intended as a safeguard.

Land Use Policy 3.13 – Reinforce Signal Hill's image and community identity within the greater Long Beach Metropolitan Area.

Finding regarding Policy 3.13 – By prohibiting commercial marijuana activities and regulating personal cultivation to retain local regulatory control and allow time to further study and avoid related harmful impacts will improve the City’s image as a safe community to live in and work. It should not be viewed as being uncompassionate towards those who need medical marijuana because there are plenty of dispensaries already located in the neighboring community of Long Beach.

SAFETY ELEMENT GOAL 2 – Provide an environment that is safe and secure and as free from criminal activity as possible for Signal Hill residents, businesses, employees, visitors and property.

Safety Policy 2.1 – Intensify the City’s crime prevention programs.

Finding regarding Policy 2.1 – Prohibition of all commercial marijuana activities and regulation of personal cultivation is consistent with the City’s efforts to prevent crime as these activities have been shown to have crime related secondary effects.

NOW, THEREFORE BE IT FURTHER RESOLVED, that the Planning Commission of the City of Signal Hill, California, does hereby recommend City Council approve Zoning Ordinance Amendment 17-01, as follows:

Section 1. Findings. The Planning Commission finds the above recitals are true and correct and incorporated herein by this reference.

Section 2. That Chapter 20.04 DEFINITIONS be amended to add Sections 20.04.166 and 20.04.502, to modify Section 20.04.384(B), and to delete Section 20.04.505, to read as follows:

Section 20.04.166 Commercial marijuana activity.

“Commercial marijuana activity” includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of marijuana and marijuana products, including but not limited to as those terms are defined in Section 5.15.020 of this Code; but not including personal marijuana cultivation in compliance with Chapter 9.50 (Personal Marijuana Cultivation) of this Code.

Section 20.04.384 Home occupation.

- B. The following criteria shall apply for the determination of a home occupation:
1. There shall be no employment of help other than the members of the resident family.

2. There shall be no use of material or mechanical equipment not recognized as being part of normal household or hobby uses.
3. There shall be no sales of products or services not produced on the premises.
4. The use shall not generate pedestrian or vehicular traffic beyond that normal to the district in which it is located.
5. It shall not involve the use of commercial vehicles for delivery of materials to or from the premises, other than a vehicle not to exceed one ton, owned by the operator of such home occupations, which shall be stored in an entirely enclosed garage.
6. There shall be no excessive or unsightly storage of materials or supplies, indoor or outdoor, for purposes other than those permitted in the district.
7. It shall not involve the use of signs or structures other than those permitted in the district of which it is a part.
8. Not more than one room in the dwelling shall be employed for the home occupation.
9. In no way shall the appearance of the structure be so altered or the conduct of the occupation within the structure be such that the structure may be reasonably recognized as serving a nonresidential use either by color, materials or construction, lighting, signs, sounds or noises, vibrations, etc.
10. There shall be no use of utilities or community facilities beyond that normal to the use of the property for residential purposes as defined in the district.
11. No ~~medical commercial marijuana~~ dispensary (including mobile delivery services) activity shall operate as a home occupation.
12. ~~No medical marijuana cultivation shall operate as a home occupation.~~

Section 20.04.502 Marijuana.

"Marijuana" has the same definition as provided in Section 26001 of the Business & Professions Code for the term "cannabis," and as may be amended, defined as "all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. 'Cannabis' also means the separated resin, whether crude or purified, obtained from cannabis. 'Cannabis' does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

Section 20.04.505 Medical marijuana dispensary.

~~"Medical marijuana dispensary" means any for-profit or not-for-profit facility or location, whether permanent or temporary, where the owner(s) or operator(s) intends to or does possess and distribute marijuana, or allows others to possess and distribute marijuana, to more than one (1) person such as a qualified patient, primary caregiver, or a person with an identification card issued in accordance with California Health and Safety Code Sections 11362.5, et seq. A "medical marijuana dispensary" includes a "collective" or "cooperative" as described in Health and Safety Code Section 11362.775 and includes~~

~~an establishment that delivers marijuana to offsite locations. A “medical marijuana dispensary” shall not include the following uses, provided that the location of such uses is permitted by the Signal Hill Municipal Code and that the uses comply with all applicable state laws including Health and Safety Code Section 11362.5 et seq.: a clinic licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code, a health care facility licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code, a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code, a residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code, a residential hospice or a home health agency licensed pursuant to Chapter 8 of Division 2 of the Health and Safety Code.~~

Section 3. That Chapter 20.10 RESIDENTIAL DISTRICTS be amended to modify Section 20.10.020 to read as follows:

20.10.020 Use classification.

The uses stated below shall be classified and authorized in each district as shown in the table. Unlisted uses shall be prohibited.

P - Permitted Use

C - Conditional Use Permit Required

A - Accessory Use

T - Temporary Use Permit Required, Subject To Requirements in Section 20.66.210

X - Prohibited

Uses	RL	RLM-1	RLM-2	RH
Single room occupancy	X	X	X	C
Supportive housing	P	P	P	P
Transitional housing	P	P	P	P
<u>Personal indoor marijuana cultivation (G)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>

(A) Subject to Section 20.66.220, Mobile Homes.

(B) Within the RL district, there shall be no more than one dwelling on any lot, except that a lot abutting a parcel developed with multiple-family dwellings prior to February 17, 1987, may be developed subject to the RLM-2 density and development standards herein.

(C) As defined in the California Health and Safety Code subject to requirements of municipal code Chapter 8.16, Institutions.

(D) Requires business license. Refer to Section 20.04.384 for home occupation requirements.

- (E) 1. Shall not be located in any required setback.
2. Where determined by the director of planning to be feasible, antennas shall be mounted on the ground.
3. No antenna shall exceed twenty-five feet in height above grade. Antennas shall be screened by landscaping or fencing to the extent feasible, for the purpose of minimizing visibility from adjoining streets and properties.
4. No antenna shall be of a bright, shiny or glare reflective finish or color.

(F) "Garage sales" means the sale of personal items owned by the property owner or tenant of the lot on which the sale is being conducted. A maximum of three garage sale events shall be permitted per year. Each event shall not exceed two consecutive days. A permit shall be required for each event, and shall be obtained at the planning department.

(G) Personal indoor marijuana cultivation is permitted at private residences in the City, subject to the regulations and requirements found in Chapter 9.50, Personal marijuana cultivation.

Section 4. That Chapter 20.20 COMMERCIAL DISTRICTS be amended to modify Section 20.20.020 to read as follows:

20.20.020 Use classifications.

The uses stated below shall be classified and authorized in each district as shown on the table. Unlisted uses shall be prohibited.

USES	DISTRICTS						
	CO	CTC	CG	CR	CI	LI	GI
Miscellaneous							
Club, lodge	C	X	C	C	X	X	X
<u>Commercial marijuana activity (UU)</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Furniture restoration, cabinet making, woodcarving	X	X	X	X	P	P	P
Gymnastics academy	P	P	P	P	P	P	X
Health, sports club	P	P	P	P	P	X	X
Hospital	C	X	X	X	C	X	X
Hotel (minimum 100 rooms)	C	X	X	X	X	X	X
Massage parlor (SBP) (B)	X	X	X	X	X	X	X

Medical marijuana dispensary (including mobile delivery services)	X	X	X	X	X	X	X
Medical marijuana cultivation	X	X	X	X	X	X	X
Mortuary	X	X	X	X	X	X	X

P - Permitted use

C - Conditional use permit required

A - Accessory use

X – Prohibited

Footnotes

Chart of Permitted Uses by Zone

UU. Commercial marijuana activity is prohibited citywide, subject to the regulations found in Chapter 5.15 Marijuana Uses and Activities Prohibited, of this Code.

Section 5. That Chapter 20.30 SP-10 PACIFIC COAST HIGHWAY SPECIFIC PLAN be amended to modify Section 20.30.030 to read as follows:

20.30.030 Use classification.

The uses stated below shall be classified and authorized in each area within the SP-10, PCH specific plan as shown on the table. Unlisted uses shall be prohibited.

X = prohibited

SBP = special business permit

T = temporary

P = permitted

C = conditional use permit A = accessory

USES	DISTRICTS		
	Area 1	Area 2	Area 3
Miscellaneous			
Adult entertainment establishment (SBP)1	X	X	X
Acupuncture or acupressure	X	X	X
Business college, technical school	X	X	P
Carports	X	X	X

Church	X	X	X
Chiropractic college	X	X	C
Club, lodge	X	X	X
<u>Commercial marijuana activity</u>	<u>X</u>	<u>X</u>	<u>X</u>
Furniture restoration, cabinet making, wood carving	X	X	P
Hospital	X	X	C
Hotel (minimum 100 rooms)	X	X	C
Massage parlor (SBP)2	X	X	X
Medical marijuana dispensary (including mobile delivery services)	X	X	X
Medical marijuana cultivation	X	X	X
Mortuary	X	X	X
Museum	X	C	P

Section 6. That Chapter 20.32 SP-12 FREEWAY SELF-STORAGE SPECIFIC PLAN be amended to modify Section 20.32.030(C) to read as follows:

20.32.030 Use classifications.

C. Prohibited uses. The following use shall be prohibited.

1. Commercial marijuana uses. ~~Medical marijuana dispensary (including mobile delivery services).~~

~~2. Medical marijuana cultivation.~~

Section 7. That Chapter 20.39 SP-19 GENERAL INDUSTRIAL SPECIFIC PLAN be amended to modify Section 20.39.030(D) to read as follows:

20.39.030 Land use.

D. Unlisted Uses Prohibited. Unlisted uses shall be prohibited including the following unlisted uses that are expressly prohibited: Auto body repair, auto painting, towing, towing dispatch office, auto wrecking, dismantling, junk yard, trucking yard, transit yard, truck repair, bus, ambulance or van storage, auto shipping, storage of shipping containers, tire recapping, trailer for office use, ~~medical marijuana dispensary (including~~

~~mobile delivery services), medical marijuana cultivation, commercial marijuana activity,~~
medical office, dental office, optometrist office, chiropractic office, hazardous waste
management facilities, schools including trade schools, gyms or sports clubs, public
storage and vendor food sales.

