
INTERNAL AFFAIRS COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers O'Brien, Tandon, and Chair Reynolds

Meeting of December 6, 2021 – 4:00 p.m.

Council Chamber Building, 421 Main Street, Conference Room 1

REGULAR AGENDA

1. RECONSIDERATION OR DISCUSSION OF PRIOR INTERNAL AFFAIRS COMMITTEE REPORTS AND RECOMMENDATIONS

The Internal Affairs Committee is being presented with the May 17th and the June 21st Internal Affairs Committee recommendations that were forwarded to the Council at its meeting of 9/7/2021. Due to the change in Council membership and resulting changes to the Internal Affairs Committee the Council postponed action on these items. The original recommendations are being submitted to the newly restructured Internal Affairs Committee for consideration, comments, or changes.

RECOMMENDATION:

To review original recommendations and provide direction to staff.

A. REVIEW OF RENTAL REGISTRY AND SEX TRAFFICKING ORDINANCE (May 17, 2021 IAC meeting)

City Manager Mark Orme provided a history of these items and requested that the Committee determine if they were still a priority with the Council and provide direction to staff.

A motion was made by Chair Reynolds and seconded by Councilmember Denlay to recommend to Council to stop pursuing the rental registry and the sex trafficking ordinance. The motion carried (3-0).

B. CODE ENFORCEMENT PRESENTATION (May 17, 2021 IAC meeting)

Community Development Director Brendan Vieg provided a report to the Committee regarding code enforcement procedures and activities. Code Enforcement Officers Charlene Durkin and James LeDonne answered questions regarding the enforcement process and compliance. Director Vieg stated that in-regards-to the boarded-up buildings in downtown, he believes the tools are in place to enforce the code, however, they have taken a cooperative approach since businesses have taken such a hit with COVID. Code Enforcement Officers have met with the building owners/tenants to determine a timeline for completion of the work.

Committee members discussed the possibility of encouraging a beautification program for those buildings that will be boarded up for an extended period of time.

The Committee also discussed the number of animal calls. Code Enforcement Officer Durkin stated that "hooved" animal calls make up the majority of the animal calls. She stated that while there are standards in the code regarding animals, perhaps there needs to be a review of the definitions and revision of the animal keeping standards.

The Committee recommends that the Council provided direction to staff to research beautification programs for boarded up buildings in surrounding communities and the possibility of an "adopt a business" program for opportunities for Art projects. The Committee would also like staff to come back with some proposed guidelines for boarded up buildings, including the amount of time they can remain boarded up and requirements for aesthetics.

The Committee also recommends that staff be directed to research possible changes in the animal keeping standards section of the code, including updates to the space requirements, definition of “small” animals, and possible changes in the set-back requirements and to return to the Internal Affairs Committee with proposed changes.

C. HOUSING COMMITTEE RECOMMENDATIONS (May 17, 2021 IAC meeting)

Community Development Director Brendan Vieg provided a report and brief history of the Housing Development Ad Hoc Committee report and the elements adopted by Council.

Director Vieg stated that each of the elements highlighted in the Housing Ad Hoc Committee report with the exception of the ‘Inclusionary Zoning element” are part of the ongoing work of the Community Development & Public Works Engineering Departments in implementation of the General Plan. He reported that he had successfully met with the Butte County Airport Land Use Commission to discuss amendments to their land use calculations, there are several affordable housing projects that are currently in the permitting process or that will break ground soon, the housing element update is well underway, the Chico Municipal Code has been updated to reflect the State’s changing requirements regarding Accessory Dwelling Units, and several infrastructure grants have been applied for and received.

A motion by Chair Reynolds was seconded by Councilmember Denlay, to recommend to the Council to direct staff to continue to work through the recommendations and to provide the Council additional information regarding Inclusionary Zoning when they provide the Housing Element update. Motion carried (3-0).

D. DOWNTOWN CARD ROOM DISCUSSION (June 21, 2021 IAC meeting)

Community Development Director Vieg provided a brief overview regarding the zoning districts where cardrooms are currently allowed and the previous request by Mr. Scott to allow a cardroom downtown. Director Vieg stated that not only are cardrooms limited with land use codes in the Title 19 section of the municipal code but also Ch 5.32 of the Chico Municipal Code specifically addresses cardrooms. He stated it would require a change in both sections of the municipal code to allow cardrooms in any other area of town. He went on to state that while some code changes are initiated by city staff, situations such as this where a specific business would benefit, generally the business is required to submit an application and required fees to request a Code amendment. He also cautioned that while the Committee and ultimately the Council could express their openness to considering a code amendment, it would be premature to provide approval prior to the application going through the full review process which includes staff review, Planning Commission approval and multiple opportunities for public input.

A motion by Chair Reynolds was seconded by Councilmember Denlay to recommend to Council to direct staff to report back to Council with more information regarding the specific process required to allow a cardroom downtown and get a determination from the City Attorney whether a Community Benefit Agreement or a Development Agreement would be more appropriate to accommodate the potential proposal from Mr. Scott. Motion carried (2-0-1, Tandon Absent)

E. DISCUSSION OF SERVICES OFFERED IN EACH DISTRICT (June 21, 2021 IAC meeting)

Homeless Solutions Coordinator, Suzi Kochems provided a brief overview of the data regarding service providers, types of services and the districts in which they are located. Community Development

Director Vieg provided information regarding the land use component of the services and what is allowed by right in specific zoning districts.

A motion by Chair Reynolds was seconded by Councilmember Denlay to continue this discussion to a later date, after hearing the presentation to the Council by the Hope Street Coalition. Motion carried (3-0).

2. PEDI-CAB BAR PUB CRAWL (HATCHET HOUSE) (March 10, 2021 IAC meeting)

At its meeting of 12/15/20, the Council voted to refer to the Internal Affairs Committee a discussion regarding a pedi-cab bar pub crawl (Hatchet House).

Chair Reynolds reported that she carried this request forward for Arianna Mathiopoulos, the owner of the Hatchet House.

Ms. Mathiopoulos provided an overview of her vision for pedi-cab pub crawl. The bicycle would seat approximately 12 people and would travel at up to 15 mph. The route would include stops at 3-4 locations, staying at each one for about 20-30 minutes, and would take a about an hour and a half to two hours to complete. She would like it to be family oriented, and travel through Bidwell Park.

Chair Reynolds asked Public Works Director Brendan Ottoboni what it would take for the City to approve this type of thing.

Director Ottoboni stated Sacramento does something similar and staff could look at it. Also, the City's vendor, Dixon, could look at different ordinances and the City's code, and come back with some possible code amendments that would allow for the use, determine appropriate application and fees.

Councilmember Denlay stated she likes the idea. She stated that SB 543 has very specific regulations and Sacramento has pages of regulations to follow and wants to ensure that the City follows the regulations.

There was a consensus among the Committee to forward a recommendation to Council to move forward with getting an estimate on the cost of Dixon researching and bringing back an ordinance with potential code amendments and for staff to provide a total estimated cost associated with researching and creating the ordinance to provide to Council.

RECOMMENDATION:

To review original recommendations and provide direction to staff.

3. COMMITTEE MEETING DATE AND TIME

Confirmation of date and time for future meetings.

4. BUSINESS FROM THE FLOOR

Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

5. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn to the next regular Internal Affairs Committee meeting scheduled for Monday, January 3, 2022 at 4:00 p.m.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda.

Distribution available in the office of the City Clerk

**Posted: 12-2-21 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us
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INTERNAL AFFAIRS COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers Denlay, Tandon, and Chair Reynolds
Special Meeting of May 17, 2021 – 2:00 p.m.

PUBLIC PARTICIPATION: *This meeting is being conducted in accordance with Executive Order N-29-20.* Members of the public may virtually attend the meeting using the City's Zoom platform.

Zoom public participants may use the following information to remotely view and participate in the Internal Affairs Committee meeting online:

Event Name: **Internal Affairs Committee Meeting 05-17-21 2:00 PM**

Date/Time: **Monday, May 17, 2021 2:00 pm**

Event URL: <https://zoom.us/j/99177821137?pwd=Rzg1dXJ2dmNTSEVhQUt0M0w5T0I4Zz09>

Event #: **991 7782 1137**

Password: **IAC**

Call-in #: **1-888-788 0099 US Toll-free**

Meeting ID: **991 7782 1137**

Call-in Password: **979844**

REGULAR AGENDA

A. REVIEW OF RENTAL REGISTRY AND SEX TRAFFICKING ORDINANCE

On October 5, 2020 the Internal Affairs Committee heard discussions regarding developing a rental registry and discussions for creating a sex trafficking ordinance. The Committee requested the rental registry item be presented to Council, and requested staff return to the Committee with more information regarding the history of the sex trafficking ordinance. **(Report - Angie Dilg, Management Analyst - City Manager's Office)**

RECOMMENDATION:

The City Manager requests the Internal Affairs Committee review and consider the attached information and give further direction as to next steps.

B. CODE ENFORCEMENT PRESENTATION

At the March 16, 2021 City Council meeting the Council approved a request by Vice-Mayor Reynolds to have Code Enforcement provide a presentation to the Internal Affairs Committee on overall code enforcement policies, both Citywide and in the Downtown area. The presentation should include, but not be limited to, aesthetics of commercial buildings and residences, the storage of unclaimed items or refuse on private property, in alleyways, or on City right of ways. It should also include how the City handles abandoned items on City property or right of ways. **(Report - Brendan Vieg, Community Development Director)**

C. HOUSING COMMITTEE RECOMMENDATIONS

At the March 16, 2021 City Council meeting the Council referred the discussion of the Housing Committee recommendations to the Internal Affairs Committee for further review and discussion. **(Report - Vice-Mayor Reynolds)**

D. BUSINESS FROM THE FLOOR

Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

E. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn to the next regular Internal Affairs Committee meeting scheduled for Monday, June 7, 2021 at 2:00 p.m.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda.

Instructions for using Zoom

- Join the meeting using the link above.
- You must have audio and microphone capabilities on the device you are using to join the meeting.
- When you join the meeting make sure that you join the meeting with audio and follow the prompts to test your speaker & microphone prior to joining the meeting.

To speak on an item using Zoom

- The Chair will call the item and staff will begin the staff report.
- Click on the Raise Hand icon if you would like to speak on the item. The City Clerk will call your name when it is your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- When your time is up, you will be muted.
- You will repeat this process for each item you want to speak on.

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Posted: 05-12-21 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us

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Internal Affairs Agenda Report

Meeting Date: 04/14/2021

TO: **Internal Affairs Committee**

FROM: **Mark Orme**, City Manager

RE: Discussion of Developing a Rent Registry and Sex Trafficking Ordinance

REPORT IN BRIEF:

On October 5, 2020 the Internal Affairs Committee heard discussions regarding developing a rental registry and discussions for creating a sex trafficking ordinance. The Committee requested the rental registry item be presented to Council, and requested staff return to the Committee with more information regarding the history of the sex trafficking ordinance.

RECOMMENDATION:

The City Manager requests the Internal Affairs Committee review and consider the attached information and give further direction as to next steps.

BACKGROUND:

On October 5, 2020 the Internal Affairs Committee heard a discussion regarding developing a rental registry. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested a proposed rental registry program created in Citizenserve be presented to Council. They requested the plan include information regarding rental rates, with an average per address and an option of per unit price. During the same meeting the Committee discussed a sex trafficking ordinance. The Committee requested staff return to the Committee with more information regarding the history of the Sex Trafficking Ordinance. They specifically requested information regarding the Council's discussion in 2016 and additionally requested information on any discussion at the Local Government Committee. They also requested staff review ordinances regarding sex trafficking in surrounding communities.

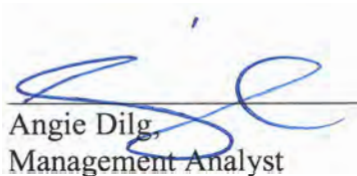
DISCUSSION:

Staffing loss of the individual assigned to these items caused constraints to be placed on turning these items around in order to help the Internal Affairs Committee and City Council determine the next steps. Additionally, prioritization of staffing resources have dramatically shifted and staff believed it prudent to return to the Committee to ensure these items remain a priority to invest staff time in researching and producing.

CONCLUSION:


The City Manager requests the current Internal Affairs Committee review and consider the attached information and give further direction as to next steps.

Prepared by:



Angie Dilg,
Management Analyst

Recommended and Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

Attachment A – Internal Affairs Committee Minutes October 5, 2020

Attachment B – 20200203 Internal Affairs Agenda Report

Attachment C – 20201005 Internal Affairs Agenda Report

INTERNAL AFFAIRS COMMITTEE REPORT

A Committee of the Chico City Council: Councilmembers Huber, Ory, and Chair Brown
Meeting of October 5, 2020 – 4:00 p.m. to 6:00 p.m.

Meeting was held via WebEx

The meeting was called to order at 4:10 p.m. with Councilmember Ory and Chair Brown present. Councilmember Huber was absent.

REGULAR AGENDA

A. DISCUSSION OF DEVELOPING RENTAL REGISTRY

Assistant City Manager Chris Constantin provided a brief report with multiple price point options to contract with a vendor to provide rental registry services.

Members of the public addressing the Committee on this item were Kim Dietz, Steven Depa, Paul Webb, Jennifer Morris, K. Marvin Collins, and Randy Cox.

A motion was made by Councilmember Ory and seconded by Chair Brown to present to Council a proposed rental registry plan created in Citizenserve to capture rental rates with an average per address and include an option to break it down per unit. This system should be created in collaboration with the North Valley Property Owners Association.

The motion carried (2-0-1, Huber Absent).

B. SEX TRAFFICKING ORDINANCE

At the December 17, 2019 City Council meeting, the Council voted to refer discussion of a sex trafficking ordinance to the Internal Affairs Committee.

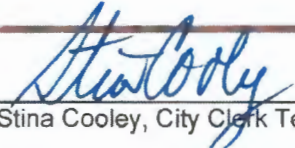
A motion was made by Councilmember Ory and seconded by Chair Brown to request that staff return to the Internal Affairs Committee with more information regarding the history of this item, specifically the Council discussion in 2016, any discussion at the Local Government Committee, and Ordinances regarding this issue in the surrounding communities.

The motion carried (2-0-1, Huber Absent).

D. ADJOURNMENT AND NEXT MEETING

The meeting was adjourned at 5:00 p.m. to the next regular Internal Affairs Committee meeting scheduled for Monday, November 2, 2020 at 4:00 p.m. in Conference Rm. No. 1.

Prepared by:


Stina Cooley, City Clerk Technician


Internal Affairs Agenda Report
Meeting Date: 2/3/2020

TO: **Internal Affairs Committee**

FROM: **Mark Orme, City Manager**

RE: **Tenant Protections - Costs Associated with Developing a Rent Registry and Discussion of Other Tenant Protections**

REPORT IN BRIEF:

On December 2, 2019, the Internal Affairs Committee heard a discussion regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City of Chico.

Additionally, the City Council accepted the Internal Affairs recommendation to pass an ordinance to extend AB 1482 just cause evictions to single residential properties, to remove the one-year residency requirement, and to continue discussion for creating the rent registry. The City Council directed three items for additional discussion to Internal Affairs to include 1) the year a property was built; 2) exempting ADUs; and 3) consideration of exempting owner-occupied properties.

Recommendation:

The City Manager recommends direction if additional information or action is necessary.

FISCAL IMPACT:

Variable. There is a wide range in costs associated with the Rent Registry. Implementation of a tenant protection program or to staff appropriate divisions to enforce municipal code changes to protect tenants would require additional staff. The staffing level would be dependent on the type of program selected.

BACKGROUND:

On December 2, 2019, the Internal Affairs Committee heard a discussion regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City of Chico.

Additionally, the City Council accepted the Internal Affairs recommendation to pass an ordinance to extend AB 1482 just cause evictions to single residential properties, to remove the one-year residency requirement, and to continue discussion for creating the rent registry. The City Council directed three items for additional discussion to Internal Affairs to include 1) the year a property was built; 2) exempting ADUs; and 3) consideration of exempting owner-occupied properties.

DISCUSSION:

Rent Registry

Rental registration is a local regulation that requires landlords to register with the city and provide the city with essential information to enforce other tenant protection ordinances. There are several communities that maintain a rental registry for the purpose of rent-control enforcement including, but not limited to San Jose, Berkeley, East Palo Alto, Richmond, Beverly Hills, Los Angeles, Santa Monica, and West Hollywood. Other cities, such as Pittsburg, Santa Cruz, and Fresno, maintain registries for the purposes of rental property inspections.

To support the registries, most of the communities charge rental property owners an annual fee ranging from \$50 to \$250 to support the registry and the staffing necessary to maintain and respond to information entered into the registry. In some cases, communities, such as San Jose, treat a rental structure as one that requires a specific business license in order to identify the total population of rental housing.

City Utilizing a Form Based Registry System

Some of the cities, such as Richmond, which is close to the population of Chico, maintain a registry but in a PDF fillable form version. This results in the City receiving electronic or paper forms that they must process, digitize and then evaluate. As a result of this version and the other tenant protection requirements instituted, Richmond maintains an entire division at a cost of \$2.4 million to administer their entire tenant protection program.

City Evaluating Third-Party Registry Development System

Last year, San Francisco undertook an evaluation in starting and maintaining a rental registry. The estimated cost for starting the registry was estimated at \$300,000 with an ongoing staffing and maintenance cost between \$1.7 million and \$3.6 million per year depending on the extent of the program. This process is ongoing and may be more elaborate than desired by the City Council.

City Utilizing Inhouse Support to Develop Registry System

San Jose maintains an online rent registry portal that contains the same information desired by the Internal Affairs Committee – including updating rental rates for units, submitting notices of termination/eviction, and providing a plethora of information about the rent control program. A unique aspect involves the City using inhouse support to develop the registry as well as utilizing existing software already owned by San Jose. While the City of Chico may not have all the staff and software necessary, it appears that San Jose may be a closer fit for the information desired.

San Jose developed the registry using Salesforce, their customer relationship system, and integrated the system with other City databases in planning, code enforcement and public works. In January 2017, the City of San Jose dedicated one Information Technology person for about 18 months to develop the system. The City found a number of data reliability issues which require 1.5 full-time equivalent staffers to maintain, update and correct the information within the system. A total of 6-10 staff persons were involved in its development, and the City maintains three staff for just the system and 19 staff for the tenant protection program. An estimated cost of just the registry comes close to the about \$400-500,000, with about \$300,000 a year in maintaining the system.

City Could Consider Limited Registry System as a Reactive Data System

Currently, the City of Chico utilizes the Citizen Service software to issue business and bicycle licenses. An account is restricted to the use of the business or bike owner and offers the opportunity to enter all the relevant information required by the City's Administrative Services Department to issue a license. The data resides in a database accessible by City staff and remains available for City purposes.

The Citizen Serve software may allow the City to create a unidirectional database of rent rates and eviction notices that would allow a property owner to enter key rental unit information that would be available for City use. The software may also allow the City to report which units have provided data and to allow City staff to respond to claims of excessive rent increases or unjust eviction. According to Administrative Services staff, the cost of such as system may be approximately \$25,000.

City of Chico Developing a Registry System

A Rent Registry system, its form and function is strongly correlated to the policy goals of the City. Thus, the development and implementation cost would vary drastically based on how the city utilizes the registry to support its goals. For example, if the City intended to document information in the rental market for use when complaints are received, the registry would be an online form-based portal which is intended to just collect information for staff. The cost of this would be less than a database system that is intended to provide bidirectional data access and staff to clean and correct information in the system. One would place the majority of the operational work on the software system, while the other would increase staff cost to address data reliability issues.

Thus, the Internal Affairs Committee may consider these areas to guide the type of system necessary to support the committee's policy goals:

- **Reactive vs Proactive:** Does the City desire a reactive, complaint driven program or an active enforcement program related to tenant protection requirements;
 - Currently, City Code Enforcement operates in a reactive, complaint driven manner, while the City's Fire inspection program is proactive on multifamily housing units.
- **Data-Focused vs Staff-Focused:** Does the City want to rely upon a data-based control to enforce tenant protection requirements or a staff-based control;
 - The City is moving to more modern software systems, but currently, most City programs are staff-focused which results in increased cost for those programs. This includes Code Enforcement, Fire inspections, permit processing, etc.
- **Program Structure:** How does the City want the program structured and funded – a collateral responsibility for Code Enforcement or a new program? Is this a general fund investment in additional Code Enforcement staff or is the City looking to recreate a regulatory structure including licensing, fees, and other requirements?

Other Tenant Protections

On January 7, 2020, the City Council referred to the Internal Affairs Committee, a discussion of three tenant protection areas to include

- Age of Property subject to Tenant Protections;
- Considering whether Accessory Dwelling Units are included in Tenant Protection requirements; and
- Consideration for whether owner-occupied properties are included in Tenant Protection requirements.

CONCLUSION:

City Staff present the above information to allow the Internal Affairs Committee to discuss and determine a recommendation to the full City Council. Upon City Council direction, staff recommend the City Attorney draft the appropriate Municipal Code update to implement this program including any business license and administrative components.

Prepared by:



Chris Constantin,
Assistant City Manager

Recommended and Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

None.



Internal Affairs Agenda Report

Meeting Date: 10/5/2020

TO: Internal Affairs Committee
FROM: Mark Orme, City Manager
RE: Discussion of Developing a Rent Registry

REPORT IN BRIEF:

On December 2, 2019 and February 3, 2020, the Internal Affairs Committee heard discussions regarding tenant protections. Specifically, the committee discussed the creation of a Rent Registry to facilitate the collection of rental rates and eviction notices issued in the City of Chico. The committee requested additional information regarding the costs associated with developing a rent registry for the City.

Recommendation:

The City Manager recommends direction if additional information or action is necessary.

FISCAL IMPACT:

Variable. There is a wide range in costs associated with the Rent Registry. Implementation of a tenant protection program or to staff appropriate divisions to enforce municipal code changes to protect tenants would require additional staff. The staffing level would be dependent on the type of program selected.

BACKGROUND:

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Thus, the Internal Affairs Committee may consider these areas to guide the type of system necessary to support the committee's policy goals:

- **Reactive vs Proactive:** Does the City desire a reactive, complaint driven program, or an active enforcement program related to tenant protection requirements.
 - Currently, City Code Enforcement operates in a reactive, complaint driven manner, while the City's Fire inspection program is proactive on multifamily housing units.
- **Data-Focused vs Staff-Focused:** Does the City want to rely upon a data-based control to enforce tenant protection requirements or a staff-based control.
 - The City is moving to more modern software systems, but currently, most City programs are staff-focused which results in increased cost for those programs. This includes Code Enforcement, Fire inspections, permit processing, etc.
- **Program Structure:** How does the City want the program structured and funded – a collateral responsibility for Code Enforcement or a new program? Is this a general fund investment in additional Code Enforcement staff or is the City looking to recreate a regulatory structure including licensing, fees, and other requirements?

OPTIONS:

On February 3, 2020, the Internal Affairs Committee requested City staff to develop a system for the rent registry. The following offers incremental options to implement the rent registry and focus the program on specific policy objectives. City staff also obtained a third-party proposal to implement a rent registry. The proposal includes broader services than originally contemplated in a rent registry, but any contracted option can be negotiated.

Policy Objective	Description	Application	Implementation
CITY STAFF DRIVEN			
Gather Data on Available Rental Units	<p>Establish database to allow the input of details related to each rental unit available in the City.</p> <p>Identify unit, type, average market rent rate, occupancy, and other key data points.</p>	<p>Application to any structure fully utilized as a rental.</p> <p>Annually updated.</p>	<p>Approximately \$25,000. Develop database within the Business License system to facilitate the collection and maintenance of information.</p> <p>Ordinance likely required.</p>
Disincentivize Violations	<p>Establish complaint driven program to identify potential violators. Each report of violation will be investigated with violation of appropriate rent regulations being penalized.</p>	<p>Violation to be assessed at \$1,000 or 5 times the amount constituting violation, whichever larger.</p>	<p>Same as above plus staff time to respond to code violation complaints.</p>
Disincentivize Violations with Incentive for Education and Compliance	<p>Establish complaint driven program to identify potential violators. Each report of violation will be investigated with violation of appropriate rent regulations being penalized.</p> <p>Incentivize properties and ownership with no violations over the past 5 years and who receive regular education on proper property management.</p>	<p>Violation to be assessed at \$1,000 or 5 times the amount constituting violation, whichever larger.</p> <p>Violation to be assessed at \$500 or 3 times the amount constituting violation, whichever larger.</p>	<p>Same as above plus staff time to respond to code violation complaints.</p> <p>Same. Would require the establishment and sanctioning of approved training program.</p>
THIRD PARTY DRIVEN			
<p>Rental Registry</p> <p>Option 1 – Basic Rental Registration (includes initial identification & education portion in initial period)</p>	<p>Under a basic rental registration program, a City is typically only concerned with tracking top level rental information on a per property/address basis. Information is tracked at the property/landlord level and typically includes basic information about the property such as the parcel data, number of units, landlord details, property management details, etc.</p> <p>Any information can be tracked, but since it is tracked at the property level, it is typically gathered in summary format. For example, unit data may track total units and how many are section 8, but not the detailed tracking by unit. The data can be used for basic rental inventory information, inspection tracking, and as a first step to more detailed reporting.</p>		<p>\$18.00/account (Initial Period / Registration)</p> <p>\$15.00/account/Period + CPI (Subsequent Filing Periods)</p>
<p>Rental Registry</p> <p>Option 1 add-on – Detailed Rental Registration</p>	<p>This add on to a basic rental registration provides all the data in option 1, and further collects the details at the unit level.</p> <p>Each unit is tracked as its own separate account, providing a deeper dive in the data. Basic landlord and property data is enhanced to include information down to each unit, such as the individual unit’s amenities, tenant, rent collected, etc.</p> <p>With full unit details, the City can track any number of unique data elements and is set to enforce multiple aspects of regulation including rent stabilization requirements, inspections, tenant complaints, and a more detailed housing inventory data analysis program</p>		<p>Additional \$3 / unit (Can be waived with mandatory online filing)</p>

<p>Option 2</p> <p>Full Rental Compliance Program</p>	<p>Similar to option 2, a full rental compliance program collects detailed unit level data, specific to a city's needs and current ordinance requirements. It further adds compliance checks and enforcement on local and state levied mandates for those individual units.</p> <p>Tracking the individual unit combined with the unit's tenant, enforcement of rent increases, amenity offerings, tenant complaints, and other ordinance requirements, allows third-party to implement a turn-key program for monitoring all aspects of a rental management program.</p> <p>Unlike Option 1, where compliance is focused solely on registration and data gathering, this option broadens compliance to include the landlord compliance on a unit by unit basis. Third-party will monitor and enforce unit level regulations, respond to tenant complaints, and perform individual unit inspections for compliance.</p>	<p>\$20 / Unit + Inspection Fees (Flat or Hourly Rate based on custom inspection requirements)</p> <p>Can be customized based on requirements.</p>
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CONCLUSION:

The City Manager presents the information to allow the Internal Affairs Committee to discuss and determine a recommendation to the full City Council. Upon City Council direction, City staff recommend the City Attorney draft the appropriate Municipal Code update to implement this program including any business license and administrative components.

Prepared by:



Chris Constantin,
Assistant City Manager

Recommended and Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

Attachment A Proposal for Rent Registry

City of Chico, CA

03/06/2020

Service Descriptions
HdL Rental Property
Administration Services



Submitted by:
HdL Software LLC
160 Via Verde, Suite 150
San Dimas, CA 91773
www.hdlcompanies.com

Contact:
George Bonnin
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BACKGROUND & SERVICE OPTIONS

HdL offers a wide variety of services designed to assist cities with managing varying aspects of property rental oversight. These can range from implementing an managing a simple registration and information gathering program, to a more detailed rental program that tracks compliance with rent stabilization ordinances and the intricate requirements that go hand in hand with tracking compliance with local or state law.

HdL offers custom tailored services to address each client's unique needs. These programs combine HdL's local government expertise and leading local government software technology to deliver a full service program to the City, which requires little to no effort for the City to manage. With HdL's ability to handle all aspects of education, customer support, and administration, City concerns with staffing requirements and oversight can be assuaged.

Each custom delivery is grouped in to basic service categories, that depend on the City's unique goals. The options below represent the primary groups and basic descriptions of the services. The City can then further customize the deliverable under each category, resulting in a fully custom implementation.

Option 1 – Basic Rental Registration

Under a basic rental registration program, a City is typically only concerned with tracking top level rental information on a per property/address basis. Information is tracked at the property/landlord level and typically includes basic information about the property such as the parcel data, number of units, landlord details, property management details, etc. Any information can be tracked, but since it is tracked at the property level, it is typically gathered in summary format. For example, unit data may track total units and how many are section 8, but not the detailed tracking by unit. The data can be used for basic rental inventory information, inspection tracking, and as a first step to more detailed reporting.

Option 1 (add on) – Detailed Rental Registration

This add on to a basic rental registration provides all the data in option 1, and further collects the details at the unit level. Each unit is tracked as its own separate account, providing a deeper dive in the data. Basic landlord and property data is enhanced to include information down to each unit, such as the individual unit's amenities, tenant, rent collected, etc. With full unit details, the City can track any number of unique data elements and is set to enforce multiple aspects of regulation including rent stabilization requirements, inspections, tenant complaints, and a more detailed housing inventory data analysis program

Option 2 – Full Rental Compliance Program

Similar to option 2, a full rental compliance program collects detailed unit level data, specific to a city's needs and current ordinance requirements. It further adds compliance checks and enforcement on local and state levied mandates for those individual units. Tracking the individual unit combined with the unit's tenant, enforcement of rent increases, amenity offerings, tenant complaints, and other ordinance requirements, allows HdL to implement a turn-key program for monitoring all aspects of a rental management program.

Unlike Option 1, where compliance is focused solely on registration and data gathering, this option broadens compliance to include the landlord compliance on a unit by unit basis. HdL will monitor and enforce unit level regulations, respond to tenant complaints, and perform individual unit inspections for compliance.

SUMMARY & SAMPLE PRICING

Each service option described above is designed to provide a guide for a service deliverable. HdL delivers its service offerings in a modular capacity, allowing a custom built service program to meet the City's unique needs. With the onset of the new state law regarding rent control, and the growing need for cities to manage and report on its rental housing inventory, HdL's custom programs are a cost effective way to quickly deploy the most advanced technology and knowledgeable staff efficiently and effectively.

Sample pricing for service group options are indicated below. Compensation costs listed can be further refined upon service discussions with the City.

Service	Cost Range
Option 1 – Basic Rental Registration (includes initial identification & education portion in initial period)	\$18.00/account (Initial Period / Registration) \$15.00/account/Period + CPI (Subsequent Filing Periods)
Option 1 (Add on – Detailed Rental Registration)	Additional \$3 / unit (Can be waived with mandatory online filing)
Option 2 – Full Rental Compliance Program*	\$20 / Unit + Inspection Fees(Flat or Hourly Rate based on custom inspection requirements)
*sample pricing provided. Custom pricing available for option 2 depending on scope	

Rental Property Administration Services

General Scope of Services

Rental Property Registration Database Management – HdL will transfer the City's existing databases as they relate to Property rental in to HdL's internal administration tools. HdL will maintain the data and provide copies of data or reports at the City's request. The City will not be required to use or maintain any software in house for managing the Rental Property registry.

Renewal Processing – Send active rental property accounts a renewal notice within 45 days of the renewal period ending. Accounts will receive all applicable forms necessary to complete the renewal process.

New Account Processing – HdL will process any new rental property applications and complete the new account registration process in a timely fashion.

