



CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency

Monday, April 17, 2023

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Bertha Perez, Council Member Jesse Ornelas, Council Member Sarah Boyle, Council Member Ronnie DeAnda, Council Member Shane Smith, and Council Member Fue Xiong

Absent: 0

B. CLOSED SESSION

Mayor SERRATTO called the Closed Session to order at 5:00 PM.

Clerk's Note: Mayor SERRATTO stated, "The City Council is meeting with legal counsel in closed session regarding anticipated litigation, agenda item number 23-344, based on the following facts and circumstances. Jiva MCE, LLC ("Jiva Life") has appealed the Planning Commission's approval of commercial cannabis business permit #22-02R to Culture Merced Dispensary to the City Council. Jiva Life and/or Culture Merced Dispensary may initiate litigation against the City depending upon the outcome of the appeal."

- B.1.** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of Subdivision (d) of Government Code section 54956.9, Name of Cases: Appeal #2 of the Planning Commission's Approval of Commercial Cannabis Business Permit (CCBP) #22-02R for Retail Cannabis at 1111 Motel Drive by JIVA MCE, LLC
- B.2.** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Government Code Section 54956.9: Two (2) Potential Lawsuits
- B.3.** SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Initiation of Litigation Pursuant to Paragraph (4) of

Subdivision (d) of Section 54956.9: Six (6) Potential Cases

B.4. **SUBJECT:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION -
Title: City Attorney; Authority: Government Code Section 54957

B.5. **SUBJECT:** PUBLIC EMPLOYEE PERFORMANCE EVALUATION -
Title: City Manager; Authority: Government Code Section 54957

Clerk's Note: Council adjourned from Closed Session at 5:31 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:02 PM.

C.1. Invocation - Joel Dorman, First Baptist Church

The Invocation was delivered by Pastor Joel DORMAN of the First Baptist Church.

C.2. Pledge of Allegiance to the Flag

Pastor Joel DORMAN led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Bertha Perez, Council Member Jesse Ornelas, Council Member Sarah Boyle, Council Member Ronnie DeAnda, Council Member Shane Smith, and Council Member Fue Xiong

Absent: 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$400.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$100.00 each month as a part of the adopted budget and Resolution 2020-86. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT:** City Council Volunteer of the Year Awards

REPORT IN BRIEF

Council Members nominated a volunteer within their district and the Mayor nominated one at-large volunteer to highlight those who have given back to their community.

Mayor SERRATTO briefly described the Volunteer of the Year Awards.

Clerk's Note: Each Council Member presented awards to individual volunteers within their districts.

District 1 - Reymundo ZARAGOZA
District 2 - Virginia VEGA
District 3 - Lao SAECHAO & Steven PEREZ
District 4 - Doug FLETCH
District 5 - Monika GRASELY
District 6 - Sebastian CERVANTES
At-Large - Girl Scout Troop 2163

Council thanked all of the volunteers for all of their efforts to improve the community.

G. WRITTEN PETITIONS AND COMMUNICATIONS

Clerk's Note: Emails were received for the following agenda items and forwarded to Council prior to the meeting.

Oral Communications: Steven DONAHUE.

Agenda Item K.1.: Tania BAKER, Alex CAMPOS, Lilly Janine CASILLAS, Erica, Adam FUETES, Crystal HIDALGO, Sam LOBERG, Vanessa LOPEZ, Star MASTRODONATO, and Craig NESS.

Clerk's Note: Council took a recess at 6:32 PM and returned at 6:41 PM.

H. ORAL COMMUNICATIONS

Clerk's Note: The following comment was received via voicemail.

Steven DONAHUE, Merced - spoke on flights to Hawthorne and the Los Angeles Airport.

Clerk's Note: The following speakers appeared in person.

Alvett EVANS, Merced - spoke on the recent fire at the apartment complex and the unfair treatment by Soldavi Realty.

Sharon JOHNSON, Merced - spoke on the fire in April and the unfair treatment from the apartment complex.

Clerk's Note: Council took a recess at 6:52 PM and returned at 6:55 PM.

Donald BARCLAY, Board Member of Friends of the Merced County Library, Merced - spoke on the Merced County Library event.