Section 8. That Chapter 20.40 SP-1 TOWN CENTER EAST SPECIFIC
PLAN be amended to modify Section 20.40.040(E) to read as follows:

20.40.040 Use classifications.

E. Prohibited Uses.

Adult entertainment businesses;
Arcade;
Auction yard;
Auto parts (sale of);
Auto repair and service;
Automobile body repair or paint shop;
Automobile wrecking yard;
Check cashing;
Commercial marijuana activity;
Containerized storage units;
Convenience food store with or without gasoline sales;
Ice, drink and food products dispensing machines in exterior locations;
Junkyard;
~~Medical marijuana dispensary (including mobile delivery services);~~
~~Medical marijuana cultivation;~~
Medical offices and clinics;
Pawnshop;

Section 9. That Chapter 20.45 SP-3 TOWN CENTER WEST SPECIFIC
PLAN DISTRICT be amended to modify Section 20.45.040 to read as follows:

20.45.040 Prohibited uses.

The following uses shall be prohibited.

- A. Commercial marijuana activity. ~~Medical marijuana dispensary~~
~~(including mobile delivery services).~~
B. ~~Medical marijuana cultivation.~~

Section 10. That Chapter 20.47 SP-4 AUTO CENTER SPECIFIC PLAN
be amended to modify Section 20.47.027 to read as follows:

20.47.027 Prohibited uses.

The uses stated below shall be strictly prohibited in the auto center specific plan:

A. Commercial marijuana activity. ~~Medical marijuana dispensary (including mobile delivery services);~~

~~B. Medical marijuana cultivation.~~

Section 11. That Chapter 20.49 SP-6 COMMERCIAL CORRIDOR SPECIFIC PLAN be amended to modify Sections 20.49.030(D) and 20.49.030(G) to read as follows:

20.49.030 Use classifications.

D. Prohibited Uses.

The following uses are prohibited within the SP-6, commercial corridor specific plan:

1. Auto parts (sale of);
2. Auto repair and service;
3. Check cashing;
4. Gasoline service stations;
5. Ice and food product dispensing machines in exterior locations;
6. Commercial marijuana activity; ~~Medical marijuana dispensary;~~
7. Medical offices;
8. Pool halls;
9. Adult entertainment business.

~~G. Prohibited Uses.~~

~~The following uses shall be prohibited.~~

- ~~1. Medical marijuana dispensary (including mobile delivery services);~~
- ~~2. Medical marijuana cultivation.~~

Section 12. CEQA exemption. The City Council finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(3) and 15061(b)(3) because it can be seen with certainty that it will not have a significant effect or physical change to the environment because it only prohibits commercial marijuana activity in the City.

Section 13. Severability. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Section 14. Certification And Effective Date. The City Clerk shall certify to the passage and adoption of this ordinance by the City Council of the City of Signal Hill

and shall cause a summary of this ordinance to be published in accordance with Government Code Section 36933, in a newspaper of general circulation which is hereby designated for that purpose, and this ordinance shall take effect thirty (30) days after its passage.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Planning Commission of the City of Signal Hill, California, on this 17 day of October, 2017.

ROSE RICHARD
CHAIR

ATTEST:

SCOTT CHARNEY
COMMISSION SECRETARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SIGNAL HILL)

I, SCOTT CHARNEY, Secretary of the Planning Commission of the City of Signal Hill, do hereby certify that Resolution No. _____ was adopted by the Planning Commission of the City of Signal Hill, at a regular meeting held on the _____ day of _____ 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SCOTT CHARNEY
COMMISSION SECRETARY
CITY OF SIGNAL HILL

October

7a.





CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: SCOTT CHARNEY
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: COMMISSION EMAIL ACCESS

Summary:

Community Development Director Scott Charney will give a demonstration of how to access the City email server for official Planning Commission business purposes.

Recommendation:

Receive and file.

October
8a.





CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: SCOTT CHARNEY
COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: DIRECTOR'S REPORT – 2018 PLANNING COMMISSION MEETING
DATES**

Summary:

The Planning Commission is scheduled to meet on the 3rd Tuesday of every month. The 2018 meeting dates will be as follows:

- January 16
- February 20
- March 20
- April 17
- May 15
- June 19
- July 17
- August 21
- September 18
- October 16
- November 20
- December 18

Recommendation:

Receive and file.

October

8b.





CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: SCOTT CHARNEY
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: MINUTES

Summary:

Attached for your review and approval are the minutes of last month's regular meeting.

Recommendation:

Approve.

**A REGULAR MEETING OF THE CITY OF SIGNAL HILL
PLANNING COMMISSION
September 19, 2017
7:00 P.M.**

CALL TO ORDER

Chair Richárd called the meeting to order at 7:02 p.m.

ROLL CALL

The Commission Secretary conducted roll call.

Present: Commissioner Carmen Brooks
 Commissioner Jane Fallon
 Commissioner Chris Wilson
 Vice Chair Victor Parker
 Chair Rose Richárd

Staff present:

- 1) Community Development Director Scott Charney
- 2) Assistant Planner Ryan Agbayani
- 3) Assistant City Attorney Elena Gerli

In addition, there were 2 people in attendance.

PLEDGE OF ALLEGIANCE

Chair Richárd led the audience in reciting the Pledge of Allegiance.

PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

DIRECTOR'S REPORTS

a. Study Session on Commercial and Industrial Site Plan and Design Review

Assistant Planner Ryan Agbayani and Community Development Director Scott Charney gave the staff report.

The Commissioners participated in the interactive exercise in which they provided commentary and feedback on four existing properties in the City.

No motion was needed and the action to “receive and file” passed with a 5/0 voice vote.

b. Roadmap for a Zoning Ordinance Amendment to Prohibit All Marijuana Related Activities Allowed Under the Adult Use of Marijuana Act Citywide

Community Development Director Scott Charney gave the staff report.

There were no comments or questions from the Commission.

No motion was needed and the action to “receive and file” passed with a 5/0 voice vote.

CONSENT CALENDAR

It was moved by Commissioner Fallon and seconded by Vice Chair Parker to receive and file the Consent Calendar.

The motion carried 5/0

COMMISSION NEW BUSINESS

Commissioner Fallon reported that she observed individuals at the Wells Fargo ATM site discussing potential relocation of the machine.

Vice Chair Parker commended the City for installing the new crosswalk on Skyline Drive and Dawson Avenue.

Chair Richárd commended City staff for following-up on the shed across the street from her residence. Furthermore, she inquired about the status of Applebee’s in the Gateway Center and the frequent presence of firefighters at 2201 Cherry Avenue.

Staff confirmed that 2201 Cherry Avenue is being renovated to become the future Fire Department Union Assembly Hall.

Commissioner Brooks reported that there are homeless individuals inhabiting a property on Pacific Coast Highway on the Long Beach side.

Staff confirmed that the Signal Hill Police Department is aware of the issue.

ADJOURNMENT

It was moved by Commissioner Fallon and seconded by Commissioner Wilson to adjourn to the next regular meeting of the Planning Commission to be held on Tuesday, October 17, 2017, at 7:00 p.m., in the Council Chamber of City Hall, 2175 Cherry Avenue, Signal Hill, CA, 90755.

The motion carried 5/0.

Chair Richárd adjourned the meeting at 8:14 p.m.

Chair

Attest:

Scott Charney
Commission Secretary

October
8c.





CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: SCOTT CHARNEY
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: CITY COUNCIL FOLLOW-UP

Summary:

Below for your review is a brief summary of the City Council's actions from the last City Council meeting.

Recommendation:

Receive and file.

Background and Analysis:

- 1) At the September 26, 2017 City Council Meeting:
 - The City Council conducted the second reading of the Vacant Parcel Ordinance. The ordinance was adopted and will become effective on October 27, 2017.

- 2) At the October 10, 2017 City Council Meeting:
 - The City Council introduced an ordinance to repeal the 2013 California Fire Code and adopt the 2017 County of Los Angeles Fire Code.
 - The City Council will not hold the meeting scheduled for December 26, 2017.

October
8d.





CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: SCOTT CHARNEY
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: DEVELOPMENT STATUS REPORT

Summary:

Attached for your review is the monthly Development Status Report which highlights current projects.

Recommendation:

Receive and file.

City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017

Commercial-Industrial

			REVIEW			SPDR/CUP			CTL			
Address	Project Description	Application	Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	Status
2351 Walnut Avenue	Proposal for a new warehouse (7,904 sf) and office building (first floor: 1,376 sf) (second floor: 675 sf) with associated landscaping, trash enclosure, and parking lot	Administrative Review <input checked="" type="checkbox"/> WELO req.	Required	N/A	N/A	Required						<ul style="list-style-type: none">• Concept plans submitted by agent for prelim planning review 7/17)• Well discovery completed and survey document received• Planning review comments emailed to agent on (7/11/17).• Met with agent on (7/14/17) at public counter to go over design recommendations• Agent resubmitted revised drawings with renderings on 10-5-17 (10/17).
	Applicant: Roger Vitlow											RA/JH
2200 E. Willow St.	Amendment to CUP 13-01 to extend the gas station hours of operation from 5 am to 10 pm seven days a week.	Amendment to CUP <input type="checkbox"/> WELO req.	N/A	7/15/15	Required							<ul style="list-style-type: none">• Community meeting held (2/15).• Planning Commission public hearing on 7/14/15.• A permanent plan to address on-site circulation issues is pending (3/17).
	Applicant: Costco Wholesale											CTD
3201 California Ave.	Abandoned well leak testing and WAR review.	Administrative Review <input type="checkbox"/> WELO req.	N/A						N/A			<ul style="list-style-type: none">• Methane leak tests approved. Three Well Abandonment Reports (WARs) approved. Development plans are on hold (6/16).
SHP Inc.	Applicant: SHP Inc.											CTD/JH

City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017

Commercial-Industrial

Address	Project Description	Application	REVIEW			SPDR/CUP			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
2370 Walnut Avenue	Remodel for office and auto body repair facility.	Admin. SPDR and Lot Merger										<ul style="list-style-type: none"> Planning review is approved. Lot merger has been submitted for review by City Engineer and 1st comments have been provided (10/17). Permit issued (9/17)
	Applicant: Beetley Auto Center											CTD <ul style="list-style-type: none"> Planning and public works review 1st comments have been provided to the applicant. Public improvements bond and lot merger are pending. Applicant has indicated they would like to pursue a CUP amendment to extend hours of operation (8/17). Excavation permit to demo wall issued by PW (9/17). Construction permit for interior TI issues on 9-29-17 (10/17). Improvement plans for alley dedication and design are pending (10/17).
2499 PCH	Remodel of commercial laundry.	Admin. SPDR <input type="checkbox"/> WELO req.										CTD/JH <ul style="list-style-type: none"> Planning, LID and preliminary grading review approved. Grading and plumbing permit issued (9/17). Grading and paving complete. LID system being constructed (10/17).
	Applicant: Bill Mylonas											
1501 E. 28 th Street	Site paving and LID BMPs for a mobile fueling facility.	Admin. SPDR <input type="checkbox"/> WELO req.										CTD <ul style="list-style-type: none"> Planning, LID and preliminary grading review approved. Grading and plumbing permit issued (9/17). Grading and paving complete. LID system being constructed (10/17).
	Applicant: Chuck Bleumel											