Payment Posting / Processing – HdL will process all payments for new and renewal accounts. Accounts will be updated with payment information and revenues will be remitted to the City net HdL's fees on no less than a monthly basis.

Rental Support Center – HdL will provide landlords with multiple support options for registering, renewing, making payments and for general inquiries. A local will be provided to landlords in order to access one of our specialists Monday-Friday 8:00am to 5:00pm Pacific. Landlords will also have access to support via, e-mail, fax, and via the Landlord Support Center On-Line.

On-Line Filing & Payment Processing – As an additional service to the City and its community, HdL will make available options for rental property owners to visit a website, that can be linked to the City’s website, to submit online applications, renewals, and payments, updates, and other online functionality

Optional Services – HdL can provide additional services designed to ensure smooth transition and implementation of the administration program for both the City staff and the community. Options such as remote system access, rental owner support stations, and other related items can be designed and implemented upon City request.

Project Planning and Implementation – HdL’s project management team will work in partnership with the City to develop a detailed outline of the scope of work and specific services/options deployed. During the project planning period, the City will have the opportunity to review and approve general timelines and milestones for project implementation as well as project details such as language for rental property owner correspondence and other operational items. Project plans are flexible so as to evolve with the program, allowing HdL and the City to quickly make course corrections along the way to address needs or concerns that may arise.

Communication – HdL understands that the key to any partnership is communication. HdL ensures the free flow of information between the City and the HdL Compliance Management team by establishing clear guidelines during project planning. HdL provides multiple points of contact for City personnel and provides scheduled progress meetings via teleconference, webinars, and in person meetings.

Consulting and Support – In addition to the Discovery and Audit services delivered under the Compliance Management Program, the City benefits from a team of experts that include Certified Revenue Officers(CRO), former Finance Directors and City Managers and other team members with decades of experience in servicing local government. These resources are available to the City to provide support on complicated tax nexus issues, best practice approaches, sample documents and forms, ordinance reviews and other tax compliance and management related issues.

Reporting – HdL will deliver a suite of reporting options that capture a summary of the activities as well as details performed under the individual programs. HdL offers a variety of standard weekly, monthly, quarterly and annual reports as well as the option to customize and develop unique reporting solutions to meet the City’s ad-hoc requests.

Online Services – The City and its business community will both benefit from the online functionality unique to the HdL Compliance Management Program. The City will benefit from a variety of services such as reporting and account lookups while the rental property community will have access to file their applications, make payments, correspond with tax specialists and receive assistance for their rental property questions all online.

Dispute Resolution – Whether a dispute arises from a newly registered property or from a deficiency determination on an existing property HdL will support the City in resolving disputes arising from the rental property community. The HdL dispute resolution process can assist the City in resolving owner issues by providing ordinance reviews and interpretation, best practices, case law updates, expertise on nexus issues, refund defense, and other services tailored to assist the City in administering Rental Property.

RENTAL PROPERTY EDUCATION & COMPLIANCE SERVICES

Enriched Data Portfolio / Lead Identification – Utilizing data provided by the City, as well as the HdL Enriched Data Portfolio (EDP), HdL’s team builds an enhanced listing of entities subjected to the Rental Property Program. These entities are electronically matched to the existing files of the City using advanced data matching algorithms, allowing HdL staff to identify which entities are compliant and which entities require follow up.

Exception Resolution – HdL’s compliance team doesn’t rely on electronic matching alone. Records are reviewed by our skilled team members, filtering out records that may lead to erroneous contacts. This extra

step allows staff to find additional revenues not otherwise identifiable through electronic means and assists in reducing potential complaints levied at City staff and management.

Compliance Communication and Outreach – Upon exception resolution, HdL staff initiates contact with the identified entities through a series of City approved communication methods. HdL makes every effort to simplify the process for rental property owners and utilizes a variety of mediums for communication including mail, telephone, email and web-site access. Potential non-compliant entities are notified of their options to comply or dispute their non-compliant status. Initial notification packets include everything a rental property owner needs to become compliant and multiple methods of resolving their accounts.

Landlord Assistance Center – HdL maintains a support and service center where the rental property community can access support during normal business hours. Owners calling our toll free line can expect minimal hold times along with access to a variety of options which include filing support, payment options, resolution of specific tax issues and other services designed to reduce the burden of registering. Our team of experts, including our resident Certified Revenue Officers (CRO), implement a business friendly and education centric approach to supporting the rental property business community in all aspects of the compliance process.

Landlord Assistance Center Online – Rental Property Owners are encouraged to take advantage of the range of services available on-line, 24 hours a day, seven days a week. With *HdL Flex File*, owners can choose to file their new rental property registration as well as make payments via our on-line filing portal. In addition to filing and paying for taxes, owners can obtain copies of applications, general support and FAQs, schedule appointments and request copies of their registration all with the click of a button. Our on-line services underscore HdL's commitment to excellence in customer service and education by continually improving the registration and payment experience for the rental property business community.

Document Submission / Processing – Whether the property owner chooses to respond by mail, email or our online filing website, each application submission is reviewed for completion and accuracy prior to processing. Any additional documentation needed to complete the approval of a submission can also be requested or forwarded to other City departments either as a pre-requisite or as a courtesy to the owner. All submissions are filed and stored electronically and made available to the City via the remittance process or upon request.

Invoicing – Once an application is approved, invoices are forwarded to the taxpayer indicating detailed transaction and fee information. Property owners are provided the opportunity to pay their balances via mail, online, or over the phone services. Property owners will also have continued access to our Business Support Center for any questions or disputes arising from the invoice process.

Remittance – Upon collection of all requirements which may include the payment, application and/or other documentation HdL will prepare a remittance package to include payment as well as copies of all rental property correspondence and other relevant information. Remittances are usually done on a monthly basis but can occur as often as weekly depending on volumes and City preferences. Remittances packages may also be done electronically via the HdL electronic remittance process. If utilizing the electronic remittance option, applications together with all relevant information are provided to the City in an electronic image format with revenues distributed to the City in one payment net HdL's fees. Using the electronic remittance option will allow the City to upload the data directly to the City's database saving data entry time.



CITY OF CHICO MEMORANDUM

TO: Internal Affairs Committee DATE: April 19, 2021
FROM: Brendan Vieg, CDD Director (879-6806) FILE: Code Enforcement
SUBJECT: General Overview of Code Enforcement

General Overview

The Code Enforcement Division within the Community Development Department enforces all Codes and Ordinances of the City. This work includes building code violations, zoning violations, and coordination with other City Departments including Police, Fire, and Public Works. Code Enforcement also administers such proactive programs as the annual "Drop and Dash" and Weed Abatement programs.

The Division is committed to maintaining the quality of life through obtaining compliance in enforcing regulations and codes. The Code Enforcement Division uniformly and fairly enforces codes and regulations and assigns high priority to the abatement of violations that constitute potential threats to public health or safety or that may cause significant environmental damage. Code Enforcement staff work collaboratively with City residents to obtain voluntary compliance of City regulations.

Current and Proposed Staffing

The Code Enforcement Division currently consists of three (3) Code Enforcement Officer positions (one is currently vacant) and one (1) Administrative Assistant. The Community Development Department's 21/22 Budget includes a request for a Code Enforcement Supervisor position.

Code Enforcement Priorities/Activity

Below is a general prioritization of resources and case management:

- Fire, Life, Safety
- Substandard housing
- Illicit discharges
- Weeds (fire hazard)
- Camping
- Cannabis
- Combustible furniture
- Garbage
- Work without permits
- Abandoned vehicles
- Zoning
- Misc. Municipal Code
- Assisting with homelessness solutions

Below is a table showing annual case load by violation type for calendar years 2018 to present:

Code Enforcement Summary of Cases: 2018 to 3/24/2021

2018	2019	2020	2021
<u>Violation Type & Total</u>	<u>Violation Type & Total</u>	<u>Violation Type & Total</u>	<u>Violation Type & Total</u>
Animals - 20	Animals - 34	Animals - 42	Animals - 13
Building - 222	Building - 216	Building - 184	Building - 46
Substandard Hsg - 88	Substandard Hsg - 86	Substandard Hsg - 57	Substandard Hsg - 16
Property Mgmt - 761	Property Mgmt - 514	Property Mgmt - 461	Property Mgmt - 74
Signs - 60	Signs - 16	Signs - 60	Signs - 5
Vehicle - 421	Vehicle - 518	Vehicle - 396	Vehicle - 143
Camping - 112	Camping - 230	Camping - 167	Camping - 45
Zoning - 105	Zoning - 108	Zoning - 76	Zoning - 14
Stormwater - 34	Stormwater - 42	Stormwater - 22	Stormwater - 6
Marijuana - 20	Marijuana - 17	Marijuana - 20	Marijuana - 1
		COVID19 - 543	COVID19 - 28
Total Cases Open: 1745	Total Cases Open: 1637	Total Cases Open: 2028	Total Cases Open: 392
Total Cases Closed: 1629	Total Cases Closed: 1676	Total Cases Closed: 1932	Total Cases Closed: 477

Code Enforcement Response to Frequent Code Violations

Below are summaries of enforcement procedures for common Code violations:

Hazardous building or structure, Nuisance Abatement CMC 1.14

Purpose: Ensure a uniform response to a dilapidated building or structure that is hazardous to the general public by inspecting the property and following the procedures below:

Policy and Procedure:

1. Code Enforcement Officer shall respond and determine if a violation exists.
 - a. A condition of real property or a building, structure, improvement or other thing located on real property that violates any provision of this code.
2. Officer will attempt to make personal contact with the property owner/responsible party.
3. When the owner/responsible party is contacted, they are advised of the violation and asked to voluntarily comply. A courtesy notice or Code Violation letter may be sent via first class mail or personally delivered.
4. A re-check of the property shall be performed. If the violation still exists nuisance abatement procedures as detailed in CMC section 1.14 shall be followed.

Parking 168 HR violation, CMC 10.20.200

Purpose: To ensure a uniform response to parking on public street parking violation beyond 7-day time limit.

Policy and Procedures:

1. Enforcement Officer assigned to the parking violation calls shall respond the next business day.
 - a. No person who owns or has possession, custody or control of any vehicle, recreational vehicle, boat, or trailer shall park or store such vehicle, recreational vehicle, boat, or trailer upon any street or public right-of-way for a consecutive period of more than 168 hours (7 days). A partial removal from the parking or storage space occupied, or a complete removal and the immediate return of such vehicle, recreational vehicle, boat, or trailer to such space or any part thereof shall constitute a violation of the 168 hour (7 day) time limit.
2. Officer may need to run the vehicle registration through dispatch to determine ownership of vehicle.
3. Officer will attempt make personal contact with owner/responsible party of the vehicle.
4. If there is no response a business card or door hanger will be left.
5. When the owner /responsible party is contacted, they are advised of the violation and asked to voluntarily move the vehicle. A follow-up code violation letter may be sent via first class mail or personally delivered.
6. Re-check up to 7 days later to confirm compliance. If violation is not abated, officer will determine if a citation is necessary or if an extension will be granted.

Trash Can Placement, CMC 8.12.040 (D)

Purpose: To ensure a uniform response to where trash receptacles are stored and maintained.

Policy and Procedures:

1. Officer responds and documents the violation with case notes and or pictures.
 - a. That, except when set out for collection, such receptacles are stored and maintained to the side or rear of the structure where the solid waste is generated and out of public view unless it is determined by the Building Official that this is not feasible. This subsection shall not apply to containers set out for collection in alleys.
2. Officer will attempt to make personal contact of owner/responsible party. If there is no answer a business card or door hanger will be left.
3. When the owner/responsible party is contacted, they are advised of the violation and asked to voluntarily comply. A courtesy notice or Code Violation letter may be sent via first class mail or personally delivered.
4. Re-check 24 hours to 3 days later based on notification/communication with owner/responsible party. If violation is not abated, officer will determine if a citation is necessary or if an extension will be granted.

Work Without Required Permits - Basic building permits, CMC 16.10.020

Purpose: To ensure a uniform response to a Building Code violation or building without permits.

Policy and Procedures:

1. Officer responds and documents the violation with case notes and or pictures.
 - a. A basic building permit shall be required for the erection, construction, enlargement, alteration, repair, improvement, moving, removal, conversion, or demolition of any building or structure in the City;

2. Officer will attempt personal contact of owner/responsible party. If there is no answer a business card will be left.
3. When the owner/responsible party is contacted, they are advised of the violation and asked to voluntarily comply. A Code Violation letter may be sent via first class mail or personally delivered.
4. Depending on the extent of work being done, a permit may be requested to be obtained immediately or within 30 days. If violation is not abated, officer will determine if a citation is necessary or if an extension will be granted.

Outdoor Cultivation of Cannabis, CMC 19.75.030

Purpose: To ensure a uniform response to alleged outdoor cannabis cultivation violation.

Policy and Procedures:

1. Code Enforcement Officer shall respond the next business day after a complaint is received.
 - a. Outdoor Cultivation. The outdoor cultivation of cannabis is expressly prohibited in the City of Chico, including all zoning districts and designated zones of the City of Chico.
2. Code Enforcement investigates the complaint to confirm the existence of the cultivation.
3. Officer will attempt personal contact of owner/responsible party. If there is no answer a business card will be left and if the cultivation violation is confirmed, a 72-Hour Notice to Abate is sent via first class mail and personally delivered/posted.
4. Re-check 4 days later based on notification/communication with owner/responsible party. If violation is not abated, officer will issue a citation and repeat daily as necessary until compliance is gained.

Dani Rogers

From: Debbie Presson
Sent: Wednesday, July 1, 2020 4:42 PM
To: Dani Rogers
Cc: Mark Orme; Ann Schwab
Subject: FW: Affordable Housing Zoning for the July 7 meeting

FYI

From: Randall Stone <randall.stone@ChicoCA.gov>
Sent: Wednesday, July 1, 2020 4:37 PM
To: Debbie Presson <debbie.presson@ChicoCA.gov>
Subject: Fwd: Affordable Housing Zoning

I am requesting to add the attached language to the Agenda Report for this next Council Meeting - a report from the Housing Committee.

It is my expectation that the Committee will approve the final language. I am the Chair of the Committee and have the authority to move the language forward, but am awaiting my colleague's approval which should be forthcoming shortly.

Please add the following near-final language to the Agenda Report for the Council Meeting July 7th.

Thank you!

Randall

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Randall Stone, MPA
Financial Planner
Faculty/Instructor--Finance & Real Estate
Councilmember - City of Chico
Assessment Appeals Board - County of Butte
Board of Directors - League of California Cities
Housing, Community, & Economic Development Committee
Governance, Transparency, & Labor Relations Committee
Latino Caucus
Board of Directors - Butte County Association of Governments (BCAG)
(530) 267-6150 office
(530) 924-4298 mobile
(530) 924-4030 home
Randall.Stone@ChicoCA.gov
council.randallstone.com
www.ChicoCA.GOV

Skype: randall.c.stone
Zoom: 328-070-3332

Register to Vote: <http://registertovote.ca.gov>

Begin forwarded message:

From: Randall Stone <randall.stone@Chicoca.gov>
Date: July 1, 2020 at 4:30:46 PM PDT
To: Karl Ory <karl.ory@Chicoca.gov>, Scott Huber <scott.huber@Chicoca.gov>
Subject: Re: Affordable Housing Zoning

I've made a few small changes consistent with our original discussion.

Randall

The ad hoc Housing Committee recommends adoption of an Inclusionary Zoning Policy. It is the committee's intent that this policy be applicable to projects not yet in the "pipeline", particularly Specific Planning Areas. It is recommended that several incentives be provided such as additional density bonuses, fee deferral, fee reduction and fast tracking. The committee recognized that the City provides a number of these subsidies already, that subsidies would be the most effective incentive, but we lack a long term funding source. The committee notes that IZ can be accomplished by land dedication, or actual construction and sale of units below market, or by paying an in-lieu fee. The committee further recommends that this policy be discussed by the Planning Commission for additional recommendations.

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Randall Stone, MPA
Financial Planner
Faculty/Instructor - Finance & Real Estate
Councilmember - City of Chico
Assessment Appeals Board - County of Butte
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Zoom: 328-070-3332

Register to Vote: <http://registertovote.ca.gov>

On Jul 1, 2020, at 8:09 AM, Karl Ory <karl.ory@chicoca.gov> wrote:

Randall?

From: Scott Huber <scott.huber@Chicoca.gov>
Sent: Wednesday, July 1, 2020 6:50 AM
To: Karl Ory <karl.ory@Chicoca.gov>
Subject: Re: Affordable Housing Zoning

Thanks Karl, looks right.

~~Wivi Scott Huber~~
Councilmember
Chico City Council

From: Karl Ory <karl.ory@Chicoca.gov>
Sent: Monday, June 29, 2020 11:37 AM
To: Randall Stone <randall.stone@Chicoca.gov>; Scott Huber <scott.huber@Chicoca.gov>
Subject: Affordable Housing Zoning

Hi Randall and Scott,

I wanted to draft something before my mind goes blank from the presentation we got from Rob. Please share your thoughts. Thank you.

Karl

DRAFT AFFORDABLE HOUSING ZONING STATEMENT

The ad hoc Housing Committee recommends adoption of an Affordable Housing zoning policy (Inclusionary zoning). It is the committee's intent that this policy be applicable to projects not yet in the "pipeline", particularly Specific Planning Areas. It is recommended that several incentives be provided such as additional density bonus, fee deferral, fee reduction and fast tracking. The committee recognized that subsidy would be the most effective incentive, but we lack a funding source. The committee notes that AHZ can be accomplished by land dedication, or actual construction and sale of units below market, or by paying a in lieu fee. The committee recommends land dedication as the primary method. The committee further recommends that this policy be considered by the Planning Commission for their recommendation.

Date: April 1, 2020
To: Chico City Council
Fr: Karl Ory, Acting Chair, ad hoc Housing Committee
Re: Interim report and recommendations

At its meeting of May 7, 2019, the City Council reestablished an ad hoc Housing Committee comprised of Mayor Stone and Councilmembers Huber and Ory, in order to address concerns with affordability and the impact of the Camp Fire, and the influx of approximately 20,000 new residents.

The committee met four times; August 27, September 10, September 24, October 8. The first two meetings focused on new construction. The third meeting focused on affordable housing. The fourth meeting focused on infill including accessory dwelling units.

At a recent council meeting the committee was assigned the task of revisiting inclusionary zoning. This report should serve as background for that discussion.

It should be acknowledged that city housing policy is also impacted and informed by state mandates, city general plan including upcoming revisions, the BCAG state funded study and city planning work partly funded by new state funding, as noted in this report.

Below is a summary regarding the City's efforts to accommodate housing and recommendations of the committee, organized by new construction, infill, planning, and affordable housing projects.

NEW CONSTRUCTION

Land Absorption, Future Demand, and Residential Pipeline

In 2018, the City hired BAE Urban Economics to prepare a Land Absorption Study with input from local real estate and development experts. The Study was shared with Council just prior to the Camp Fire and presented the estimated potential demand for, and supply of, developable land within the City through 2035. The Study broke available land supply into four categories: existing proposed and approved development pipeline, inventory of vacant developable land, the five General Plan Special Planning Areas (SPAs), and the 14 Opportunity Sites identified in the General Plan (redevelopment and underdeveloped areas). The Study concluded, with caveats, that there is an adequate supply of land to meet both residential and non-residential demand through 2035. Post-Camp Fire, there have been changes to the "demand" assumptions included in the Study, but the "supply" side remains valid.

The LAS study demonstrated that there were approximately 2,500 single-family homes and 2,800 multi-family residential units in the near- to medium-term pipeline, and that the City is

entitling development proposals in a timely and efficient manner. A January 2020 update of the pipeline data revealed approximately 2,200 single-family homes and 3,200 multi-family residential units.

For perspective, in 2018 there were 270 single-family homes and 285 multi-family units constructed for a total of 555 new units. This total is slightly less than the 577 units built in 2017, which was the highest housing unit total since 2006. In other words, even before the Camp Fire, housing production was high. Staff has indicated that 2019 production numbers include 305 single-family homes and 170 multi-family units constructed for a total of 475 new units, and that 2020 looks to be another high production year, in particular for multi-family units.

To better understand the highly dynamic near- and long-term forecasts for population growth and housing demand, the regional planning agency, Butte County Association of Governments (BCAG), is preparing a Post-Camp Fire Regional Population & Transportation Study that will analyze regional population, housing, employment, and traffic data for pre (2018), post (2019), and future (2030) Camp Fire time periods. The study will develop several scenarios for the 2030 time period based on existing research, empirical data, and existing policies. This information is estimated to take another year to finalize and will undoubtedly help the City and other jurisdictions better understand the true housing demands we face.

Recommendation:

- Approve projects that are consistent with the City's General Plan and Municipal Code. Honoring the Chico 2030 General Plan and acknowledging that the Land Use Diagram represents where the community has agreed it will focus growth.

Importance of Infrastructure

An effective mechanism to facilitate additional housing in Chico is funding for large capital projects – roads, bridges, sewer extension, and storm water projects. The City recently applied for the State Infill Infrastructure Grant (IIG) program for Small Jurisdictions for approximately \$21 million for the Bruce Road Widening project from State Route 32 to Skyway, as well as an internal roadway connection in Meriam Park. This includes the raising and widening of a bridge structure over Little Chico Creek. If IIG grant funds are successfully obtained from State, it will expedite the construction of housing, both affordable and workforce, by several years.

- Submit IIG Grant
- Seek other funding opportunities
- Implement Capital Project Program with emphasis on supporting residential development
- Direct staff to assess Development Impact Fee structure in order to encourage more small and affordable housing.

INFILL

Opportunity Sites

The city General Plan identifies fifteen Opportunity Sites throughout the City as strategic infill and redevelopment areas. They include underutilized transportation corridors, regional retail centers, areas in the City's core, and other residential or light industrial areas that can accommodate growth. Development and redevelopment in the Opportunity Sites capitalizes on existing infrastructure and reduces demand to develop at the City edges. Of particular interest at committee discussion were the Wedge, Park Avenue and North Valley Plaza Opportunity Sites.

Recommendation

- Direct staff to fund planning and pre-engineering for these three sites in coordination with property owners to encourage infill development.

It should also be noted that the Diamond Match SPA property may become available for development.

Accessory Dwelling Units (ADUs)

Accessory Dwelling Units (ADUs) have been a focus of the City Council both before and after the Camp Fire, and are also an area of increased scrutiny by the State legislature. ADUs represent a more affordable market-rate housing option due to their small size and reduced cost of land and fees. In early 2018, the City's ADU regulations were updated for consistency with State law (e.g., eliminated parking, relaxed fire sprinkler requirements, etc.). Further, in recognition of the housing crisis (pre-Camp Fire), Council reduced the ADU development impact fees (DIF) by 50% to stimulate ADU production. Following the Camp Fire, the City further encouraged ADU production by additionally reducing DIF by 50% for one year (25% of original fee), eliminating the owner-occupancy requirement in areas outside the SD-4 Overlay zone, and eliminating sidewalk requirements (where there was no connection to complete on both sides).

Since the beginning of 2019 there has been a total of 62 ADU applications submitted (with 46 approved), which is more ADU activity than the City has seen in the past 10 years combined.

New State-mandated ADU Code Amendments

In January 2020, a wave of new ADU legislation (20 housing bills in total) went into effect. The City will update the Municipal Code for compliance, targeted for Planning Commission/City Council hearings in March/April 2020.

Some of the key provisions of the new ADU legislation include: prohibits development impact fees for ADUs less than 750 square feet, allows ADUs on multifamily lots within existing building with conversion of space (storage rooms, rec rooms, etc.) for up to 25% of units or one unit whichever is greater, allows up to two detached ADUs on existing multifamily lots, allows up to three ADUs on a single-family lot including the main residence, junior ADU (conversion of part of residence with separate entry), and a detached ADU, and establishes a de facto amnesty program and allows requests for delayed enforcement of building standards for five years subject to life safety requirements.

The City is also preparing prototype ADU plans that will be pre-plan checked by the City and “permit-ready” free of use to Chico residents. The plans are due to be available early this summer. Funding for this effort was made available from the State’s SB 2 discussed in more detail below.

Recommendation

- Extend the current fee reduction for ADUs not already mandated by state (units greater than 750 SF).
- Remove SD-4 Overlay requiring Use Permit for ADU in Avenues
- Direct staff to identify neighborhoods where sewer and other infrastructure will limit ADUs.

PLANNING

Senate Bill 2 (Building Homes and Jobs Act) Work Program

The city has been awarded \$310,000 from the state’s SB2 program to fund more involved planning efforts that will be pursued over the next two-plus years. Work includes revising the City’s review process for residential projects for compliance with new State laws (SB 330, Housing Accountability Act, etc.) and other Code amendments that promote housing production.

Work includes amending the Municipal Code to include developing objective design and development standards per State legislation; allowing residential uses in the OR (Office Residential) zoning district “by right”; eliminating use permit requirements for ground floor residential uses in certain zoning districts, and allowing for greater densification of neighborhoods (e.g., allowing multiplexes in single-family neighborhoods).

Other planning work includes amending ADU regulations to be consistent with new State regulations, and pursue additional efforts to incentivize ADUs per Council direction (e.g., create an interactive City ADU webpage, promotional video, prototype ADU plans, etc.)

Finally, SB2 planning work includes removing the more involved and costly Special Planning Area (SPA) requirements for the North Chico SPA that are prohibiting development. This will require a “re-visioning” of the North Chico SPA, preparation of infrastructure plans to address circulation, sewer, and storm drainage, and amendments the City’s General Plan and Zoning Map. This planning effort is being coordinated with Butte County.

Recommendation

- Implement SB2 Programs
- Revisit North Chico SPA

Housing Element Update

Beginning in 2020, the City will begin the effort to update the General Plan Housing Element. A Housing Element provides an analysis of a community’s housing needs for all income levels, and strategies to respond to provide for those housing needs. It also ensures that a City’s land use plans and implementing regulations do not unduly constrain, housing development.

A Housing Element must provide goals, policies, quantified objectives and scheduled programs to preserve, improve and develop housing, identify and analyze existing and projected housing needs for all economic segments of the community, and identify adequate sites that are zoned and available to meet the City’s fair share of regional housing needs at all income levels.

A Housing Element Update is a major undertaking that includes significant community input. A Housing Element Update lays out a plan to facilitate affordable housing and provides the most appropriate forum for new ideas to be incorporated into the City’s long-range planning documents.

Recommendation

- Utilize the State-mandated, comprehensive Housing Element Update process to consider, vet, and direct new programs that will stimulate workforce and affordable housing

Butte County Airport Land Use Compatibility Plan

The Butte County Airport Land Use Compatibility Plan (BCALUCP) contains land use restrictions and developments standards for zones adjacent to the Chico Municipal Airport and flight path intended to protect both the airport and surrounding uses. The current method for calculating infill density for new projects is conservative and laborious, resulting in residential development densities well below densities allowed by the General Plan and City zoning. In order to facilitate

additional residential development, the City is coordinating with the County to review the infill criteria language to identify opportunities for increased density. The City anticipates that the proposed changes would be heard by the Butte County Airport Land Use Commission in early 2020.

Recommendation

- Pursue BCALUCP Amendments in early 2020

AFFORDABLE HOUSING PROJECTS

Housing requires public subsidies to make units affordable to low-income households due to the lower rents that are charged. This often comes in the form of land donation (from a public entity) or a land write-down lease at a nominal annual fee (\$1), together with low-interest, deferred loans from local, State, or Federal sources. In order to be competitive and receive State and Federal funding, a project typically needs to leverage local funding and resources.

In the absence of Redevelopment Agency (RDA) funding, the City's resources are currently limited to: the residual receipt payments on past RDA loans made to multi-family projects and repayments of Mortgage Subsidy Loans (AHPF), the City's annual allocation of Federal HOME funds, Community Development Block Grant Funds (which may only be used for demolition, clearing, and off-site improvements required for production of permanent housing to serve low-income households), future SB 2/Permanent Local Housing Allocation (PLHA) funds (estimated to be approximately \$350,000 annually), and CDBG-Disaster Recovery funds may become available to build housing in the future. This is dependent upon congressional appropriation and a HUD-approved Action Plan for use of the funds.

Fortunately, prior to Camp Fire, a large subsidized project was approved partly due to the provision of land by the City. Creekside Place will have 100 permanent supportive affordable units for extremely low- and very low-income seniors, with some units dedicated for people with disabilities. CHIP, the Housing Authority, and Butte County Department of Behavioral Health are partnering to bring forward this project on City-owned property. Eight funding sources are anticipated to be utilized and the project should break ground in 2021.

Park Avenue Apartments (1297 Park) – Redevelopment of the site for permanent affordable housing is planned. Jamboree Housing is estimating 73 units with more details TBD. Staff is currently involved in preliminary discussions regarding the development of this project.

Simplicity Village – Chico Housing Action Team (CHAT) is planning a tiny home complex with 33 housing units and two supporting portable units providing offices, bathrooms, showers, washers and dryers, and a community kitchen. The project will provide housing to approximately 46 homeless, or at risk of being homeless, senior singles and couples. Council

adopted the special appendices of the California Building Code to allow this unique housing type. There is litigation pending on this proposal.

Habitat for Humanity – The final houses on E. 20th Street are under construction and will be complete by the first quarter of 2020. Three additional houses with ADUs on Mulberry Street will begin construction in early 2020. The City-owned property on Wisconsin and Boucher will provide an opportunity for more units. AHPF, HOME, CDBG and PLHA funds are likely to be utilized.

Recommendations

- Identify land and development partners for an additional large affordable housing development.
- The committee also found interest in community land trusts which could be an affordable development model. Direct staff to further assess ways to encourage CLTs and identify any barriers.

Request for Information (RFI) for Use of City-Owned Properties for Affordable Housing

The City has put out an official Request for Information (RFI) to the community for affordable housing development concepts on City-owned or other governmentally-owned land in Chico. Concepts are being solicited for vacant land, redevelopment of existing sites (e.g., parking lots), or any other combination or concept. Proposals will be shared with Council and investigated for opportunities for future collaboration.



Inclusionary Housing: Building Inclusive and Sustainable Communities

City of Chico
June 9, 2020

Robert Wiener, PhD
University of California, Davis
Community and Regional Development



Presentation for Today

- ❑ Who is the California Coalition for Rural Housing?
- ❑ Brief history of Inclusionary Housing (IH)
- ❑ What is *Inclusionary Housing* and how can it be used to achieve mixed-income communities?

California Coalition for Rural Housing



Mission: Strengthen capacity of nonprofit and public sectors to improve quality of life of rural and low-income Californians via production and preservation of decent and affordable homes.