Kenra BRAGONIER, Board Member of Friends of the Merced County Library, Merced - spoke on the Merced County Library event and shared gratitude for funds.

Denero WATERS, Merced - spoke on the recent fire at the apartment complex and the manager forcing residents out.

Nate FRANKHAUSER, Merced - spoke on the Fire OPS 101 event.

Shontrice GREEN, Merced - spoke on issues with landlord at the apartment complex on K Street and the recent fire.

Gloria SANDOVAL, Merced - spoke on the report for Merced citizens with a zero dollar income.

Crissy G, Merced - spoke on rent control.

Blanca OJEDA, Merced - spoke on holding landlords accountable.

I. CONSENT CALENDAR

Agenda Items I.11. Adoption of a Resolution of Intent Regarding Annexation No. 24 into Community Facilities District (CFD) No. 2003-2 (Services), Approving a Deposit and Reimbursement Agreement for Annexation No. 24, and Setting a Public Hearing for June 5, 2023, Annexation No. 24 Consists of Approximately 38 Acres of Land Generally Located at the Northwest Corner of G Street and Farmland Avenue, I.12. Approval of a Memorandum of Understanding (MOU) Between the City of Merced and the Merced County Office of Education (MCOE) to Accept \$650,000 to Install a Futsal Court at Community Park 42 Regional Sports Facility and Award Bid to American Paving Co. for the Community Park 42, Project Number CP220061, in the Amount of \$5,800,580.70, I.14. Lease Agreement with Williams Scotsman, Inc. to Provide a Temporary Portable Building for the Stephen Leonard Park Building Rehabilitation

Structural Repairs, Project Number CP230052, in the Amount of \$87,236.68, Increasing Revenue in the Amount of \$108,237, and Appropriating the Same, and I.15. Second Reading and Final Adoption of an Ordinance to Approve Adding Chapter 9.75, "Displaced Tenant Protections," to the City of Merced Municipal Code and Introduction of an Ordinance Adding Chapter 9.75, "Displaced Tenant Protections," to the City of Merced Municipal Code; were pulled for separate consideration.

Approval of the Consent Agenda

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Ornelas, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.1. SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

I.2. SUBJECT: Information Only - Planning Commission Minutes of March 22, 2023

RECOMMENDATION

For information only.

This Consent Item was approved.

I.3. SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of

November 21, 2022

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of November 21, 2022.

This Consent Item was approved.

I.4.

SUBJECT: Approval of the Restated Joint Powers Agreement of the Merced County Association of Governments (MCAG)

REPORT IN BRIEF

Considers approving the Restated Joint Powers Agreement of the MCAG.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Restated Joint Powers Agreement of the MCAG; and,

B. Authorizing the City Manager or Deputy City Manager to execute the agreement.

This Consent Item was approved.

I.5.

SUBJECT: Approval of an Agreement with Marderosian & Cohen for an Amount not to Exceed \$50,000 and the Approval of a Supplemental Appropriation in the Amount of \$50,000 from the Unreserved, Unencumbered Fund Balance of Fund 6000-Wastewater System Operations, and to Support the Completion of a Hydrology Study

REPORT IN BRIEF

Considers approving an agreement with Marderosian & Cohen for the completion of a Hydrology Study in the Amount of \$50,000 and the approval of a supplemental appropriation in the amount of \$50,000

from the unreserved, unencumbered fund balance of Fund 6000-Wastewater System Operations.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Agreement with Marderosian & Cohen for the completion of a Hydrology Study for an amount not to exceed \$50,000; and,

B. Approving a Supplemental Appropriation in the amount of \$50,000 from the unreserved, unencumbered fund balance of Fund 6000-Wastewater System Operations Storm Drain Division; and,

C. Authorizing the Finance Officer to make the necessary budget adjustments; and,

D. Authorizing the City Manager or Deputy City Manager to execute the necessary documents.

This Consent Item was approved.

I.6.