City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017

Commercial-Industrial

Address	Project Description	Application	REVIEW			SPDR/CUP			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
2020 Walnut Avenue	Preliminary review of a 110,300 SF industrial park.	ZOA, Parcel Map and SPDR pending <input type="checkbox"/> WELO req.										<ul style="list-style-type: none"> Preliminary review 1st and 2nd comments have been provided to applicant and submittal is pending (8/17). Applicant is conducting informal neighborhood outreach (10/17).
2953 Obispo Ave.	Applicant Xebec A request to allow indoor soccer as a conditionally permitted use in the City.	ZOA CUP <input type="checkbox"/> WELO req.										CTD <ul style="list-style-type: none"> Deposit submitted to begin coordination of workshops w/HOAs (7/14). Applicant requested to temporarily postpone request (12/14). Applicant submitted ZOA application to allow the indoor soccer use and a CUP to operate at the subject location. A workshop was conducted at the May PC mtg. Staff has conducted two evening site inspections and will schedule neighborhood and Commission visits, research parking standards, and prepare for a second neighborhood meeting in preparation of a zoning ordinance amendment and CUP for the use (8/17).
Futsal Indoor Soccer	Applicant: Mike Biddle											CTD

City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017

Commercial-Industrial

			REVIEW			SPDR/CUP			CTL			
Address	Project Description	Application	Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	Status
1136 Willow St.	Application for a ZOA to allow brewing and tasting rooms w/allowance for food trucks in industrial zones.	ZOA 16-04 CUP 16-02 <input type="checkbox"/> WELO req.	N/A	6/21/16	7/12/16	Building Permit Issued: 11/28/16			5/22/18 			<ul style="list-style-type: none">Planning Commission workshop held 5/17/16 to discuss the ZOA and CUP.City Council approved on 7/12/16, and the ordinance became effective on 8/25/16.Building permit issued on 11/28/16.Plumbing installation completed and inspected. (6/17)Grand Opening on September 16th (9/17).A neighborhood meeting will be scheduled for March 2018 per CUP cond. (10/17).
Micro-brewery ZOA/CUP	Applicant: Daniel Sundstrom											CTD/JH
2750 Rose Avenue	Application for a CUP to allow vehicle body repair and painting as an Auto Center accessory use.	CUP 16-03 <input type="checkbox"/> WELO req.	N/A	11/15/16	12/13/16							<ul style="list-style-type: none">Planning Commission recommended approval on 11/15/16.City Council approved on 12/13/16.Outdoor storage was removed. The draft parking covenant was submitted for review by legal counsel (6/17).
Collision and auto body repair CUP	Accessory Dealership: Mercedes Benz Applicant: Class Auto Center Inc.											CTD
999 Willow Avenue	Remodel of commercial bldg.	Admin SPDR										<ul style="list-style-type: none">Planning Review 1st comments have been circulated to applicant and reviewed at a mtg. w/ Planning and Public Works and revisions are pending (8/17).
	Applicant: Construction LLC	2H										CTD

City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017

Commercial-Industrial

Address	Project Description	Application	REVIEW			SPDR/CUP			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
2501 Cherry Avenue 701 E. 28 th Street	Request to install solar panels over parking areas and on roof tops of existing commercial buildings.	Admin SPDR <input type="checkbox"/> WELO req.	7/3/17	N/A	N/A							<ul style="list-style-type: none"> Admin. Planning approval. Plan check submittal pending (7/17). Plans submittled; & sent to CSG (9/17). 1st submittal comments routed back to applicant. Unauthorized tree removal repair actions pending (10/17).
	Applicant: Orion Systems Inc.											CTD/JH
2775 E Willow Street	New outdoor storage area with retaining wall at north property line and (8' high) security fence around the perimeter of the property	Admin SPDR	9/11/17	N/A	N/A							<ul style="list-style-type: none"> Received initial inquiry for project on 3/14/17. Met with agent regarding requirements for submittal. Public Works staff reviewed the plans for grading. Visited the site on 6/15/17 to take photos of the existing conditions. Building and Public Works Departments gave applicant their approval for the grading and retaining wall plans. Planning staff gave approval of the plans on 9/11/17. Permits are ready for issuance through Building Department (9/17).
	Applicant: Jim Kirby (LA Prep, INC.)											RA

**City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017**

Commercial-Industrial

Business Licenses and Permit Summary

- Planning Department staff reviewed and approved 12 business licenses.
- Building Department staff issued 38 permits including 0 residential solar permits. The valuation of the projects is approximately \$8,259,920 with permit revenues at \$58,248.
- The Building Department issued 18 permits for new single-family dwellings, including the Phase 1 and Phase 2 homes for Crescent Square.

Training/Tours/Events


- Community Development Director Scott Charney attended the American Planning Association conference September 23-26.
- Planning staff attended a data gathering session for the Gateway Cities Climate Action Plan Framework. And will attend a half day workshop on Oct. 30, 2017.
- The next Mayor's Clean-up event will be held Oct. 21, 2017 with base camp at the Islamic Center, 995 E. 27th St.
- Staff participated in a Southern California Associations of Governments webinar on 9/14 regarding High Quality Transit Area Vision Plans – promoting housing in close proximity to transit.

Ongoing/Upcoming Projects

- Mother's Market (approved by City Council Sept.12, 2017)
- Prop. 64 – The Adult Use of Marijuana Act ZOA PC public hearing scheduled for Oct mtg.
- Oil Well Inspections.
- Density Bonus Ordinance Amendment.
- The City Attorney, City Manager, and city staff continue to meet with SHP regarding a master development agreement for future projects citywide.
- City Council introduced an ordinance to adopt the 2017 County of Los Angeles Fire Code.

City of Signal Hill
Community Development Department
Development Status Report
October 17, 2017

Auto Center Vehicle Storage/Auction

<u>Address</u>	<u>Project Description</u>	<u>Application</u>	<u>Term I</u>				<u>Term II</u>	<u>Status</u>
			<u>Term</u>	<u>Submit Permanent Improvement Plan</u>	<u>Review/ Approve Permanent Improvement Plan</u>	<u>Extension</u>	<u>Install Permanent Improvements</u>	
1250 28 th Street	Auto Center Vehicle Storage Yard	Permanent Improvement Terms	Expires 8/12/19	Tentatively 4/2017	PC Review of permanent improvements plan is on hold.	Optional 1 year	TBD	<ul style="list-style-type: none"> • Deposit payment was paid (8/16). • Business license was issued (8/16). • Compliance Plan approved w/final edits (9/16). • Non-oil field related storage removal is still pending and staff have inquired about the removal time frame (4/17). • Following the recent rainfall, a plan to improve stormwater BMP's was developed and installation of improvements is pending (5/17) • Storage removal is pending per the Compliance Plan. • SHP has indicated that they will likely not be extending the lease for the property beyond the current 3 year term. Therefore they will not be preparing a permanent improvement plan. Unrelated on-site storage removal is nearly complete (10/17).
1241 Burnett Street	Property Owner: SHP Applicant: Honda Dealer's Choice Auto Auction.	Permanent improvements pending						CTD <ul style="list-style-type: none"> • Relocated Mercedes Benz auto auction site from auto center at Mercedes to subject location. Permanent improvement plans have not been submitted (9/17).
	Applicant: Lee Crecelius							CTD

City of Signal Hill
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Auto Center Dealership Improvements

Address	Project Description	Application	REVIEW			SPDR/CUP			CTL			Status
			Director approval	PC approval	CC approval	Expires	1st Ext.	2nd Ext.	Expires	1st Ext.	2nd Ext.	
1500 E. Spring Street	Honda Expansion Revision: A request to make improvements at the existing auto dealership, including: <ul style="list-style-type: none"> • 802 sf showroom addition; • 262 sf office area addition; • 1,300 sf service dept. write-up area; and • New facade treatment and signage. 	SPDR 17-02 <input type="checkbox"/> WELO req.	N/A	3/22/17	N/A							<ul style="list-style-type: none"> • Application for a SPDR received on 2/7/17. • The previous 2/21/17 approval was rescinded. PC approved a new application with revised plans on 3/22/17. • Applicant submitted plans for building plan check on 4/4/17. Both Building and Planning plan checks were completed on 5/9/17. • The applicant submitted a modified exterior lighting plan (rectangular fixtures) on 4/20/17 and went to public hearing on 5/16/17. • Planning Commission upheld existing standard of rounded light fixtures and denied the Honda's proposed rectangular fixtures. • Plans for temporary trailers submitted and approved • Project is currently under construction (9/17). RA

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Auto Center Dealership Improvements

			REVIEW			SPDR/CUP			CTL			
Address	Project Description	Application	Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	Status
1400 Spring St.	In preparation for a new Mazda dealership.	SPDR pending <input type="checkbox"/> WELO req.										<ul style="list-style-type: none">• Methane leak test completed and approved.• Two W/ARs have been submitted and approved.• DDA and Neg. Dec were approved, by Council on 6/13/17. State DOB reviewing transaction (9/17).
City of SH Successor Agency	Applicant: City Successor Agency and Glenn E. Thomas											EM

City of Signal Hill
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Wireless Communication Facilities