- ✓ *Public Policy Advocacy*
- ✓ *Leadership Development*
- ✓ *Asset-Building*
- ✓ *Technical Assistance*
- ✓ *Community and Tenant Organizing*
- ✓ *Research and Public Education*



Inclusionary Housing: Creating Affordability and Inclusion in New-Growth Areas

- A policy that requires or encourages new residential developments to include a certain percentage of affordable housing units for lower and moderate-income households.
- Also known as *“Inclusionary Zoning”*

Inclusionary Housing: Nearly 50 Years of Innovation

- Origins – 1971 in Washington D.C. suburbs
- Palo Alto - First California program in 1973
- At least 144 different IH programs in California
- About 27% of all California cities and counties
- About 30% of all U.S. Programs
- At Least 30,000 affordable units produced for purchase and rent since 1999 to 2006



Reasons for Growing Popularity of Inclusionary Housing in California

- Demographic, Market, Political, Legal Pressures
 - ✓ Enormous Population Growth
 - ✓ Increasing Housing Costs
 - ✓ Decreasing Supplies of Affordable Housing
 - ✓ Dwindling Availability of Buildable Land
 - ✓ Shrinking Federal and State funding relative to need
 - ✓ Housing Element/Regional Fair Share Allocation Laws

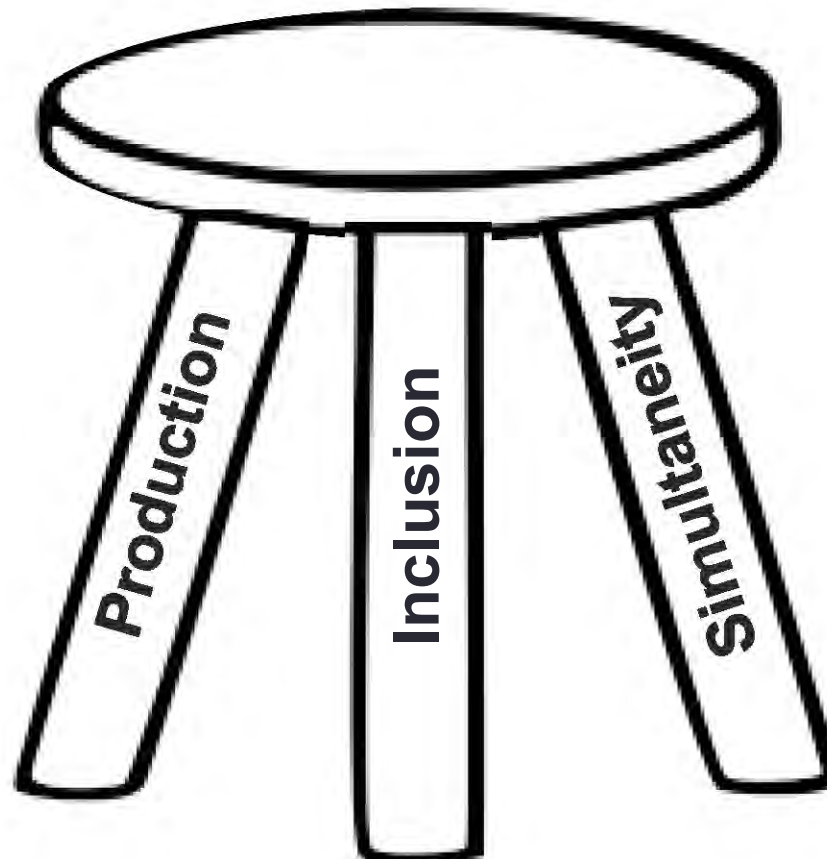


Inclusionary Housing Goals

- Production of Affordable Housing
- Social and Economic Inclusion
- Simultaneity (Avoid NIMBYism)



Inclusionary Housing is a 3-Legged Stool



Legal Basis for Inclusionary Housing

- No National, State, or Regional Mandate!!
- No National, State, or Regional Sanctions!!
- Voluntary Adoption by Cities and Counties
 - ✓ Municipal or County Zoning Code
 - ✓ Housing Element
- Court-Ordered Adoption – Housing Element
- AB 1505 – Restored local power to adopt IH



Key Components of an Inclusionary Housing Program

- On-Site Production of Affordable Units
- Alternatives to On-Site Production
 - Off-Site Production
 - Land Dedication
 - In-Lieu Fee
- Compliance Incentives



Incentives to Offset Developer Costs

- Density Bonus
- Flexible Design (unit/lot size, amenities, product)
- Subsidies
- Fee Deferral, Waiver, Reduction
- Fast-Track Processing



Income Ranges for Inclusionary Unit Eligibility

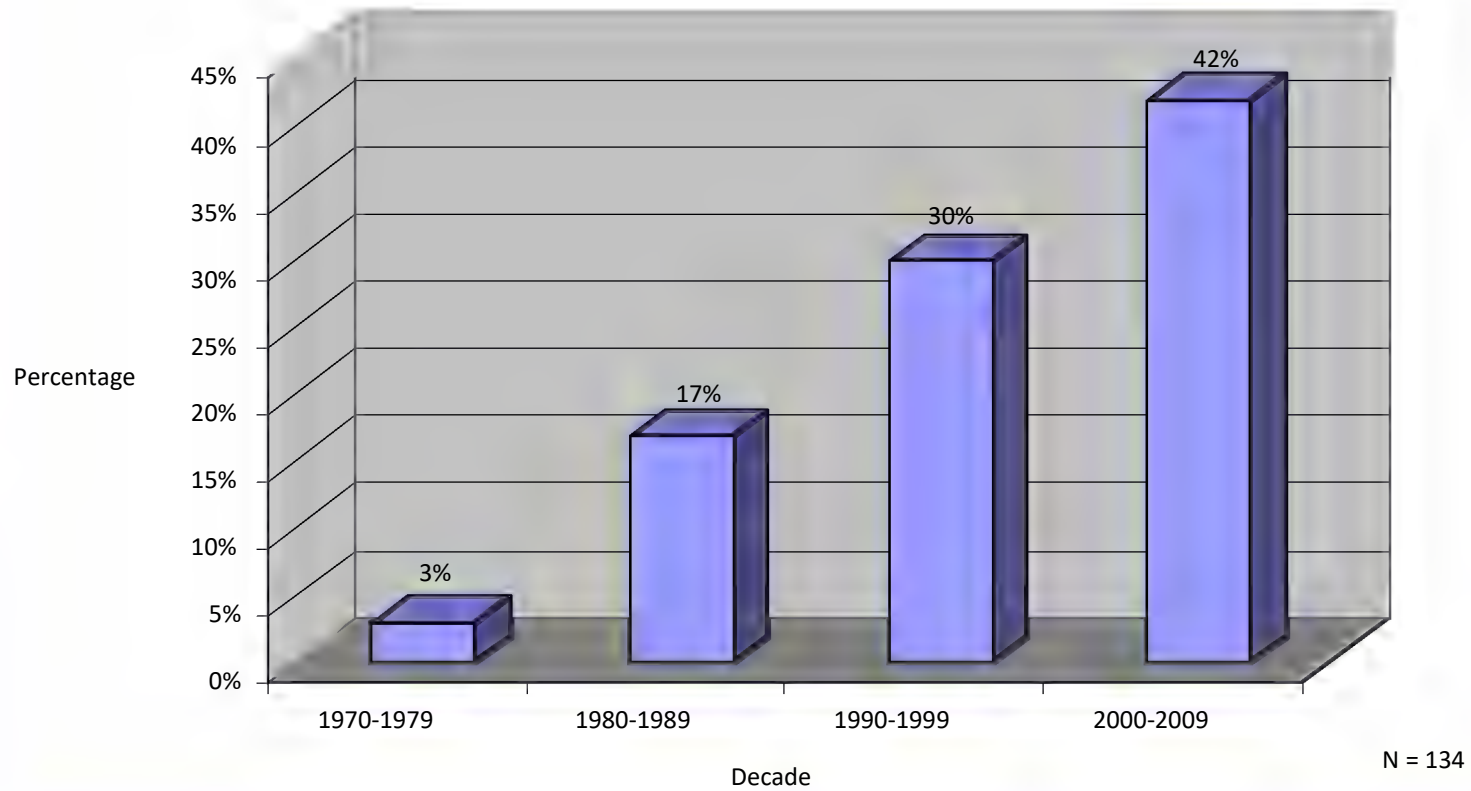
Extremely Low Income	0 to 30% of AMI*
Very Low Income	31 to 50% of AMI
Low Income	51 to 80% of AMI
Moderate Income	81 to 120% of AMI
Above-Moderate Income	> 120% of AMI

- AMI = Area Median Income
Rent or sale price set at 30% of AMI adjusted for family size



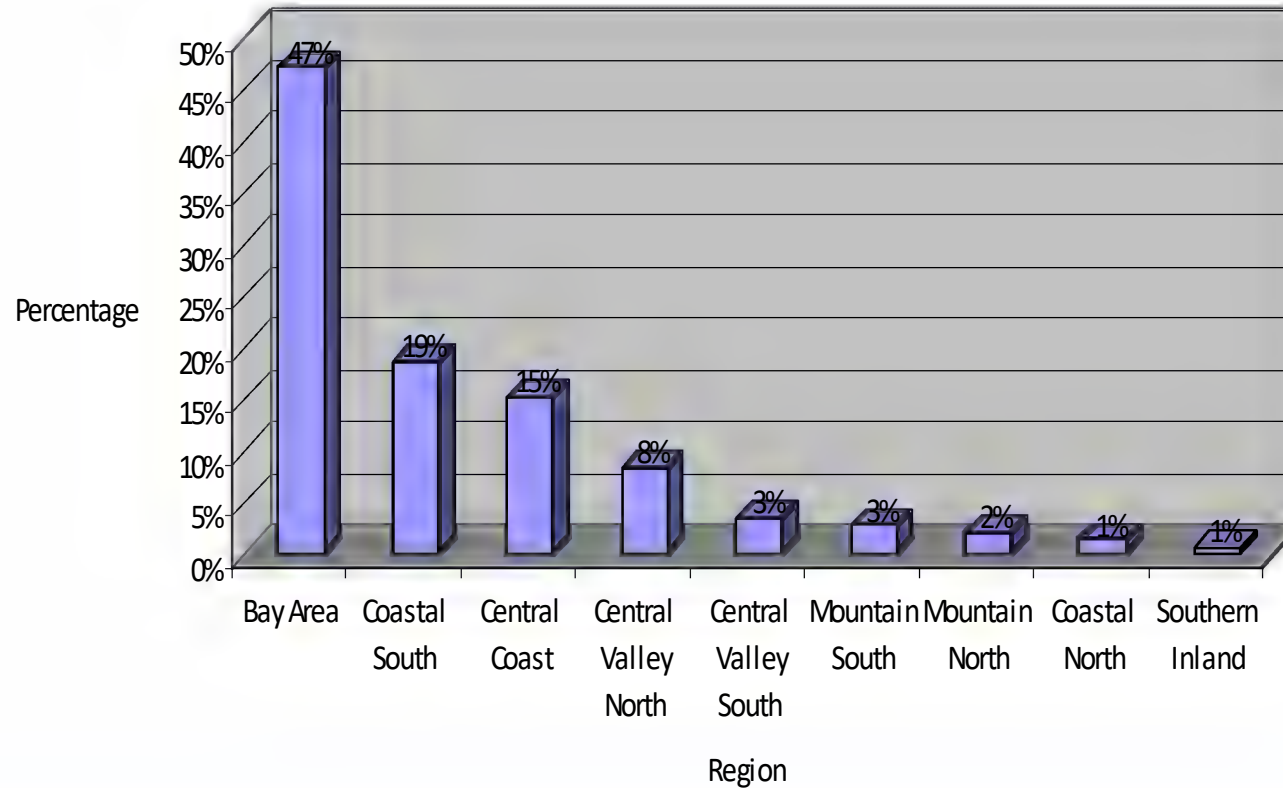
Most Programs Adopted since 1990

Figure 1: IH Programs by Year of Adoption



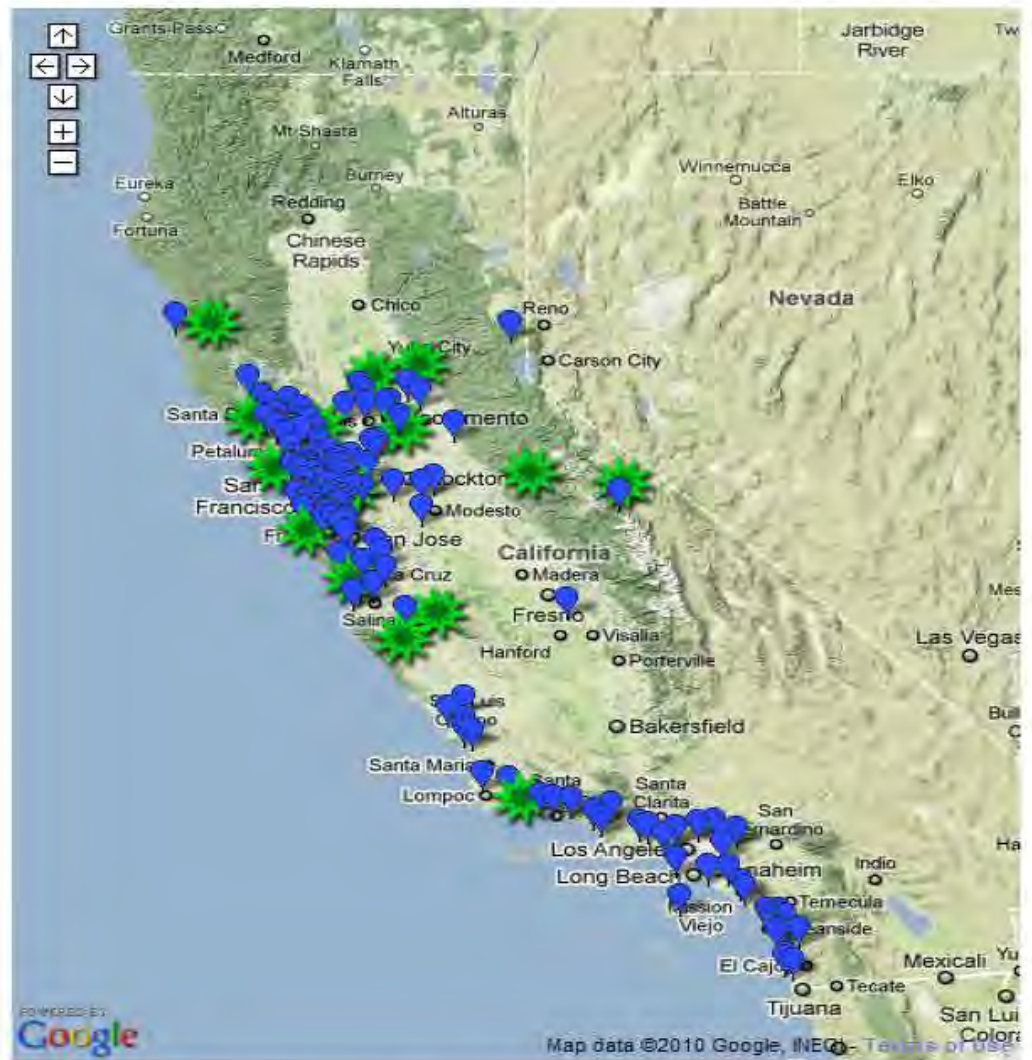
8 of Every 10 Programs Located along Coast

Figure 2: Geographic Distribution of IH Programs



Jurisdiction Search Results

Jurisdiction	Population
Agoura Hills	20,537
Alameda	72,259
Albany	16,444
American Canyon	9,774
Arroyo Grande	15,851
Atascadero	26,411
Avalon	3,127
Benicia	26,865
Berkeley	102,743
Brea	35,410
Brentwood	23,302
Buellton	4,524
Burlingame	28,158
Calabasas	20,033
Calistoga	5,209
Capitola	10,033
Carlsbad	78,247
Carpinteria	14,194
Chula Vista	173,556
Cloverdale	6,831
Colma	1,191
Concord	121,780
Contra Costa County	948,816
Coronado	23,567
Corte Madera	9,100
Cotati	6,471
Cupertino	50,546
Darville	41,715
Davis	60,308
Del Mar	4,389
Duarte	21,486
Dublin	38,330
East Palo Alto	29,506
Elk Grove	112,338
Emeryville	6,882
Encinitas	58,014



- County with an Inclusionary Housing Policy
- City with an Inclusionary Housing Policy

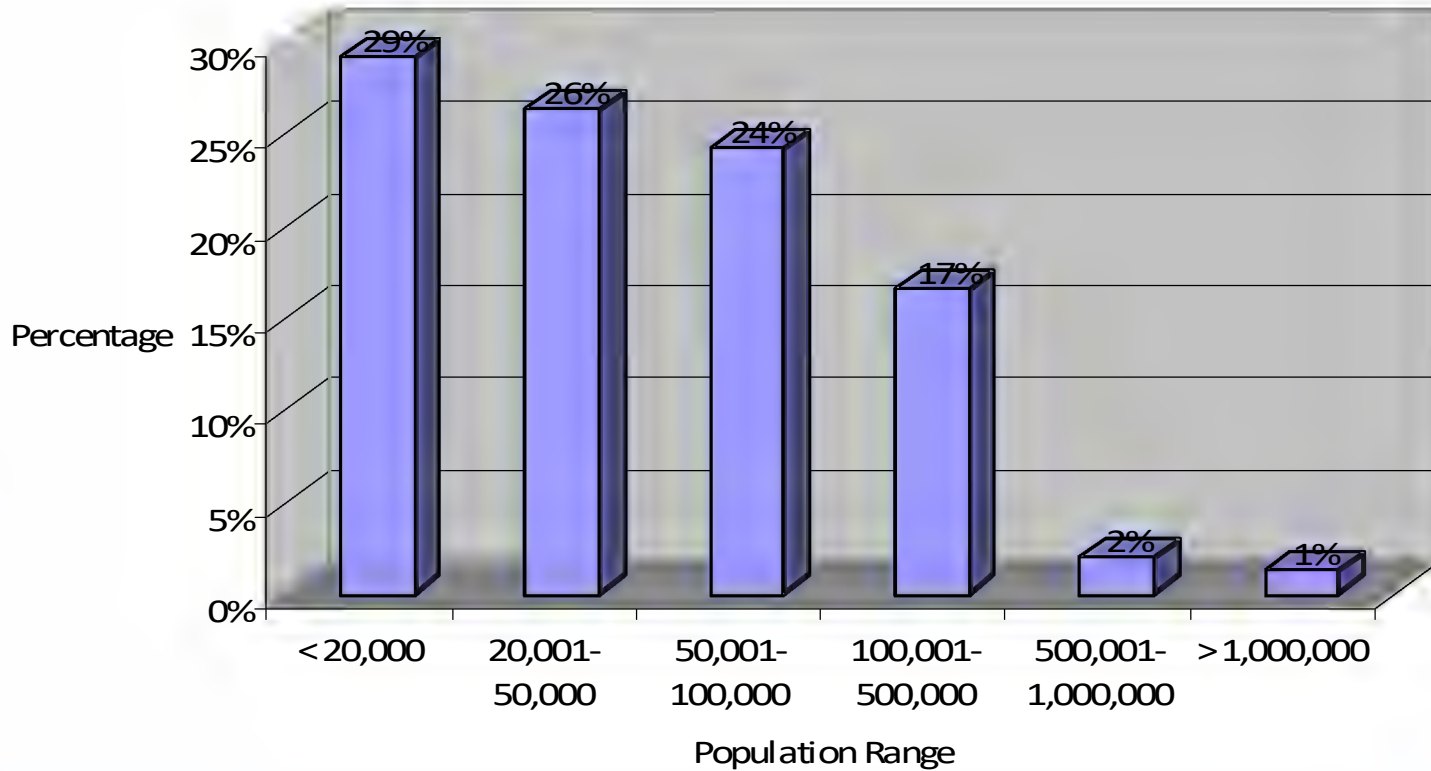
Search by Jurisdiction

Enter a single city or county name.

Search

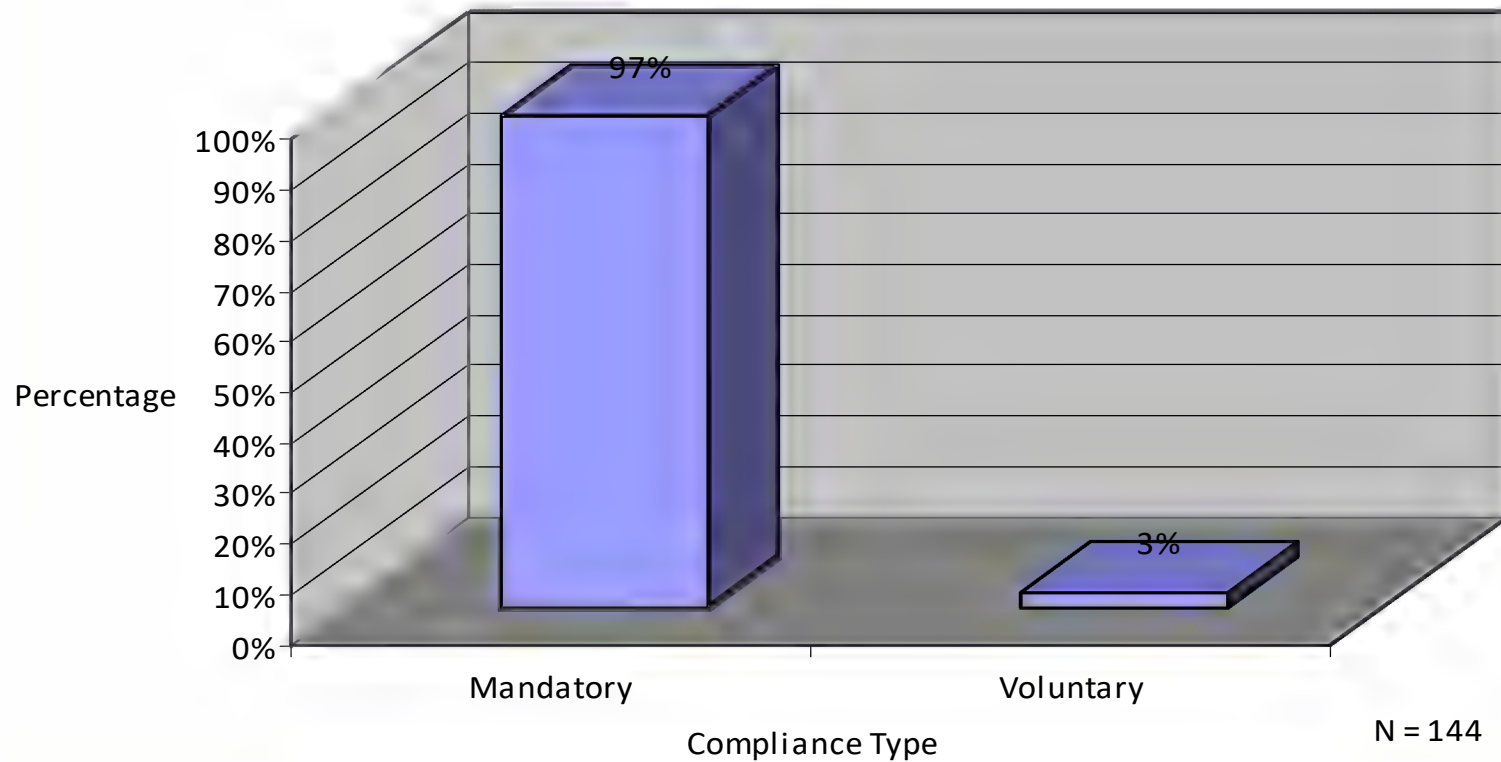
IH is a Small-City Phenomenon

Figure 3: IH Programs by Jurisdiction Population Size



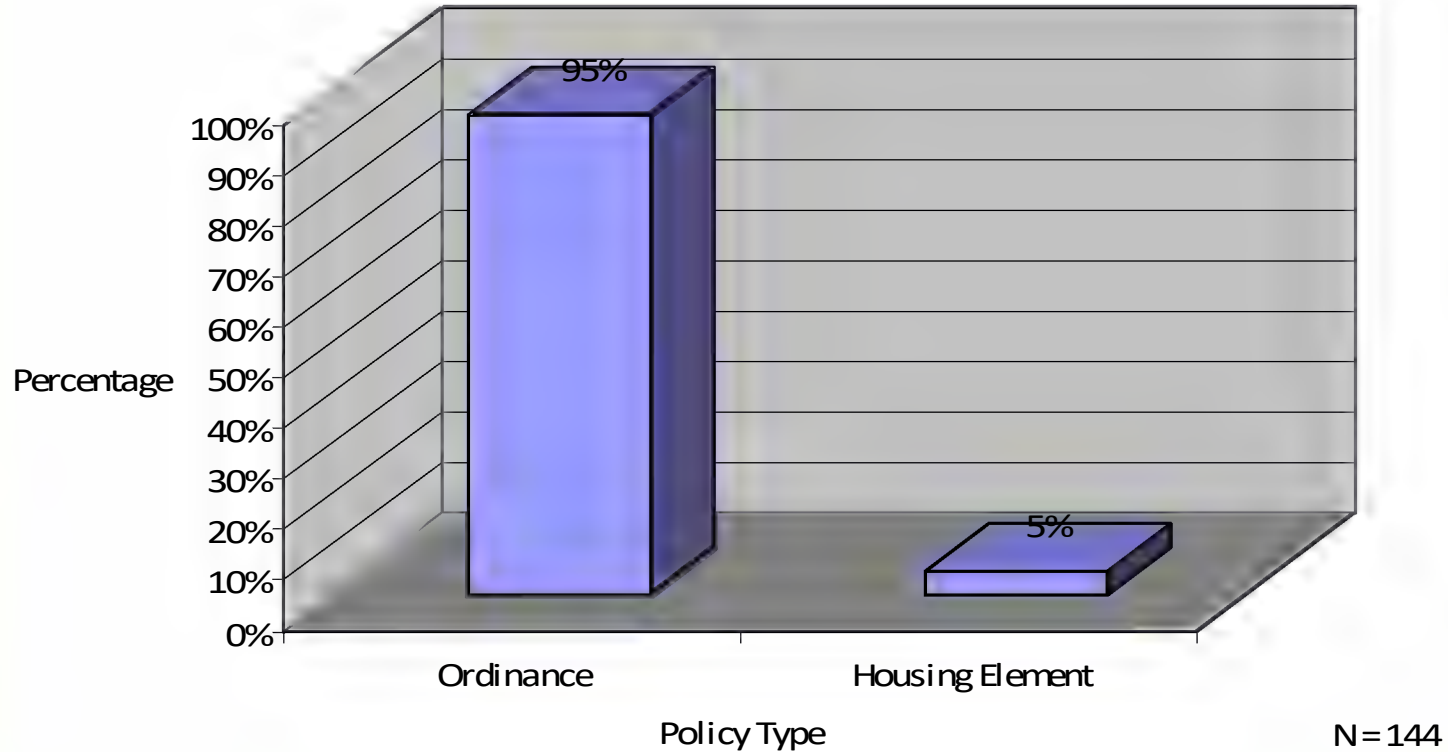
Great Majority of Programs are Mandatory

Figure 4: Compliance Type: Mandatory or Voluntary



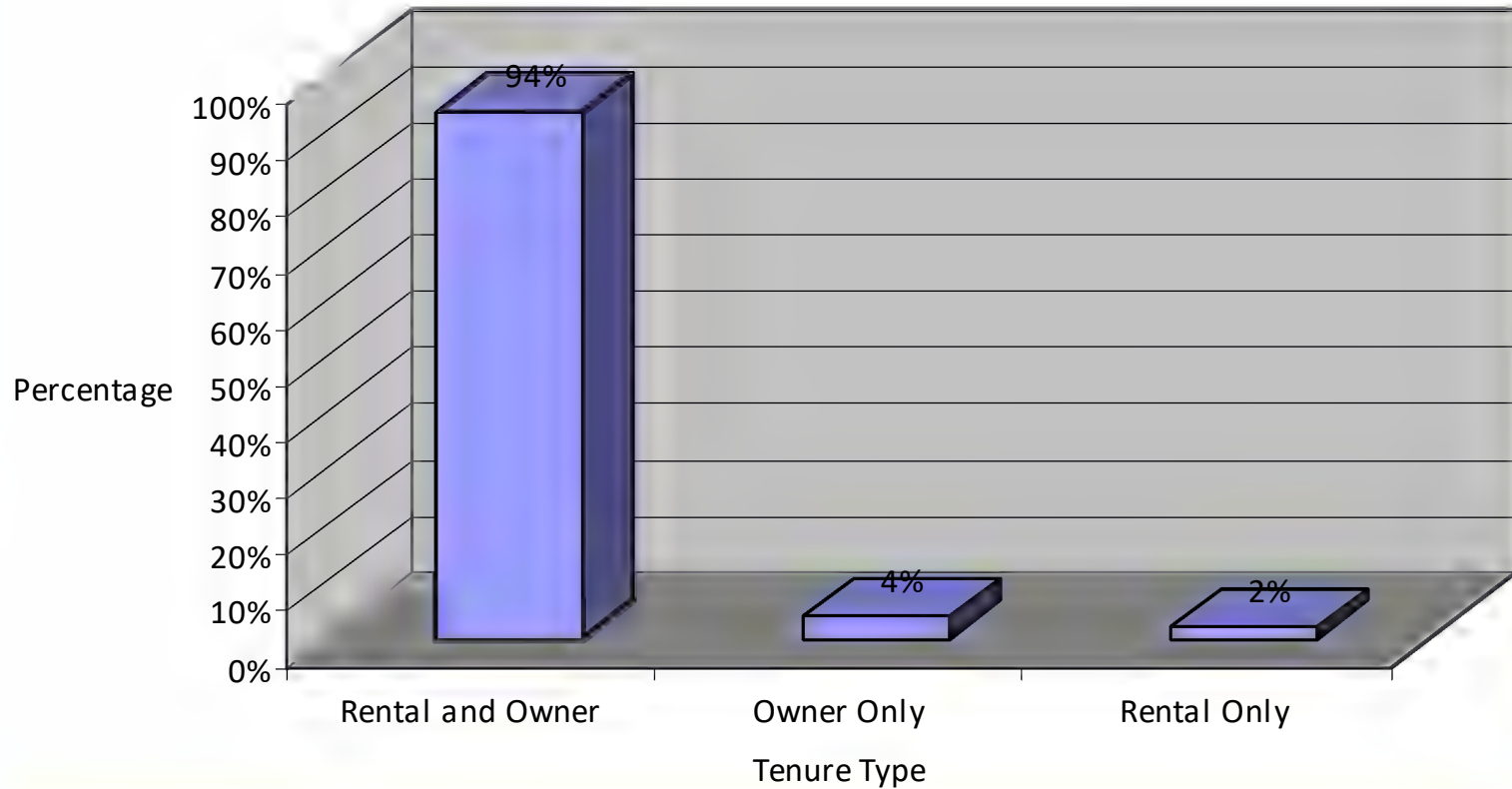
Policies Codified in Municipal or County Code