SUBJECT: Award Bid to AMS.Net for the Purchase of a CCTV Camera System for a Total Cost of \$100,444

REPORT IN BRIEF

Considers awarding bid to AMS.Net for the purchase of a CCTV Camera System for a Total cost of \$100,444.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the bid to AMS.Net for CCTV Camera Systems for a total cost of \$100,444; and,

B. Authorizing the City Manager or Deputy City Manager to execute the necessary documents.

This Consent Item was approved.

I.7.

SUBJECT: Adoption of a Resolution Setting a Public Meeting for

Monday, June 5, 2023, and a Public Hearing for Tuesday, June 20, 2023, Regarding Maintenance Districts Engineer's Reports and Budgets - Fiscal Year 2023/2024

REPORT IN BRIEF

Considers setting a public meeting for Monday, June 5, 2023, to address the proposed Engineer's Reports and Budgets and a formal public hearing for Tuesday, June 20, 2023, before a determination is made on the level of assessment to approve.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2023-25**, a Resolution of the City Council of the City of Merced, California, approving Engineer's Reports on Maintenance Districts and setting a public meeting and a public hearing thereon.

This Consent Item was approved.

I.8.

SUBJECT: Acceptance and Appropriation of Grant Funding in the Amount of \$250 for FY 2022-23 from United States Tennis Association Northern California

REPORT IN BRIEF

Considers accepting and appropriating grant funding in the amount of \$250 from USTA for HITS tennis equipment grant.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting grant funds from USTA NorCal in the amount of \$250 and increasing Donations Contribution Revenue in Fund 1018-Parks & Community Service; and,

B. Appropriating the same to Operating Materials, Services and Supplies account in Fund 1018-Parks & Community Service; and,

C. Authorizing the City Manager or the Deputy City Manager to execute the necessary documents.

This Consent Item was approved.

I.9.

SUBJECT: Approval of Allocation of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Resources, and Approval of Associated Subrecipient Agreement with the County of Merced, on Behalf of its Human Services Agency, for the Respective Program Approved in Support of the Continuum of Care with the Adopted 2022 Annual Action Plan

REPORT IN BRIEF

Considers approving the execution of Community Development Block Grant (CDBG) Subrecipient Agreement with the County of Merced, on behalf of its Human Services Agency, in the amount of \$38,000 for the 2022 Continuum of Care Collaborative Applicant administrative support program.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the agreement for the program identified in the 2022 Annual Action Plan using Fiscal Year 2022-23 CDBG funds with the County of Merced on behalf of its Human Services Agency, in the amount of \$38,000 for the "City and County Continuum of Care 2022-23 Collaborative Applicant" Program; and,

B. Authorizing the City Manager or the Deputy City Manager to execute, and if necessary, direct staff to make minor modifications to the agreement as described above and as attached, and all associated documents and exhibits; and,

C. Authorizing the Finance Officer to make the necessary budget adjustments.

This Consent Item was approved.

I.10.

SUBJECT: Approval of the Release of Agreements Affecting the Property Approved for the Future Construction of the Devonwood Village Apartments as Requested by the Property Owner, Devonwood 64, LP., Generally Located on the South Side of Devonwood Drive, Between Loughborough Drive and Austin Avenue

REPORT IN BRIEF

The property owner, Devonwood 64, LP is seeking the release of five agreements to allow the site to be sold to a developer of the approved apartment complex. The five agreements include four Developer Agreements and one Subdivision Agreement. The City Council's action would also include authorizing the City Manager or Deputy City Manager to execute the necessary documents to release the agreements.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the release of three agreements between the City of Merced and the Bianchi Land Company dated September 25, 1992, August 8, 1994, and July 21, 1999, and the release of a Developer Agreement between the City of Merced and PPC Highland Park, LLC dated November 6, 2006, and a Subdivision Agreement between the City of Merced and PPC Highland Park, LLC dated February 20, 2007; and,

B. Authorizing the City Manager or Deputy City Manager to execute the necessary documents.

This Consent Item was approved.

I.13.

