

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Special Meeting
Thursday, September 15, 2022
1:00 p.m.

Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637

Carol Moore
Mayor

Cynthia Conners
Mayor Pro Tem

Noel Hatch
Councilmember



Shari L. Horne
Councilmember

Ed H. Tao
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

This meeting may be recorded, televised, and made publicly available.

Public Comments: Persons wishing to address the City Council are requested to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. Persons wishing to address the City Council on an item appearing on this agenda will be called upon at the appropriate time during the item's consideration. Persons wishing to address the City Council on an item *not* appearing on the agenda will be called upon during the "Public Comments" item. Persons who do not wish to submit a Speaker Card, or who wish to remain anonymous, may indicate their desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

Americans with Disabilities Act (ADA): It is the intention of the City to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500/TTY (949) 639-0535 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council meets regularly on the third Wednesday of each month at 2 p.m.

AGENDA POSTING AND AVAILABILITY

Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City's website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 17-30, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City's website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies.

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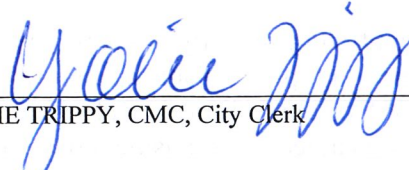
FOR ADDITIONAL INFORMATION

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AFFIDAVIT OF POSTING

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, Yolie Trippy, City Clerk, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City's website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 17-30, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.


YOLIE TRIPPY, CMC, City Clerk


Date

NOVEL CORONAVIRUS (COVID-19) NOTICE

Please exercise caution when attending City Council meetings. If you attend this meeting, please abide by all applicable state and local public health orders.

OPTIONS FOR PUBLIC COMMENTS

1. Attend the meeting in-person.

2. Submit public comments in writing. Written public comments may be submitted via email (cityhall@cityoflagunawoods.org) or by mail (Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637), provided that they are received by the City prior to 1:00 p.m. on the day of the meeting. Written public comments may be read or summarized to the City Council at the meeting, and parties submitting comments should be aware that their email addresses and any information submitted may be disclosed or become a matter of public record. No party should expect privacy of such information.

3. Make public comments by telephone. Dial (669) 444-9171. When prompted enter the following meeting ID: 874 4295 5996 followed by pound (#) and the following meeting passcode: 171798 followed by pound (#). When an item you wish to comment on is discussed, press *9 on your telephone to raise your hand. When it is your turn, you will be unmuted and able to speak. Please note that your telephone number will be visible to the City. No party should expect privacy of such information.

4. Make public comments by computer.

- Visit www.zoom.us
- Click on “Join a Meeting” toward the top right of the webpage
- Enter the following meeting ID: 874 4295 5996
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 171798
- Enter a name and email address as required by Zoom

When an item you wish to comment on is discussed, click on “Raise Hand.” When it is your turn, you will be unmuted and able to speak. Please note that information you enter into Zoom will be visible to the City. No party should expect privacy of such information.

I. CALL TO ORDER

Introductory Note: Members of the public wishing to address the City Council on items appearing on this agenda are advised to indicate their interest in doing so at the time an item is considered by notifying City staff if present in-person, pressing *9 on their telephone if participating by telephone, or clicking on “Raise Hand” if participating by computer via Zoom. Members of the public wishing to address the City Council on items *not* appearing on this agenda may do so during Item IV.

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS ON NON-AGENDA ITEMS

About Public Comments on Non-Agenda Items: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. To indicate interest, please notify City staff if present in-person, press *9 on your telephone if participating by telephone, or click on “Raise Hand” if participating by computer via Zoom. Pursuant to state law, the City Council is unable to take action on such items, but may engage in brief discussion, provide direction to City staff, or schedule items for consideration at future meetings.

V. CONSENT CALENDAR

About the Consent Calendar: All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, City staff, or member of the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

5.1 City Council Minutes

Recommendation: Approve the City Council meeting minutes for the regular meeting on May 18, 2022.

5.2 Teleconferencing for Meetings

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

5.3 Fiscal Years 2021-23 Budget Adjustments

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELATED TO ADJUSTMENTS OF STATE OF CALIFORNIA GRANTS FUND APPROPRIATIONS (STATE BUDGET APPROPRIATION - CITY HALL/PUBLIC LIBRARY PROJECT) TO PROVIDE FOR THE EXPENDITURE OF INTEREST EARNINGS ON THE CITY HALL/PUBLIC LIBRARY PROJECT

VI. CITY COUNCIL BUSINESS

6.1 Ridge Route Drive Landscape Project

Recommendation:

1. Approve the “Ridge Route Drive Landscape Project” design plans and specifications as prepared by the project architect.