Figure 5: Policy Type: Ordinance or Housing Element



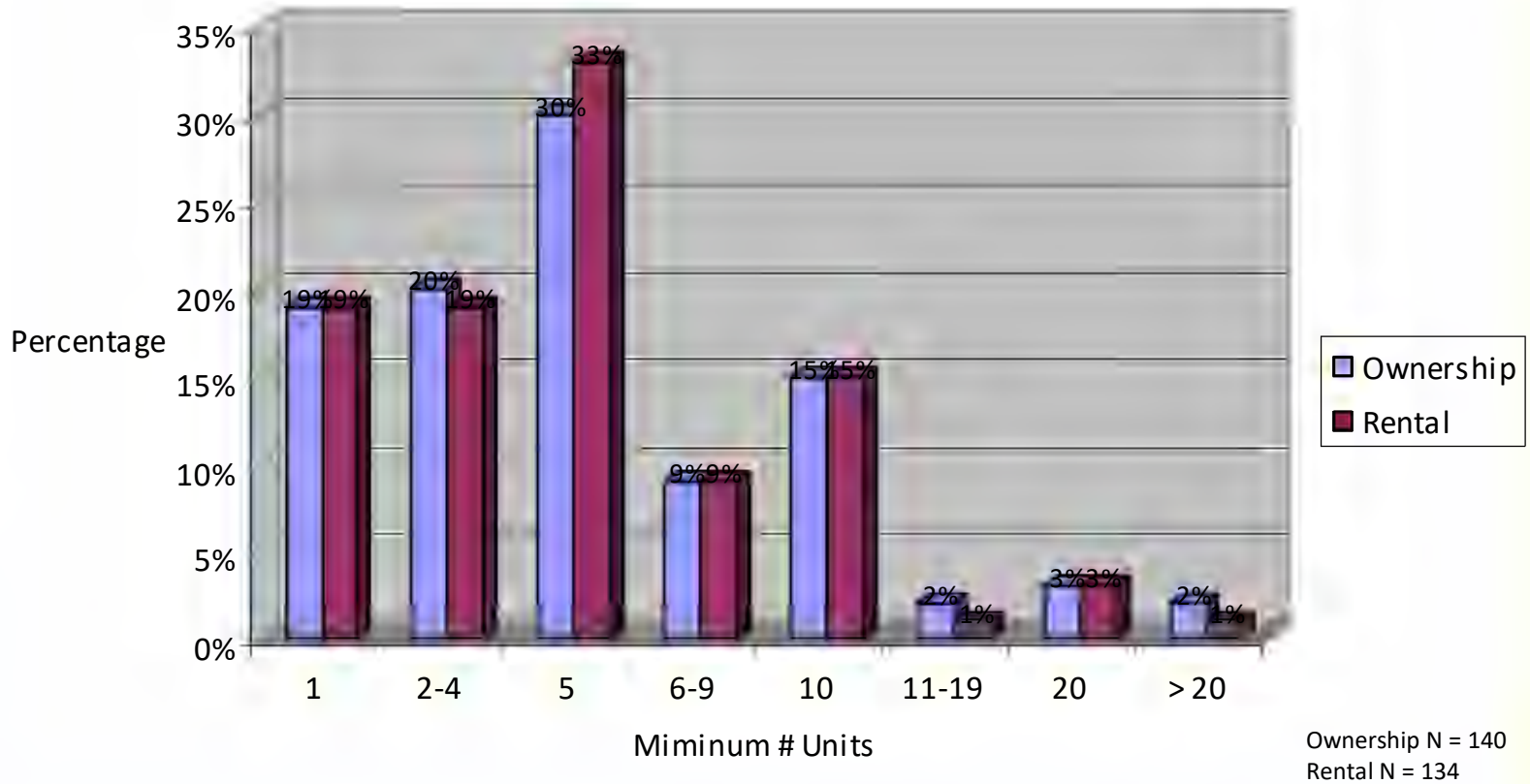
Programs Target Buyers and Renters

Figure 6. IH Programs by Tenure Type: Owner and Rental



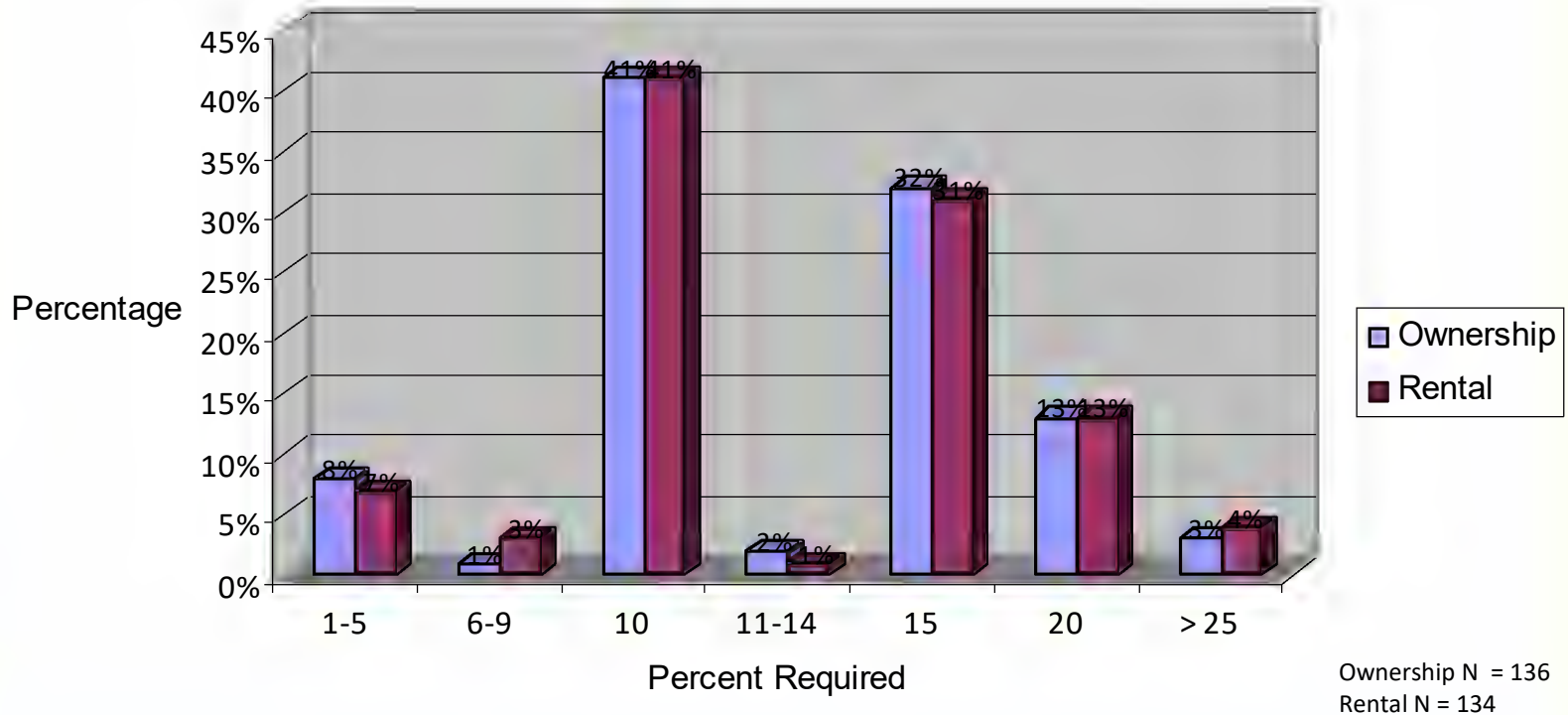
IH Requirement Triggered by 1-5 Units

Figure 7. Minimum Unit-Threshold: Ownership and Rental



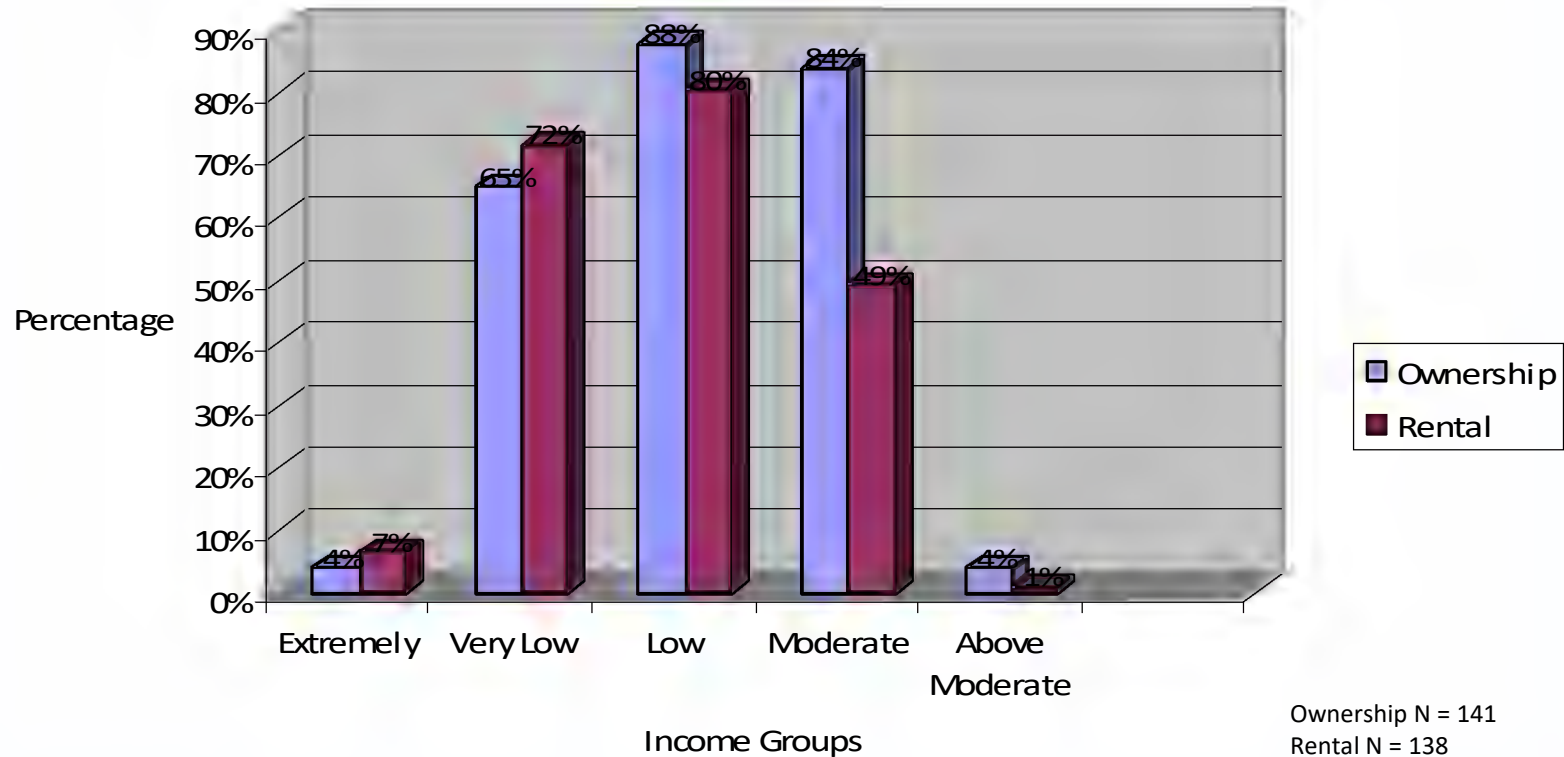
Programs Require 10% or 15% of all Units be Affordable

Figure 8. Minimum % Affordable Units Required:
Ownership and Rental



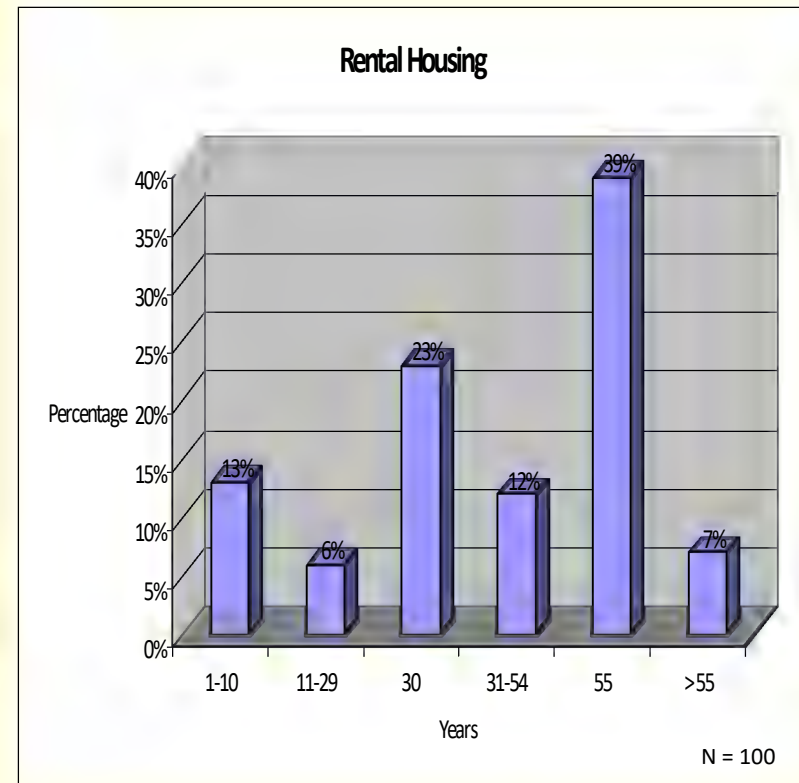
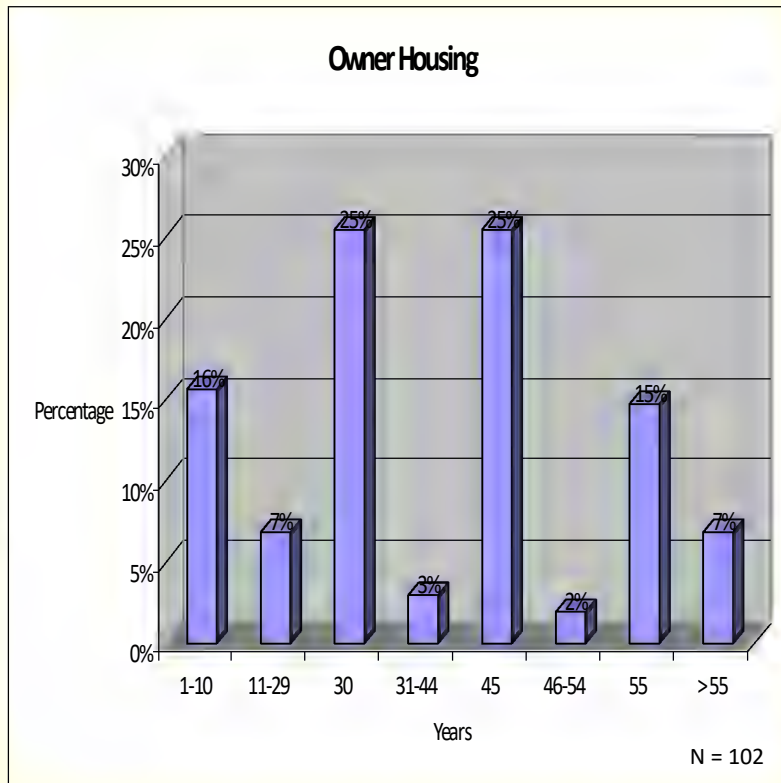
Rental Inclusionary Units Target Lower-Income Residents

Figure 9. Targeted Income Groups: Ownership and Rental



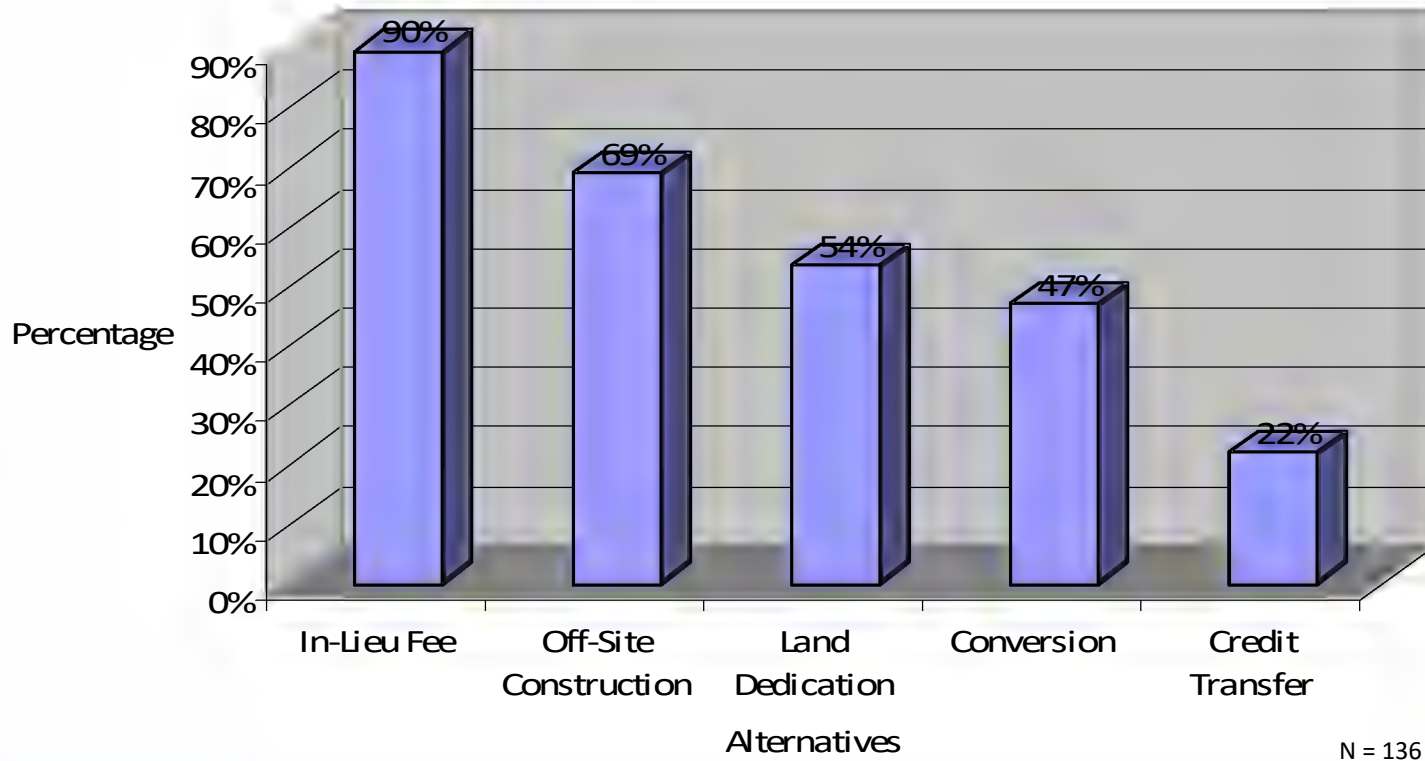
Rental Inclusionary Units Stays Affordable Longer

Figure 10. Minimum Years of Affordability



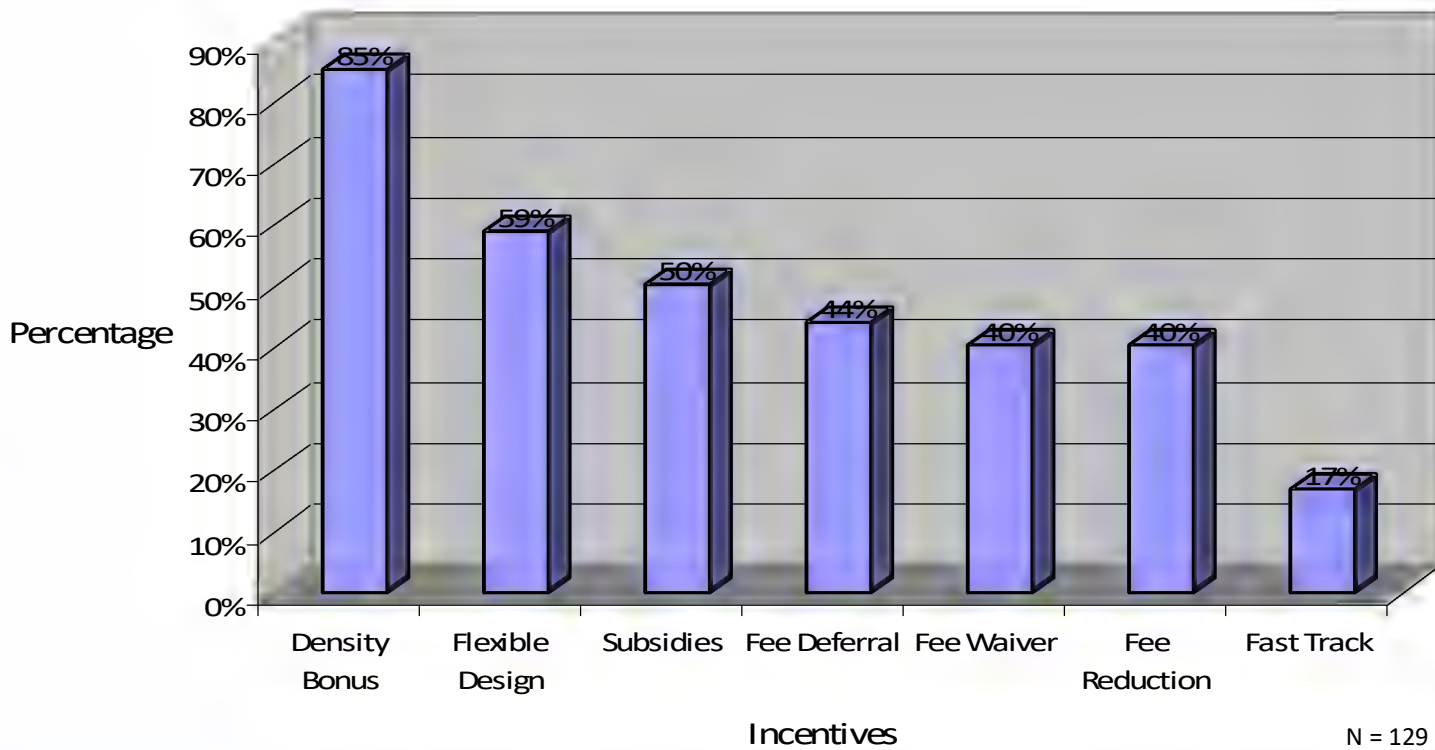
In-Lieu Fee most Common Construction Alternative

Figure 11. Alternatives to On-Site Construction by Developer



Density Bonus Most Common Compliance Incentive

Figure 12. IH Compliance Incentives



City of Davis

Inclusionary Units: Over 1,500

- Adopted: 1990
- Population: 60,038
- Inclusionary Requirements:
 - ✓ Ownership projects: 25%
 - ✓ Rental projects 35%
- Affordability requirements: very low- to moderate-income



Inclusionary Land Dedication: Powerful Tool for Diversity

Table I: Land Dedication and Housing Production
(Includes completed and planned projects)

Housing Type	Developments	Units	Percent of Units
Multifamily Rental	13	566	56%
Multifamily Ownership	1	15	1%
Single Family Ownership	6	89	9%
Senior/Disabled	5	155	15%
Special Needs	1	52*	5%
Student Dormitory	1	112	11%
Unspecified	1	16	2%
Totals	28	1,026	100%

Windmere Apartments:

Family Housing in Upscale Mace Ranch Subdivision



Walnut Terrace Apartments:

Senior Housing in Upscale Mace Ranch Subdivision



Willow Glen Apartments:

Senior/Disabled Housing in Upscale Mace Ranch Subdivision



2-Bedroom House:

Single-Family Unit in Upscale Mace Ranch Subdivision



Strong Design and Density Incentives Help IH Work

Davis incorporates Smart Growth principles to reduce the costs of compliance for developers:

- ✓ Small lot sizes
- ✓ Narrow streets
- ✓ Reduced setbacks
- ✓ Changes in house orientation
- ✓ Irregular lot sizes
- ✓ Elimination of sidewalks on one side of street



SHARED DRIVEWAYS

SHORT SETBACKS, LOT SIZE REDUCTIONS, REDUCED STREET WIDTHS

NO SIDEWALKS

NO SIDEWALKS

Trinita Terrace

San Gallo Terrace

San Gallo Terrace

San Gallo Terrace

San Gallo Terrace

Via Verde Terrace

5th St

3329

3324

1109

Land Use Strategies



Arguments Against Inclusionary Housing

- Taxes One Group to Benefit Another
- Reduces Overall Housing Production
- Shifts Costs to Middle-Income Families
- Lowers Property Tax Revenues
- Exports Inner-City Problems



Counter-Arguments of Inclusionary Proponents

- Development is a Privilege, not a Right – Social Cost Nexus Justification
- No Evidence that Inclusionary Decreases Production
- No Evidence of Cost-Shifting to Market-Rate Housing
- Cost Off-Sets Reduce Impacts on Developers – Still Earn Reasonable Rate of Return on Investment
- Landowners Share Costs with Developers – Reduced Land Values



Land Residual Analysis

- Estimated project revenues
- Less development costs (building fees, marketing, financing, IH Compliance)
- Less developer profit
- Equals land price developer will pay



Support Actual Affordable Housing Projects

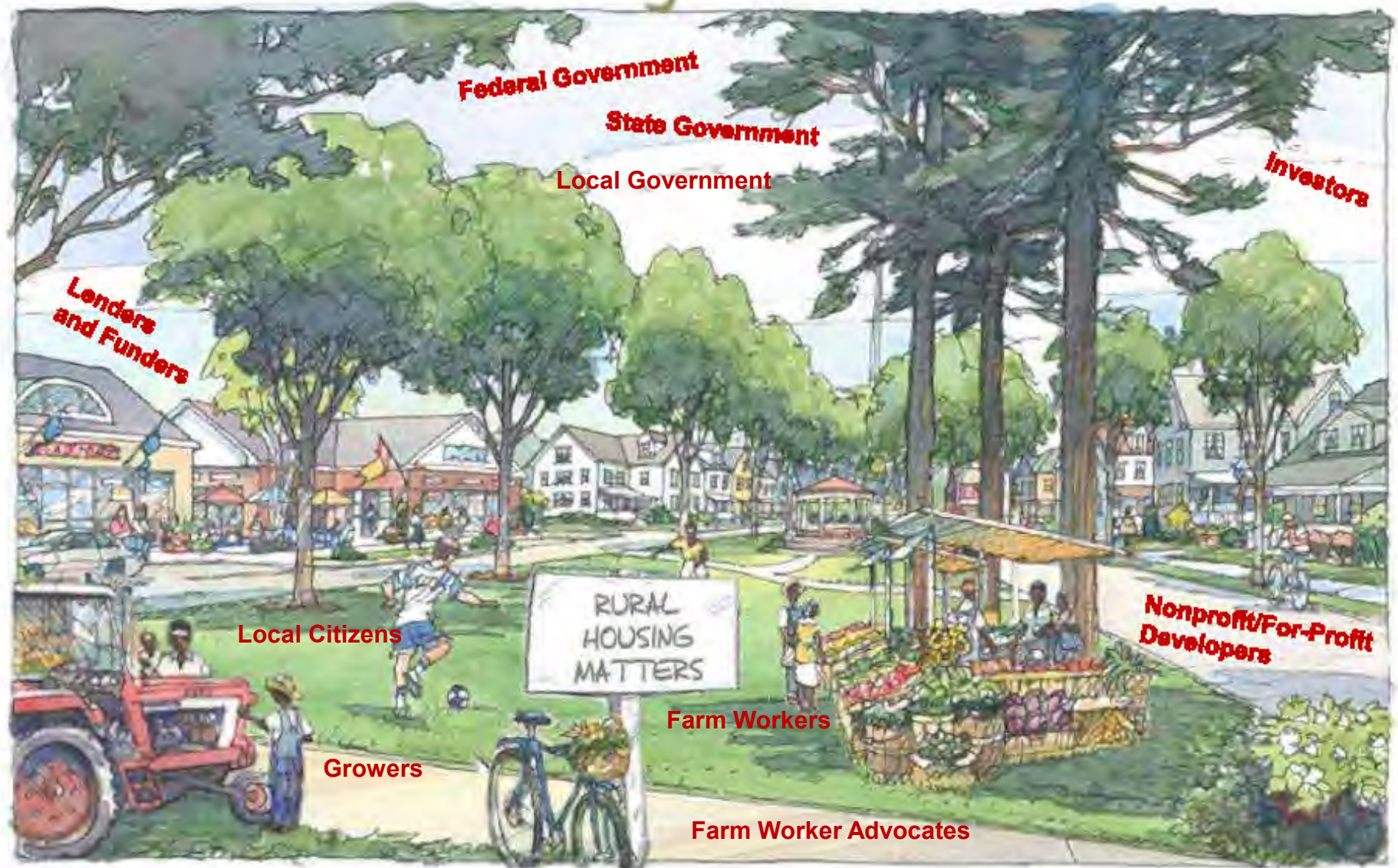
- Affordable Housing sometimes strongly opposed!



NIMBY cows.

- *Community Support Can Make the Difference!*

It takes a village





Thank You

Presented by:

Robert Wiener, Executive Director
California Coalition for Rural Housing
717 K Street, Suite 400
Sacramento, CA 95814
(916) 443-4448
rob@calruralhousing.org

ADJOURNED REGULAR CHICO CITY COUNCIL MEETING - October 20, 2020
Minutes

1.1. ADJOURNED REGULAR CITY COUNCIL MEETING - 6:00 p.m.

1.2. Call to Order - Mayor Schwab called the October 20, 2020 - Adjourned Regular City Council meeting to order at 6:00 p.m. in the Council Chamber, 421 Main Street, Chico, CA.

1.3. Invocation - Chaplain Bud Chauvin

1.4. Pledge of Allegiance to the Flag

1.5. Roll Call

Present: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab

Absent: None

1.6. Item After the Posting of the Agenda - Closed Session

A motion was made by Councilmember Stone and seconded by Councilmember Reynolds to agendize the following Closed Session item that arose after the posting of the agenda:

Mark David Herrera vs. City of Chico, ET al 2:19-CV-02749 USDC - Eastern District of CA

The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab

NOES: None

A motion was made by Mayor Schwab and seconded by Vice Mayor Brown to continue Item 5.3. Ad Hoc Policing Advisory Committee Report to a future meeting.

The motion carried by the following vote:

AYES: Huber, Morgan, Reynolds, Brown, Schwab

NOES: Ory, Stone

A motion was made by Councilmember Morgan and seconded by Councilmember Reynolds to continue Item 5.6. related to Airport Leases to a future meeting.

The motion carried by the following vote:

AYES: Huber, Morgan, Reynolds, Brown, Schwab

NOES: Ory, Stone

2. CONSENT AGENDA

Addressing the Council in person on the Consent Agenda were Tom DiGiovanni and Patrick Newman.

Mayor Schwab and Councilmember Reynolds announced that they were disqualified on Item 2.4. due to owning leasehold properties in the area being discussed.

A motion was made by Councilmember Huber and seconded by Councilmember Reynolds to approve the Consent Agenda, as read, with it noted that Mayor Schwab and Councilmember Reynolds were disqualified on Item 2.4.

The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab
NOES: None

2.1. REVISION TO LEASE TERMINATION OF SILVER DOLLAR BMX

The City Manager recommended City Council authorize a revision of intent to terminate the lease with Silver Dollar BMX (2352 Dr. Martin Luther King Jr. Parkway) extending the lease termination on a month to month basis. *(Mark Orme, City Manager)*

2.2. ALLOCATION OF GENERAL FUND SURPLUS FOR FYE 6/30/2020 TO RESERVES

The City was in the process of completing the annual audited financial statements for the fiscal year ending June 30, 2020. The General Fund (Funds 001& 002) pre-audit surplus for the year ending June 30, 2020 was \$8,898,737. Staff requested \$5,693,815 of this surplus be committed and transferred to the following reserves in the General Fund at June 30, 2020: Emergency Reserve (Fund 003) - \$5,154,761 and Compensated Absence Reserve (Fund 006) - \$539,054. *(Mark Orme, City Manager)*

2.3. CONSIDERATION OF APPROVAL OF SUPPLEMENTAL APPROPRIATION/BUDGET MODIFICATION NO. 2021-ASD-002

The City Manager requested consideration and approval of a Supplemental Appropriation/Budget Modification to the FY 2020-21 Budget. *(Mark Orme, City Manager)*

2.4. AUTHORIZATION OF EXECUTION OF PROPERTY BASED BUSINESS IMPROVEMENT DISTRICT AGREEMENT AMENDMENT #1

The City Manager recommended authorizing the execution of Amendment #1 to the Agreement between City of Chico and Downtown Chico Property Based Business Improvement District for Implementation of [the] Management District Plan which would provide \$17,467 in additional funds to the PBID to reflect the general benefit provided to the greater community from the services and improvements performed by the PBID.