SUBJECT: Award Bid to Mid Cal Pipeline & Utilities, Inc. for the Orchard Lane Sewer Relocation, Project Number CP190025, in the Amount of \$876,235

REPORT IN BRIEF

Considers awarding a construction contract to Mid Cal Pipeline & Utilities, Inc. in the amount of \$876,235 for the Orchard Lane Sewer Relocation Project.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the Orchard Lane Sewer Relocation Project, Project No. CP190025 to Mid Cal Pipeline & Utilities, Inc., in the amount of \$876,235; and,

B. Authorizing the City Manager or Deputy City Manager to execute the

necessary documents and to approve change orders not to exceed 10% of the total contract; and,

C. Authorizing the Finance Officer authorization to make necessary budget adjustments.

This Consent Item was approved.

I.11.

SUBJECT: Adoption of a Resolution of Intent Regarding Annexation No. 24 into Community Facilities District (CFD) No. 2003-2 (Services), Approving a Deposit and Reimbursement Agreement for Annexation No. 24, and Setting a Public Hearing for June 5, 2023, Annexation No. 24 Consists of Approximately 38 Acres of Land Generally Located at the Northwest Corner of G Street and Farmland Avenue

REPORT IN BRIEF

Requests the City Council to adopt a Resolution of Intent to annex approximately 38 acres of land generally located at the northwest corner of G street and Farmland Avenue (CFD Annexation No. 24) into the City's CFD for Services (CFD 2003-2), including the approval of a Deposit and Reimbursement Agreement for the annexation; accept the petition, consent, and waiver for Annexation No. 24; and set a public hearing and election for June 5, 2023.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2023-26**, a Resolution of Intention of the City Council of the City of Merced, acting as the Legislative Body of the City of Merced Community Facilities District No. 2003-2 (Services), declaring its intention to annex area to said district and authorize the levy of a special tax within said annexation and approving a certain agreement related thereto; and,

B. Setting the Public Hearing for June 5, 2023; and,

C. Accepting the Petition, Consent and Waiver from Hostetler Investments, LLC for Annexation No. 24; and,

D. Accepting the deposit amount of \$25,000 in Fund 150, increasing the revenue and appropriating the same to cover the cost of Community

Facilities District formation and related expenditures for Annexation No. 24; and,

E. Authorizing the City Manager or Deputy City Manager to execute the Deposit and Reimbursement Agreement.

Mayor SERRATTO pulled this item at the request of Council Member SMITH.

Clerk's Note: Council Member SMITH recused himself due to the applicant being a client at his law firm.

Clerk's Note: There was no Council discussion.

A motion was made by Council Member Boyle, seconded by Council Member Ornelas, that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Xiong

No: 0

Absent: 0

Abstain: 1 - Council Member Smith

I.12.

SUBJECT: Approval of a Memorandum of Understanding (MOU) Between the City of Merced and the Merced County Office of Education (MCOE) to Accept \$650,000 to Install a Futsal Court at Community Park 42 Regional Sports Facility and Award Bid to American Paving Co. for the Community Park 42, Project Number CP220061, in the Amount of \$5,800,580.70

REPORT IN BRIEF

Considers approving of a Memorandum of Understanding (MOU) between the City of Merced and the Merced County Office of Education (MCOE) to accept \$650,000 for the installation of a futsal court at Community Park 42 Regional Sports Facility and awarding a construction contract to American Paving Co. in the amount of \$5,800,580.70 for the Community Park 42 Regional Sports Facility project.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a Memorandum of Understanding between the City of Merced and Merced County Office of Education to install a futsal court at Community Park 42 Regional Sports Facility; and,
- B. Authorizing the City Manager or the Deputy City Manager to execute the MOU; and,
- C. Accepting revenue from MCOE of \$650,000 in Fund 5001-Park Reserve and appropriating the same to project CP220061; and,
- D. Awarding the Community Park 42, Project No. CP220061 to American Paving Co., in the amount of \$5,800,580.70; and,
- E. Authorizing the City Manager or Deputy City Manager to execute the necessary construction contract and to approve change orders not to exceed 10% of the total contract; and,
- F. Authorizing the Finance Officer to make necessary budget adjustments.

Mayor SERRATTO pulled this item at the request of Council Member XIONG.

Council, City Manager Stephanie DIETZ, City Engineer Michael BELTRAN, and Director of Parks and Community Services Christopher JENSEN discussed the Joint Use Agreement, access to the facility, the Americans Disabilities Act (ADA) access, the department responsible for the Futsal Court, the Futsal Court design, scheduling reservation for usage, and the First 5 grant funding.