AND

2. Approve a notice of exemption for the “Ridge Route Drive Landscape Project” finding that the project is categorically exempt from the California Environmental Quality Act (CEQA) and authorize the City Manager to cause the notice of exemption to be filed pursuant to applicable law.

AND

3. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY

OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELATED TO ALLOCATION OF EXISTING FEDERAL GRANTS FUND (AMERICAN RESCUE PLAN ACT (CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS)) APPROPRIATIONS TO THE RIDGE ROUTE DRIVE LANDSCAPE PROJECT

AND

4. Award a contract agreement to Marina Landscape, Inc. for the construction of the “Ridge Route Drive Landscape Project”, in the amount of \$177,670.36, plus authorized change orders not to exceed 15% of the base amount; and authorize the City Manager to execute a contract agreement and approve change orders, subject to approval of the contract agreement as to form by the City Attorney.

- 6.2 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?”

Recommendation: Approve a response to the 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?,” authorize the Mayor to execute the response, and direct the City Manager to submit the response as required by applicable law.

- 6.3 2021-2022 Orange County Grand Jury Report, “Where Have All the CRVs Gone?”

Recommendation: Approve a response to the 2021-2022 Orange County Grand Jury Report, “Where Have All the CRVs Gone?,” authorize the Mayor to execute the response, and direct the City Manager to submit the response as required by applicable law.

VII. CLOSED SESSION

Prior to convening in closed session, the City Council will hear public comments on items appearing on the closed session agenda.

- 7.1 The City Council will meet in closed session under the authority of California Government Code sections 54956.9(d)(2) and (e)(1) to discuss significant exposure to litigation in two cases.
- 7.2 The City Council will meet in closed session under the authority of California Government Code Section 54957(b)(1) to consider the following: Public Employee Performance Evaluation – City Manager.

VIII. CLOSED SESSION REPORT

IX. ADJOURNMENT

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| Next Regular Meeting: | Wednesday, September 21, 2022 at 2 p.m. Laguna Woods City Hall 24264 El Toro Road, Laguna Woods, California 92637 |
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5.0 CONSENT CALENDAR SUMMARY

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 15, 2022 Special Meeting
SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the September 15, 2022 Consent Calendar by single motion and City Council action.

Background

All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

Summary

The September 15, 2022 Consent Calendar contains the following items:

- 5.1 Approval of the City Council meeting minutes for the regular meeting on May 18, 2022.
- 5.2 Adoption of a resolution allowing for the continued use of teleconferencing for meetings during the COVID-19 State of Emergency, pursuant to California Assembly Bill 361 (2021-2022). The proposed resolution includes the findings required by California Government Code Section 54953(e)(3) for meetings to continue to be held via teleconferencing.

- 5.3 Adoption of a resolution amending and adopting the Fiscal Years 2021-23 Budget and Work Plan for Fiscal Year 2021-22 commencing July 1, 2021 and ending June 30, 2022, and Fiscal Year 2022-23 commencing July 1, 2022 and ending June 30, 2023, related to adjustments of State of California Grants Fund appropriations (State Budget Appropriation - City Hall/Public Library Project) to provide for the expenditure of interest earnings on the City Hall/Public Library Project. The City earned \$7,417.90 in interest on the \$500,000 received from the State of California for the City Hall/Public Library Project. The proposed resolution would increase Fiscal Year 2021-22 appropriations to provide for the expenditure of those interest earnings.

5.1
CITY COUNCIL MINUTES

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
May 18, 2022
2:00 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637**

Mayor Moore made comments regarding the heroism of Dr. John Cheng during the recent shooting at Geneva Presbyterian Church and called for a moment of silence.

A moment of silence was observed.

I. CALL TO ORDER

Mayor Moore called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:02 p.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: Hatch, Horne, Tao, Conners, Moore
 ABSENT: -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT: City Manager Macon, City Attorney Patterson, City Clerk Trippy

All staff participated in-person at the meeting location.

III. PLEDGE OF ALLEGIANCE

Captain Walters, Chief of Police Services, Orange County Sheriff's Department, led the pledge of allegiance.