The PBID was approved and established for a five-year (5) term beginning January 1, 2018 through December 31, 2022 and encompasses approximately 45 whole and partial blocks in the commercial core of Downtown Chico. On April 3, 2018, the City Council approved an agreement between the City and the PBID organization to allow the City to distribute the assessments collected by Butte County on behalf of the PBID directly to the PBID. At the time, the PBID requested the City contribute to the General Benefit component, but no motion was offered. On November 13, 2019, the PBID formally requested the City consider providing the General Benefit component to the Downtown PBID. *(Mark Orme, City Manager)*

Councilmember Reynolds and Mayor Schwab were disqualified on this item due to owning a leasehold property within the area being discussed.

2.5. AMENDMENT TO CITY OF CHICO BUDGET APPENDIX B-3

An amendment to the City of Chico's 2020/21 Fiscal Year Budget Appendix B-3, modifying the Full-time position allocations for the City Manager's Office. *(Mark Orme, City Manager)*

2.6. ITEMS REMOVED FROM THE CONSENT AGENDA - None

- 3. BUSINESS FROM THE FLOOR** - Members of the public addressed the Council on matters not listed on the agenda, with comments limited to three minutes or as determined by the Mayor based on the number of speakers. The Council was precluded from taking action on requests made under this section of the agenda.

Addressing the Council on Business from the Floor were Rob Berry, George Deeds, Daman Fadale, Kami Smith, Rhonda Magnusson, Patrick Newman, Sascha Sarnoff, Ruth Sarnoff, and Larry Halstead.

- 4. PUBLIC HEARINGS** – No scheduled Public Hearings

5. REGULAR AGENDA

5.1. CONSIDERATION OF HOUSING AD HOC COMMITTEE REPORT & RECOMMENDATIONS - Continued from 10/6/20 meeting

The Council considered the April 1, 2020 report and recommendations from the Housing Ad Hoc Committee and provided further direction to staff regarding the proposed recommendations. Additionally, at its meeting of July 7, 2020, Councilmember Stone requested that Council address inclusionary zoning which was not originally included in the interim report. Following Council's discussion, Councilmember Ory noted that was already a prior action taken by the Council to bring back the Housing Ad Hoc Committee report at such time all items could be heard by the Council which would now include the inclusionary zoning statement. **(Report - Councilmember Stone)**

Addressing the Council via Engaged Chico were Angela McLaughlin, Susan Smead, Rob Berry, Kate Leyden, and Jackie Smith.

Public Comments were received Grace Marvin, and Nichole Nava.

Larry Halstead addressed the Council in person.

A motion was made by Councilmember Ory and seconded by Councilmember Stone to accept the Ad Hoc Housing Report recommendations as noted below, with inclusionary zoning to come back for more discussion and development of a policy that will address future units. Staff was also asked to find incentives for the inclusionary zoning so that this could be brought forward to the Planning Commission for consideration and implementation.

1. Land Absorption, Future Demand, and Residential Pipeline – The Ad Hoc Committee recommends that the City approve projects that are consistent with the City's General Plan and Municipal Code, honoring the Chico 2030 General Plan and acknowledging that the Land Use Diagram represents where the community has agreed it will focus growth.
2. Importance of Infrastructure – The Ad Hoc Committee recommends that staff: (1) submit IIG Grant; (2) seek other funding opportunities; (3) implement Capital Project Program with emphasis on supporting residential development; and (3) direct staff to assess Development Impact Fee structure in order to encourage more small and affordable housing.

3. Infill Opportunity Sites - The Ad Hoc Committee recommends that Council direct staff to fund planning and pre-engineering for these three sites in coordination with property owners to encourage infill development.
4. Accessory Dwelling Units (ADUs) - The Ad Hoc Committee recommends that Council: (1) extend the current fee reduction for ADUs not already mandated by the State (units greater than 750 SF); (2) remove SD-4 Overlay requiring Use Permit for ADU in Avenues; and (3) direct staff to identify neighborhoods where sewer and other infrastructure will limit ADUs.
5. Senate Bill 2 (Building Homes and Jobs Act) Work Program - The Ad Hoc Committee recommends that Council direct staff to: (1) implement SB2 Programs; and (2) revisit North Chico SPA.
6. Housing Element Update - The Ad Hoc Committee recommends that Council utilize the State-mandated, comprehensive Housing Element Update process to consider, vet, and direct new programs that will stimulate workforce and affordable housing.
7. Butte County Airport Land Use Compatibility Plan - The Ad Hoc Committee recommends that Council pursue BCALUCP Amendments.
8. Affordable Housing Projects - The Ad Hoc Committee recommends that Council direct the City staff to: (1) identify land and development partners for an additional large affordable housing development; and (2) direct staff to further assess ways to encourage community land trusts as an affordable development model and identify any barriers.
9. Request for Information (RFI) for Use of City-Owned Properties for Affordable Housing - The Ad Hoc Committee recommends that the proposals received are shared with Council and investigated for opportunities for future collaboration.
10. Inclusionary Zoning - The Ad Hoc Committee recommends adoption of an Affordable Housing zoning policy (Inclusionary zoning). It is the committee's intent that this policy be applicable to projects not yet in the "pipeline", particularly Specific Planning Areas. It is recommended that several incentives be provided such as additional density bonus, fee deferral, fee reduction and fast tracking. The committee recognized that subsidy would be the most effective incentive, but the City lacks a funding source. The committee notes that AHZ can be accomplished by land dedication, or actual construction and sale of units below market, or by paying a in lieu fee. The committee recommends land dedication as the primary method. The committee further recommends that this policy be considered by the Planning Commission for their recommendation.

The motion carried by the following vote:

AYES: Huber, Ory, Stone, Brown, Schwab
 NOES: Morgan, Reynolds

5.2. QUALITY OF LIFE PLAN - *Continued from the 10/6/20 meeting.*

Homelessness in Chico, and across Butte County, has grown at an alarming rate impacting the health and safety of all residents. To address this concern, City staff have articulated several solutions in the Homeless Opportunities Plan (Plan) that may alleviate these impacts while creating other opportunities for sheltering and linkages to services for homeless persons.

After presenting the Plan to the City Council on September 22, 2020, City staff took the input and direction provided by Council, and many members of the public, and developed an operational plan that creates a framework to allow staff to focus on strategies and action items that are integral to improving the quality of life in the City of Chico while addressing the needs of persons experiencing homelessness.

The Quality of Life Plan is hereby forwarded to Council for consideration, which creates a framework to bolster the Homeless Opportunities Plan, to support the overarching goals of the City Council and community.

The Council recessed at 7:19 p.m. for a ten-minute break. The meeting was reconvened and all members were present.

Recommendations:

- Provide direction on the 3-year plan to improve Chico's quality of life.
- Authorize up to \$1.8 million in supplemental appropriations for the following:
 - Action 1.2.D: Sanctioned camping site planning and environmental work (\$100,000)
 - Action 1.3.A: Increase short-term emergency shelter beds (\$657,967)
 - Action 1.3.B: Expand existing emergency shelter beds by 50 (\$300,000)
 - Action 2.1.A: Conduct fire risk assessment (\$100,000)
 - Action 2.2.A: Municipal code enforcement (\$60,000)
 - Action 2.2.B: Public Works request system (\$21,000)
 - Action 2.2.C: Parks & waterways clean up (\$550,000)
 - Action 2.2.D: Increase TARGET Team hours (TBD)
- Approve the concept of and anticipate potential approval of funding for:

Potential Action 1.2.C:	New BMX completion (\$600,000)
Potential Action 1.3.C:	Identify site for non-congregate emergency-sheltering solution estimated cost \$5 Million - \$8 Million)
- Approve the concept of and anticipate potential approval of funding for:

Potential Action 1.2.C:	New BMX completion (\$600,000)
Potential Action 1.3.C:	Identify site for non-congregate emergency sheltering solution (estimated cost \$5 Million - \$8 Million)

Addressing the Council on this item via Engaged Chico were Angela McLaughlin, Jamie Damon, Will Brady, Jacky Smith, and Kim Dietz.

Grace Marvin, Diane Suzuki-Brobeck, and Kirk Monfort participated by sending in email comments.

Addressing the Council in person were Charles Withuhn, Rhonda Magnusson, Patrick Newman, Larry Halstead, Ulis Gordon, Nancy Park, Emily Alma, and Jack Lee.

Council Discussion

Council discussed the various options included in the report. Vice Mayor Brown expressed that prioritizing housing first should be the first priority. Additionally, measurements are needed. She also noted that zero dollars are going to permanent housing and the City may want to consider directing some funding to the Housing Trust. She stated she appreciated the plan and when looking at best practices for campsites, it's better to start smaller, with perhaps three different sites.

Councilmember Stone again requested that staff look at utilizing the former CHP building and parking lot.

Councilmember Huber expressed support for a more dispersed approach vs. one large campsite.

Councilmember Morgan expressed support for expanding emergency shelter beds by 50 immediately which would meet the needs of the campers, reduce the fire risk associated with illegal camping and code enforcement. He was concerned over the option of using \$700,000 for three months only for the proposed site at the airport as the homelessness issue is not going away in 90

days. He also felt that things are most successful when started small and asked if there were smaller steps that could be taken to see if it will work.

A motion was made by Councilmember Huber and seconded by Councilmember Ory to consider moving forward with all items except the \$700,000 for the three months costs associated with a campsite at the Airport, and approval for the \$100,000 to assess the BMX location for a campsite including the review of ingress and egress requirements.

The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab
NOES: None

- 5.3. **CONSIDERATION OF POLICING REVIEW AD HOC COMMITTEE INTERIM REPORT - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.4. **ESTABLISHMENT OF NEW FEES FOR THE COMMERCIAL CANNABIS PROGRAM - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.5. **AN ORDINANCE OF THE CITY OF CHICO ADOPTING TITLE 12R - RULES AND REGULATIONS OF BIDWELL PARK AND OTHER PARKS AND PLAYGROUNDS AS ENFORCEABLE AS EITHER MISDEMEANORS OR INFRACTIONS UNDER THE CHICO MUNICIPAL CODE - - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.6. **CONSIDERATION TO APPROVE THE AIRPORT COMMISSION RECOMMENDED REVISED STANDARD LEASE POLICY AND NEW STANDARD LEASE AGREEMENT WITH EXHIBITS - Continued from 10/6/20 meeting with amendments to report – Continued to the 11/3/20 meeting.**
- 5.7. **CLOSED SESSION ITEM ADDED AFTER THE POSTING OF THE AGENDA**

Mark David Herrera vs. City of Chico, ET al 2:19-CV-02749 USDC - Eastern District of CA

6. **REPORTS AND COMMUNICATIONS** - The following reports and communication items were provided for the Council's information. No action could be taken on items under this section unless the Council agrees to include it on a subsequent agenda.
 - 6.1. **CITY MANAGER'S REPORT - Verbal Report, City Manager Orme**
 - 6.2. **ANNUAL REBUDGETS OF FISCAL YEAR 2019-20 INTO FISCAL YEAR 2020-21 AND REPORT ON CONFIRMING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2019-20 – Information only**
 - 6.3. **SUNSHINING OF DRAFT MOU - CHICO MANAGEMENT EMPLOYEES (CME) - Information only**

Pursuant to the "Sunshine and Transparency" requirements of the negotiation process, the Council is provided a draft copy of the Memorandum of Understanding applicable to CME. This initiates the two week "sunshining" period for Council and community members to review the draft document. A final presentation will be brought forward to Council for consideration at its meeting on November 3, 2020. **(Jamie Cannon, Director of Human Resources & Risk Management)**
 - 6.4. **SUNSHINING OF DRAFT PBR – PUBLIC SAFETY MANAGEMENT (PSM) - Information only**

Pursuant to the "Sunshine and Transparency" requirements of the negotiation process, the Council is provided a draft copy of the Memorandum of Understanding applicable to PSM. This initiates the two week "sunshining" period for Council and community members to review the draft document. A final presentation will be brought forward to Council for consideration at its meeting on November 3, 2020. **(Jamie Cannon, Director of Human Resources & Risk Management)**

- 6.5. **COUNCILMEMBER REQUESTS** - Pursuant to AP&P 10-10, Councilmembers may verbally request an item to be agendized at a future meeting. After stating what the item would be, a majority vote of Council was needed in order for staff to agendize. Councilmembers may also submit requests in writing.

Councilmember Ory Verbal Request – Specific Planning Areas and General Plan Update

A motion was made by Councilmember Ory and seconded by Councilmember Stone to agendize at a future meeting.

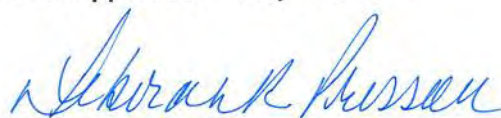
The motion carried by the following vote:

AYES: Huber, Morgan, Ory, Reynolds, Stone, Brown, Schwab
NOES: None

Councilmember Huber Verbal Request – Additional Trash Receptables – Staff will provide an update to Council.

7. **CLOSED SESSION** - Council recessed at 10:06 p.m. to Closed Session in Conference Room 1.
- 7.1. **CLOSED SESSION PUBLIC COMMENTS OR COUNCIL DISQUALIFICATIONS**
- 7.2. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Pursuant to Gov. Code Sec. 54956.8.**
- Agency Negotiator: Mark Orme, City Manager
Party negotiating with: Dan Gonzales
APN: 002-180-087, 002-18-088, 002-180-089, 002-180-095
Address: Bruce Rd. and Humboldt Ave.
- 7.3. **CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION: Pursuant to Cal. Gov Code Sec. 54956.9(d)(1):**
- City of Chico et al v. Amerisourcebergen Drug Corporation et al (NDO MDL 1:20-op-45189; EDCA 2:20-cv-00876-MCE-DMC)
- 7.4. **CONFERENCE WITH LABOR NEGOTIATOR - Pursuant to Gov. Code Sec. 54957.6**
- Negotiator: Jamie Cannon, Director of Human Resources & Risk Management
Employee Organization: Chico Police Officers Association, UPEC
- 7.5. **CLOSED SESSION ITEMS ADDED AFTER THE POSTING OF THE AGENDA**
- Mark David Herrera vs. City of Chico, ET al 2:19-CV-02749 USDC - Eastern District of CA*
- 7.6. **CLOSED SESSION ANNOUNCEMENT**
- The Council met in Closed Session regarding the items as noted on the agenda. No action was taken; direction was provided.*
8. **ADJOURNMENT** – Adjourned at 10:38 p.m. to the Regular City Council meeting on November 3, 2020 at 6:00 p.m. in the Council Chamber at 421 Main St. Chico, CA.

Date Approved: /drp 11/17/20



Deborah R. Presson, MMC, City Clerk

INTERNAL AFFAIRS COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers Denlay, Tandon, and Chair Reynolds
Special Meeting of June 21, 2021 – 2:00 p.m.
Council Chamber Building, 421 Main Street, Conference Room 1

REGULAR AGENDA

A. DOWNTOWN CARD ROOM DISCUSSION

At the April 6, 2021 City Council meeting, the Council voted to refer a discussion of the possibility of a allowing a card room downtown. **(Report – Brendan Vieg, Community Development Director)**

B. DISCUSSION OF SERVICES OFFERED IN EACH DISTRICT

At the April 6, 2021 City Council meeting, the Council voted to refer a discussion of the services offered in each district and the possibility of distributing services evenly throughout the districts for accessibility of services. **(Report - Suzi Kochems, Homeless Solutions Coordinator)**

D. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn to the next regular Internal Affairs Committee meeting scheduled for Monday, August 2, 2021, at 2:00 p.m.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda.

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda. In order to maintain an accurate and complete record, the following procedural guidelines have been implemented:

1. Speaker Cards – speakers will be asked to print his/her name on a speaker card to address the Committee and provide card to the Clerk prior to the completion of the Staff Report.
2. The Clerk will call speakers in the order the cards are received.
3. Speakers may address the Committee one time per agenda item.
4. Speakers will have a maximum of three minutes to address the Committee.

Distribution available in the office of the City Clerk

Posted: 06-17-21 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us
Copies of the agenda packet are available for review at: City Clerk's Office, 411 Main St. Chico, CA 95928



Please contact the City Clerk at 896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.

City Council Memorandum

TO: City Council

FROM: Brendan Vieg, Director, CDD (879-6806, brendan.vieg@chicoca.gov)

RE: Proposed Cardroom in the Downtown North (DN) Zoning District

At its September 1, 2020 meeting, City Council voted to agendaize a discussion regarding allowing a cardroom in Downtown Chico. Attached is correspondence from Jon Scott who is seeking to relocate his cardroom, Casino Chico, from its current location at 968 East Avenue to a location in Downtown (see **Attachment A**). Currently, cardrooms are permitted with a use permit in the DS (Downtown South), CC (Community Commercial), CS (Commercial Services), and CR (Regional Commercial) zoning districts. No other zoning districts in the City allow cardrooms either as a permitted use, or with a use permit. Allowance of a cardroom in the Downtown North (DN) zoning district would require an amendment to the Municipal Code, specifically amending Table 4-6 (Allowed Uses and Permit Requirements for Commercial Zoning Districts) of Chapter 19.44 (Commercial and Office Zones) to include "cardrooms" as an allowed use subject to issuance of a use permit.

The City Council considered and did not support a similar request in 2014 (discussed in more detail later in this report).

Recommendation:

Staff recommends that the City Council consider the information provided in this memo and public comment, and provide general direction as to whether Jon Scott should pursue an amendment to the City's Municipal Code that would allow cardrooms in the Downtown North zoning district subject to a use permit.

FISCAL IMPACT

It is assumed that application fees would offset any cost associated with processing a Municipal Code amendment and conditional use permit.

BACKGROUND/DISCUSSION

Chico Municipal Code Regulations for Cardrooms

As noted above, cardrooms are permissible in the DS, CC, CS, and CR districts subject to issuance of a use permit. In addition to zoning requirements, cardrooms are regulated by Chapter 5.32 (Business Regulations) of the Chico Municipal Code (see **Attachment B**, Cardrooms regulations). Under Chapter 5.32, cardrooms require a City license approved by the Administrative Services Director, and a valid gambling license issued by the

California Bureau of Gambling Control. Cardrooms are defined under CMC Section 5.32.010 as:

"Any space, room or enclosure, furnished, or equipped with a table used or intended to be used as a card table for the lawful playing of controlled games as defined in California Penal Code Section 337j(e) or any successor statutes thereto."

Under Chapter 5.32, up to three card rooms may operate in the City, with no more than 15 tables for all cardrooms combined, and no more than eight tables in any one cardroom. Compliance with all regulations in CMC 5.32 are required, and no latitude is available through the use permit process.

Previous Effort to Allow a Cardroom in the Downtown North (DN) Zoning District (Rezone 14-01)

In 2014, a similar request to amend the City's Municipal Code to allow a cardroom in the Downtown North zoning district was considered by the City Council. The amendment was not supported. Attached is the December 16, 2014 Council staff report that summarizes issues that were considered at that time, as well as the resolution denying the requested amendment (see **Attachment C**). Key issues raised included whether there was a need for a cardroom in the north Downtown area (given that they are allowed in 4 other zoning districts), compatibility with Downtown uses, increasing alcohol-related businesses, and undesirable late-night activity. The meeting minutes from the Council meeting are also attached (see **Attachment D**).

Casino Chico (Use Permit 16-02) - Existing Cardroom at 968 East Avenue (Quackers)

On July 7, 2016, the Planning Commission approved a conditional use permit to allow a cardroom with 7 game tables to operate within an 800 square foot area of an existing restaurant and sports bar located 968 East Avenue (APN 015-230-031) (see **Attachment E**, Use Permit 16-02). Jon Scott is operating a cardroom at that location at this time.

DISTRIBUTION

City Clerk

ATTACHMENTS

- A. Jon Scott Correspondence
- B. CMC Chapter 5.32 (Cardrooms)
- C. 12/16/14 Council Staff Report (w/ Attachments)
- D. 12/16/14 Council Meeting Minutes
- E. Use Permit 16-02 (Scott)

REVENUE ENHANCMENT PLAN FOR CHICO

Deploy a zoning change as needed to allow one card room in the downtown area. My cardroom, CASINO CHICO.

This cardroom will be located in an already existing entertainment business: Ubar, or the Beach, or Panamas.

Rob Mowry owns those businesses and has done consistent and substantial upgrades to the historic buildings his businesses are located in for over 25 years and counting. Rob Mowry is my current landlord for the cardroom's current location at 968 East Avenue.

This cardroom would be authorized to have as many tables as are available per the City of Chico cardroom ordinance. Currently our ordinance allows up to 15 tables and up to 3 cardrooms in the City of Chico. There is a statewide moratorium on new cardrooms that is unlikely to be lifted anytime soon. (The moratorium has been in effect for over twenty years)

There is currently one competitor, Casino 99 on Park Ave. They are in trouble with the Bureau of Gambling Control and are currently going through State of California administrative proceedings to revoke their license.

My cardroom, Casino Chico, will put a contractual voluntary gross revenue tax of 5% for the city of Chico. No vote needed. The easiest new revenue source the city will obtain! 😊

After a six month ramp up, I would guess gross revenues would be in the neighborhood of 2MM per year providing the city with a permanent funding source of approximately 100k per year.

I propose to make an upfront, non-refundable, deposit of this tax of 100k upon approval of a use permit. Once this deposit is exhausted, I will refresh in 50k increments. I would propose providing required financial statements every six months to determine and levy the tax.

Casino Chico has been open for about two years at 968 East Avenue. We have generated not one problem, a record all of us with the cardroom are fiercely proud of. More importantly I currently have 16 employees (on COVID vacation) and, calculated on a full-time basis, they earn around 80k – 120k a year. These are GREAT JOBS for local Chico citizens.

I would expect that job count to go to about 35 in a downtown location.

I have often been asked why downtown?

The answer is simple; Playing cards is a tourist type event. Downtown is properly the place for people to congregate. Restaurants, bars, a place or two for ice cream and candy, etc. **I was located downtown in the early 1990's and learned this firsthand.** At the time, my strongest advocate was David Guzzetti who was on council at the time. He and Michael McGinnis supported us HARD. The rest of the council, following the lynch mob called the DCBA, had us executed (removed from downtown) despite the fact that the police chief at the time, Michael

ATTACHMENT A

Dunbaugh I believe, (tall man... taller than myself) testified at council that not only had we never caused a problem but had actually been helpful in a situation or two as well.

COVID has basically been a nasty torture chamber for public financing. Citizens are frightened about the future at levels I have never experienced in my 61 years on the planet. Accordingly, the citizens are very averse to direct taxes even though, quite honestly, they are needed (do not tell anyone I admitted to that)

I believe that my proposal will create significant benefit to the City of Chico with zero downside.

- Twenty, currently not existing, new high paying jobs, in a non-polluting, non-alcohol serving business. (Our only business is cards. The restaurant-nightclub we would be located in would of course be able to provide our customers food and a beer) With the current 16 employees we would be at around 36 total.
- \$100,000 a year for the city. While in the scheme of things that is not that much money it will save at least one job for a deserving city employee. That is a positive for sure.

Our business is one of the few where employee compensation will exceed our gross revenue. The reason is that 75% of employee wages come from tips.

These wages are spent right back into Chico. A lot of these wages would end up being spent in downtown Chico.

I am not a trained economist, but I believe between wages, patrons, our 5% revenue tax, and the “multiplier effect” our downtown cardroom will be worth millions of dollars of benefit to our community.

https://en.wikipedia.org/wiki/Local_multiplier_effect#:~:text=Higher%20pay%20results%20in%20larger,area%2C%20average%20prices%20will%20rise.

In summary, I am certain that this proposal is right for Chico. I am also certain that the DCBA will attack at unprecedented levels. For this proposal to carry the councilors voting in favor of it will have to deal with a ton of nasty vitriol from the DCBA.

I am certain that a majority of our councilors can probably see through DCBA “ STAR Chamber - clique bullshit”

I believe our current council to be better inoculated against those tactics.

REFERENCE;

City of Chico Cardroom ordinance:

https://codelibrary.amlegal.com/codes/chico/latest/chico_ca/0-0-0-6081

Chapter 5.32

CARDROOMS

Section:

- 5.32.010 Definitions.**
- 5.32.020 License - Required.**
- 5.32.030 License - Application - Generally.**
- 5.32.035 License - Presentation of State license.**
- 5.32.040 License - Fee.**
- 5.32.050 License - Term.**
- 5.32.060 License - Number per person limited.**
- 5.32.070 License - Transferability.**
- 5.32.080 License - Limitation on number of card tables which may be authorized.**
- 5.32.090 Employee work permits - Required of cardroom employees.**
- 5.32.100 Employee work permits - Application - Generally.**
- 5.32.110 Employee work permits - Fee.**
- 5.32.120 Employee work permits - Term.**
- 5.32.130 Appeal.**
- 5.32.140 Cardroom rules and regulations.**
- 5.32.150 State law violation.**

5.32.010 Definitions.

For the purposes of this chapter, the following words and phrases shall be defined as follows:

A. **Cardroom.** Any space, room or enclosure, furnished, or equipped with a table used or intended to be used as a card table for the lawful playing of controlled games as defined in California Penal Code Section 337j(e) or any successor statutes thereto.

B. **Cardroom Employee.** Cardroom employee means any person employed in the operation of a cardroom including, without limitation, dealers, floor employees, security employees, countroom personnel, cage personnel, collection personnel, surveillance personnel, data processing personnel, appropriate maintenance personnel, waiters and

waitresses, and secretaries, or any other person whose employment duties require or authorize access to restricted areas where any controlled gambling occurs.

C. Director. Director means the director of the city's administrative services department.

D. The Gambling Control Act. The Gambling Control Act, as set forth in California Business and Professions Code Section 19800 et seq., or any successor statutes thereto.

(Ord. 1249 §1 (part), Ord. 2173 §1, Ord. 2203, Ord. 2439 §47)

5.32.020 License - Required.

A. It shall be unlawful for any person to engage in, carry on, maintain, or conduct, or to cause to be engaged in, carried on, maintained, or conducted, any cardroom in the city without first obtaining a license from the city to do so in accordance with the provisions of this chapter.

B. Any nonprofit society, club, fraternal, labor, or other organization having adopted bylaws, duly elected directors, and members which have card tables for the exclusive use of its members, even where no charge is made for any of the facilities, shall not be exempt from the provisions of this chapter.

(Ord. 1249 §1 (part), Ord. 2203)

5.32.030 License - Application - Generally.

A. Application for a cardroom license shall be made to the director upon such form as the director may prescribe. Such application shall include, among other things, the following:

1. The names and addresses of all persons financially interested in the business proposing to operate a cardroom. "Persons financially interested" shall include all persons who share, directly or indirectly, in the income of the business on the basis of gross or net revenue;

2. Previous criminal records, if any, of the applicant and of all persons financially interested in the business;

3. Physical descriptions of the applicant and of all persons financially interested in the business.

B. Such application shall be certified as to its correctness by the applicant under penalty of perjury.

C. On receipt of a completed city application form, the director shall issue the applicant a cardroom license subject to the following provisions:

1. No cardroom license shall be issued, re-issued, or renewed unless the cardroom is located or proposed to be located in a zoning district in which cardrooms are a permitted use and a valid use permit has been obtained for the cardroom as authorized by the zoning regulations;

2. No cardroom license shall be issued unless the applicant and all persons financially interested have been fingerprinted and approved by the Chico police department.

3. No cardroom may be located near any unsuitable area, as specified in the Gambling Control Act.

(Ord. 1249 §1 (part), Ord. 2113 §1, Ord. 2173 §2, Ord. 2177, Ord. 2203)(Ord. 2430 §1, Ord. 2439 §48)

5.32.035 License - Presentation of State license.

Once received, applicant shall provide to the director a copy of a valid gambling license issued to applicant by the State of California pursuant to the Gambling Control Act.

(Ord. 2203, Ord. 2439 §49)

5.32.040 License - Fee.

The applicant for a cardroom license shall pay a license fee with the application. The entire fee shall be retained by the city. The amount of the license fee shall be established by city council resolution.

(Ord. 1249 §1 (part), Ord. 1262 §1, Ord. 2173 §3, Ord. 2203)

5.32.050 License - Term.

A license issued pursuant to this chapter shall be valid until the end of the city's fiscal year in which such license is issued.

(Ord. 1249 §1 (part), Ord. 2173 §4, Ord. 2203)

5.32.060 License - Number per person limited.

No person shall be granted more than one license to conduct a cardroom.

(Ord. 2203)

5.32.070 License - Transferability.

No license issued pursuant to this chapter shall be transferable or assignable.

(Ord. 2203)

5.32.080 License - Limitation on number of card tables which may be authorized.

No more than 15 card tables shall be allowed to operate in the city, and no more than 8 card tables shall be allowed to operate in any cardroom. There shall be no more than 3 cardroom licenses issued in the city at any one time. Each cardroom license shall set forth the number of card tables authorized for that cardroom. The city council may by amending this section decrease the number of card tables or cardrooms allowed in the city when it determines that it is in the best public interest to do so. The number of card tables or cardrooms may be increased only to the extent allowed in the Gambling Control Act.

(Ord. 2203)(Ord. 2430 §2)

5.32.090 Employee work permits - Required of cardroom employees.

Cardroom employees shall obtain a work permit in accordance with the provisions of this chapter.

(Ord. 1249 §1 (part), Ord. 2203)

5.32.100 Employee work permits - Application - Generally.

A. Application for a cardroom employee work permit shall be made to the director upon such form as the director may prescribe. Such application shall include, among other things, the following:

1. The name and address of the applicant;
2. Previous criminal records, if any, of the applicant;
3. Physical description of the applicant.

B. The application shall be certified as to its correctness by the applicant under penalty of perjury.

C. Photo identification shall be presented at such time as the application is submitted to the director.

D. The director shall forward such application to the chief of police for fingerprint certification and a background check. Upon receipt of approval of an application by the chief of police, the director shall approve the application and issue the applicant an employee work permit.

E. An employee work permit shall not be issued to any individual who would be disqualified from holding a state gambling license for the reasons specified in the Gambling Control Act.

F. The Division of Gambling Control may object to the issuance of a work permit by the city for any cause deemed reasonable by the Division, and if the Division objects to the issuance of a work permit, the work permit shall be denied.

(Ord. 1249 §1 (part), Ord. 2203)(Ord. 2430 §3, Ord. 2439 §50)

5.32.110 Employee work permits - Fee.

The applicant for a cardroom employee work permit shall submit, along with the application, a nonrefundable fee in an amount determined by resolution of the city council.

(Ord. 1249 §1 (part), Ord. 2173 §6, Ord. 2177, Ord. 2203)

5.32.120 Employee work permits - Terms.

Work permits shall be valid until the end of the city's fiscal year in which such permit is issued. Only one such work permit shall be required each fiscal year even though the holder thereof may change places of employment within the city.

(Ord. 1249 §1 (part), Ord. 2203)

5.32.130 Appeal.

Any person aggrieved by any decision or determination made pursuant to this chapter may appeal to the city council in accordance with the provisions of Chapter 2.80 of this code.

(Ord. 1249 §1 (part), Ord. 2113 §1, Ord. 2173 §7, Ord. 2203)

5.32.140 Cardroom rules and regulations.

It shall be unlawful to operate a cardroom in violation of any of the following regulations and rules:

A. Location. Not more than one cardroom shall be located at any one address or within any building. A cardroom shall not operate at any location for which a valid use permit is not in effect pursuant to the zoning regulations of this code.

B. Minors. No person under the age of twenty-one shall be permitted at any card table, nor shall participate in any game played thereat. This subsection does not permit greater access to cardrooms than what is set forth in the Gambling Control Act.

C. Hours of Operation. Cardrooms may operate twenty-four hours a day, seven days a week. Each cardroom shall adopt a schedule specifying its hours of operation. Each cardroom shall clearly post its hours of operation so as to give law enforcement and patrons adequate notice of the hours of operation.