Address	Project Description	Application	REVIEW			SPDR			CTL			Status
			Director approval	PC approval	CC approval	Expires	1st Ext.	2nd Ext.	Expires	1st Ext.	2nd Ext.	
2411 Skyline Dr.	A request to add 2 new Tower Dishes and 3 Antennas, to the Cell Tower as allowed by CUP 99-05 (Cal. Internet).	Administrative to add equipment under CUP 99-05	✓	N/A	N/A	Building permit issued 2/5/16						<ul style="list-style-type: none"> Revised plans for Telepacific equipment approved and bldg. permits issued (6/17). Applicant working with SCE for power (10/17).
	Applicant: Crown Castle											CTD/JH
2411 Skyline Dr.	Request to install (5) new MW flat panel antennas, 5 ¼ feed lines, and new mounts	Administrative to add equipment under CUP 99-05	✓	N/A	N/A							<ul style="list-style-type: none"> Received submittal checklist and documents.
	Applicant: Crown Castle on behalf of Vectus, Inc.											CTD
1855 Coronado rooftop facility	Six 6' high panel, 9 RRUs antennas, new hybrid cables and larger screen boxes the equipment	Administrative to modify CUP 08-03	✓	N/A	N/A							<ul style="list-style-type: none"> Plans ready for permit issuance, applicant notified on 5/16 and 9/16. Third reminder sent (1/17).
	Applicant: Core Dev.											CTD
2525 Cherry Avenue	Removing and replacing the 3 existing antennas	Administrative to modify CUP 02-01	✓	N/A	N/A							<ul style="list-style-type: none"> Building permit ready for issuance 1/26/16. Reminders sent to applicant for permit issuance on 3/16, 7/16, 9/16, and 12/16. Final reminder sent notifying the applicant that the plans will expire

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Wireless Communication Facilities

Address	Project Description	Application	REVIEW			SPDR			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
	Applicant: Core Dev. for Sprint											<ul style="list-style-type: none"> on 1/25/17. Building permit issued on 1/13/17. No inspection requested yet. (9/17).
2201 Orange Avenue	Remove 3 existing antennas and replace them with 3 antennas which are the same size and shape	Administrative to modify 07-04	✓	N/A	N/A							<ul style="list-style-type: none"> CTD/JH Building permit issued on 12/7/16. No inspection requested yet.
	Applicant: Crown Castle for T-Mobile											CTD/JH
1220 E. Hill St.	Installation of a new (67+/-) Verizon Wireless Monopalm with Related Equipment	Administrative	✓	N/A	N/A							<ul style="list-style-type: none"> Application with deposit was received on 8/7/17 Correction list of first review was emailed to applicant-agent on 9-11-17 (10/17).
	Applicant: Peter Cavanna											RA

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Residential

			REVIEW			SPDR			CTL			Status
Address	Project Description	Application	Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
2518 Willow St.	New front entry electronic gate w/stone veneer pilasters, update guard shack	Administrative Review <input type="checkbox"/> WELO req.	✓	N/A	N/A	Building Permit issued 6/2/16						<ul style="list-style-type: none"> • Building permit issued 6/2/16. • Front gate installed and inspected. • Landscaping being installed (8/17). • New monument sign completed (10/17).
	Applicant: Willow Ridge Homeowners Association											CTD/JH
2016 E. 19 th St	441 sf addition for a new bedroom, new bathroom and new detached 2-car garage to an existing single-family dwelling	Administrative Review <input type="checkbox"/> WELO req.	✓	N/A	N/A	Building Permit issued: 11/21/16						<ul style="list-style-type: none"> • Building plans approved (12/16). • Building permit issued 11/21/16. • Foundation and framing complete (5/17). • Construction continuing (10/17).
	Applicant: Miguel Munoz											CTD/JH
3347 Brayton Ave.	Remodel of the front SFD to include a 271 sf addition and new 1-car garage on the first floor and a 731 sf second story addition	SPDR 15-02 <input type="checkbox"/> WELO req.	N/A	4/14/15	N/A	Building Permit issued 4/15/16						<ul style="list-style-type: none"> • Applicant requested and was granted a 50 day CTL extension by the Community Development Director due to rain delays (4/17). • School fees paid (5/17). • 2nd extension request for 200-day extension granted. Project is on track to meet new CTL deadline (10/17)
	Applicant: Reginald McNulty											CTD/JH
2085 Freeman Ave.	New two-story 4,050 sf SFD with attached 3-car garage on a vacant lot	SPDR 16-01 <input checked="" type="checkbox"/> WELO req.	N/A	Approved 1/19/16	N/A	Building Permit issued 9/8/16						<ul style="list-style-type: none"> • Grading and building permit issued on 9/8/16. • Grading completed, foundation installation underway (12/16). • Methane barrier is installed. • Foundation poured. Framing started (3/17). • Retaining walls have been
	Applicant: RPP Architects											

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Residential

Address	Project Description	Application	REVIEW			SPDR			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
												<ul style="list-style-type: none"> completed (4/17). Framing completed (5/17). Stucco and drywall completed (7/17). Public Works improvements completed (9/17). C of O requested, but inspection revealed alterations to landscape and balcony was enclosed. Balcony has been corrected. Revised landscape plans are pending (10/17).
	Applicant: RPP Architects											RA/JH <ul style="list-style-type: none"> Application submitted 10/7/16. A view analysis is required and story poles installed 3/2016. No view requests were received. Reviewed by PC at 5/16/17 workshop. PC direction was to add design elements to reduce the bulk and mass of the exterior walls. Applicant's architect contacted staff to begin re-design (10/17).
1900 Temple Ave.	A new two-story 3,013 sf SFD with attached 3-car garage	SPDR 16-06 <input checked="" type="checkbox"/> WELO req.	N/A	Required	N/A							CTD <ul style="list-style-type: none"> Demolition permit finalized on 8/31/16. Methane assessment approved, no barrier required (12/16). Grading permit issued on 4/27/17. CTL expires on 10/19/18. Notices mailed (5/17). On 5/15/17, applicant inquired about floor plan revision to relocate
1995 St. Louis Ave.	Demolish existing dwelling and garage and construct a two story 3,072 sf SFD with attached 3-car garage	SPDR 15-04 <input checked="" type="checkbox"/> WELO req.	N/A	8/11/15	N/A	Demo Permit Issued 4/1/16		9/28/16 (Demo finalized)				CTD <ul style="list-style-type: none"> Demolition permit finalized on 8/31/16. Methane assessment approved, no barrier required (12/16). Grading permit issued on 4/27/17. CTL expires on 10/19/18. Notices mailed (5/17). On 5/15/17, applicant inquired about floor plan revision to relocate





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Residential

Address	Project Description	Application	REVIEW			SPDR			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
	Applicant: Seth Sor for Kimberly and Phat Ly											<ul style="list-style-type: none"> bedroom #3 to the second floor. Staff informed that change requires Planning Commission review. Staff has not heard further from applicant about the change (6/17). Construction permit issued on 9-25-17 (10/17).
2260 Walnut Ave.	A proposal for a new two story 1,894 sf SFD with attached 2-car garage on a vacant lot	SPDR 16-05 <input type="checkbox"/> WELO req.	N/A	Required	N/A							<ul style="list-style-type: none"> Leak test passed, vent cone was not installed (2/15). Well survey and access exhibit approved (9/15). Story poles were installed 1 month late and a letter extending the comment time frame was mailed. The extended comment time frame ended on 8/12/16. One request for a view analysis was made and the report has been prepared. Revisions to the design to improve views have not been submitted; however, new story poles have been installed (8/17).
	Applicant: Santana Investors											CTD

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Residential

			REVIEW			SPDR			CTL			
Address	Project Description	Application	Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	Status
Subdivisions (5 or more lots) and Multi-family Developments												
Crescent Square	25 three-story detached single-family dwellings at the N/E corner of Walnut and Crescent Heights Street on a 3.18-acre lot	SPDR 14-04 ZOA 14-03 VTTM 72594 <input checked="" type="checkbox"/> WELO req.	N/A	8/12/14	9/2/14	Grading Permit Issued 8/29/16			8/14/19 			<ul style="list-style-type: none">2 Model home permits issued on 12/7/16.Model construction and landscaping complete.Foundations in progress for rest of homes. Revisions to the model home parking plan were approved by PC at the July mtg. (7/17)Streets, fences and retaining walls are in process (8/17).DOGGR and BRE clean-up items pending for 8/25 homes.Building permits pulled for Phase 1 and Phase 2 SFDs (9/17).Framing in process (10/17).
Walnut/ Crescent Heights St.	Applicant: Far West Industries											CTD/JH
Zinnia (formerly Gundry Hill)	72 multiple-family, affordable units, three and four stories in height and a community building, community garden, tot lot and courtyard with on-site management on a 1.61-acre lot	Administrative Review (SPDR 15-01) <input checked="" type="checkbox"/> WELO req.	Approved 2/18/15	N/A	N/A	Building Permit Issued 11/30/15			11/09/19 			<ul style="list-style-type: none">Framing for all three buildings are completed, roofing started.Underground utilities installed (3/17).Exterior finishes being applied (5/17).Building one completion date estimated October 2017 (10/17).
1500 E Hill St.	Applicant: Meta Housing											JH/SC
The Courtyard 1939 Temple Avenue	Residential development on a .6-acre lot for 10 condominium units (5 buildings with 2 attached	SPDR 16-02 TTM 74232 ZOA 16-03 (new Specific Plan)	N/A	5/17/16	Required							<ul style="list-style-type: none">2 wells discovered, leak tested and vent cones installed (8/15).View Notice mailed 10/26/15.Planning Commission (PC)

Large Subdivisions (5 or more lots) and Multi-family Developments

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			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
The Courtyard 1939 Temple Avenue (cont.)	units) two stories and three stories in height. SF-21, Courtyard Residential Specific Plan to deviate from current RH zoning for 3-stories height and a reduced front and rear setback.	<input type="checkbox"/> WELO req.										<ul style="list-style-type: none"> workshop #1: 12/15/15. View Notice for revised plans mailed 2/17/16. PC workshop #2: 3/15/16. PC public hearing: 5/17/16. At the 6/28/16 City Council (CC) meeting, CC continued the ZOA to the 9/13/16 CC meeting. New story poles were installed (10/16). Neighborhood meeting held on 10/10/16. CC held a study session on 12/13/16 and recommended denial without prejudice of ZOA at the next CC meeting. City Council denied the project without prejudice on 1/10/17. New project can be submitted without a 1 year waiting period. As preparation for the new submittal, a neighborhood meeting was conducted to review revised plans. Following the meeting four new view analyses were requested. New plans and application were submitted on 3/16/17 and the view analysis was received 4/10/17. PC workshop was conducted on 5/16/17. PC directed the applicant to: Clean-up and maintain the site, Revise the story pole ribbons to match the roof pitch and Revise the view report photos to
Applicant: High Rhodes Property Group												

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Address	Project Description	Application	REVIEW			SPDR			CTL			Status
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The Courtyard 1939 Temple Avenue (cont.)												<ul style="list-style-type: none"> be more clear, Deliver and review the view reports with the residents, Respond to workshop questions from the public per bldg. heights; and Revise plans per staff direction (6/17). Revised plans and view reports were received and a neighborhood mtg. was conducted with residents, who requested the additional story poles and ribbons for the northerly bldgs. be installed to accurately reflect roof lines and view impacts (8/17). Applicant reported that some new story poles had been installed but certified plans have not been submitted as required to proceed with new view analysis (10/17).
2599 Pacific Coast Highway	Applicant: High Rhodes Property Group Residential SP-10 on a .4-acre lot 1 st concept plan had 14 attached units 2 nd concept plan had 12 attached units 3 rd concept plan had 10 detached units	ZOA, TTM, SPDR,	N/A	Required	Required							<ul style="list-style-type: none"> CTD Staff met w/owner who reported an unsuccessful lot consolidation outreach effort (9/12). A revised design (10 units) more closely meets the intent of SP-10. Access & guest parking revised (6/14). PC requested additional design changes. Plan revised to 9 units & met most of the standards. Some buildings still exceed height limit.