Mayor Moore requested to add the following item to the agenda: "Informational Update on the Geneva Presbyterian Church", as a subsequent need item that was brought to the attention of the City Council after the posting of the agenda and to move Item 9.2 to following the added item.

Moved by Councilmember Horne, seconded by Mayor Pro Tem Conners, and carried unanimously on a 5-0 vote, to approve the changes to the agenda proposed by Mayor Moore. This vote was conducted by roll call.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.0.01 Informational Update on the Geneva Presbyterian Church Shooting

Captain Walters, Chief of Police Services, Orange County Sheriff's Department, provided an update on the recent shooting at Geneva Presbyterian Church.

Councilmembers made comments.

9.2 Orange County Fire Authority

Councilmember Hatch provided a report on the Orange County Fire Authority's response to the recent shooting at Geneva Presbyterian Church.

Division Chief Contreras, Orange County Fire Authority, provided an update on recent fires in the region and responded to related questions from Councilmembers.

A member of the public made comments regarding fire prevention activities and Division Chief Contreras responded to a related question.

Mayor Moore made comments.

4.1 Asian American and Pacific Islander Heritage Month – May 2022

City Clerk Trippy read the proclamation.

Cush Bhada, India Club, made comments.

Councilmembers made comments.

Ghaffar Pourazar, resident, made comments.

Azar Asgari, resident, made comments.

Q Lee, Korean American Club, made comments.

Councilmembers made comments.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve the proclamation.

4.2 Older Americans Month – May 2022

Erica Danczak, Director of Aging and Veterans Services, Orange County Office on Aging, made comments.

Councilmember Horne made comments.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve the proclamation.

4.3 Transportation Corridor Agencies Presentation – Will O’Neill, Chair, San Joaquin Hills Transportation Corridor Agency

Will O’Neill, Chair, San Joaquin Hills Transportation Corridor Agency, made a presentation.

Ghaffar Pourazar, resident, asked a question regarding the presentation.

Mr. O’Neill responded to Mr. Pourazar.

Councilmembers made comments.

Mayor Moore called for a brief recess.

The meeting was called back to order at 3:51 p.m.

4.4 City Hall/Public Library Project Update

City Manager Macon provided an update and answered related questions.

Councilmembers made comments.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS – None

VI. CONSENT CALENDAR

Moved by Councilmember Hatch, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.9.

6.1 Reserved

6.2 City Treasurer’s Report

Received and filed the City Treasurer’s Report for the month of April 2022.

6.3 Warrant Register

Approved the warrant register dated May 18, 2022 in the amount of \$1,114,545.49.

6.4 Teleconferencing for Meetings

Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

6.5 Law Enforcement Services

Approved an agreement with the County of Orange for law enforcement services and authorized the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

6.6 Traffic Signal, Street Light and City Hall Lighting Maintenance Services

Approved an assignment agreement assigning the existing agreement with Siemens Mobility, Inc. for traffic signal, street light, and City Hall lighting maintenance services to Yunex, LLC and authorized the City Manager to execute the assignment agreement, subject to approval as to form by the City Attorney.

6.7 General Municipal Election

1. Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022 FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATED TO GENERAL LAW CITIES

AND

2. Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORNAGE TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022 WITH THE GENERAL ELECTION TO BE HELD ON THE SAME DATE, PURSUANT TO CALIFORNIA ELECTIONS CODE SECTION 10403

AND

3. Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022

AND

4. Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, PROVIDING FOR TIE VOTES AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022 TO BE RESOLVED BY LOT, IN ACCORDANCE WITH CALIFORNIA ELECTIONS CODE SECTION 15651

6.8 Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 5

Increased the City Manager's authorization to approve change orders for the contract agreement with Kalban, Inc. for the construction of the "Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 5" to 10% of the \$279,305 base amount.

6.9 City-maintained Catch Basins Full Capture Systems Retrofit Project

Rejected all bids received for the "City-maintained Catch Basins Full Capture Systems Retrofit Project" (bid opening date of April 28, 2022).

VII. PUBLIC HEARINGS – None

VIII. CITY COUNCIL BUSINESS

8.1 Cannabis Business Tax

City Manager Macon made a presentation.