D. Police Inspection. All cardrooms shall be open to police inspection during all hours of operation, or at any other time which, in the judgment of the chief of police, it is necessary to inspect for violations of this chapter.

E. Doors to be Unlocked. During the hours of operation, all entry and exit doors shall be unlocked and accessible to the general public.

F. Supervision of Tables. Each card table shall have assigned to it a person whose duty shall be to supervise the game and to see that it is played strictly in accordance with the terms of this chapter and with the provisions of the Penal Code. That person may have more than one table under supervision at any one time but shall not, however, participate in the game unless that person is clearly identified on a nameplate or such other visible means of identification as an employee of the establishment.

G. Signs to be Posted. There shall be posted in every cardroom in letters plainly visible from all parts thereof signs stating such information relating to the regulations contained herein as the director may require including, but not limited to, the amount of the time charge for participation, the hours of operation in the cardroom, and the wagering limits established by that cardroom.

H. Intoxicated Persons. No person who is in a state of intoxication shall be permitted in a cardroom. This subsection does not prohibit other grounds for removing individuals from cardrooms as set forth in California Business and Professions Code Section 19835.5A or any successor statutes thereto.

I. "Cuts" of Pots. The operator of a cardroom shall establish a reasonable time charge to customers and there shall not be permitted any "rakeoff" or "cut" of any pots or bets.

J. No "Shills." In addition to the limitations set forth in subsection F above, no other person employed by or receiving consideration from the cardroom establishment shall

participate in any card game unless such person is clearly identified on a nameplate or such other visible means of identification as an employee of such establishment.

K. Food and beverage service. Cardrooms may serve complimentary food or beverages to patrons incidental to the cardroom operations. The provision of complimentary food and beverages shall not be used to directly solicit any person to participate by offering to provide free food or beverages in exchange for that person's participation in a card game.

L. Money on Tables, Etc. It shall be illegal to have money on any card table or to use money in any card game.

M. Exhibition of Permits. Operators and employees shall present their state and city licenses or permits on demand of any law enforcement officer.

N. Security. Each cardroom shall be responsible and liable for its patrons' safety and security in and around it. Each cardroom shall adopt and enforce a plan that is sufficient to provide for the safety and security of its patrons.

O. Unlimited Wagering. There are no mandatory limits on the amount wagered in any permitted games. A gambling establishment permittee may impose wagering limits on any game, at his or her discretion. Before a gambling establishment is allowed to operate, the rules for wagering limits shall be approved by the city council. Such rules shall be clearly posted at the gambling tables where the games are offered during hours of operation to provide the patrons adequate notice of those rules.

(Ord. 1249 §1 (part), Ord. 2203, Ord. 2366, Ord. 2390)(Ord. 2430 §4, Ord. 2439 §51)

5.32.150 State law violation.

The city council hereby declares that it is not the intention of this chapter to permit the licensing of any cardroom for the playing of any game prohibited by the laws of the state, including but not limited to those games enumerated in Section 330 of the Penal Code or any successor statutes thereto.

(Ord. 2203)



**City Council
Agenda Report**

Meeting Date: December 16, 2014

TO: City Council

FROM: Bob Summerville, AICP, Senior Planner (879-6807, bob.summerville@chicoca.gov)
Community Development Department

RE: Rezone 14-01 (Scott) and Appeal of Planning Commission Recommendation to deny a proposed Chico Municipal Code text amendment to allow card rooms in the DN (Downtown North) zoning district with a use permit

SUMMARY

The applicant proposes to amend Title 19 (Land Use and Development Regulations) of the Chico Municipal Code to allow card rooms in the DN (Downtown North) zoning district subject to an approved use permit. The DN zoning regulations currently prohibit card rooms. Cardrooms are permitted in four other zoning districts, subject to an approved use permit: the DS (Downtown South), CC (Community Commercial), CS (Service Commercial), and CR (Regional Commercial) districts. The applicant has also submitted a use permit application to allow a cardroom in an existing building located at 305 Main Street. The Planning Commission voted unanimously at its October 16, 2014 meeting (6-0-1, Merz absent) to recommend that the City Council deny the application. The applicant has filed a timely appeal of that recommendation by the Commission.

The zoning code (Title 19) was found to be consistent with the General Plan at the time of its adoption in April 2011. Similarly, at the time of the adoption of a comprehensive update of Title 19 in June 2013, the zoning code was found to be consistent with the General Plan. During both adoption processes, cardrooms were prohibited in the DN district and were not identified as an appropriate land use in the DN.

In making its recommendation, the Planning Commission found the proposed code amendment to be in conflict with the General Plan goals for the Downtown, and contrary to the purpose of the DN zoning district. The Downtown Chico Business Association (DCBA) does not support the proposal and the Police Department has expressed concerns about adding to the Downtown area an additional late night activity associated with alcohol sales (see comment letters provided in this report). Staff is recommending that the City Council deny the appeal and the proposed Title 19 amendment (see Resolution, **Attachment 1**). (Please note that the resolution in **Attachment 1** does not address the use permit application since action on that application would be moot absent the proposed code amendment. If the City Council votes to approve the code amendment, staff will return at a subsequent meeting with an ordinance and a recommendation regarding the use permit application.)

Recommendation

The Planning Commission and the Community Development Director recommend that the City Council conduct a public hearing and adopt the following resolution to deny the request:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO DENYING AN APPEAL AND A REQUEST TO AMEND TITLE 19 OF THE CHICO MUNICIPAL CODE TO PERMIT CARDROOMS IN THE DN (DOWNTOWN NORTH) ZONING DISTRICT SUBJECT TO USE PERMIT APPROVAL - REZONE 14-01 (SCOTT)

ATTACHMENT C

FISCAL IMPACT

The proposed zoning code text amendment will not impact fiscal resources. It should be noted, however, that the applicant's use permit proposal includes a contribution of approximately \$1,000,000 in revenue over the course of 7 years (see below.)

BACKGROUND

A complete background and analysis of the applicant's proposal is provided in the staff report to the Planning Commission meeting of October 16, 2014 (**Attachment 2**). The applicant submitted additional information to the Planning Commission that provides additional details of the proposal, including a self-imposed "tax" and current status of re-licensing his cardroom application by the California Bureau of Gambling Control (**Attachment 3**).

To illustrate the north and south areas of Downtown Chico, the Land Use Plan from the Downtown Element of the General Plan is provided as **Attachment 4**.

Planning Commission Review and Appeal

The Planning Commission conducted a public hearing and considered staff's recommendation to deny the proposed text amendment at its meeting of October 16, 2014 (see draft minutes, **Attachment 5**). In addition to a presentation by the applicant and his attorney speaking in support, testimony was received in opposition to the proposal by the DCBA, police staff, a Downtown business owner, and a business consultant representing interests in the Downtown. At the close of the public hearing, the Commission voted unanimously (6-0-1, Merz absent) to forward a recommendation to the City Council to deny the application.

The applicant filed a timely appeal of the Commission's recommendation (see appeal application, **Attachment 6**). In his appeal, the applicant notes that he is appealing the Planning Commission's denial of the proposed text amendment. (To clarify, the Commission did not deny the proposal, but instead voted to forward a *recommendation to deny* to the City Council. While the Commission could not take any final action to approve or deny the text amendment, to observe due process, staff recommends the Council conduct a public hearing and take action on both the appeal and the text amendment.) The applicant further requests that the Council grant the zoning amendment to allow the cardroom and restaurant project to move forward.

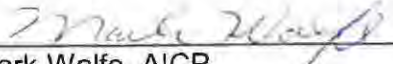
ENVIRONMENTAL REVIEW

Pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the proposed zoning code text amendment is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed use permit has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(a) (Existing Facilities).

PUBLIC NOTICE


A 10-day public hearing notice was published as a display advertisement in the *ER Enterprise-Record* as required by CMC Chapter 19.10 for public notice in a newspaper of general circulation.

Reviewed by:



Mark Wolfe, AICP
Community Development Director

Approved by:



Mark Orme,
City Manager

ATTACHMENTS:

1. City Council Resolution
2. Staff Report, Planning Commission meeting of October 16, 2014
3. Applicant Additional Information
4. Draft Minutes, Planning Commission meeting of October 16, 2014
5. Downtown Land Use Plan
6. Appeal Application

DISTRIBUTION:

Internal (5)

Mark Wolfe, AICP, Community Development Director
Bob Summerville, AICP, Senior Planner
Mike O'Brien, Police Lieutenant
files: Rezone 14-01 and Use Permit 14-11 (Scott)

External (5)

Jon Scott, P.O. Box 4191, Chico, CA 95927
Alicia Rock, P.O. Box 238, Durham, CA 95938-238
DCBA, attn: Melanie Bassett, 330 Salem Street, Chico, CA 95928
Chico Chamber of Commerce, attn: Katie Simmons, P.O. Box 3300, Chico, CA 95927
Bureau of Gambling Control, attn: Dawn Ward, Manager I, Cardroom Owner Unit,
P.O. Box 168024, Sacramento, CA 95816

1 RESOLUTION NO. _____

2 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO
3 DENYING AN APPEAL AND A REQUEST TO AMEND TITLE 19 OF THE
4 CHICO MUNICIPAL CODE TO PERMIT CARDROOMS IN THE DN (DOWNTOWN
5 NORTH) ZONING DISTRICT SUBJECT TO USE PERMIT APPROVAL - REZONE 14-01
6 (SCOTT)

7 WHEREAS, the Planning Commission conducted a public hearing and accepted public
8 testimony at its meeting of October 16, 2014 regarding an application for a rezone (RZ 14-01) to
9 amend the zoning regulations to allow card rooms in the DN (Downtown North) zoning district
10 subject to use permit approval (the "Project"); and

11 WHEREAS, after considering the evidence and testimony presented at the public
12 hearing, the Planning Commission found the proposed code amendment to be in conflict with the
13 General Plan goals for Downtown, and contrary to the purpose of the DN zoning district, and
14 based on such findings voted 6-0-1 (Merz absent) to recommend that the City Council deny the
15 request; and

16 WHEREAS, the applicant filed a timely appeal of the Planning Commission
17 recommendation; and

18 WHEREAS, the City Council has conducted a duly noticed public hearing concerning
19 applicant's appeal and proposed code amendment, and has accepted and considered staff
20 presentations, public testimony, and other evidence presented at such public hearing; and

21 WHEREAS, the California Environmental Quality Act (CEQA) does not apply to
22 projects which a public agency rejects or disapproves pursuant to CEQA Guidelines Section
23 15270(a).

24 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
25 OF CHICO AS FOLLOWS:

26 I. Based on staff presentations, public testimony, and other evidence submitted to and
27 considered by the City Council at the public hearing on applicant's appeal and proposed code
28 amendment, the City Council hereby finds and declares that:

A. The foregoing resolutions are true and correct and incorporated fully herein.

- 1 B. The proposed amendment is not consistent with the General Plan regarding goals
2 and policies of the Downtown Element that focus on promoting ground-level,
3 pedestrian-oriented retail shopping experiences; and
- 4 C. The proposed amendment is not internally consistent with the other provisions of
5 the City's Land Use and Development Regulations, and is not compatible with the
6 uses authorized in, and the regulations prescribed for, the applicable zoning
7 district for which the revision is proposed as the stated purpose of the DN
8 (Downtown North) zoning district is appropriate for uses that include a wide
9 range of retail, personal service, educational, cultural, and recreational uses, with
10 office and residential uses above the ground floor and permits development of
11 retail or other uses that contribute to increased pedestrian activity on the
12 ground-floor.

13

14 II. Based on all of the above, the City Council hereby denies the following:

- 15 A. An appeal of the Planning Commission's recommendation to deny Rezone 14-01
16 (Scott), and
- 17 B. Rezone 14-01 (Scott) - A request to amend the zoning regulations to allow card
18 rooms in the DN (Downtown North) zoning district subject to use permit
19 approval.

20 III. The City Council hereby specifies that the materials and documents which constitute the
21 record of proceedings upon which its decision is based are located at and under the custody of
22 the City of Chico Community Development Department.

23 THE FOREGOING RESOLUTION WAS ADOPTED at a meeting of the City Council
24 of the City of Chico held on December 16, 2014, by the following vote:

25 ///

26 ///

27 ///


28 ///

- 1 AYES:
- 2 NOES:
- 3 ABSENT:
- 4 ABSTAIN:
- 5 DISQUALIFIED:
- 6 ATTEST:

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Deborah R. Presson, City Clerk

APPROVED AS TO FORM AND CONTENT


Vincent C. Ewing, City Attorney



Planning Commission Agenda Report

Meeting Date: October 16, 2014

TO: Planning Commission

FROM: Bob Summerville, AICP, Senior Planner (879-6807, bob.summerville@chicoca.gov)
Community Development Department

RE: Rezone 14-01 (Scott), 305 Main Street, APN 004-152-010 - A proposed Chico Municipal Code text amendment to allow card rooms in the DN (Downtown North) zoning district with a use permit

SUMMARY

The applicant proposes to amend Title 19 (Land Use and Development Regulations) of the Chico Municipal Code to allow card rooms in the DN (Downtown North) zoning district subject to an approved use permit. The DN zoning regulations currently prohibit card rooms. The applicant has also submitted a use permit application to allow a cardroom in an existing building located at 305 Main Street on land designated Commercial Mixed Use on the General Plan diagram and in the DN-L-COS (Downtown North-Landmark-Corridor Opportunity Site) overlay zoning district. However, planning staff is not recommending the Planning Commission consider the use permit application at this time until direction on the proposed code amendment is provided by the Commission (discussed below).

The zoning code (Title 19) was found to be consistent with the General Plan at the time of its adoption in April 2011. Similarly, at the time of the adoption of a comprehensive update of Title 19 in June 2013, the zoning code was found to be consistent with the General Plan. During both adoption processes, cardrooms were prohibited in the DN district and were not identified as a necessary land use in the DN. Cardrooms are already permitted in four other zoning districts, subject to an approved use permit: the DS (Downtown South), CC (Community Commercial), CS (Service Commercial), and CR (Regional Commercial) districts.

Planning staff finds that the inclusion of cardrooms as an allowable use in the DN district would not advance the goals and policies of the Downtown Element of the General Plan or the stated purpose of the DN district provided in Title 19. The Downtown Chico Business Association (DCBA) does not support the proposal and the Police Department has expressed concerns about adding to the Downtown area an additional late night activity associated with alcohol sales (see comment letters provided in this report). Staff is recommending that the Planning Commission recommend that the proposed Title 19 amendment be denied (see Resolution No. 14-11, **Attachment A**). (Please note that Resolution No. 14-11 does not address the use permit application since action on that application would be moot absent the proposed code amendment. If the Commission votes to recommend approval of the code amendment, staff will return at a subsequent meeting with a revised resolution to adopt the code amendment and will then at that time provide a recommendation on the use permit.)

Recommendation

Planning staff recommends the Planning Commission adopt Resolution No. 14-11 recommending the City Council deny a request to amend Title 19 to allow card rooms in the DN (Downtown North) zoning district subject to use permit approval:

RESOLUTION NO. 14-11: RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CHICO RECOMMENDING CITY COUNCIL DENY A REQUEST TO AMEND TITLE 19 OF THE CHICO MUNICIPAL CODE TO PERMIT CARDROOMS IN THE DN (DOWNTOWN NORTH) ZONING DISTRICT SUBJECT TO USE PERMIT APPROVAL (**Attachment A**);

Proposed Motion

I move that the Planning Commission adopt Resolution No. 14-11, recommending the City Council deny a request to amend Title 19 to allow card rooms in the DN (Downtown North) zoning district subject to use permit approval.

BACKGROUND

The proposed code amendment to allow cardrooms as a permitted use subject to use permit approval in the DN (Downtown North) zoning district would require amending Table 4-6 (Allowed Uses and Permit Requirements for Commercial Zoning Districts) of Chapter 19.44 (Commercial and Office Zones) to include "cardrooms" as an allowed use subject to issuance of a use permit. As currently identified in Table 4-6, cardrooms are prohibited in the DN district. However, cardrooms are permitted with a use permit in the DS (Downtown South), CC (Community Commercial), CS (Commercial Services), and CR (Regional Commercial) zoning districts. No other zoning districts in the City allow cardrooms either as a permitted use, or with a use permit.

The applicant has also submitted a use permit application to operate a cardroom with 7 card tables and a full-service restaurant with beer and wine service in an existing building located at 305 Main Street on a 24-hour, seven day per week schedule (see project description, **Attachment B**). The applicant has noted that a 24/7 schedule may not always be the norm, but may occur as business demands, or during gambling tournaments. Up to 50 employees (total employment, not per shift) are proposed to work at the cardroom. The business would be operated on the ground floor and basement areas of a building most recently occupied by restaurants "33 Steaks, Booze, and Jazz", and prior to that, "Gina Marie's Restaurant". Concurrently, the applicant is seeking approval from the State Bureau of Gambling Control to re-license a cardroom formerly operated as "Casino Chico". (As previously noted, Resolution No. 14-11 does not address the use permit application since action on that application would be moot absent the proposed code amendment.)

Chico Municipal Code Regulations for Cardrooms

As noted above, cardrooms are permissible in the DS, CC, CS, and CR districts subject to issuance of a use permit. In addition to zoning requirements, cardrooms are regulated by Chapter 5.32 (Business Regulations) of the Chico Municipal Code. Under Chapter 5.32, cardrooms require a City license approved by the Administrative Services Director, and a valid gambling license issued by the California Bureau of Gambling Control. Cardrooms are defined under CMC Section 5.32.010 as:

"Any space, room or enclosure, furnished, or equipped with a table used or intended to be used as a card table for the lawful playing of controlled games as defined in California Penal Code Section 337j(e) or any successor statutes thereto."

Under Chapter 5.32, up to three card rooms may operate in the City, with no more than 15 tables for all cardrooms combined, and no more than eight tables in any one cardroom. Compliance with all regulations in CMC 5.32 are required, and no latitude is available through the use permit process.

The Planning Commission approved Use Permit 12-11 on October 4, 2012, authorizing the City's only current cardroom at 175 E. 20th Street (formerly known as "Angie's Poker Club" but recently changed to "Casino 99"). Casino 99 is authorized to operate a cardroom with up to 8 tables.

State Requirements

The California Bureau of Gambling Control (BGC) requires a license to operate a card room. The State has adopted a moratorium on any new casinos, but will consider re-licensing card rooms that were operated with a valid license prior to 2000. The applicant previously operated a cardroom in Chico and will be seeking the necessary state license under this provision. No new cardroom license requests will be considered by the state until 2020, when the moratorium will either be rescinded or extended.

GENERAL PLAN

Many of the goals and policies of the Downtown Element of the General Plan focus on promoting ground-level, pedestrian-oriented retail shopping experiences. Allowable land uses in DN district were specifically selected to promote this focus, whereas, land uses in the DS district recognized the need for a more diversified land use base that may include service uses. Planning staff finds the proposal is not consistent with the following goals, policies, and actions contained in the Downtown Element of the General Plan:

Goal DT-1: Emphasize the role of Downtown as the civic, commercial, and cultural core of the community.

Policy DT-1.2 (Businesses Variety) - Encourage a variety of Downtown business types to provide a unique shopping experience.

Policy DT-2.3 (Resident Serving Uses) - Encourage resident-serving land uses, such as pharmacies and small grocery stores, in Downtown.

Action DT-2.3.1 (Allowed Uses) - Amend the Municipal Code to allow frequently visited, resident-serving uses by right in Downtown.

Much of the Downtown Element focuses on creating an inviting and vibrant shopping experience at the street level. As such, the proposal is not consistent with, and does not promote, the following Vision Concepts, policy and action:

Concept #4: Pedestrian Activity

Pedestrian activity and connectivity is essential to the success of Downtown Chico...

Concept #13: Downtown as the Cultural and Civic Core

As Chico has grown, the role of Downtown has diversified. In addition to its traditional role as a commercial center, Downtown is also the focal point for local government affairs and cultural events for the community. While striving to enhance the economic viability of Downtown, it is important to maintain its central role in cultural and civic activities such as music, art, public meetings, parades, outdoor markets, and festivals.

Policy DT-3.2 (Streetscape Environment) - Ensure a lively streetscape environment.

Action DT-3.2.1 (Ground-floor Uses) - Amend the Municipal Code to establish a retail zoning district in North Downtown that requires development to incorporate retail or other uses that contribute to increased pedestrian activity on the ground-floor and requires use permit approval for other ground-floor uses.

ENVIRONMENTAL REVIEW

Pursuant to Section 15270(a) of the California Environmental Quality Act (CEQA) Guidelines, CEQA does not apply to projects which a public agency rejects or disapproves.

DISCUSSION

DCBA Comments

The applicant presented his proposal for a Card Room & Dinner House to the Downtown Chico Business Association Board earlier this year, and discussed the advantages and disadvantages of permitting a card room in the downtown core. While the Board agreed that *"the 303 block of Main Street is in dire need of revitalization"*, the Board *"did not think that a card room provides the right mix for the downtown core...or add to the health and vitality that is needed in the core at this time"* (see DCBA letter, **Attachment C**). (The Chico Chamber of Commerce did not take a position on the cardroom request, although its Legislative Action Committee did review the proposal several months ago and decided to defer all comments to the DCBA.)

Police Department Comments

The Police Department has expressed concerns regarding another business associated with alcohol sales and late night activity, particularly in an area which is already saturated by alcohol licensees, alcohol abuse, and late night activity. *"This aforementioned alcohol and late night activity has contributed to frequent acts of criminal activity, to include homicide, shootings, stabbings, and other violence, sexual assault and alcohol overdoses. This criminal activity, which often has an alcohol nexus, requires a constant police vigilance and response to the Downtown Area, specifically during these late night hours, limiting policing to other areas of the City"* (see Police comments and recommended conditions, **Attachments D1 and D2**).

Conclusions

Staff believes that the proposal would conflict with the General Plan and is not needed to improve the zoning code's consistency with the General Plan. Conversely, not amending the zoning code as proposed would not render the zoning code to be deficient. When adopted in April 2011, the General Plan did not envision or identify the need to add cardrooms in the Downtown.

Similarly, the proposal was not identified as an appropriate use for the DN district during the nearly three year process for the comprehensive update of the zoning code (adopted in June 2013). As adopted, the proposal is not consistent with the stated purpose of the DN district which provides, in part:

"...Appropriate uses include a wide range of retail, personal service, educational, cultural, and recreational uses, with office and residential uses above the ground floor...the DN zoning district permits development of retail or other uses that contribute to increased pedestrian activity on the ground-floor and requires use permit approval for other ground-floor uses."

It should also be noted that zoning districts, in part, organize available land inventory for particular uses. By adding cardrooms as a permissible use in the DN district (which is relatively small and located in no other part of the City), property would be removed from the land inventory for other uses that can advance the purpose of the DN district and the goals of the General Plan. Opportunities for cardrooms are already made available in four other more appropriate zoning districts in the City, the DS district (only 3 blocks south of the current proposal) and in the CC, CS, and CR districts.

PUBLIC NOTICE

A 10-day public hearing notice was published as a display advertisement in the *ER Enterprise-Record* as required by CMC Chapter 19.10 for public notice in a newspaper of general circulation.

ATTACHMENTS:

- A. Resolution No. 14-11
- B. Project Description
- C. DCBA Letter, 10/1/14
- D. Police comments and recommended conditions (Attachments D1 and D2)

DISTRIBUTION:

Internal (5)

Mark Wolfe, AICP, Planning Services Director
Bob Summerville, AICP, Senior Planner
Mike O'Brien, Police Lieutenant
files: Rezone 14-01 and Use Permit 14-11 (Scott)

External (5)

Jon Scott, P.O. Box 4191, Chico, CA 95927
Alicia Rock, P.O. Box 238, Durham, CA 95938-238
DCBA, attn: Melanie Bassett, 330 Salem Street, Chico, CA 95928
Chico Chamber of Commerce, attn: Katie Simmons, P.O. Box 3300, Chico, CA 95927
Bureau of Gambling Control, attn: Dawn Ward, Manager I, Cardroom Owner Unit,
P.O. Box 168024, Sacramento, CA 95816

1 RESOLUTION NO. 14-11

2 RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CHICO
3 RECOMMENDING CITY COUNCIL DENY A REQUEST TO AMEND TITLE 19 OF THE
4 CHICO MUNICIPAL CODE TO PERMIT CARDROOMS IN THE DN (DOWNTOWN NORTH)
5 ZONING DISTRICT SUBJECT TO USE PERMIT APPROVAL

6 WHEREAS, Jon Scott has submitted an application for a rezone (RZ 14-01) to amend the
7 zoning regulations to allow card rooms in the DN (Downtown North) zoning district subject to use
8 permit approval (the "Project"); and

9 WHEREAS, the Planning Commission considered the Project, staff report, and comments
10 submitted at a noticed public hearing held on October 16, 2014.

11 WHEREAS, the California Environmental Quality Act (CEQA) does not apply to projects
12 which a public agency rejects or disapproves pursuant to CEQA Guidelines Section 15270(a).

13 NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE
14 CITY OF CHICO AS FOLLOWS:

15 I. The Planning Commission hereby finds that:

16 A. The proposed amendment is not consistent with the General Plan regarding goals and
17 policies of the Downtown Element that focus on promoting ground-level,
18 pedestrian-oriented retail shopping experiences; and

19 B. The proposed amendment is not internally consistent with the other provisions of the
20 City's Land Use and Development Regulations, and is not compatible with the uses
21 authorized in, and the regulations prescribed for, the applicable zoning district for
22 which the revision is proposed as the stated purpose of the DN (Downtown North)
23 zoning district is appropriate for uses that include a wide range of retail, personal
24 service, educational, cultural, and recreational uses, with office and residential uses
25 above the ground floor and permits development of retail or other uses that contribute
26 to increased pedestrian activity on the ground-floor.

27 II. Based on all of the above, the Planning Commission hereby recommends the City Council
28 deny a rezone (RZ 14-01) to amend the zoning regulations to allow card rooms in the DN
(Downtown North) zoning district subject to use permit approval.

1 III. The Planning Commission hereby specifies that the materials and documents which
2 constitute the record of proceedings upon which its decision is based are located at and under
3 the custody of the City of Chico Community Development Department.

4 THE FOREGOING RESOLUTION WAS ADOPTED at a meeting of the Planning
5 Commission of the City of Chico held on October 16, 2014. by the following vote:

6 AYES: Howlett, Juhl-Darlington, O'Donnell, Rensink, Scott and Worley

7 NOES: None.

8 ABSENT: Merz.

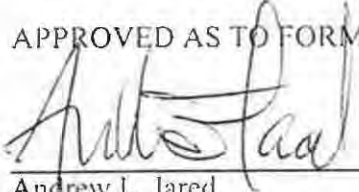
9 ABSTAIN: None.

10 DISQUALIFIED: None.

11 ATTEST:

APPROVED AS TO FORM:

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13 
14 MARK WOLFE
15 Planning Commission Secretary


16 Andrew L. Jared
17 Assistant City Attorney

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APPLICATION FOR REZONE – ATTACHED RESPONSES

Proposed Project

The Proposed Project is a cardroom with 7 card tables and a full-service restaurant with a beer and wine license only. The Proposed Project would be in an existing downtown commercial building that has historically been occupied by restaurant establishments at the corner of 3rd and Main Streets. The Project Site is fully built out and constructed. Additionally, the Project Site is located in the in-lieu parking benefit area pursuant to Chico Municipal Code Chapter 19R.43.

The Proposed Project would meet several of the Downtown Vision Concepts as established in the Downtown Element of the recently updated General Plan by creating:

-A private/public partnership by establishing a self-initiated 8% gross gaming revenue tax to benefit public safety and a table tax of \$1000 per table to benefit the General Fund. These self-initiated tax components will benefit the City of Chico and the community with approximately \$1,000,000 in revenue over the course of 7 years, which will help to combat the \$8,000,000 deficit the City is currently facing;

-Approximately 50+ well-paying jobs in the central downtown area;

-Liveable and mixed-use Downtown where residents can walk to a recreational amenity that is not focused on the consumption of alcohol;

-Enhanced pedestrian activity along the 300 block of Main Street that is in need of foot traffic and revitalization;

-A clean and well-maintained anchor establishment at the corner of 3rd and Main Streets to enhance the overall development and character of Downtown; and

-Preservation, adaptive reuse, and celebration of the unique character of the 3rd and Main brick building.

RELATED/CONCURRENT APPLICATIONS

(1) Rezone Application for the Proposed Amendment to City of Chico Municipal Code Chapter 19.44 entitled "Commercial and Office Zones" Table 4-6 – ALLOWED USES AND PERMIT REQUIREMENTS FOR COMMERCIAL ZONING DISTRICTS:

-Add UP (Use Permit) to the column entitled "Permit Requirement By Zone" for the DN (Downtown North Zoning District) for the Land Use category of "Cardroom".

-Add "5.32.045" to the column entitled "Subject to Standards in Section/Chapter:"

-Add Footnote (11) Only a cardroom that has been relicensed pursuant to California Business and Professions Code 12348 and previously operated in the Downtown North Zoning District may apply for a Use Permit in that district pursuant to this chapter and Chapter 5.32.

(2) Proposed Amendment to the City of Chico Municipal Code Chapter 5.32 entitled "Cardrooms" to allow for the self-initiated tax of 8% of gross gaming revenue and a \$1000 table tax per table for cardrooms in the Downtown North Zoning District.

Again, these self-initiated tax components will benefit the City of Chico and the community with approximately \$1,000,000 in revenue over the course of 7 years, which will help to combat the \$8,000,000 deficit the City is currently facing.

(3) City of Chico Application for Cardroom License.

Jon Scott
P.O. Box 4191
Chico, California, 95927

April 17, 2014

Brian Nakamura, City Manager
411 Main Street
Chico, California 95927

RE: Proposed Downtown Project - Cardroom and Restaurant

Dear Mr. Nakamura:

I am very excited to present my proposal to you for a cardroom and restaurant in Downtown Chico. As a bit of background, cardrooms are heavily regulated by the State of California. From a high point of 700 cardrooms in 1980, the number has now dropped through regulation and attrition to a total 92 registered, licensed, and legal cardrooms today. A moratorium is now in effect on new California cardrooms, which has been extended three times, most recently until the year 2020.

Fortunately, the California Gaming Commission has agreed to allow the cardroom previously located in Downtown Chico in the early 1990's to apply immediately for relicensing pursuant to California Business and Professions Code 12348. In short, I am the only person in a state with 40 million citizens that has been granted this opportunity. Other than this relicensed cardroom, it is almost a total certainty that there will be no new California cardrooms in our lifetimes! This grant of permission also means that pursuant to BPC 12348, we are on borrowed time and the urgency of processing this project is of utmost priority.

My proposal for a cardroom with 7 card tables and a full-service restaurant that is being brought forth envisions creating a beautiful anchor business at the corner of 3rd and Main to begin the revitalization of the now derelict block of 300 Main Street; self-initiating an 8% gross gaming revenue tax to be allocated to Public Safety; and providing a "table tax" of \$1,000.00 per table. These self-initiated tax components will benefit the City of Chico and the community with approximately \$1,000,000 in revenue over the course of 7 years, which will help to combat the \$8,000,000 deficit the City is currently facing.

This proposal creates a number of benefits for the Chico Community:

- An 8% gross revenue tax will provide an estimated annual public safety fund of over \$100,000. This money can be used to rehire a full time police officer to bring back a measure of safety to the downtown community.

- An additional "table tax" will provide \$7,000 a year for the City of Chico general fund.
- Revitalization of the 300 block of Main Street that is currently "a horrible mess".
- An entertainment venue that is not centered on alcohol consumption.
- Creation of approximately 50+ well-paying jobs between cardroom and restaurant.
- Meet the goals and objectives of the Downtown Element of the Current General Plan.