A motion was made by Council Member Ornelas, seconded by Council Member Boyle, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.14.

SUBJECT: Lease Agreement with Williams Scotsman, Inc. to Provide a Temporary Portable Building for the Stephen Leonard Park Building Rehabilitation Structural Repairs, Project Number

CP230052, in the Amount of \$87,236.68, Increasing Revenue in
the Amount of \$108,237, and Appropriating the Same

REPORT IN BRIEF

Considers approving a Lease Agreement with Williams Scotsman, Inc., for a temporary portable building at Stephen Leonard Park to provide office space for the current tenant or any future tenant while the Stephen Leonard Building is being repaired, increasing revenue in the amount of \$108,237, and appropriating the same.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Lease Agreement with Williams Scotsman, Inc. in the amount of \$87,236.68 to provide a temporary portal building at Stephen Leonard Park for the Stephen Leonard Park Building Rehabilitation Structural Repairs; and,

B. Approving an increase to cost recovery revenue in Fund 5000-Parks and Community Services in the amount of \$108,237, appropriating the same in Fund 5000-Parks and Community Services CIP Project Number CP230052-Stephen Leonard Building Repairs and allowing the use of pooled cash until reimbursement is received from the insurance company; and,

C. Authorizing the City Manager or Deputy City Manager to execute the necessary documents; and,

D. Authorizing the Finance Officer to make necessary budget adjustments for the for the Lease Agreement, building hook-up costs, and essentials.

Mayor SERRATTO pulled this item at the request of Council Member XIONG.

Council, City Manger Stephanie DIETZ, and City Engineer Michael BELTRAN discussed the current tenant, partnering with the CalVIP grant to include the Probation department, timeline on trailers and repairs, and the funding sources of the repairs.

Crissy G, Merced - asked how young people will be engaged in the project.

Council and Mrs. DIETZ discussed the targeted community members, community outreach, and the Peer Support Specialist application process.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.15.

SUBJECT: Second Reading and Final Adoption of an Ordinance to Approve Adding Chapter 9.75, "Displaced Tenant Protections," to the City of Merced Municipal Code and Introduction of an Ordinance Adding Chapter 9.75, "Displaced Tenant Protections," to the City of Merced Municipal Code

REPORT IN BRIEF

Second reading and final adoption of an Ordinance to approve adding Chapter 9.75 to the City of Merced Municipal Code and introducing a regular ordinance adding Chapter 9.75 to the City of Merced Municipal Code.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance No. 2548**, an Ordinance of the City Council of the City of Merced, California, adding Chapter 9.75, "Displaced Tenant Protections," to the Merced Municipal Code.

Mayor SERRATTO pulled this item at the request of Council Member SMITH.

Council Member SMITH pulled this item for separate consideration.

Clerk's Note: There was no Council discussion.

A motion was made by Council Member Ornelas, seconded by Council Member Boyle, that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Xiong

No: 1 - Council Member Smith

Absent: 0

J. PUBLIC HEARINGS

J.1. **SUBJECT:** Appeal of the Planning Commission's Approval of Commercial Cannabis Business Permit (CCBP) #22-02R for Retail Cannabis at 1111 Motel Drive by JIVA MCE, LLC ("Jiva Life")

REPORT IN BRIEF

JIVA MCE, LLC ("Jiva Life") has appealed the Planning Commission's approval of Commercial Cannabis Business Permit #22-02R (Culture Merced Dispensary) for a retail cannabis facility at 1111 Motel Drive.

RECOMMENDATION

City Council - Adopt a motion:

- A. Granting or denying the appeal of JIVA MCE, LLC ("Jiva Life"); and,
- B. Providing direction to staff regarding findings to grant or deny appeal, with or without prejudice.

Development Services Technicians Stephani DAVIS gave a slideshow presentation on the appeal of the Planning Commission's approval of Commercial Cannabis Business Permit (CCBP) #22-02R for retail cannabis.

Clerk's Note: Council Member DEANDA recused himself due to being a member of the Planning Commission when the matter was heard.