Kathryn Freshley, resident, spoke in opposition to the recommendation.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Horne, seconded by Mayor Pro Tem Connors, and carried on a 4-1 vote, with Mayor Moore voting no, to approve the second reading and adopt an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE PEOPLE OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADDING CHAPTER 3.18 TO TITLE 3 OF THE LAGUNA WOODS MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS BUSINESSES ENGAGED IN BUSINESS IN THE CITY OF LAGUNA WOODS

City Manager Macon provided an overview of recommendations A2 through A4.

Councilmembers discussed the item and staff answered related questions.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried on a 4-1 vote, with Mayor Moore voting no, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, CALLING FOR THE PLACEMENT AND CONSOLIDATION OF ONE MEASURE ON THE BALLOT FOR THE TUESDAY, NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION SEEKING TO ESTABLISH A TAX ON CANNABIS BUSINESSES ENGAGED IN BUSINESS IN THE CITY OF LAGUNA WOODS

Councilmembers discussed the item and staff answered related questions.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS AND ESTABLISHING A PROCESS FOR FILING WRITTEN ARGUMENTS AND REBUTTAL ARGUMENTS REGARDING THE MEASURE ON THE BALLOT FOR THE TUESDAY, NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION SEEKING TO ESTABLISH A TAX ON CANNABIS BUSINESSES ENGAGED IN BUSINESS IN THE CITY OF LAGUNA WOODS

with Mayor Pro Tem Conners and Councilmember Horne authorized to file a written argument for the ballot measure signed as Councilmembers and Mayor Moore to file a written argument against the ballot measure signed as Mayor.

Moved by Councilmember Hatch, seconded by Mayor Pro Tem Conners, and carried on a 4-1 vote, with Mayor Moore voting no, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022,

AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELATED TO ADJUSTMENTS OF GENERAL FUND APPROPRIATIONS FOR PLACING AND CONSOLIDATING ONE MEASURE ON THE BALLOT FOR THE TUESDAY, NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION SEEKING TO ESTABLISH A TAX ON CANNABIS BUSINESSES ENGAGED IN BUSINESS IN THE CITY OF LAGUNA WOODS

8.2 Flavored Tobacco Product and Electronic Smoking Device Sales
(agendized by Mayor Moore)

By consensus, the City Council continued this item to the May 26, 2022 adjourned regular meeting.

8.3 Light-Emitting Diode (LED) Signs

Councilmembers discussed the item and Michael Pauls, on behalf of LW Shell, Inc., answered related questions.

By consensus, the City Council continued this item to the May 26, 2022 adjourned regular meeting.

8.4 California Assembly Bill 1276 (Carrillo) (2021-2022)

By consensus, the City Council continued this item to the May 26, 2022 adjourned regular meeting.

8.5 Employee Compensation and Benefits

By consensus, the City Council continued this item to the May 26, 2022 adjourned regular meeting.

8.6 Ad Hoc Audit Committee

By consensus, the City Council continued this item to the May 26, 2022 adjourned regular meeting.

IX. CITY COUNCIL REPORTS AND COMMENTS

9.1 Coastal Greenbelt Authority

Mayor Pro Tem Connors provided a report.

9.3 Orange County Library Advisory Board

Mayor Moore stated that there had been no meeting since the last meeting.

9.4 Orange County Mosquito and Vector Control District

Councilmember Horne provided a report.

9.5 San Joaquin Hills Transportation Corridor Agency

Mayor Pro Tem Conners stated that her report was provided during Item 4.3.

9.6 South Orange County Watershed Management Area

Mayor Moore stated that there had been no meeting since the last meeting.

9.7 Other Comments and Reports – None

X. CLOSED SESSION – None

XI. CLOSED SESSION REPORT – None

XII. ADJOURNMENT

The meeting was adjourned at 5:22 p.m. The next adjourned regular meeting will be at 3:00 p.m. on Thursday, May 26, 2022 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637. The next regular meeting will be at 2:00 p.m. on Wednesday, June 15, 2022 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: September 15, 2022

CAROL MOORE, Mayor

5.2 TELECONFERENCING FOR MEETINGS

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RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

WHEREAS, on February 26, 2020, the County of Orange Health Officer declared a Local Health Emergency and the Chairwoman of the Board of Supervisors, acting as the Chair of Emergency Management Council, proclaimed a Local Emergency finding that the imminent and proximate threat to public health from the introduction of COVID-19 created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County; and

WHEREAS, on March 2, 2020, the Orange County Board of Supervisors adopted resolutions No. 20-011 and 20-012 ratifying the Local Health Emergency and Local Emergency, referenced above; and