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Residential

Address	Project Description	Application	REVIEW			SPDR			CTL			Status
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
2599 Pacific Coast Highway (cont)	4 th concept plan has 9 detached units											<ul style="list-style-type: none"> • Condo map and story pole plan were submitted and view analysis request letter was sent 4/1/16. • Due to delays of story pole installation, viewing period was extended 4/14/16. Story poles were installed and comments received. A view analysis report was prepared & reviewed with residents. • Due to impacts on views, the applicant further reduced bldg. heights however, most still exceed the 30' height limit. • City Engineer completed review of the on-site sewer conditions and will require repair and certification by the County for construction over the line. • Review of the revised view report completed, story pole cert submitted. • Due to a fire on-site a code enforcement case was opened to verify the bldg. is fire safe and not being occupied as a residence and site clean-up items are required. Final inspections (3/17). • A neighborhood mtg. was held 2/23/17 and nearby residents and property owners noted that 6/9 of the bldgs. are over the height limit and blocking views. • Concerns were voiced about traffic, the density of the project,


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2599 Pacific Coast Highway (cont)												<ul style="list-style-type: none"> and parking and traffic impacts on an already impacted neighborhood and alley. The applicant was instructed to meet with the neighbors and develop options to revise the project. Staff prepared a detailed memo following the meeting regarding project deficiencies and past Council direction on a similar project. Applicant submitted a revised site plan with 1 less unit and reduced bldg. heights on several bldgs. However, 5/8 units still exceed max. bldg. height and may still block views. Applicant requested mtg. and staff reiterated they should not expect recommendation of approval if bldg. hts. exceed regs. and block views. Applicant indicated they would revise plans. Staff noted revised plans would have to be reviewed by City Traffic Engineer to address parking and traffic impact concerns (7/17). Revised plans with a combination of two and three-story units were submitted and installation of story poles is pending (9/17).
Applicant: Mike Afunoy												CTD

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<u>Address</u>	<u>Project Description</u>	<u>Application</u>	REVIEW			SPDR			CTL			<u>Status</u>
			Director approval	PC approval	CC approval	Expires	1 st Ext.	2 nd Ext.	Expires	1 st Ext.	2 nd Ext.	
2055 N. Terrace Drive	SFGD remodel and elevator install, Phase I View Analysis and request for Reasonable Accommodation	Admin. SPDR	9/13/17	NA	NA	9/13/18			4/9/18			<ul style="list-style-type: none"> Applicant submitted a written request for Reasonable Accommodation for elevator encroachment into garage. A Phase I View Analysis was conducted and letters of "No Impact" were received. Permits issued (10/17).
	Applicant: Rama Singhal											CTD

October
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CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

October 17, 2017

AGENDA ITEM

**TO: HONORABLE CHAIR
AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: SCOTT CHARNEY
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: IN THE NEWS

Summary:

Articles compiled by Staff that may be of interest to the Commission include:

- For Some Struggling Malls, Churches Offer Second Life
- How California's State And Local Governments are Addressing the Affordable Housing Crisis
- In Europe, Downtown Retail Areas Gain Appeal as Rules Help City Centers
- Old Oil Is New Again
- Rise of Electric Vehicles Poses Test of Direction for Oil Groups

Recommendation:

Receive and file.

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<https://www.wsj.com/articles/for-some-struggling-malls-churches-offer-second-life-1507633201>

PROPERTY REPORT

For Some Struggling Malls, Churches Offer Second Life

As retailers close their doors, houses of worship are among the new tenants renting vacant space



OneLife Church in Powell Place Shopping Center. For many strip centers and neighborhood malls beset by looming vacancies, churches have offered a second life. Published Credit: OneLife Church PHOTO: ONELIFE CHURCH

By *Esther Fung*

Updated Oct. 10, 2017 3:01 p.m. ET

Neighborhood shopping centers battered by store vacancies are finding solace in churches.

As retailers consolidate and shrink the number and sizes of their stores, retail center landlords, especially in weaker markets, are being forced to consider a wider range of prospective tenants that might not fit the conventional retail mold. Among them: houses of worship.

“Having a church becomes an asset because it creates a mixed-use space,” said Rodney Arnold, pastor at OneLife Church, based in Powell, Tenn. The church leases space both in Powell Place Shopping Center and at a building near Knoxville Center Mall in Knoxville.

Until recently, property owners have turned mainly to theaters, restaurants, medical and wellness clinics, and bowling alleys to fill space formerly occupied by retailers that have been plagued by the shift to online shopping and changing consumer tastes.

Churches usually weren’t in the mix. Shopping center owners prefer tenants that draw foot traffic on a daily basis and often consider churches to be second-tier tenants because they aren’t typically open all week.

What’s more, if rents aren’t paid, landlords might find it harder to evict a church than another tenant.

But in weaker markets where vacancies are higher, it is more difficult for landlords to find complementary retailers, and churches are becoming palatable options.

“Churches are in the category of secondary uses for retail centers like charter schools and government offices,” said Lori Schneider, senior managing director at commercial real-estate firm Marcus & Millichap. “But depending on the amount of space they occupy, they could change the profile of the center.”

According to a Wall Street Journal analysis of August 2017 data from the Directory of Major Malls that tracks about 8,200 retail centers in the country, at least 111 malls and open-air centers have a church in them. Some have two or more.

The Outlets at Loveland in Loveland, Colo., has been an incubator for three churches and a synagogue. The tenants are a welcome addition in a market that is overly saturated with retail space, said its owner, Craig Realty Group.

At one point, the Outlets, which has a gross lease area of 330,000 square feet, had been as much as 45% vacant, after another 700,000-square-foot retail center opened in 2005 nearby.

“We’re not in the church business, but we’re in the business of providing space for a purpose,” said Steve Craig, president and chief executive officer of Craig Realty Group.

The Outlets started with a 6,000-square-foot lease to a synagogue in 2008. Three other churches subsequently approached the landlord, and as their churches expanded they started to lease more space. In all, the Outlets now leases a total 34,000 square feet to the four tenants, which bring roughly 1,000 people to the center on the weekends and about 500 people during the week, depending on the time of the year and the events they hold, said Mr. Craig.

“We’ve been delighted by that experience. I’m not saying that I’d do it for every property, but for this it makes a lot of sense,” he said. The property is about 70% leased.

In Grand Cities Mall in Grand Forks, N.D., there are three churches located in the enclosed mall. The previous out-of-town owner had neglected the property, and the mall was bought in 2015 by Hope Church, which occupies the west side of the mall. The three churches, Hope Church, Thrive Church and Faith Presbyterian Church, have a total of 1,435 congregants in a given weekend, estimated Louis Christoffer, manager at Grand Cities Mall.

“There have been efforts to make it more community-focused, including the addition of an indoor playground,” said Mr. Christoffer, adding that there have been other tenants that have been brought in since, including a women’s pregnancy center, a music school and a lightsaber combat academy.

One advantage in bringing in a church as a tenant is that it requires less tenant improvement allowance. Another plus: Churches don’t place restrictions on landlords such as prohibiting it from leasing space to other churches. Churches might also help diversify the center’s credit exposure beyond the boom-bust cycle of retail tenants.

But sometimes, there are other hurdles.

In Knoxville, OneLife Church had eyed space that had been formerly occupied by shoe retailer Just For Feet. But the city had an ordinance prohibiting business from selling beer within 300 feet of any church or school, and the owner of Knoxville Center Mall worried about the possible loss of beer permits held by restaurants on the premises.

The City Council last October approved an amendment to remove the distance requirement for churches.

“Once the alcohol restriction was removed by the city, it was a nonissue,” said Patrick King, community development specialist at Knoxville Partners, which owns Knoxville Center Mall. He said the firm could consider having other churches in the mall.

Write to Esther Fung at esther.fung@wsj.com

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How California's State And Local Governments Are Addressing The Affordable Housing Crisis

September 06, 2017 | Patricia Kirk, Karen Jordan and Julie Littman, Bisnow West Coast

With the highest cost of housing in the nation, California's affordable housing crisis is threatening the economic vitality of the state.



The majority of renters, more than 3 million, pay more than 30% of their gross monthly income for housing, and one-third of renters, about 1.5 million, pay more than 50% of their income for a place to live, according to a California Department of Housing and Community Development report.

The accepted standard for **housing affordability** is that no more than 30% of monthly income should go for housing, according to **Paul Habibi**, a continuing lecturer of finance and real estate at UCLA.

In Los Angeles, to meet that 30% requirement for the median-priced home would require the median household receive a 52% raise from \$63K/year to \$96K/year, Habibi wrote in a recent op-ed piece. A 14% raise would cover the median-priced apartment.



"**Affordable housing** is being addressed to some extent, but we have a huge supply constraint in Los Angeles that's driven by multiple factors," Habibi said. "But the long and short of it is we have more demand than we have housing supply. It's driven up the cost of housing, and it's created a pretty dramatic affordability crunch."

Habibi said the most effective way to address affordability is to build more housing of all types, affordable, workforce and market-rate, to create less upward pressure on rents. But California's housing production has averaged less than 80,000 new units annually over the last 10 years, and current production continues to fall far below the projected need of 180,000 additional units annually, according to a California Department of Housing and Community Development report.



In response to California's growing **housing crisis**, state and local governments are acting to increase housing stock and affordability by relaxing regulatory barriers to housing development, fast-tracking projects, creating new funding sources and providing incentives to encourage developers to build new housing for all income groups. While affordable housing has long been treated as a local problem, those calling for change note it has regional and statewide implications that call for solutions that reach beyond local municipalities.