In order to bring this proposal to reality, we will need to work as a public/private partnership to accomplish the following tasks, which Community Development Director Mark Wolfe brilliantly suggested to bring to the City contemporaneously:

(1) Application for Rezone - the Proposed Amendment to City of Chico Municipal Code Chapter 19.44 entitled "Commercial and Office Zones" Table 4-6 - ALLOWED USES AND PERMIT REQUIREMENTS FOR COMMERCIAL ZONING DISTRICTS:
 -Add UP (Use Permit) to the column entitled "Permit Requirement By Zone" for the DN (Downtown North Zoning District) for the Land Use category of "Cardroom".
 -Add "5.32.045" to the column entitled "Subject to Standards in Section/Chapter:"
 -Add Footnote (11) Only a cardroom that has been relicensed pursuant to California Business and Professions Code 12348 and previously operated in the Downtown North Zoning District may apply for a Use Permit in that district pursuant to this chapter and Chapter 5.32.

(2) Application for Conditional Use Permit – Based on the amendment to Table 4-6 of Chapter 19.44, the cardroom would be allowed as a conditional use.

(3) Proposed Amendment to the City of Chico Municipal Code Chapter 5.32 entitled "Cardrooms" to allow for the self-initiated tax of 8% of gross gaming revenue and a \$1000 table tax per table for cardrooms in the Downtown North Zoning District. Again, these self-initiated tax components will benefit the City of Chico and the community with approximately \$1,000,000 in revenue over the course of 7 years, which will help to combat the \$8,000,000 deficit the City is currently facing.

(4) City of Chico Application for Cardroom License.

Given the State of California requirement to have this completed at the City level in approximately the next 90 days, I am even open to discuss doing this project on a one-year trial period, which would commence upon the grand opening of the Downtown cardroom. This trial period would allow a through oversight of the project in real time, while preserving this extremely tight window of opportunity due to the requirements of BPC 12348. I look forward to working with you as quickly as possible to implement a win-win proposal with the City of Chico to establish a new business in the Downtown and a new model for a taxation method for businesses to help benefit the City of Chico as well as the community at large.

Sincerely,

Jon Scott

A handwritten signature in black ink, appearing to read "Jon Scott", with a stylized, sweeping flourish at the end.

Enclosures:

- Proposed Amendments for Chapter 19.44 and 5.32
- Application for Rezone and Environmental Review
- Application for Conditional Use Permit and Environmental Review
- Application for Cardroom License



Downtown Chico Business Association

October 1, 2014

RE: Comments regarding the proposed Chico Card Room & Dinner House Project

The Downtown North zoning regulations currently prohibits card rooms. The proposal is to amend the zoning regulation to allow card rooms in the DN district with a use permit.

The applicant, Jon Scott and his attorney Alicia Rock, presented their proposal for a Card Room & Dinner House to be located at 303 Main Street. Our board asked good questions and had a healthy discussion regarding the advantages and disadvantages of permitting a Card Room in the downtown core.

Downtown Chico is the heart of our community and the center of cultural activity. The Downtown Element of the General Plan focuses on supporting and expanding the vitality and enhancement of Downtown Chico as the City's central core. While we are in agreement that the 303 block of Main Street is in dire need of revitalization, we do not think that a Card Room is the right mix for our downtown core. One of the benefits that the applicant stressed was that his proposal met the goals and objectives of the Downtown Element of the Current General Plan. We do not think that the addition of a Card Room downtown will add the health and vitality that is needed in our core at this time.

While we are not in favor of this proposed Card Room in the downtown core, we are not against having a second Card Room in Chico.

Sincerely,
Melanie Bassett
Executive Director
Downtown Chico Business Association

Chico Police Department:

The Chico Police Department has concerns regarding another business associated with alcohol sales and late night activity, particularly in an area (Downtown Area) which is already saturated by alcohol licensees, alcohol abuse and late night activity. This aforementioned alcohol and late night activity has contributed to frequent acts of criminal activity, to include homicide, shootings, stabbings and other violence, sexual assault and alcohol overdoses. This criminal activity, which often has an alcohol nexus, requires a constant police vigilance and response to the Downtown Area, specifically during these late night hours, limiting policing to other areas of the City. As such, the Police Department would request the following ABC license conditions:

ABC Conditions

- 1.) Sales and service of alcoholic beverages shall be permitted only between the hours of 11:00 a.m. to 12:00 Midnight, Monday through Friday, and 9:00 a.m. to 12:00 Midnight, Saturday and Sunday, with the following exceptions. During the special event dates commonly referred to as St. Patrick's Day, Cesar Chavez Day, Labor Day Weekend and Halloween, the hours of sales, service or consumption of alcoholic beverages will be restricted to certain hours and certain days of the week as follows:
 - Sales, service or consumption of alcoholic beverages shall be permitted only between the hours of 11:00 a.m. and 11:00 p.m. on St. Patrick's Day, March 17th, of each year.
 - Sales, service or consumption of alcoholic beverages shall be permitted only between the hours of 11:00 a.m. and 11:00 p.m. on Cesar Chavez Day, March 31st, of each year.
 - Labor Day Weekend (September of each year) sales of alcoholic beverages shall be permitted only between the hours of 11:00 a.m. to 11:00 p.m. Thursday through Monday of the Labor Day weekend.
 - Sales, service or consumption of alcoholic beverages shall be permitted only between the hours of 11:00 a.m. and 11:00 p.m., on Halloween, October 31st, of each year.
- 2.) The quarterly gross sales of alcoholic beverages shall not exceed the gross sales of food during the same period. Licensee shall at all times maintain records which reflect separately the gross sales of food and the gross sales of alcoholic beverages of the licensed business. Said records shall be kept no less frequently than on a quarterly basis and shall be made available to the Police Department or ABC upon demand.
- 3.) Licensee shall comply with the provisions of Section 23038 of the Business and Professions Code and acknowledges that incidental, sporadic, or infrequent sales of meals or a mere offering of meals without actual sales shall not be deemed sufficient to consider the premises in compliance with the aforementioned section.
- 4.) Alcoholic beverages shall not be offered at significantly reduced prices that are meant to encourage greater consumption of alcohol such as during "happy hour" type promotions. Licensee shall not develop any other promotional activity that is designed to encourage excessive drinking of alcoholic beverages. Promoting a "happy hour" or other event that offers reduced prices on food or other items shall not be considered a violation of this condition and are actually encouraged.
- 5.) There shall be no advertising of alcoholic beverages visible from the outside of the establishment, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages.
- 6.) The sale of alcoholic beverages for consumption off the premises is strictly prohibited.
- 7.) Entertainment shall not be audible beyond the area under the control of the licensee(s).
- 8.) There shall be no live entertainment of any type, including but not limited to live music, disc jockey, karaoke, topless entertainment, male or female performers or fashion shows.

Review and Comments Provided by: Lt. Mike O'Brien 897-5807

Chico Police Department:

The Chico Police Department has concerns regarding another business associated with alcohol sales and late night activity, particularly in an area (Downtown Area) which is already saturated by alcohol licensees, alcohol abuse and late night activity. This aforementioned alcohol and late night activity has contributed to frequent acts of criminal activity, to include homicide, shootings, stabbings and other violence, sexual assault and alcohol overdoses. This criminal activity, which often has an alcohol and late night operating nexus, requires a constant police presence and/or response to the Downtown Area, specifically during these late night hours, limiting policing to other areas of the City. As such, the Police Department would request the following ABC license conditions:

General Operating Conditions

1.) Hours of operation shall be consistent with ABC conditions, and set forth below:

Hours of operation shall be between the hours of 11:00 a.m. to 12:00 Midnight, Monday through Friday, and 9:00 a.m. to 12:00 Midnight, Saturday and Sunday, with the following exceptions:

During the special event dates commonly referred to as St. Patrick's Day, Cesar Chavez Day, Labor Day Weekend and Halloween, the hours of operation will be restricted to certain hours and certain days of the week as follows:

- Hours of operation shall be permitted only between the hours of 11:00 a.m. and 11:00 p.m. on St. Patrick's Day, March 17th, of each year.
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- Labor Day weekend (September of each year) hours of operation shall be permitted only between the hours of 11:00 a.m. to 11:00 p.m. Thursday through Monday of the Labor Day weekend.
- Hours of operation shall be permitted only between the hours of 11:00 a.m. and 11:00 p.m., on Halloween, October 31st, of each year.

Review and Comments Provided by: Lt. Mike O'Brien 897-5807

DATE: October 10, 2014 Meeting Date: October 16, 2014
TO: Planning Commission
FROM: Jon Scott, Applicant
RE: Additional Information - Rezone 14-01 (Scott), 305 Main Street,
APN 004-152-010 – A Proposed CMC Amendment to Allow A
Cardroom and Restaurant Project in the Downtown North District
with a Permit

BACKGROUND

Cardrooms are heavily regulated by the State of California. From a high point of 700 cardrooms in 1980, the number has now dropped through regulation and attrition to a total of approximately 92 registered, licensed, and legal cardrooms today. A moratorium is now in effect on new California cardrooms, which has been extended three times, most recently until the year 2020.

The California Gaming Commission agreed to allow me to apply for relicensing pursuant to California Business and Professions Code 12348, of the licensed cardroom that I owned and previously operated in Downtown Chico from June 1992 through February 1996, and at another location from February 1996 through September 2001. I am currently the only person in the State of California that is able to apply for a cardroom license now and for the foreseeable future. The relicensing application was submitted and accepted by the State of California Bureau of Gambling Control on July 8, 2014, and is currently in process.

THE POKER PHENOMONEM

In order to properly decide the appropriateness of having a cardroom in the Downtown North (DN) district, I would like to explain the metamorphosis that has taken place in relation to the game of poker.

Poker is no longer the game that is played in dark corners of a bar. Instead, poker is a full-blown sport with players looking for well-appointed establishments to practice their techniques and hone their skills for tournaments. Tournaments are held at state, national and international levels. And, yes tournaments would be held here in Chico bringing tax dollars into the community in terms of hotels, car rentals, restaurants and general vacation spending.

Players have sponsors much like NASCAR drivers. There are channels that exclusively cover poker games as well as consistent coverage on well-known sports channels like ESPN. And, fans have their favorite players and diligently create fantasy poker series much like fantasy football.

In other words, poker has become mainstream and is played by a demographic that is very wide, including doctors, lawyers, mechanics, business owners and florists. Having an upscale, downtown location for players to use for practice as well as a group of friends to try their hand for the first time, adds to the civic, commercial, and cultural core of the community as described in the General Plan.

PROJECT DESCRIPTION

My project proposes a cardroom with 7 card tables and a full-service restaurant as two anchor businesses at the corner of 3rd and Main to begin the revitalization of the most derelict block of 300 Main Street; self-initiating an 8% gross gaming revenue tax to be allocated to Public Safety; and providing a "table tax" of \$1,000.00 per table.

Pursuant to City of Chico Municipal Code Chapter 5.32, entitled "Cardrooms", there are three cardroom licenses and 15 tables available within the city. Only one of the licenses available under CMC 5.32 is currently issued and in use with 8 of the 15 tables. There is a maximum of 8 tables at any given cardroom in the city. Therefore, the city does have one license and 7 tables currently available for my proposed project, which is literally the last cardroom that will be licensed in the State of California because of the moratorium.

In addition, my project proposes to incorporate a restaurant to furnish another meeting place and upscale eating environment. The restaurant would apply for a beer and wine license and would service the cardroom during the restaurant's hours of operation. (Addressed below)

My cardroom and restaurant project requires the following actions of which the first two (rezone and conditional use permit) are currently in front of this Commission for a decision.

(1) Planning Commission - Application for Rezone - the Proposed Amendment to City of Chico Municipal Code Chapter 19.44 entitled "Commercial and Office Zones" Table 4-6 – ALLOWED USES AND PERMIT REQUIREMENTS FOR COMMERCIAL ZONING DISTRICTS are as follows:

- (a) Add UP (Use Permit) to the column entitled "Permit Requirement By Zone" for the DN (Downtown North Zoning District) for the Land Use category of "Cardroom".
- (b) Add "5.32.045" to the column entitled "Subject to Standards in Section/Chapter:"
- (c) Add Footnote (11) Only a cardroom that has been relicensed pursuant to California Business and Professions Code 12348 and previously operated in the Downtown North Zoning District may

apply for a Use Permit in that district pursuant to this chapter and Chapter 5.32.

(2) Planning Commission - Application for Conditional Use Permit – Based on the amendment to Table 4-6 of Chapter 19.44, the cardroom would be allowed as a conditional use.

(3) Council - Proposed Amendment to the City of Chico Municipal Code Chapter 5.32 entitled “Cardrooms” to allow for the self-initiated tax of 8% of gross gaming revenue and a \$1000 table tax per table for cardrooms in the Downtown North Zoning District. – Council Action.

(4) Administrative Services Director - City of Chico Application for Cardroom License.

PROJECT BENEFITS

The self-initiated tax components via the amendment to CMC Chapter 5.32, will benefit the City of Chico and the community with approximately \$1,000,000 in revenue over the course of 7 years, which will create an alternative funding source to help combat the \$8,000,000 deficit the City is currently facing. My project creates a number of benefits:

- An 8% gross revenue tax will provide an estimated annual public safety fund of over \$100,000.
- An additional “table tax” will provide \$7,000 a year for the City of Chico general fund.
- Revitalization of the 300 block of Main Street.
- An entertainment venue that is not centered on alcohol consumption.
- Creation of approximately 50+ well-paying jobs between cardroom and restaurant.
- Additional city and community revenues for hotels, car rentals, restaurants and various vacation spending dollars.

HOURS OF OPERATION

The City of Chico Police Department has provided restrictions on the hours of operation for alcohol related businesses in the downtown area. These restrictions are perfectly acceptable for the restaurant that will be separately operated as a distinct business from the cardroom. When the restaurant is closed, food and alcohol will not be served in the cardroom.

On the other hand, the cardroom’s hours of operation are designated by the State of California by and through the local ordinance of the City of Chico. Pursuant to Chico Municipal Code 5.32.140.C, “cardrooms may operate twenty-four hours a day, seven days a week.” In practicality, the cardrooms operate in

accordance with games that are being played. It is not unusual for a cardroom to be closed during later evening and morning hours, because the card games have ended and the business does not remain open simply because it can. Later hours are usually reserved for Tournaments or at times weekend play.

GENERAL PLAN AND DOWNTOWN ELEMENT

It is my understanding that the General Plan was drafted and adopted with the idea of merging the downtown that is currently distinguished by Downtown North and Downtown South. This idea of the General Plan adopted in 2011, was to create a more cohesive downtown environment that encompassed the entire downtown area. In fact, about the only distinguishing factor between the two "downtowns" is that South allows cardrooms, and North does not. This fact seems to separate, not merge the districts for a consistent planned development of its resources in the downtown area.

In reviewing the Downtown Element of the General Plan (DE), I have found the following to be consistent with my proposed Project as an allowable use in the DN district via the amendment I have proposed.

The DE states that downtown has an "engaging and active at the street level, it is a multi-story, mixed-use hub, with specialty retail, **restaurants**, residences, services, **entertainment**, and civil and cultural uses." My project encompasses both a restaurant and an entertainment venue that are currently not available in the downtown area. The addition of my project to the downtown area would contribute greatly to the social, cultural, and entertainment core of the City. The cardroom provides an entertainment venue that is not alcohol centered.

The Downtown Vision Concepts that are consistent with my proposed project are:

- Downtown Intensification: Increased job opportunities as well as increased visitors to the downtown create intensification.
- Mixed-Use Development: More livable and mixed-use downtown where residents can walk to recreation amenities and restaurants.
- Pedestrian Activity: I will be using the entire anchor corner of 3rd and Main. It will be well maintained and clean for use by pedestrians. It will be refurbished in a manner to allow for unfettered pedestrian use.
- Preservation of Historic Buildings: The building that I have held a lease option for approaching a year at the corner of 3rd and Main is a beautiful brick building that will continue to be an architectural anchor for that corner.

-Parking Access and Management: I will establish a valet parking service for the cardroom and restaurant in order to make access to the businesses easier as well as increase the use of the existing downtown parking.

Furthermore, the Goals, Policies and Actions delineated in the DE set forth the following that are consistent with my project:

Goal DR-1: Emphasize the role of Downtown as the civic, commercial and cultural core of the community. Policy DT-1.1 (Support Vitality of Downtown) calls for the Action DT-1.1.1 that states to Support Downtown business and property owners by helping to develop and fund public/private partnerships to provide increased maintenance, cleanliness, security, and business retention. My proposed project will meet all of these aspects of creating vitality of downtown.

Policy DT-1.2 (Business Variety) My proposed project adds an additional entertainment venue that is not alcohol related to create variety downtown.

Policy DT-1.3 (City as Liaison for Downtown Issues) and Action DT-1.3.1 (City Attention to Downtown Issues) My proposed project via a public/private partnership can help to allocate staff resources to create a more secure downtown district for the community.

Goal DT-2: Strengthen Downtown with a variety of land uses, mixed use developments, and redevelopment throughout Downtown. My project is an innovative model to work towards the development and preservation of downtown.

Policy DT-2.4 Encourage reuse of existing buildings in Downtown. The anchor building at the corner of 3rd and Main would be revitalized.

Policy DT-2.5 Promote revitalization of underutilized, deteriorate areas and buildings through public/private partnerships. The 300 block has become the most derelict block in downtown. I am not only willing but also excited to revitalize the corner of 3rd and Main as a cardroom and restaurant to create a public private partnership to enhance public safety and increase a feeling of security downtown.

Policy DT-3.2 Ensure a lively streetscape environment. My project will create additional foot traffic by an anchor business that will be retained and become an active part of the entertainment venues in the downtown.

Policy DT-3.6 Reduce the visual prominence of parking by locating off-street parking. As stated above, I will be establishing valet parking for both the cardroom and restaurant in order to provide easier access and better utilization of the downtown parking supply.

Goal DT-7 Establish a "Park once and Walk" environment throughout Downtown. Again, my valet parking service will enhance the "park once and walk" ability for people to use not only my cardroom and restaurant but also other businesses downtown.

Policy DT-7.2 Increase the use of the existing Downtown Parking Supply. Again, with the parking supply mainly off of Main Street and Broadway, my valet service will create a better use of these parking resources.

Goal DT-8 Preserve and enhance landmarks and buildings of special historic or architectural interest. There is no question that the brick building at the corner of 3rd and Main is beautiful. It deserves to be taken care of and preserved as an anchor of the block as well as downtown.

CONCLUSION

Contrary to staff's belief, my proposed project does not conflict with the current General Plan. My requested zone amendment would actually create consistency in zoning and a more cohesive Downtown North and South.

Frankly, my proposal does something innovative and outside the box which is very consistent with the stated purpose of the DN district which provides, in part: "...Appropriate uses include a wide range of retail, personal service, education, cultural, and recreational uses...the DN zoning district permits development of retail or other uses that contribute to increased pedestrian activity on the ground floor and requires use permit approval for other ground floor uses." My proposed project would add an entertainment and recreational venue with fine dining that would contribute to the overall appeal and draw of downtown.

Therefore, I respectfully request that this Commission vote to accept my proposed project in order to advance the innovative atmosphere of the downtown core.

DISTRIBUTION (VIA EMAIL ONLY)

Planning Commissioners (7)

Mark Orme, City Manager

Chris Constantine, Assistant City Manager

Mark Wolfe, AICP, Planning Services Director

Bob Summerville, AICP, Senior Planner

Mike O'Brien, Police Lieutenant

DRAFT

The Commission expressed a desire to have more clarity of what the Council is seeking from the Commission.

The Commission believes that reduced Police and Planning staff has played a significant role in the problems that exist and that the proposed regulations would not address those problems.

The Commission believes that Planning Staff provided exemplary information for the Commission's consideration and should be commended.

4.2 Rezone 14-01/Use Permit 14-11 (Scott), 305 Main Street, APN 004-152-010 –
(Noticed 10/6/14) The applicant proposes to amend Title 19 (Land Use and Development Regulations) of the Chico Municipal Code to allow card rooms in the DN (Downtown North) zoning district subject to an approved use permit. The DN zoning regulations currently prohibit card rooms. The applicant has also submitted a use permit application to allow a cardroom in an existing building located at 305 Main Street on land designated Commercial Mixed Use on the General Plan diagram and in the DN-L-COS (Downtown North-Landmark-Corridor Opportunity Site) overlay zoning district. Planning Staff is not recommending the Planning Commission consider the use permit application at this time until direction on the proposed code amendment is provided by the Commission. Pursuant to Section 15270(a) of the California Environmental Quality Act (CEQA) Guidelines, CEQA does not apply to projects which a public agency rejects or disapproves. (Staff Report: Senior Planner Bob Summerville)

Senior Planner Summerville provided a project overview.

Chair Rensink opened the public hearing at 9:23 pm.

Addressing the Commission in the following order were:

Jon Scott, the project applicant, highlighted the current blight and empty businesses associated with the 300 block of Main Street and its negative impact on the entirety of Downtown, as well as the need for more police presence in the Downtown. He shared that his proposal will help address these problems by activating this part of Downtown and providing revenue for public safety. He stated that the cardroom use will create visitors who stay in hotels, eat at restaurants, and visit other Chico businesses, which ultimately is an important economic driver.

DRAFT

DRAFT

Chair Rensink asked why the applicant hasn't considered placing his business in one of the zoning districts that already allows card rooms.

Mr. Scott responded that he is looking to create a high-end experience for his clients that can only be found in Downtown, and that he wants to do something that gives back to the community that he lives and works in.

The Commission and the applicant discussed the stand alone aspect of the restaurant that would be affiliated with the proposed card room, and concluded that food and alcohol will only be provided to card room clientele when the restaurant is open.

Mike Trollinder, local retail consultant, doesn't believe that a card room on the ground floor in Downtown North, especially at the corners of blocks, is the best and highest use for Downtown. He suggested there is a lot of work going on to rejuvenate Downtown and that those efforts will help the 300 Block of Main Street rebound.

Melanie Bassett, Executive Director of the Downtown Chico Business Association, stated that the DCBA Board met and held a vote, and that the consensus was that the proposal to amend the Municipal Code to allow card rooms in the Downtown North is not the right use for Downtown. She also stated that she does not agree with the applicant's assertion that the proposal is consistent with the Downtown Element of the General Plan.

Tom DiGiovanni, a Downtown business and property owner, believes that the Downtown has been hit by a number of problems associated with the recession, but that is not a reason to support a proposal that is inconsistent with the City's vision for Downtown and that could ultimately hinder opportunities for positive, long-term investment.

Alicia Rock, attorney for the applicant, highlighted that a card room would provide real recreation as envisioned in the Downtown Element. She also highlighted that the use is not alcohol-related because alcohol service would only be allowed when the restaurant is open. She highlighted the benefits of the self-initiated tax offered by the applicant towards helping the community.

Chair Rensink closed the public hearing at 10:04 pm

The Commission agreed to continue the meeting an additional 20 minutes.

Chair Rensink asked about the card room that was previously located at the 300 Block of Main Street during the 1990s.

Lt. Michael O'Brien shared with the Commission that the Chico Police Department's comments are provided in the Commission's agenda packet.

DRAFT

The Commission and staff discussed the zoning districts that allow card rooms and the availability of space to support card rooms.

Chair Rensink re-opened the public hearing at 10:14 pm

Jon Scott, the project applicant, clarified for the Commission that the previous card room on the 300 Block of Main Street was a City-approved use.

Chair Rensink closed the public hearing at 10:16 pm

Senior Planner Summerville clarified that the permit that the applicant had was a City business license and a state gaming license to operate Casino Chico, but not a use permit. Card rooms were not a permitted use in the City's Central Commercial (Downtown) zoning district and Casino Chico operated only temporarily under a code enforcement action. The City allowed Casino Chico to operate at that location while it processed a zoning code amendment to allow card rooms with a use permit in the Central Commercial district, however, that proposal was ultimately denied by the City Council.

Commissioner O'Donnell moved that the Planning Commission adopt Resolution No. 14-11 recommending the City Council deny a request to amend Title 19 to allow card rooms in the DN (Downtown North) zoning district subject to use permit approval. Commissioner Worley seconded the motion, which passed (6-0-1, Merz absent).

5. REGULAR AGENDA

None.

6. BUSINESS FROM THE FLOOR

None.

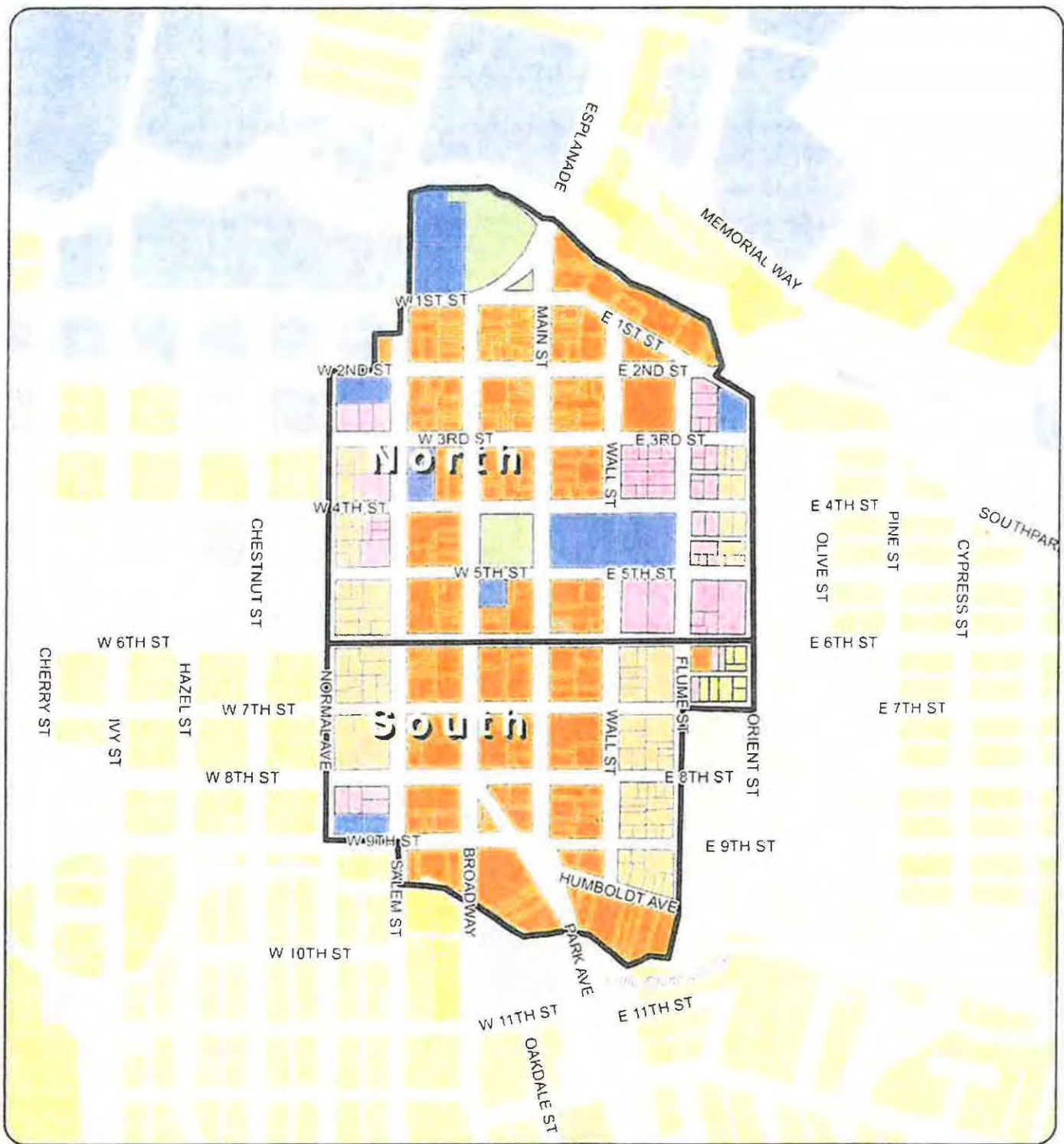
7. REPORTS & COMMUNICATIONS

7.1 Planning Update

None.

8. ADJOURNMENT

There being no further business from the Commission, the meeting adjourned at 10:20 pm to the **Regular Meeting of Thursday, November 6, 2014.**



DOWNTOWN LAND USE DESIGNATIONS

- MDR Medium Density Residential
- RMU Residential Mixed Use
- CMU Commercial Mixed Use
- OMU Office Mixed Use
- PFS Public Facilities & Services
- SOS Secondary Open Space

SURROUNDING LAND USE DESIGNATIONS

- LDR Low Density Residential
- MDR Medium Density Residential
- RMU Residential Mixed Use
- MHDR Medium-High Density Residential
- HDR High Density Residential
- NC Neighborhood Commercial
- CS Commercial Services
- CMU Commercial Mixed Use
- OMU Office Mixed Use
- IOMU Industrial Office Mixed Use
- PFS Public Facilities & Services
- POS Primary Open Space
- SOS Secondary Open Space

0 125250 500 Feet



Data Source: City of Chicago



Figure DT-3 Downtown Land Use Plan

GENERAL PLAN

RECEIVED
 OCT 17 2014
 CITY CLERK
 CHICO, CA

CITY OF CHICO
 APPLICATION FOR APPEAL TO CITY COUNCIL

DECISIONS OF BOARDS, COMMISSIONS, OFFICERS OR EMPLOYEES
 (Pursuant to Chapter 2.80 and Section 18.17.080 of the Chico Municipal Code)

1. Name of Appellant JOHN SCUIT Address PO BOX 4171 Zip Code 95927 Phone 530 895 4751
 2. Official Representative (If Any) ALICIA M. ROCK Address PO BOX 238 Zip Code 95938 Phone 530 521 5618
 3. Address or Location of Property Involved (If Applicable) 303 MAIN STREET

4. Confirmation of the Timely Filing of Appeal:
 Final Decision of a City Board or Commission:
 Date of meeting at which the decision was made OCT. 16 2014
 (Appeal must be filed within 10 days following the date of meeting)
 Decision/Determination/Order Made by City Officer or Employee:
 Date of personal service or postmark _____
 (Appeal must be filed within 10 days that written notice of decision was served in person or 15 days of depositing in mail, whichever occurs first)

5. Indicate if this appeal is being filed pursuant to Chico Municipal Code:
 Chapter 2.80 entitled "Appeals from a Decision, Determination or Order Made or Issued by a City Board, Commission, Officer or Employee".
 Section 18.17.080 entitled "Appeals to the City Council" involving minor land divisions, boundary line modifications and mergers or subdivision design and improvement standards.

6. Briefly state (a) the decision/determination/order that was made, and (b) the name of the Board, Commission, Officer or Employee who made it.
 (a) RESOLUTION NO 14-11 DENIAL OF AMENDMENT TO FILE 19 TO PERMIT CARPORTS IN ADJUTOWN NORTH 20-100-000-0000
 (b) PLANNING COMMISSION

7. State the reason(s) for filing the appeal and specifically identify the item(s) you are requesting to appeal. Only the item(s) specifically identified by you on this application will be considered for appeal. You may attach additional sheets if necessary. Please attach a copy of any written notice received from the City.
 WE ARE APPEALING THE PLANNING COMMISSION DENIAL OF THE 2014 AMENDMENT THAT WAS DECIDED OCT. 16, 2014. WE ARE REQUESTING THAT COUNCIL GRANT THE 2014 AMENDMENT TO ALLOW THE CARPORTS AND RESTAURANT PROJECT TO MOVE FORWARD AND BEGIN THE DEVELOPMENT PROCESS OF THE 300 MAIN ST. BLOCK.