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency in response to COVID-19, pursuant to Section 8625 of the California Emergency Services Act (Article 1 [commencing with Section 8550] of Chapter 7 of Division 1 of Title 2); and

WHEREAS, on March 11, 2020 the World Health Organization publicly characterized COVID-19 as a pandemic; and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency due to the spread and the effects of COVID-19; and

WHEREAS, the State of California (California Department of Industrial Relation's Division of Occupational Safety and Health's Revised COVID-19 Prevention Emergency Temporary Standards effective May 6, 2022) and County of Orange Health Officer (Orders and Strong Recommendations revised August 19, 2022) continue to impose or recommend measures to promote social distancing; and

WHEREAS, on March 17, 2020, the Governor of the State of California issued Executive Order N-29-20 that, in an effort to confront and contain COVID-19, suspended certain provisions of the Ralph M. Brown Act providing local

agencies with greater flexibility to hold meetings via teleconferencing; and

WHEREAS, on September 16, 2021, the Governor of the State of California signed Assembly Bill 361 (2020-2022) (“AB 361”) amending the Ralph M. Brown Act providing local agencies with greater flexibility to hold meetings via teleconferencing during a proclaimed state of emergency when: (1) state or local officials have imposed or recommended measures to promote social distancing and/or (2) the legislative body of the local agency has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees (California Government Code Section 54953(e)(1)); and

WHEREAS, AB 361 was chaptered into law as an urgency statute with its effectiveness waived until October 1, 2021, subject to the Governor of the State of California’s Executive Order N-15-21 dated September 20, 2021; and

WHEREAS, in order to continue holding meetings via teleconferencing, AB 361 requires the legislative body of a local agency to periodically make the findings set forth in California Government Code Section 54953(e)(3).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council does hereby find the following:

(A) A state of emergency has been proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 [commencing with Section 8550] of Chapter 7 of Division 1 of Title 2); and

(B) The City Council has reconsidered the circumstances of the state of emergency; and

(C) The state of emergency continues to directly impact the ability of the members of the City Council to meet safely in person; and

(D) State and local officials continue to impose or recommend measures to promote social distancing.

SECTION 3. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a special meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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5.3 FISCAL YEARS 2021-23 BUDGET ADJUSTMENTS

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RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELATED TO ADJUSTMENTS OF STATE OF CALIFORNIA GRANTS FUND APPROPRIATIONS (STATE BUDGET APPROPRIATION - CITY HALL/PUBLIC LIBRARY PROJECT) TO PROVIDE FOR THE EXPENDITURE OF INTEREST EARNINGS ON THE CITY HALL/PUBLIC LIBRARY PROJECT

WHEREAS, the Fiscal Years 2021-23 Budget (“Budget”) was adopted by the City Council on June 23, 2021; and

WHEREAS, City Council action is required to increase fund-level budget appropriations adopted as a part of the Budget; and

WHEREAS, the City earned \$7,417.90 in interest on the \$500,000 State Budget Appropriation - City Hall/Public Library Project, which was added to that project’s unassigned balance; and

WHEREAS, it is necessary to increase Fiscal Year 2021-22 appropriations for the State of California Grants Fund by \$7,418, with the appropriations drawn from the unassigned State Budget Appropriation - City Hall/Public Library Project balance, to provide for the expenditure of interest earnings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Section 2 of Resolution No. 21-20, as previously amended by resolution nos. 21-32, 21-36, 21-39, 22-02, 22-27, 22-34, and 22-43, is hereby amended, in its entirety, to read as follows:

The budget appropriations authorized, on a fund level, are:

Fiscal Year 2021-22

| | <i>Fiscal Year 2021-22 Adopted Budget</i> | <i>Fiscal Year 2021-22 Carryover Appropriations</i> | <i>Fiscal Year 2021-22 Budget Amendments</i> | <i>Fiscal Year 2021-22 Amended Budget</i> |
|--|---|--|---|---|
| General Fund | \$6,432,593 (includes transfers to Capital Projects Fund of \$301,296) | - | \$58,240 ^{C,D,E} | \$6,490,833 (includes transfers to Capital Projects Fund of \$301,296) |
| Capital Projects Fund | \$301,296 | \$382,583 | \$0 ^{C,D} | \$683,879 |
| Fuel Tax | \$375,514 | - | \$5,632 ^B | \$381,146 |
| Road Maintenance & Rehabilitation Program | \$270,600 | - | - | \$270,600 |
| Measure M2 (OC Go) | \$240,850 | \$31,641 | - | \$272,491 |
| Coastal Area Road Improvement and Traffic Signals (CARITS) | - | - | \$262,000 ^A | \$262,000 |
| Service Authority for Abandoned Vehicles | - | - | - | - |
| Supplemental Law Enforcement Services | \$158,100 | - | - | \$158,100 |
| Mobile Source Reduction | - | - | - | - |
| PEG/Cable Television | - | - | - | - |
| Senior Mobility | \$119,000 | - | - | \$119,000 |
| Community Development Block Grant (CDBG) | \$350,000 | - | - | \$350,000 |
| Federal Grants | \$1,895,829 | - | - | \$1,895,829 |
| State of California Grants | \$16,000 | \$636,821 | \$7,418 ^F | \$660,239 |
| Laguna Woods Civic Support Fund | \$24,408 | - | - | \$24,408 |
| TOTAL | \$9,882,894 | \$1,051,045 | \$333,290 | \$11,267,229 |

^A Fund Budget Adjustment CC-21/22-1: Coastal Area Road Improvement & Traffic Signals (CARITS) Fund, +\$262,000 (R 21-32). Fund closure authorized.

^B Fund Budget Adjustment CC-21/22-2: Fuel Tax Fund, +\$5,632 (R 21-36).

^C Fund Budget Adjustment CC-21/22-3: Woods End Project, +\$8,897 (R 21-39).

^D Fund Budget Adjustment CC-21/22-4: Woods End Project, -8,897 (R 22-02).

^E Fund Budget Adjustment CC-21/22-5: Cannabis Business Tax Measure, +58,240 (R 22-27).

^F Fund Budget Adjustment CC-21/22-6: City Hall/Public Library Project Interest, +7,418 (R 22-XX).

Fiscal Year 2022-23

| | <i>Fiscal Year 2022-23 Adopted Budget</i> | <i>Fiscal Year 2022-23 Carryover Appropriations</i> | <i>Fiscal Year 2022-23 Budget Amendments</i> | <i>Fiscal Year 2022-23 Amended Budget</i> |
|-----------------------|---|--|---|---|
| General Fund | \$6,633,681 (includes transfers to Capital Projects Fund of \$265,591) | - | \$11,421 ^B | \$6,645,102 (includes transfers to Capital Projects Fund of \$277,012) |
| Capital Projects Fund | \$265,591 | - | \$11,421 ^B | \$277,012 |

| | | | | |
|--|--------------|---|-------------------------|--------------|
| Fuel Tax | \$361,360 | - | - | \$361,360 |
| Road Maintenance & Rehabilitation Program | \$309,800 | - | \$24,443 ^C | \$334,243 |
| Measure M2 (OC Go) | \$251,366 | - | - | \$251,366 |
| Coastal Area Road Improvement and Traffic Signals (CARITS) | - | - | - | - |
| Service Authority for Abandoned Vehicles | - | - | - | - |
| Supplemental Law Enforcement Services | \$158,100 | - | - | \$158,100 |
| Mobile Source Reduction | \$92,500 | - | - | \$92,500 |
| PEG/Cable Television | - | - | - | - |
| Senior Mobility | \$131,000 | - | - | \$131,000 |
| Community Development Block Grant (CDBG) | \$150,000 | - | - | \$150,000 |
| Federal Grants | \$1,895,828 | - | - | \$1,895,828 |
| State of California Grants | \$193,952 | - | \$33,725 ^{A,D} | \$227,677 |
| Laguna Woods Civic Support Fund | \$24,408 | - | - | \$24,408 |
| TOTAL (net transfers to Capital Projects Fund) | \$10,201,995 | - | \$69,589 | \$10,271,584 |

^A Fund Budget Adjustment CC-22/23-1: Woods End Project, +\$10,096 (R 22-02).

^B Fund Budget Adjustment CC-22/23-2: Woods End Project, +\$11,421 (R 22-02).

^C Fund Budget Adjustment CC-22/23-3: Pavement Project, +\$24,443 (R 22-34).

^D Fund Budget Adjustment CC-22/23-4: SB 1383 Grant Program, +\$23,629 (R 22-43).