The **California Environmental Quality Act** was the place to start on the state level, as its onerous review process can hold housing projects up for years. While legislators passed **CEQA** with the intent of protecting the environment, it has become a tool for labor unions and

opponents of growth and higher density, known as NIMBYs, to hold up projects. These groups file CEQA lawsuits to win concessions from developers and government agencies or block projects.

Building Industry Association of San Diego County President/CEO **Borre Winckel** said labor unions are using CEQA to stop projects that do not use union labor. Winckel said union labor runs up the cost of projects, which has forced market-rate developers to build luxury housing to make projects pencil.

Efforts are in place at the state level to create a more streamlined process for CEQA on certain projects that would save developers time and money — and increase housing stock.



Providing enough housing is a mandate in California, though what that means in execution varies depending on the city.

The California Housing Element Law requires local jurisdictions to update their general plans, requiring cities to develop adequate housing for all income groups. California Department of Housing and Community Development spokesperson Evan Gerberding

said 87.5% of California cities and counties are in compliance with their housing element goals, but 57 jurisdictions are not.

The housing element law has not generated the results anticipated, according to a study by the Legislative Analyst Office that looked at whether communities are adequately planning for local housing needs. Legislative analyst Mac Taylor, the report author, said many local communities have fervently opposed, obstructed or even disregarded any rule changes that would speed up construction.

In November, voters in **Encinitas**, an affluent San Diego County coastal community, rejected a ballot initiative that would have allowed construction of 1,100 affordable housing units to bring the city into compliance with the law.

As a result, the BIA-SD is suing Encinitas for noncompliance with the housing element law for the second time. Winckel said Encinitas' housing goal for 2010 to 2020 is 2,353 units, but seven years into its goal, the city had only produced 718 units, leaving a balance 1,638 units to produce over the next four years.

“Reality begs the question: ‘Why are they so far off schedule?’ The answer is because they don’t want it,” Winckel said. “This is the most insincere community within our regional planning agency.”

He said the state requires cities to build housing for all, but does not have the resources to enforce it.



Bay Area Council Senior Vice President Public Policy **Matt Regan** said NIMBYs are motivated by rational, irrational and sometimes self-serving reasons.

“Some homeowners have a selfish motivation to restrict supply to

create artificial inflation of their homes,” he said.

Residents also worry adding more people to their communities will increase traffic congestion and demand for public services.

“What people fail to understand is how transportation and traffic works.”

Regan said former residents have been priced out of the Bay Area, with homes now priced two and a half times more than the national average and a two-bedroom apartment renting for about \$4K/month. As a result, about 170,000 people now drive into the nine-county Bay Area from as far away as Stockton, Tracy and Manteca, which is causing a lot of congestion.

More housing in communities eases that congestion, and regional approaches are needed so all cities are a part of solving the problem, he said.

“New apartment buildings (near employment centers) take people off the roads,” Regan said.



One way the state is encouraging more affordable housing in projects is through the state density bonus law, which requires local governments to approve density bonuses and other incentives or concessions when at least 10% of a project is low-income units, 5% of units are for very-low-income residents, it is a senior housing project or 10% of units are for transitional foster youth, disabled veterans or homeless residents.

The amount of density bonus depends on the percentage of affordable units and income level targeted, but is capped at 35%. The state law also mandates that height and floor area ratio be automatically adjusted to allow for the greatest amount of density allowed for affordable housing projects.

According to the California Housing Partnership Corp., Los Angeles County needs nearly 500,000 more units that are affordable to households earning less than 50% of the area median income, but developers are building less than 3% of this number annually.

To increase funding for affordable projects, Los Angeles Mayor Eric Garcetti recently proposed a **linkage fee**, which could bring in \$100M annually, according to estimates. Linkage fees, which are already used by San Francisco, San Diego, Boston and Chicago, are imposed on projects proven to boost housing demand.



Oakland Housing and Community Development Director Michele Byrd said her city has fallen behind on affordable housing production since 2011, when the state dissolved local redevelopment agencies. Oakland’s funding for affordable housing dropped from \$30M annually to about \$5M to \$7M a year.

That, coupled with a shortage of land for new construction, makes it important for her agency to look at ways to maintain the current stock of affordable housing, she said. The department has built 6,000 units of affordable housing in the city and has 150

units in the pipeline. It provides a first-time homebuyers program, loans and grants for existing low-income homeowners to provide repairs, offers senior housing and also offers assistance for paying bills.



Ken Sauder, president/CEO of Wakeland Housing, a San Diego-based affordable housing developer, said there is a push to re-establish redevelopment agencies.

“People are talking about Redevelopment 2.0, but nothing will get traction until we get a new governor,” he said.

While state and local governments are doing much to increase the affordable housing stock, there are big challenges ahead.

Tax reform presents significant risk to the affordable tax credit program, the biggest funding source for low-income housing, said Stockton Williams, **Urban Land Institute** executive vice president of content and executive director of the ULI Terwilliger Center for Housing.

Sauder said since **President Donald Trump** was elected, funding from tax credits has declined 15% and will probably drop another 10% when tax reform is a done deal.



“The one hopeful thing is local governments are becoming very creative at reducing regulatory barriers and using public-private incentives to increase housing stock,” Williams said.

San Francisco **provides** a 100% density bonus and 30-foot height bonus for 100% affordable housing projects. The city recently added three new density bonus options and other incentives, including expedited processing, for projects that comply with the state density bonus law.

San Diego has a 10% or 20% **inclusionary housing** ordinance or set-aside, depending on a project’s location, but Mayor Kevin Faulconer recently launched a **package of housing incentives** aimed at boosting housing production in transit priority areas and creating more low- and middle-income housing stock.



This included a 25% density bonus for workforce housing projects and upping the affordable housing density bonus from 30% to 50%, **San Diego Housing Commission** Executive Vice President and Chief Strategy Officer Debbie Ruane said.

She said previously affordable housing was only available to families with an income of no more than 80% of area median income, but now families earning up to 150% of AMI, or \$110K annually for a family of four, are eligible for subsidized housing. SDHC has also engaged consultants to identify areas of San Diego where density could be increased.

Ruane said the agency is looking at out-of-the-box housing design opportunities, like container housing units and building technology innovations.

“So far it’s been a shotgun approach, but we need to explore all different avenues,” she said. “We want to do a modular housing pilot project, but there isn’t any mechanism in place yet to monitor it.”

Faulconer’s plan also calls for streamlining the approval process to fast-track environmentally sustainable, affordable and transit-adjacent housing projects; lowering parking requirements in areas with transit access; reducing developer impact fees; eliminating all fees on 100% affordable housing projects; allowing business owners to create living quarters within their businesses, such as behind a restaurant or shop; and relaxing restrictions on granny flats or separate dwellings.



San Diego Planning Director Jeff Murphy, who is revising the municipal code to accommodate the mayor’s incentives, said the planning commission has approved code changes to encourage construction of companion units and separate dwellings by homeowners.

Code changes will cut approval time for certain types of projects by 50%, reducing time from application to groundbreaking from one year to six months. The express review process applies to any projects that meet new sustainability standards, incorporate low-income units or are in transit priority zones or within the San Diego Promise Zone, a federally designated area.

The city is also implementing a fairer way to calculate impact fees based on square footage or number of bedrooms rather than number of units. Murphy said this should help boost housing production overall, but the city hopes it will also encourage developers to include **micro units** in projects to increase density. Historical structures incorporated into the design of projects also will not affect gross floor area calculations or parking requirements.

All of these efforts on the local level should help to make affordable housing more appealing and attainable for developers and communities, but state-level support is still crucial to solving California's housing crisis. Below are some of the bills in play for state legislation that would address affordable housing.

California Housing Legislation That Could Address Affordable Housing



SB 35: Streamline the California Environmental Quality Act review process

Last fall Gov. Jerry Brown attempted to streamline the approval process for urban housing projects by relaxing the CEQA review process, but the proposal failed. Sen. Scott Wiener (D-San Francisco) has introduced a similar bill that would allow housing projects to bypass the multilevel CEQA review process if the project site is already zoned for the proposed number of units. A state study found subjecting housing projects to multiple levels of review adds about 5% to the overall cost. SB 35 would only apply to local

governments that have fallen behind on their state-mandated “housing element” goals. Brown has reached a deal on SB 35 and two other bills aimed at spurring new housing production, SB 2 and SB 3, with passage expected by mid-September.

SB 2: Fee to generate funding for low- and medium-income housing

Introduced by Sen. Toni Atkins (D-San Diego), SB 2 would create an ongoing funding source for low- and medium-income housing. It would impose a \$75 to \$225 fee on real estate transactions, which would generate \$229M to \$258M annually, according to a Senate Appropriations Committee estimate.

SB 3: Affordable housing bond initiative

Authored by Sen. Jim Beall (D-San Jose), SB 3 would put a \$3B bond initiative on the November 2018 ballot that would leverage nearly \$11B in federal funding for homes and medium-income housing.

SB 166: Amend state zoning law

Sen. Nancy Skinner (D-Berkeley) has introduced SB 166 to amend California’s existing “No Net Loss” zoning law, ensuring that cities maintain an ongoing supply of identified sites for housing construction at each income level.

SB 167: Amend Housing Accountability Act

Skinner's other bill, SB 167, strengthens the state’s existing Housing Accountability Act by limiting a local jurisdiction’s ability to stall housing projects that meet planning and zoning requirements.

AB 73: Create special housing districts

AB 73, from Assemblyman David Chiu (D-San Francisco) would allow local governments to create special housing districts close to transit and job centers with high density and ease permitting and other regulatory requirements for development proposals in the new zones. Developers would be required to provide 20% set-aside for affordable housing.

AB 1637: Funding for workforce housing

Assemblyman Todd Gloria (D-San Diego) is working on AB 1637, which would provide funding for workforce housing statewide.

See Also: [IBM SEARCH IS ON](#)

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PROPERTY REPORT

In Europe, Downtown Retail Areas Gain Appeal as Rules Help City Centers

Regulations such as the U.K.'s 'town center first' aim to limit development of big suburban stores and malls



The Morgan Quarter in Cardiff, Wales. PHOTO: LASALLE INVESTMENT MANAGEMENT

By *Emily Nonko*

Sept. 5, 2017 3:09 p.m. ET

In May, LaSalle Investment Management paid £55 million (\$71.7 million) for a historic shopping center in Cardiff, Wales, that includes the former David Morgan department store, which opened in 1879, as well as two Victorian shopping arcades that date to 1858.