Date 10-17-14 Signature of Appellant or Official Representative [Signature]

Fee Received* \$ 20.00 Official Receipt No. 201405 Received By: [Signature]

*Qualified low income applicants may file for an appeal fee exemption.

ADJOURNED REGULAR CHICO CITY COUNCIL MEETING – December 16, 2014
Minutes

1.1. ADJOURNED REGULAR CITY COUNCIL MEETING - 6:30 p.m.

12-16-14 Agenda

1.2. Call to Order - Mayor Sorensen called the meeting to order at 6:30 p.m. in the Council Chamber, 421 Main Street.

1.3. Invocation - Pastor Jim Peck, New Vision United Church of Christ

1.4. Pledge of Allegiance to the Flag

1.5. Roll Call

Present: Coolidge, Fillmer, Ritter, Schwab, Stone, Morgan, Sorensen

Absent: None

1.6. Closed Session Announcement

City Attorney Ewing announced that the Council had met with staff in Closed Session and no action was taken.

1.7. Acknowledgement of Police Chief Kirk Trostle's Retirement

1.8. TeamChico Quarterly Update

2. CONSENT AGENDA

A motion was made by Coolidge and seconded by Schwab to approve the Consent Agenda, as read.

The motion carried by the following vote:

AYES: Coolidge, Fillmer, Ritter, Schwab, Stone, Morgan, Sorensen

NOES: None

2.1. ADOPTION OF SEWER IN LIEU RESOLUTIONS - VARIOUS

Adopted - resolutions authorizing sewer assessments to be collected on the tax roll, in lieu of full and immediate payment of the sewer system connection fees. The Public Works Director recommended adoption of the resolutions.

- A. *RESOLUTION NO. 86-14 - RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO LEVYING ASSESSMENT INSTALLMENTS IN LIEU OF THE PAYMENT OF SEWER SYSTEM CONNECTION FEES INCIDENT TO THE CONNECTION OF PREMISES TO THE CITY SEWER SYSTEM - 2 ACORN CIRCLE - ASSESSOR'S PARCEL NO. 006-082-004*** (Petition from property owners Brea Bowman and Jason L. Roundtree)
- B. *RESOLUTION NO. 87-14 - RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO LEVYING ASSESSMENT INSTALLMENTS IN LIEU OF THE PAYMENT OF SEWER SYSTEM CONNECTION FEES INCIDENT TO THE CONNECTION OF PREMISES TO THE CITY SEWER SYSTEM - 382 EAST TENTH AVENUE - ASSESSOR'S PARCEL NO. 003-344-025*** (Petition from property owners William C. and Sally S. Chandler)
- C. *RESOLUTION NO. 88-14 - RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO LEVYING ASSESSMENT INSTALLMENTS IN LIEU OF THE PAYMENT OF SEWER SYSTEM CONNECTION FEES INCIDENT TO THE CONNECTION OF PREMISES TO THE CITY SEWER SYSTEM - 13 OAK DRIVE - ASSESSOR'S PARCEL NO. 006-082-026*** (Petition from property owner Jeanette M. Stephens)

- D. **RESOLUTION NO. 89-14 - RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO LEVYING ASSESSMENT INSTALLMENTS IN LIEU OF THE PAYMENT OF SEWER SYSTEM CONNECTION FEES INCIDENT TO THE CONNECTION OF PREMISES TO THE CITY SEWER SYSTEM - 2626 PILLSBURY ROAD - ASSESSOR'S PARCEL NO. 007-120-001** (Petition from property owners Roger L. and Deanna Murphy)

Item 2.1.Sewer in Lieus

- 2.2. **ITEMS REMOVED FROM CONSENT - None**

3. **PUBLIC HEARINGS**

Item 3.1. Appeal Hearing to Amend Title 19

- 3.1. **CONSIDERATION OF AN APPEAL AND RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO DENYING THE APPEAL AND DENYING A REQUEST TO AMEND TITLE 19 OF THE CHICO MUNICIPAL CODE TO PERMIT CARDROOMS IN THE DOWNTOWN NORTH ZONING DISTRICT - REZONE NO. 14-01 (SCOTT)**

Hearing - On October 16, 2014, the Planning Commission voted 6-0-1 (Merz absent) to recommend that the City Council deny a rezone (RZ 14-01) to amend the zoning regulations to allow card rooms in the DN (Downtown North) zoning district subject to use permit approval. The applicant has filed a timely appeal of the Planning Commission recommendation. (Report - Bob Summerville, Senior Planner)

Councilmember Schwab recused herself on this item due to owning a lease-hold property in the area being discussed. She left the dais and the Chamber.

Ex Parte Communications

Councilmember Ritter - Announced that she met with Jon Scott, Alicia Rock and several of Mr. Scott's past employees.

Councilmember Stone - Announced that he met with Jon Scott, Alicia Rock and several of Mr. Scott's former business customers.

Mayor Sorensen - Announced that he met with Tom Van Overbeck, Tom DiGiovanni, met with Jon Scott and Alicia Rock over a year ago.

Vice Mayor Morgan - Announced that he spoke with Wayne Cook, Tom DiGiovanni, Mr. Overbeck, and received numerous text messages from Alicia Rock.

Councilmember Fillmer - Announced that she had met with Alicia Rock and an associate of Mr. Scott.

Councilmember Coolidge - Announced that he had met with both Jon Scott and Alicia Rock.

Addressing the Council in support of the appeal to overturn the Planning Commission's decision were Judy Archer, Brandon Siewert, Jon Scott, Wayne Cook, and Bill Carter.

Speaking in opposition to the appeal were Brenda Bergland, Budd Schwab, Carrie Welch, Tom Kosik, Stephanie Taber, Michael Jones, Ted Simmen, Tom Van Overbeck, Ted Simmen, and Tom DiGiovanni.

A motion was made by Stone and seconded by Fillmer to approve deny the appeal and adopt the following resolution denying the appeal and rezone request:

RESOLUTION NO. 90-14 - RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO DENYING AN APPEAL AND A REQUEST TO AMEND TITLE 19 OF THE CHICO MUNICIPAL CODE TO PERMIT CARDROOMS IN THE DN (DOWNTOWN NORTH) ZONING DISTRICT SUBJECT TO USE PERMIT APPROVAL - REZONE 14-01 (SCOTT)

The motion carried by the following vote:

AYES: Coolidge, Fillmer, Stone, Morgan, Sorensen
 NOES: Ritter
 DISQ: Schwab

3.2. PUBLIC HEARING AND INTRODUCTORY READING - ORDINANCES AMENDING TITLE 19 OF THE CHICO MUNICIPAL CODE REGARDING THE REGULATION OF BUSINESSES SELLING ALCOHOL (CITY OF CHICO) A-ZON-19

Hearing - The City Council conducted a public hearing to consider proposed amendments to Title 19 of the Chico Municipal Code regarding businesses which sell alcohol. The amendments were previously considered by the Planning Commission on 10/16/14. The proposed amendments are exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) (General Rule Exemption). (Report - Greg Redeker, Associate Planner)

Item 3.2. Deemed Approved Ordinance

Addressing the Council on this item were Katie Simmons, Raven, McKenzie Harris, Trisha Seastrom, Taylor Herren, Amanda Montgomery, Benson, William Brady, Rob Rasner and Ken Rensink.

A motion was made by Morgan and seconded by Ritter to direct staff to work with the City Attorney on a new draft of the proposed ordinance and when ready, forward the draft to the Internal Affairs Committee for review.

The motion carried by the following vote:

AYES: Coolidge, Fillmer, Ritter, Schwab, Stone, Morgan, Sorensen
 NOES: None

4. REGULAR AGENDA

The Council recessed for a 20 minute break at 8:30 p.m. The meeting was reconvened and all members were present.

4.1. CONSIDERATION OF AN ORDINANCE AMENDING CHICO MUNICIPAL CODE TITLE 14.60 REGARDING USE OF CITY STREETS AND SIDEWALKS - At the request of staff, this item was removed from the agenda and not heard at this meeting.

Item 4.1. Vendor Hawk Permits

4.2. CONSIDERATION OF THE SIX-MONTH REVIEW OF THE SIT / LIE ORDINANCE

At its meeting of 7/1/14, Council was presented with a six month review of the Sit/Lie Ordinance that became effective December 19, 2013. Council requested an additional six month review. This ordinance was adopted in order to provide Police Officers legal authority to contact individuals sitting and lying on public sidewalks, curbs and streets, for extended periods of time and ask them to cease. (Report - David Britt, Police Lieutenant)

Item 4.2. Sit Lie Update

Addressing the Council were Molly, Kay Powell, Dan Everhart, Steven Brannon, Tammy Wells, and Loretta Torres.



**COMMUNITY DEVELOPMENT
DEPARTMENT**

411 Main Street (530) 879-6800
P.O. Box 3420
Chico, CA 95927

PERMIT NO. Use Permit 16-02 (Scott)

**CONDITIONAL
USE PERMIT**

Permit Description:

In accordance with Chico Municipal Code Sections 19.24 and 5.32, Use Permit Application No. Use Permit 16-02 (Scott) authorizes the following:

- 1) a card room with 7 game tables located within an 800 square foot area of an existing restaurant and sports bar,
- 2) 24-hour business operation within 300-feet of a residential zoning district, and
- 3) construction of an 8-foot high decorative screen fence along the site's common property line with the McManus Elementary School playground.

At: 968 East Avenue, APN 015-230-031

Final Action: Approved by the Planning Commission, July 7, 2016

In accordance with Chico Municipal Code Section 19.30.020, no permit, certificate, or other entitlement may be issued until the effective date.

Effective Date of the Permit: July 18, 2016

Conditions of Approval:

1. Use Permit 16-02 (Scott) authorizes 1) a card room with 7 game tables located within an 800 square foot area of an existing restaurant and sports bar, 2) 24-hour business operation within 300-feet of a residential zoning district, and 3) construction of an 8-foot high decorative screen fence along the site's common property line with the McManus Elementary School playground, in substantial accordance with the "Plat to Accompany Use Permit 16-02 (Scott)" (date stamped June 2, 2016), except as modified by any other condition of approval.
2. The permittee shall comply with all other State and local Code provisions, including those of the Butte County Environmental Health Division, Alcoholic Beverage Control, Bureau of Gambling Control, City Building and Development Services Department, Finance Department, Police Department, and Fire Department. The applicant is responsible for contacting these offices to verify the need for permits.

3. All Emergency Preparedness, Security, and Surveillance Plans required under Article 2 of the California Bureau of Gambling Control regulations shall be enforced.
 4. The permittee shall obtain a cardroom license from the Chico Finance Department prior to commencing cardroom operations. The cardroom shall be operated in compliance with the requirements of CMC 5.32.
 5. The Chico Police Department reserves the right to recommend that restrictions be placed on any alcoholic beverage license for this business as part of the ABC approval process, including but not limited to: hours of alcohol sales; display of alcohol-related signs; and volume of alcohol sales in relation to food sales.
 6. All exterior improvements shall be subject to site design and architectural review as set forth in CMC 19.18, including the construction of an 8-foot high decorative fence along the common property line with the adjacent McManus Elementary School playground, consistent with design details approved by the Planning Commission (attached hereto).
-

cc: Permittee, SPCE, Building File, GISA Pierce

Debbie Presson

From: Deepika Tandon
Sent: Wednesday, March 31, 2021 11:47 AM
To: Debbie Presson; Andrew Coolidge
Subject: Agenda request

Good Morning,

Last week it came to my attention that NVHRC was in the process of leasing a building at 1805 Park Ave. Until today, we were not sure what they would be doing. I was able to speak with one of their representative today. I was informed that they would be providing services, OTC medications, syringe disposal services and pre-packaged food. I would like to bring attention about disproportionate concentration of service providers in my district.

In summary:

Service providers in District 7 : Jesus Center, Torres Shelter, etc.

Future Plans: Expansion of Torres Shelter, Jesus Center and 1297 Park Ave(current JC to 59affordable housing units), discussion about current BMX site's future use and NVHRC.

Also, I am receiving complaints from residents and businesses due to illegal camping.
Illegal Camp sites include:

Comanche Creek and Wind Chime Park now and the triangle area and Boucher Street in the past.

I believe that these uses currently are in accordance with our zoning and land use requirements. With that stated, I would like to have a discussion regarding the disproportionate concentration of services in D7. It would be great to have services provided in other parts of Chico so people have easy access and the burden doesn't lie on District 7 alone.

Deepika Tandon
Councilmember
City of Chico
530-433-4872

	Jesus Center	True North Housing Alliance	Catalyst DV Services
Contact	Laura Cootsona	Joy Amaro	Anastacia Snyder
Email	laura@jesuscenter.org	joy@truenorthbutte.org	als@catalystdvservices.org
Phone	(530) 345-2640	(530) 517-0724	(530) 343-7711
Site #1	District 7	District 7	confidential
Site #2	opted not to provide	District 4	confidential
Site #3		District 4	
Site #4		District 4	
Site #5		District 4	
Sites thereafter		Districts 5, 1, 5, 5, 4	

INTAKE

<i>Program Eligibility</i>	Provides services for those that are 18 and above of age		Provides DV services for those persons who are survivors of domestic violence
<i>Initial Assessment</i>	Conducts an assessment using their Service Card	Provides an initial assessment of clients	
<i>Foundation Assessment Training</i>			
<i>Program Barrier Support</i>		Provides case management of clients needs	Provides case management of clients needs
<i>Other</i>			

PROGRAM EDUCATION AND SKILLS

<i>Soft Skills</i>	Provides soft skill training		
<i>Hard Skills</i>	Provides hard skill training		
<i>Employment Specific Skills</i>	Provides job coaching and job readiness assessments for specific jobs	Provides job skills for landscaping, janitorial, and food service	
<i>Other</i>			

OUTREACH AND ENGAGEMENT

<i>Housing related outreach</i>			
<i>Supportive services engagement</i>			

WORK INTERNSHIP

<i>Project based Employment</i>	Provides project based employment opportunities	Provides internships at the Torres Shelter for landscaping, janitorial, and food service	
<i>Partner Employment Organizations</i>	Works with other organizations to provide internship opportunities		
<i>Transportation</i>	Provides bus passes for clients	Provides bus passes through the City	
<i>Other</i>			

STABLE HOME AND FOOD

<i>Temporary Housing</i>	Works with other organizations to provide temporary housing and also provides some onsite housing	Provides emergency shelter	Provides Transitional Housing
<i>Permanent Housing</i>			
<i>Food Security</i>	Provides food to clients	Provides meals for clients	
<i>Health Security</i>	Works with other organizations to provide wound care and a wellness event	Provides mobile medical and tele-medicine services	
<i>Other</i>			

OUTPUT

<i>Certifying Achievement</i>	Provides a certificate showing program achievement	Provides certificates for certain programs such as food handling	
<i>Work Recommendation</i>	Provides a work recommendation to clients	Provides letters of recommendation to clients	
<i>Referral Partnerships</i>	Refers client out to a number of partnering organizations		
<i>Education</i>	Provide education and practical experience in flower cart, farm, reception and café enterprises		
<i>Other</i>			

POST-PROGRAM SERVING

<i>Sustainable Employment</i>	Provides employment opportunities through partners and local services		
<i>Permanent Housing</i>	Refers clients out to other organizations which provide housing	Provides permanent supportive housing and rapid rehousing	
<i>Mentorship and Support</i>	Provides a mentoring program to support clients on their job	Provides ongoing case management for a year to clients	
<i>Degree or Vocational Support</i>			
<i>Other</i>			

	Vectors	Point of Contact	Community Action Agency
Contact	Armando Hernandez	Laurie Maloney	Tim Hawkins
Email	vectorsofchico@gmail.com	maloneez@gmail.com	thawkins@buttecaa.com
Phone	(530) 343-3040	(530) 518-1616	(530) 712-2600
Site #1	District 1	where needed	District 1
Site #2			
Site #3			
Site #4			
Site #5			
Sites thereafter			

INTAKE

<i>Program Eligibility</i>	Provides housing and SLE services for veterans	Provides services for those that meet income or program eligibility requirements
<i>Initial Assessment</i>	Provides an initial assessment of clients	Provides an initial assessment of clients
<i>Foundation Assessment Training</i>		
<i>Program Barrier Support</i>	Provides case management of clients needs	Provides case management of clients needs
<i>Other</i>		

PROGRAM EDUCATION AND SKILLS

Soft Skills
Hard Skills
Employment Specific Skills
Other

OUTREACH AND ENGAGEMENT

<i>Housing related outreach</i>	Connects persons who are ready to potential emergency shelter beds
<i>Supportive services engagement</i>	Provides one on one engagement to bring resources and solutions to the street homeless

WORK INTERNSHIP

<i>Project based Employment</i>	
<i>Partner Employment Organizations</i>	Maintains partnerships with other organizations
<i>Transportation</i>	
<i>Other</i>	

STABLE HOME AND FOOD

<i>Temporary Housing</i>	Transitional Housing	Transitional Housing for families with children; provides rental assistance
<i>Permanent Housing</i>		
<i>Food Security</i>		
<i>Health Security</i>		
<i>Other</i>		

OUTPUT

Certifying Achievement
Work Recommendation
Referral Partnerships
Education
Other

POST-PROGRAM SERVING

Sustainable Employment
Permanent Housing
Mentorship and Support
Degree or Vocational Support
Other

	Veterans Admin	Youth for Change	North State Shelter Team
Contact	Kristen Yahn	Nancy Jorth	Charles Withuhn
Email	kristen.yahl@va.gov	njorth@youth4change.org	cswithuhn@yahoo.com
Phone	(530) 776-4405	(530) 321-0475	(530) 518-1417
Site #1	District 6	District 4	where needed
Site #2		District 1	
Site #3			
Site #4			
Site #5			
Sites thereafter			

INTAKE

Program Eligibility

Initial Assessment

Foundation Assessment Training

Program Barrier Support

Other

PROGRAM EDUCATION AND SKILLS

Soft Skills

Hard Skills

Employment Specific Skills

Provides job coaching and job readiness assessments for specific jobs

Other

OUTREACH AND ENGAGEMENT

Housing related outreach

Connects veterans to housing and housing vouchers/subsidies

Supportive services engagement

WORK INTERNSHIP

Project based Employment

Partner Employment Organizations

Transportation

Other

STABLE HOME AND FOOD

Temporary Housing

Works with other housing organizations to provide housing based on need

Permanent Housing

Food Security

Afternoon meal

Health Security

Provides funding assistance and case management to access health care services

Other

OUTPUT

Certifying Achievement

Work Recommendation

Referral Partnerships

Refers client out to a number of partnering organizations

Education

Other

POST-PROGRAM SERVING

Sustainable Employment

Provides employment opportunities through partners and local services

Permanent Housing

Mentorship and Support

Degree or Vocational Support

Other

Budgeting, support groups, counseling

Food delivery, transportation, first aid kits, clothes, fire extinguishers, trash pick up

	Butte County Employment and Social Services	Butte County Housing and Homeless Branch	Enloe
Contact	Shelby Boston	Don Taylor	Carol Linscheid
Email	sboston@buttecounty.net	dtaylor@buttecounty.net	carol.linscheid@enloe.org
Phone	(530) 538-7891	(530) 538-7572	(530) 332-7035
Site #1			
Site #2			
Site #3			
Site #4			
Site #5			
Sites thereafter			

INTAKE

<i>Program Eligibility</i>	Accepts eligible clients		
<i>Initial Assessment</i>	Conducts initial assessment for a variety of programs with its AFWD partner		
<i>Foundation Assessment Training</i>	Assesses job and training skills		
<i>Program Barrier Support</i>	Provide SSI/SSD advocacy within ESS and provide job skill support through AFWD		Connects uninsured individuals with resources (i.e. MediCal)
<i>Other</i>			

PROGRAM EDUCATION AND SKILLS

<i>Soft Skills</i>	Provides soft skills through AFWD and Butte College		Conducts mock interviews for job search prep
<i>Hard Skills</i>	Provides hard skills through AFWD and Butte College		
<i>Employment Specific Skills</i>	Provides job specific skills through AFWD		
<i>Other</i>			

OUTREACH AND ENGAGEMENT

Housing related outreach
Supportive services engagement

WORK INTERNSHIP

<i>Project based Employment</i>	Provides project based job opportunities through AFWD		
<i>Partner Employment Organizations</i>	Provides partnership with AFWD		
<i>Transportation</i>	Provides bus tickets for clients		
<i>Other</i>			

STABLE HOME AND FOOD

<i>Temporary Housing</i>	Provides assistance for housing	Connects clients with housing provides and work to reduce barriers (incentives, deposits, advocacy, and rent subsidies)	
<i>Permanent Housing</i>			
<i>Food Security</i>	Provides Cal Fresh for food security		
<i>Health Security</i>	Provides medical assistance		1) Provides healthcare services to all regardless of ability to pay 2) Offers access to health faire for community-screenings and immunizations
<i>Other</i>			

OUTPUT

<i>Certifying Achievement</i>			
<i>Work Recommendation</i>			
<i>Referral Partnerships</i>	Provides employment referrals through AFWD		
<i>Education</i>	Provides additional education through AFWD and Butte College		
<i>Other</i>			

POST-PROGRAM SERVING

<i>Sustainable Employment</i>	Provides employment opportunities through AFWD		
<i>Permanent Housing</i>	Provides housing assistance programs	Works with partners to locate and obtain permanent housing and work to remove barriers	
<i>Mentorship and Support</i>			
<i>Degree or Vocational Support</i>	Provides degree and vocational support through CalWORKs		
<i>Other</i>			

Contact	Crisis Care Advocacy & Triage	Grace Community Church	Caminar
Email	Lisa Currier	Bryan Meyers	Brad Brunner
Phone	bridginggapsbutte@gmail.com	bryan@gracechico.org	bbrunner@caminar.org
Site #1	(510) 396-5109	(530) 343-5523	(530) 343-4472
Site #2			
Site #3			
Site #4			
Site #5			
Sites thereafter			

INTAKE

<i>Program Eligibility</i>	
<i>Initial Assessment</i>	
<i>Foundation Assessment Training</i>	
<i>Program Barrier Support</i>	Works with individuals experience mental health while on the jobsite and are on call as necessary
<i>Other</i>	

PROGRAM EDUCATION AND SKILLS

<i>Soft Skills</i>
<i>Hard Skills</i>
<i>Employment Specific Skills</i>
<i>Other</i>

OUTREACH AND ENGAGEMENT

<i>Housing related outreach</i>
<i>Supportive services engagement</i>

WORK INTERNSHIP

<i>Project based Employment</i>		
<i>Partner Employment Organizations</i>		
<i>Transportation</i>	Provide transportation for individuals to/from work	Provides transportation as needed
<i>Other</i>		

STABLE HOME AND FOOD

<i>Temporary Housing</i>		
<i>Permanent Housing</i>		PSH for chronically homeless persons with a MH diagnosis
<i>Food Security</i>	Provides food as needed to client to all for a complete work day	
<i>Health Security</i>	Can transport individual to mental health or other medical facility to ensure client's ability to complete a program	
<i>Other</i>		

OUTPUT

<i>Certifying Achievement</i>	
<i>Work Recommendation</i>	Provides work recommendation for client
<i>Referral Partnerships</i>	Provides referral to other organizations as necessary
<i>Education</i>	
<i>Other</i>	

POST-PROGRAM SERVING

<i>Sustainable Employment</i>		
<i>Permanent Housing</i>		
<i>Mentorship and Support</i>	Works with individuals experience mental health while on the jobsite and are on call as necessary	Can provide gap care to participants through an adopt a work program
<i>Degree or Vocational Support</i>		Provides vocational training for County BH clients
<i>Other</i>		Can provide some funding that can be committed to procuring equipment and materials to support program

	CHAT	Safe Space	Butte County Behavioral Health
Contact	Leslie Johnson	Deana Schwab	Cathleen Ouimet
Email	leslie4chat@gmail.com	513schwab@gmail.com	couimet@buttecounty.net
Phone	(530) 518-9992	(530) 228-8969	(530) 282-2581
Site #1	District 1-2 rental homes	District 5	
Site #2	District 2-4 rental homes		
Site #3	District 3-3 rental homes		
Site #4	District 4-20 rental homes		
Site #5	District 5-3 rental homes		
Sites thereafter	District 6-0 rental homes District 7-25 rental homes		

INTAKE

<i>Program Eligibility</i>	Provides temporary, nomadic shelter to highly vulnerable homeless populations	Provides mental health assessment
<i>Initial Assessment</i>	Provides an initial assessment of clients	Provides initial assessment
<i>Foundation Assessment Training</i>		Provides an employment assessment
<i>Program Barrier Support</i>	Provides case management of clients needs	Assess vocational barrier support needed for client
<i>Other</i>		

PROGRAM EDUCATION AND SKILLS

<i>Soft Skills</i>		Provides soft skills
<i>Hard Skills</i>		Provides hard skills
<i>Employment Specific Skills</i>		Provides employment specific skills and coordinate with contract partners
<i>Other</i>		

OUTREACH AND ENGAGEMENT

Housing related outreach
Supportive services engagement

WORK INTERNSHIP

<i>Project based Employment</i>		Provides project based employment
<i>Partner Employment Organizations</i>		Maintains partnerships with other organizations
<i>Transportation</i>		
<i>Other</i>		

STABLE HOME AND FOOD

<i>Temporary Housing</i>	Temporary housing at rotating churches for vulnerable populations/seasonal shelter only	
<i>Permanent Housing</i>		Provides funding assistance and case management to access food
<i>Food Security</i>		
<i>Health Security</i>		Provides funding assistance and case management to access health care services
<i>Other</i>		

OUTPUT

<i>Certifying Achievement</i>		Provides program certificates
<i>Work Recommendation</i>		Provides link to job opportunities and paid employment
<i>Referral Partnerships</i>		
<i>Education</i>		
<i>Other</i>		

POST-PROGRAM SERVING

<i>Sustainable Employment</i>		Provides supportive employment
<i>Permanent Housing</i>		Provides HUD grants for permanent housing
<i>Mentorship and Support</i>		
<i>Degree or Vocational Support</i>		Offers funding for vocational services
<i>Other</i>		

Contact	St. John's Episcopal Church	Chico Rescue Mission
Email	Richard Yale rbyale@att.net	Larry Mifflin chicorescuemission@yahoo.com
Phone	(530) 321-9847	(530) 624-5431
Site #1		District 1
Site #2		
Site #3		
Site #4		
Site #5		
Sites thereafter		

INTAKE		
<i>Program Eligibility</i>		Provide sober living services for at risk populations
<i>Initial Assessment</i>	Conducts initial assessment of potential clients	
<i>Foundation Assessment Training</i>		
<i>Program Barrier Support</i>		Provides case management of clients needs
<i>Other</i>		
PROGRAM EDUCATION AND SKILLS		
<i>Soft Skills</i>		
<i>Hard Skills</i>		
<i>Employment Specific Skills</i>		
<i>Other</i>		
OUTREACH AND ENGAGEMENT		
<i>Housing related outreach</i>		
<i>Supportive services engagement</i>		
WORK INTERNSHIP		
<i>Project based Employment</i>		
<i>Partner Employment Organizations</i>		
<i>Transportation</i>		
<i>Other</i>		
STABLE HOME AND FOOD		
<i>Temporary Housing</i>	Provides referral to another organization for housing needs	
<i>Permanent Housing</i>		
<i>Food Security</i>	Provides food as necessary	
<i>Health Security</i>		
<i>Other</i>		
OUTPUT		
<i>Certifying Achievement</i>		
<i>Work Recommendation</i>		
<i>Referral Partnerships</i>		
<i>Education</i>		
<i>Other</i>	Coordinates with another organization for case management	
POST-PROGRAM SERVING		
<i>Sustainable Employment</i>		
<i>Permanent Housing</i>		
<i>Mentorship and Support</i>		
<i>Degree or Vocational Support</i>		
<i>Other</i>		

INTERNAL AFFAIRS COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers Denlay, Tandon, and Chair Reynolds
Meeting of March 10, 2021 – 2:00 p.m.

PUBLIC PARTICIPATION: *This meeting is being conducted in accordance with Executive Order N-29-20.* Members of the public may virtually attend the meeting using the City's Zoom platform.

Zoom public participants may use the following information to remotely view and participate in the Internal Affairs Committee meeting online:

Event Name: **Internal Affairs Committee Meeting 03-10-21 2:00 PM**

Date/Time: **Wednesday, March 10, 2021 2:00 pm**

Event URL: <https://zoom.us/j/99177821137?pwd=Rzg1dXJ2dmNTSEVkcQUt0M0w5T0l4Zz09>

Event #: **991 7782 1137**

Password: **IAC**

Call-in #: **1-888-788 0099 US Toll-free**

Meeting ID: **991 7782 1137**

Call-in Password: **979844**

REGULAR AGENDA

A. INTRODUCTION AND OVERVIEW OF INTERNAL AFFAIRS COMMITTEE - Debbie Presson, City Clerk

B. PEDI-CAB BAR PUB CRAWL (HATCHET HOUSE)

At its meeting of 12/15/20, the Council voted to refer to the Internal Affairs Committee a discussion regarding a pedi-cab bar pub crawl (Hatchet House).

C. BUSINESS FROM THE FLOOR

Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda

D. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn to the next regular Internal Affairs Committee meeting scheduled for Wednesday, April 14, 2021 at 2:00 p.m.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda.

Instructions for using Zoom

- Join the meeting using the link above.
- You must have audio and microphone capabilities on the device you are using to join the meeting.

- When you join the meeting make sure that you join the meeting with audio and follow the prompts to test your speaker & microphone prior to joining the meeting.

To speak on an item using Zoom

- The Chair will call the item and staff will begin the staff report.
- Click on the Raise Hand icon if you would like to speak on the item. The City Clerk will call your name when it is your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- When your time is up, you will be muted.
- You will repeat this process for each item you want to speak on.

Distribution available in the office of the City Clerk

Posted: 03-04-21 prior to 5:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us

Copies of the agenda packet are available for review at: City Clerk's Office, 411 Main St. Chico, CA 95928



Please contact the City Clerk at 896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.

December 14, 2020

To Whom It May Concern,

My name is Arianna Mathiopoulos and I am writing regarding the pedal pub Vice Mayor Kasey Reynolds has brought forward on my behalf. I acknowledge that a pandemic is not the ideal time to make such a request, and I know there are many important issues on city council's plate. I really appreciate you taking the time to review my proposition.

As detailed before, my goal is to bring a multi-passenger bicycle to Chico, known in other cities as a pedal pub. Private groups rent the bike, which is driven/guided by an employee, and pedal around downtown and through Bidwell park. For family-friendly tours, this will include stops to enjoy some snacks and beverages. For adults, the tours will include stops at local breweries and restaurants for small bites and a beverage. The bicycle includes a back-up motor with speeds that do not exceed 15 MPH.

At the moment, I am working with a company to lease the bicycle. It is being held in Sacramento, and I have explained the entire process regarding the change needed to the city's municipal code. With a deposit, the company will continue to store my bike in Sacramento until we are ready to launch, when social gatherings and outings become safe again. I am hopeful that with your help, soon, I can confirm whether or not the city is willing to allow the business to move forward and make the necessary changes, so I can continue the planning!

Last year I had the privilege of bringing Hatchet House to Chico, and what an awesome experience that has been. The community has been so supportive and welcoming. Even with the struggles of the past 8 months, I have a lot of positivity regarding the future, and I am looking forward to bringing more exciting and fun businesses to the locals. My goal is to add to what is already an amazing small town and community.

Again, thank you so much for your time and consideration. It is extremely appreciated.

Kind Regards,

Arianna Mathiopoulos