Carryover Appropriations

The budget appropriations authorized by this section reflect the Fiscal Years 2021-23 adopted budgets, plus authorized budget adjustments approved between July 1, 2021 and the date of this amendment. The budget appropriations authorized by this section also include carryovers of approved, but unspent, budget appropriations from prior fiscal years. Such carryovers were approved by the City Council with the adoption of the current budget and/or pursuant to Administrative Policy 2.9.

SECTION 2. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a special meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

6.1

RIDGE ROUTE DRIVE LANDSCAPE PROJECT

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 15, 2022 Special Meeting
SUBJECT: Ridge Route Drive Landscape Project

Recommendation

1. Approve the “Ridge Route Drive Landscape Project” design plans and specifications as prepared by the project architect.

AND

2. Approve a notice of exemption for the “Ridge Route Drive Landscape Project” finding that the project is categorically exempt from the California Environmental Quality Act (CEQA) and authorize the City Manager to cause the notice of exemption to be filed pursuant to applicable law.

AND

3. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELATED TO ALLOCATION OF EXISTING FEDERAL GRANTS FUND (AMERICAN RESCUE PLAN ACT (CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS)) APPROPRIATIONS TO THE RIDGE ROUTE DRIVE LANDSCAPE PROJECT

AND

4. Award a contract agreement to Marina Landscape, Inc. for the construction of the “Ridge Route Drive Landscape Project”, in the amount of \$177,670.36, plus authorized change orders not to exceed 15% of the base amount; and authorize the City Manager to execute a contract agreement and approve change orders, subject to approval of the contract agreement as to form by the City Attorney.

Background

The Ridge Route Drive Landscape Project (“project”) is included in the Fiscal Years 2021-32 Capital Improvement Program. The project involves the removal of fencing, artificial turf, and remaining fixtures from the closed, former dog park site, and installation of parkway landscaping in its place.

The project is intended to convert the former dog park site on Ridge Route Drive to a landscaped parkway. The site was a parkway prior to the opening of the former dog park in 2001 and is presently shuttered except for an existing sidewalk which will be maintained in-place. Conversion of the site to a landscaped parkway will restore public access and beautify the area for the benefit of the general public, adjacent residents, pedestrians, and vehicular passersby.

The City Council previously discussed and provided direction related to the Ridge Route Drive Landscape Project at the regular meeting on October 20, 2021.

Discussion

Today’s meeting is an opportunity for City Council action, as well as public input, on the Ridge Route Drive Landscape Project. Staff recommends that the City Council take the following four actions to allow construction to proceed:

Recommendation 1

Approval of the project design plans and specifications as prepared by the project architect (RJM Design Group, Larry P. Ryan). The design plans and specifications are available for review at or from the City Clerk’s Office, Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637. Telephone: (949) 639-0500. Email: cityhall@cityoflagunawoods.org.

The project design plans and specifications reflect the City Council's October 20, 2021 direction for the sidewalk to remain in its existing location substantially parallel to the eastbound vehicle lane on Ridge Route Drive. New landscaping will be installed in place of the former dog park site. All plant types will match the existing plantings found on the Laguna Woods side of Ridge Route Drive to achieve visual continuity with adjacent landscaping. All existing trees will remain.

Recommendation 2

Approval of a notice of exemption for the project (Attachment A) finding that the project is categorically exempt from the California Environmental Quality Act ("CEQA") and authorization for the City Manager to cause the notice of exemption to be filed pursuant to applicable law.

Recommendation 3

Adoption of a resolution amending and adopting the Fiscal Years 2021-23 Budget and Work Plan for Fiscal Year 2021-22 commencing July 1, 2021 and ending June 30, 2022, and Fiscal Year 2022-23 commencing July 1, 2022 and ending June 30, 2023, related to allocation of existing Federal Grants Fund (American Rescue Plan Act (Coronavirus Local Fiscal Recovery Funds)) appropriations to the project (Attachment B). The proposed resolution would allocate \$211,300 of the remaining \$1,773,346 American Rescue Plan Act funds to complete the project.

Recommendation 4

Award of a contract agreement to Marina Landscape, Inc. for the construction of the project, in the amount of \$177,670.36, plus authorized change orders not to exceed 15% of the base amount; and authorization for the City Manager to execute a contract agreement and approve change orders, subject to approval of the contract agreement as to form by the City Attorney.