The appeal of the 381,000-square-foot property also included a modern feature: downtown Cardiff is protected from new suburban competition by "town center first" regulations in the U.K. These rules have helped so-called high street retail areas in downtowns flourish, unlike those in many U.S. cities which have been decimated by big-box retailers and shopping centers on the outskirts.

"Cardiff is highly protective of its city center and therefore restricted the type of retail that can be developed outside of the city center," said Tom Rose, a LaSalle fund manager. "Given the limited supply...we felt that Morgan Arcade would be excellently placed to benefit from this investment through significantly greater footfall and a more diverse shopper base."

Regulations protecting European downtowns are among the reasons why retailers in many areas there are faring better than some of their U.S. counterparts against online shopping competition and other pressures. Similar regulations have been passed in other European countries, according to a report by Ken Baar for the Institute for Transportation and Development Policy, a nonprofit that focuses on sustainable development.

"Regulation of the location of new major shopping facilities in order to achieve environmental, social and commercial objectives is standard," the report said. "Great Britain, France, Germany, Netherlands, Ireland, Denmark, Sweden, Norway, and Belgium have adopted legislation which directs the construction of new hypermarkets and shopping malls into central city areas."

Yields of prime "high street" retail fell or were flat in the second quarter of 2017 compared with a year earlier in all 25 downtown areas of western Europe tracked by CBRE Group Inc. Generally when commercial real-estate yields, or capitalization rates, fall, that means values are rising.

Meanwhile, high street cap rates generally increased in the U.S. from the second half of 2016 to the first half of this year, CBRE said.

To be sure, downtown retail is hot in many major U.S. cities like New York, San Francisco, Chicago and Boston that are enjoying building booms and an influx of young

workers. Also, one of the reasons high street values are falling now in these hot U.S. markets is because they rose so much in recent years.

But retail areas in many smaller U.S. cities about the size of Cardiff, which has a population of about 345,000, have been struggling for decades. Some have turned into virtual ghost towns with boarded up stores that couldn't compete against bigger suburban stores with more variety and lower prices.

The Cardiff shopping district, known as the Morgan Quarter, had undergone a multiyear redevelopment by its former owner, investment firm Helical PLC.

"We know retail in Europe and the States has been affected by the internet, but we are still believers in what we call experiential retail, which we think has got room for future growth," Mr. Rose said.

The glass-domed arcades—protected as landmarks by Cardiff—are lined with everything from cafes to fashion boutiques. The adjacent David Morgan department store was outfitted with offices and apartments on the upper floors. "The arcades are a bit quirky," said Chris Sutton, lead director of the Cardiff office of commercial real-estate firm JLL. "But they really have a vibrancy, with winding streets and a range of local shops."

Other big investors also have a growing appetite for European high street retail. Houston-based Hines, for example, was hired in 2015 by German pension fund BVK to execute a €1.3 billion (\$1.6 billion) program targeting prime high street retail assets across Europe.

Lars Huber, the chief executive of Hines Europe, said European high streets differ from U.S. commercial corridors as they have much more foot traffic and hold smaller retail units in older buildings. But this raises challenges in outfitting older properties for new tenants, who often require larger floor plans than those available in city centers that often date back centuries.

"Our goal has been to find assets where we can convert and reposition them for bigger and better units," said Mr. Huber. "The flagship stores and big brands who want to have prime spots in the European prime cities aren't really willing to compromise in terms of their unit size or location."

Earlier this year Hines purchased a six-story bank headquarters in Barcelona's city center. Bank buildings, according to Mr. Huber, have proven to be appealing assets that can be converted to flagship retail stores.

In Leeds, British development firm Hammerson PLC connected the historic Victoria Quarter shopping arcade to a new high-end shopping center which opened last year. The new structure is anchored by a John Lewis department store.

The number of visitors to Cardiff's city center rose by 36% between 2010 and 2016, according to the Cardiff Council. Retailers at the Morgan Arcade include brands like Fred Perry, Urban Outfitters and Spiller's, one of the world's oldest record stores.

The "town center first" policy was put in place in the U.K. more than 20 years ago. In England and Wales, retail planning must pass a so-called sequential test, according to Trevor Ivory, a partner at global law firm DLA Piper.

Under the test, new retail development should be located within town centers and, if that isn't feasible, as close to town centers as possible. Suburban locations should only be considered if there are no other suitable sites.

The policy has remained "in a pretty static state since the mid-1990s," Mr. Ivory said. But with rising competition from online retail, "it's mostly welcomed that there is this planning policy intended to support the existing retail facilities," he said.

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BUSINESS

Old Oil Is New Again

Companies say conventional wells can be profitable, no fracking required



Conventional drilling in old fields is starting to look more attractive as low crude prices make some fracking operations too expensive to pursue. Shown, an oil well outside Bakersfield, Calif. PHOTO: GETTY IMAGES

By Lynn Cook

Aug. 20, 2017 6:00 a.m. ET

From California's Central Valley to the Native American lands of Oklahoma, more small- and mid-sized oil firms—many backed by private equity—are forgoing expensive shale drilling projects and opting for old-school wells instead.

As crude prices languish under \$50 a barrel, and with increasing costs for land, labor and infrastructure, some shale fracking operations are starting to look expensive. That has some investors turning to conventional drilling to make a profit.

Tapping shale involves fracking, drilling horizontal wells that extend for more than a mile, then using a highly pressurized mixture of water and chemicals to break open underground rock layers. The process has attracted billions of dollars in capital because it can unleash huge volumes of oil, but at today's prices most producers are losing money on every barrel they pump.

Some oil companies are choosing instead to apply newer technology and methods to vertical wells in century-old American oil fields, betting they can wring out faster and safer returns. The trick, they say, is finding the special locations where stranded oil can be profitably extracted from conventional wells, which are cheaper. They tend to cost less than \$1 million, compared to between \$6 million and \$8 million for an average shale well.

As a result, smaller outfits drilling traditional wells in and around California and Oklahoma say they can make the investments work even at \$10 to \$30 a barrel.

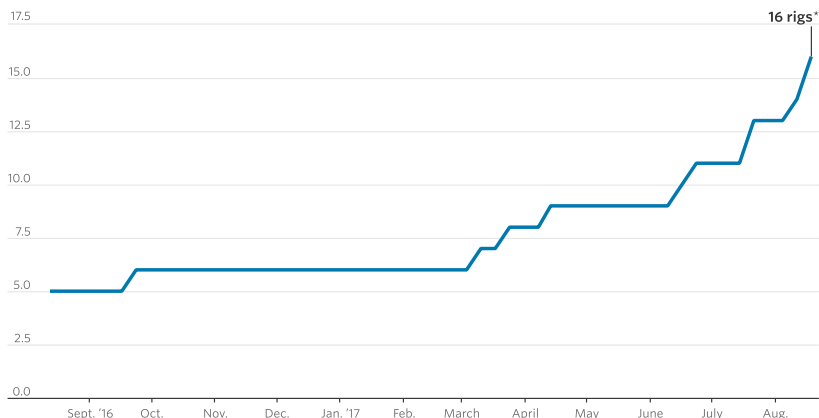
White Knight Production LLC, a driller based in Lafayette, La., is re-activating 60-year-old wells in Louisiana and Texas that were turned off in the 1980s, when the last major oil bust dropped prices to \$10 a barrel.

It made sense to turn them back on and invest in newer artificial lift systems and other technology that can push more oil to the surface, said White Knight Chief Executive Jerry F. Wenzel.

In California, the company was able to get some old wells that were producing just five or 10 barrels a day up to 100 barrels a day by using gravel packs to keep silt and sand from building up inside flow lines. The cost of the packs: \$100,000 a well, which White Knight recouped in a few months.

California Drilling

Rigs working in and around LA, Bakersfield and Fresno have tripled as more firms try to find new oil in old fields.



*For the week ending Aug. 18

Source: Baker Hughes

THE WALL STREET JOURNAL

White Knight also has drilled new wells in California for roughly \$800,000 each, finding that many spots were tapped extensively, but only shallowly, last century, leaving 20 to 30 different layers that can produce crude.

“That’s the real magic,” Mr. Wenzel said.

He estimates that reactivating old wells costs about \$15 a barrel in direct expenses like leasing land, lifting oil out of the ground and transporting it to market. After covering other costs including staff, debt, taxes and general overhead, these projects typically pay off and are profitable in less than a year.

Most U.S. oil still comes from conventional wells. In 2016, 4.6 million barrels, or 52% of the U.S. total, was pumped from conventional wells while 4.25 million barrels a day, or 48%, was pumped from shale wells, according to the federal Energy Information Administration.

Will McMullen, founder of Bayou City, a private equity firm with \$1 billion to deploy, and which has backed White Knight, said with all the focus on shale in recent years, it has become a crowded space.



The Kern River Oil Field near Bakersfield, Calif. PHOTO: MARK RALSTON/GETTY IMAGES

“And we don’t know where the price of oil is going to be in 10 years,” he said, arguing that it is risky to favor shale based on a hope of longer-rate returns.

Petro River Oil, a small New York-based company traded over the counter, is reprocess

ing old data and making new underground maps in California to find overlooked crude. It recently scoured an old prospect near Bakersfield known as Sunset Boulevard, and found several additional oily zones to tackle this summer.

“We’re taking new technology and going in and looking for what they missed,” said Stephen Brunner, president of Petro River.

Mr. Brunner, who ran Constellation Energy Partners, a shale company that fracked in Oklahoma before Sanchez Energy Partners took it over in 2014, said he understands why many investors are drawn to shale: unlike conventional drilling, there’s little risk of a dry hole.

Even so, he said Petro River’s goal is to find untapped oil in old fields and get it out of the ground for roughly \$20 a barrel, allowing the company to achieve as much as a 100% return in a year, at current prices.

Such investment looks attractive to some in light of the costs to lease shale land in places like the Permian Basin in Texas and New Mexico, which has topped \$50,000 per acre.

But it is hard to generate huge-scale production picking over old fields, said Robert Clarke, an analyst with Wood Mackenzie.

“For a company looking to generate a return on capital the opportunity is tremendous,” Mr. Clarke said. “But it can’t move the production needle for a bigger company.”

Still, some big companies sense opportunity in older fields.