Mayor SERRATTO opened the Public Hearing at 6:41 PM and subsequently closed the Public Hearing at 6:42 PM to allow Council Members to disclose communications.

Clerk's Note: All Council Members disclosed conversations with organizations involved and any additional information.

Mayor SERRATTO opened the Public Hearing at 7:43 PM.

Nicole PHILLIS, Appellant - spoke on the issues of the application process of the CCBP.

Raj POTTABATHNI, Appellant - spoke on the points given to all applicants.

Devon JULIAN, Applicant - spoke on the application points and both appeals against the Planning Commission's approval.

Eugene DRUMMOND, Appellant - spoke on JIVA Life's proposal for their CCBP application.

Patrick OROSCO, Appellant - spoke on cannabis sales, JIVA Life's support staff, and their community outreach.

Ms. PHILLIS, Appellant - discussed the document she provided to Council.

Mr. JULIAN discussed the reason for the Agenda Item and details of the Planning Commission's approval.

Mayor SERRATTO closed the Public Hearing at 8:06 PM.

Council and Development Services Director Scott MCBRIDE discussed the application process, the appeal process, the Planning Commission's evaluation of points, and the final scoring.

A motion was made by Council Member Smith, seconded by Council Member Ornelas, to deny the appeal. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

Abstain: 1 - Council Member DeAnda

K. REPORTS

Clerk's Note: Council took a recess at 8:16 PM and returned at 8:23 PM.

K.1.

SUBJECT: Further Discussion, Additional Information, and Project Alternatives Regarding Community Development Block Grant Project Funding for the U.S. Department of Housing and Urban Development (HUD) 2023 Annual Action Plan

REPORT IN BRIEF

Provides additional project information and alternative options for Council consideration regarding 2023 Annual Action Plan project funding

proposals, following Council direction received at the Public Hearing on March 20, 2023.

RECOMMENDATION

City Council -

A. Discuss and provide additional direction and/or comments to staff regarding the 2023 revised preliminary project funding for inclusion into the 2023 Annual Action Plan; and,

B. Though not a Public Hearing, provide an opportunity for the public to comment on project funding options.

Housing Program Supervisor Kim NUTT briefly discussed an update on the 2023 Annual Action Plan.

Council, Ms. NUTT, and City Manager Stephanie DIETZ discussed evaluating the cap percentage, the project funding percentage, amount of income per project, the allocation of remaining funds, and the agendized item.

Clerk's Note: Council Member SMITH recused himself due to an applicant being a client at his law firm.

Madeline HARRIS, Leadership Counsel, Merced - spoke in support of increasing project funds to Project Sentinel.

Council, Fire Chief Derek PARKER, Mrs. DIETZ, and Ms. NUTT discussed the Fire Department's Emergency Services proposal, details of the projects, and potentially increasing funds cap to different projects.

A motion was made by Council Member Xiong, seconded by Mayor Pro Tempore Perez, to prioritize funding Project Sentinel to the new 15% cap is, after prioritize putting funds into the Merced Fire Department and remove consideration of WeeCare and Sierra Saving Grace. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Xiong

No: 0

Absent: 0

Abstain: 1 - Council Member Smith

L. BUSINESS

L.1. **SUBJECT: Council Member Ornelas' Request to Reconsider the
Housing Trust Fund and Any Subsequent Funding Allocation**

REPORT IN BRIEF

Council Member Ornelas' request to reconsider the Housing Trust Fund and any subsequent funding allocation.

RECOMMENDATION

Provide direction to staff on next steps.

Council Member ORNELAS briefly discussed the reconsideration of the Housing Trust Fund and subsequent funding allocation.

Mayor SERRATTO and Interim City Attorney Travis LINDSEY stated that procedurally Council should make a motion to reconsider creating a Housing Trust Fund, funding mechanism for it, and dedicated to funds towards ownership.

A motion was made by Council Member Ornelas, seconded by Mayor Pro Tempore Perez, that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Smith

No: 1 - Council Member Xiong

Absent: 0

Mayor SERRATTO and City Manager Stephanie DIETZ briefly discussed the reconsideration of creating a Housing Trust Fund in coordination with the State's program is open for conversation by Council.