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Golden State oil assets, forming California Resources Corp.

It is now the largest holder of mineral acreage in California with roughly 2.3 million net acres, since the big oil companies that once controlled most of California’s oil sector, such as Chevron Corp. and Exxon Mobil Corp. , moved on to major new discoveries in Africa and the Middle East decades ago.

The spinoff was saddled with debt from Occidental operations and didn’t initially spend much on new wells. But this year, it is back to work in fields that have been pumped for nearly a century.

“The company is drilling deeper and using directional drilling to reach bypassed pay dirt,” said Chief Financial Officer Mark Smith.

Many of its 8,800 existing wells can be retapped. Since the state already has an extensive network of pipelines and oil storage tanks, little new investment is needed.

California Resources estimates it has 700 million barrels of oil equivalent in the ground that is economic at about \$30 a barrel.

Write to Lynn Cook at lynn.cook@wsj.com

Appeared in the August 21, 2017, print edition as ‘Old-Style Oil Wells Get New Life.’

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Rise of electric vehicles poses test of direction for oil groups

Chiefs have to decide whether to maximise sunset returns or make big bets on renewables

ANDREW WARD — ENERGY EDITOR

In the early years of US oil in the late 19th century, gasoline was considered a useless byproduct of kerosene that would be burnt off or dumped in rivers.

That changed when the first mass produced automobiles hit the road. But just over a century later, the symbiotic relationship between oil and cars that transformed society is beginning to fray.

Announcements by the UK and France on plans to ban sales of new petrol and diesel vehicles by 2040 have amplified two critical questions for the petroleum industry: will electric vehicles (EVs) cause oil demand to decline and, if so, when?

Executives at the world's biggest oil companies have offered some answers — sceptics would call them guesses — after revealing generally strong second-quarter results that raised optimism about near-term prospects even as doubts grow about the long term.

Ben van Beurden, chief executive of Royal Dutch Shell, made no attempt to disguise the challenge facing "Big Oil".

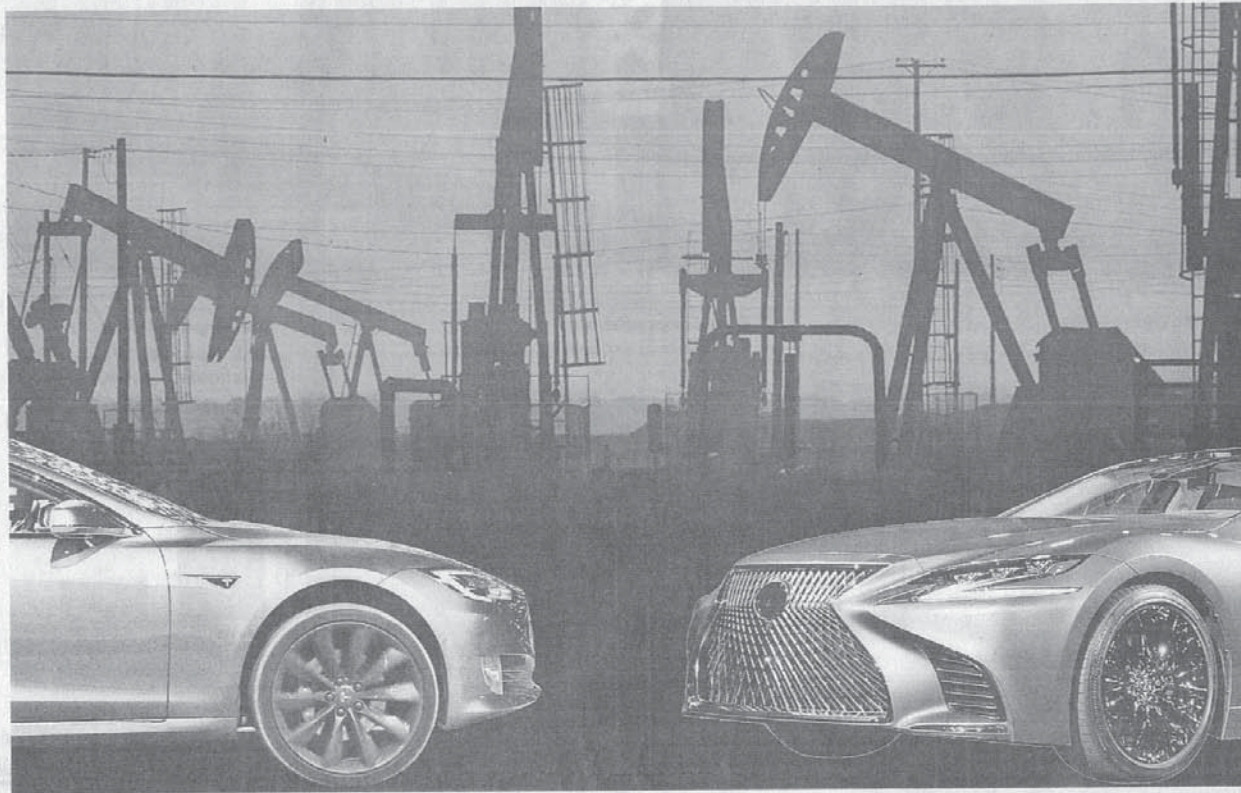
Companies must become more discriminating about which oilfields to develop, he said, with only the most low-cost and productive likely to remain competitive. "We have to have projects that are resilient in a world where demand has peaked and will be declining," he said. "When will this happen? We do not know. But will it happen? We are certain."

Mr van Beurden said "peak demand" could come as soon as the late 2020s in the most bullish scenarios for EV uptake. But that would require "much more aggressive" policy action on climate change and faster innovation in battery technology than seen so far.

Many in the oil industry think the transition will take longer. ExxonMobil expects oil demand to keep growing into the 2040s, albeit at a slowing pace.

Which of these scenarios turns out to be correct will be determined by many factors but the future of the car is most important. Passenger vehicles accounted for 26 per cent of oil demand in 2015 — more than aviation, shipping and petrochemicals combined, according to the International Energy Agency.

UK and French plans to phase out petrol and diesel cars have added to policy momentum behind EVs. At least as



Power plays New fuels set stage for errors and opportunities

Demand for oil may be destined to decline, yet the world needs more energy than ever as the population increases.

Global energy demand is forecast to rise by 30 per cent between now and 2040, according to the International Energy Agency.

That is creating opportunities — and pressure — for oil companies to chase growth in other parts of the energy sector.

Most large oil groups are investing heavily in natural gas in the belief that its relatively "clean" characteristics, compared with coal and oil, will keep it growing longer.

More contentious is the question of whether these companies should diversify into renewable power. BP was an early mover in wind, solar and

biofuels in the 2000s but ended up writing off most of the \$8bn invested.

Total has more recently invested a combined \$2.5bn in battery and solar companies.

Royal Dutch Shell, meanwhile, is building a wind farm off the Dutch coast and installing charging points for electric vehicles and hydrogen pumps for fuel-cell cars at some of its European filling stations.

"New fuels ... are also new opportunities," said Ben van Beurden, Shell's chief executive. "I see [renewable energy] to be in the medium-to-long term a really material new business for Shell."

His strategy is to place a range of modest bets — no more than \$1bn a year — to develop expertise, with a view to committing bigger sums once technologies mature.

"I don't want us to get ahead of ourselves," said Mr van Beurden. "I am sure we will make mistakes, but I don't want it to be big mistakes."

important is increased commitment from carmakers.

Volvo said last month that all new models would be electric or hybrid from 2019. Tesla, meanwhile, stepped up efforts to break into the mass market with the launch last month of its much-hyped Model 3, billed as its first affordable EV — with prices starting at \$35,000.

Yet it will not be Teslas in Britain and France that determine the fate of the oil sector. While crude demand is forecast to fall almost 12 per cent between 2015 and 2040 in wealthy OECD countries, it is set to grow 19 per cent in non-OECD countries, according to the IEA. By the end of that time, 60 per cent of demand will come from outside the OECD.

Bob Dudley, chief executive of BP, said conventional cars would dominate for decades. "We've forecast that 100m electric vehicles will be on the road by 2035. Even if you doubled that to 200m, there would still be 2bn conventional vehicles on the road," he said.

Mr Dudley's forecast is similar to one last month from Goldman Sachs, which foresaw EVs growing from 0.2 per cent

of vehicles on the road in 2016 to 5 per cent in 2030. Declining oil demand from cars is also likely to be offset by growth in aviation and heavy freight transportation, which are harder to switch to alternative fuels. Petrochemicals will be another enduring source of demand.

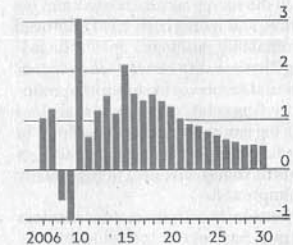
"Even when legacy fuels begin to lose market share, history tells us that absolute demand for them continues to rise," said Amin Nasser, chief executive of Saudi Aramco, last month, citing growth in coal throughout the 20th century even as its share of the global energy mix declined.

But some analysts think this benign view is mistaken. Far from holding back EVs, the developing world could become an accelerant if China and India make good on their ambitions in battery technology. China is already the world's biggest EV market, and its companies are beginning to dominate battery manufacturing in a way that has led analysts to point to similarities with how they drove down the cost of solar panels.

Kingsmill Bond, an analyst at Trusted Sources, a research company, predicts a

Global oil demand

Change year on year (m barrels per day)



Source: Goldman Sachs

Majors' conundrum: planned moves to ban sales of petrol and diesel cars have left petroleum executives wondering whether electric vehicles will cause oil demand to decline and, if so, when — FT montage

"tipping point" early in the 2020s as EVs reach cost parity with conventional vehicles. "The rise of the EV is yet another indicator of the systemic change in energy markets, and an early warning for oil investors," he said.

These widely divergent forecasts of gentle or wrenching change are confronting oil companies with a strategic dilemma. Should they focus on maximising returns from sunset businesses in the way that tobacco companies have? Or should they make the big, risky investments needed to transition towards renewable energy?

The oil majors are in the early stages of addressing those questions. Shell has the most obvious bias towards the latter strategy so far, with plans to spend up to \$1bn a year on alternative energy.

"Every year we invest between \$25bn and \$30bn. We are a \$280bn company, so every decade we build a new Shell all over again and that gives us a lot of flexibility to adapt," Mr van Beurden said. "We are not some sort of sitting duck that has nowhere to go."

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