Council and Mrs. DIETZ discussed coming back at a later Council meeting to discuss, funding towards housing, the direction to Council to reconsider creating a Housing Trust Fund, and previous Council action.

Clerk's Note: The following comments were received via voicemail.

Pam, Merced - spoke on applying for the State's Housing Program to match housing funds.

Dawn TROOK, Merced - spoke on her concerns of getting rid of the Housing Trust Fund.

Whitney PERTAL, Merced - spoke on the Local Housing Trust Fund supporting our youth.

Concerned Citizen, Merced - asked to reconsider this Agenda Item.

Miranda GRISWOLD, Merced - urged Council to not get rid of the Housing Trust Fund.

Nathan AVELAR, Merced - urged Council to reconsider getting rid of the trust fund.

Nellie, Merced - spoke on the needs of housing and the support it has in the community.

Michael LITTLEPAGE, Merced - voiced support of Merced Local Housing Trust Fund.

Abel, Merced - spoke on Council getting rid of the Housing Trust Fund.

Noelle ANDERSON, Merced - spoke on the need for affordable housing in Merced.

Clerk's Note: The following speakers appeared in person.

Edmundo ZARAGOZA, Merced - spoke in opposition of reconsidering the Housing Trust Fund and affordable housing.

Pangcha VANG, Merced - urged Council to keep the Local Housing Trust Fund and spoke on the housing crisis.

Astrid MORALES, Merced - spoke on housing in Merced and asked Council to support keeping the Housing Trust Fund and matching the state.

Leo NIEHORSTER-COOK, Merced - asked Council to keep establishing a Housing Trust Funds.

Crisantema G, Merced - asked Council to keep the Affordable Housing Trust Fund and the support it has to young people.

Cerena LEE, Merced - spoke on prioritizing the Affordable Housing Trust Fund and the average age of first-time home buyers.

Madeline HARRIS, Leadership Counsel, Merced - spoke on the importance Local Housing Trust Fund program.

Blanca OJEDA, Merced - spoke on Council strategizing options to assist the homeless.

Council and Mrs. DIETZ discussed the State's funding, the needs of young community members, allocating the \$500,000 funds elsewhere, drafting a policy, funding sources of previous projects, Council's options for staff direction, and details of the Regional Trust Fund.

A motion was made by Council Member Ornelas, seconded by Council Member Smith, to not apply to the State's Housing Trust Fund. The motion carried by the following vote:

Aye: 5 - Mayor Serratto, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Smith

No: 2 - Mayor Pro Tempore Perez, and Council Member Xiong

Absent: 0

Council and Mrs. DIETZ discussed the policy direction and the funding allocation for housing.

Council agreed to work with staff to develop a draft Reserve Policy with different solutions and come back in four Council meetings.

A motion was made by Council Member Ornelas, seconded by Council Member Smith, that this item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

L.2.

SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on

a future City Council agenda for initial consideration by the City Council.

Council Member XIONG stated that the Equitable Community Revitalization Grant is open for application.

L.3.

SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

Council Member BOYLE reported on attending the Students with Aspiring Goals SWAG Fundraiser event and the Sequoia Brewing ribbon cutting.

Council Member SMITH congratulated the City Manager and city staff on Merced's downtown.

Mayor Pro Tempore PEREZ reported on attending the Catholic Charity event and the Sequoia Brewing ribbon cutting.

Council Member XIONG reported on attending the Southeast Asian Mental Illness Day event, the Community clean-up with the Young Democratic party, and the Hmong Culture Night at UC Merced.

Council Member ORNELAS spoke on the local World Champion boxer leaving to Columbia, reported on attending the Los Lobos concert, and the Boys and Girls Club Gala.

Council Member DEANDA spoke on attending the Mercado event, a rally for Measure C, and the funeral of a Mercedian.

Mayor SERRATTO stated that Council will adjourn to Closed Session.

Clerk's Note: Council adjourned to Closed Session at 9:44 PM.

M. ADJOURNMENT

Clerk's Note: The Regular Meeting was adjourned at 10:08 PM.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that this Regular Meeting be adjourned. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0