Bids to construct the project were solicited from July 21, 2022 through August 18, 2022. Two bids were received (DASH Construction Company, Inc. and Marina Landscape, Inc.) ranging from \$177,670.36 to \$299,987.46. After review, Marina Landscape, Inc. is the lowest cost responsive bidder.

It is presently anticipated that construction will be complete within 90 working days of the date the City issues its Notice to Proceed to the selected contractor.

Environmental Review

The project is categorically exempt from CEQA pursuant to California Code of Regulations, Title 14, Section 15301. For additional information, refer to the proposed notice of exemption (Attachment A).

Fiscal Impact

Sufficient funds to support this project are included in the City's budget.

Attachments: A – Proposed Notice of Exemption
B – Proposed Resolution

Recording requested by City of Laguna Woods
 When recorded, mail to City of Laguna Woods,
 24264 El Toro Road, Laguna Woods, CA 92637.
 (949) 639-0500

Exemption Code 6103



NOTICE OF EXEMPTION

| | |
|--|---|
| To: County of Orange Orange County Clerk-Recorder P.O. Box 238 Santa Ana, CA 92701 | From: City of Laguna Woods 24264 El Toro Road Laguna Woods, CA 92637 (949) 639-0500 |
|--|---|

Project Title: Ridge Route Drive Landscape Project

Project Applicant: City of Laguna Woods
 24264 El Toro Road
 Laguna Woods, CA 92637
 (949) 639-0500

Project Location – Specific: The project is located south of the existing vehicular travel lanes on Ridge Route Drive, generally between Avenida De La Carlota and Peralta Drive, within the public right-of-way for Ridge Route Drive. Avenida De La Carlota and Peralta Drive are both public streets within the City of Laguna Hills that intersect with Ridge Route Drive. Ridge Route Drive is a public street within both the City of Laguna Hills and the City of Laguna Woods.

Project Location – City: Laguna Woods, California **Project Location – County:** Orange

Description of Nature, Purpose, and Beneficiaries of Project: The project includes, but is not limited to, the removal of fencing, artificial turf, and remaining fixtures from a closed, former dog park site, and installation of parkway landscaping in its place.

The project is intended to convert the former dog park site on Ridge Route Drive to a landscaped parkway. The site was a parkway prior to the opening of the former dog park in 2001 and is presently shuttered except for an existing sidewalk which will be maintained in-place. Conversion of the site to a landscaped parkway will restore public access and beautify the area for the benefit of the general public, adjacent residents, pedestrians, and vehicular passersby.

Name of Public Agency Approving Project: City of Laguna Woods

Name of Person or Agency Carrying Out Project: City of Laguna Woods

Exempt Status:

**NOTICE OF EXEMPTION
RIDGE ROUTE DRIVE LANDSCAPE PROJECT
CITY OF LAGUNA WOODS**

| | |
|---|---|
| X | Categorical Exemption (Sec. 15301) |
| | Declared Emergency (Sec. 21080(b)(3); 15269(a)) |
| | Emergency Project (Sec. 21080(b)(4); 15269(b)(c)) |
| | Ministerial (Sec. 21080(b)(1); 15268) |
| | Statutory Exemption |
| | Not Subject to CEQA (Sec. 15061(b)(3)) |

Reasons Why Project is Exempt: The project is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to California Code of Regulations, Title 14 (the State CEQA Guidelines) Section 15301 (Class 1, Existing Facilities). Section 15301 exempts from environmental review the “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.”

Subsection (c) of Section 15301 provides the following as non-exclusive examples of types of “existing facilities,” “Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities...”

The project involves converting a former dog park site to a landscaped parkway. The site was a parkway prior to the establishment of the former dog park. An existing sidewalk will be maintained in-place. The site is located within the public right-of-way for Ridge Route Drive. Ridge Route Drive is an existing public street with parkways in various other locations along its span. Parkway are recognized as a common component of public streets. Thus, this project does not expand the existing or former use of the public right-of-way.

Based on the scope of work, the project meets the criteria for Class 1 categorical exemption.

Lead Agency Contact Person:

Signature: _____ Date: _____

Rebecca M. Pennington
Development Programs Analyst
City of Laguna Woods

Date Received for Filing at OPR: _____

Authority cited: Sections 21083 and 21110, Public Resources Code.

Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELATED TO ALLOCATION OF EXISTING FEDERAL GRANTS FUND (AMERICAN RESCUE PLAN ACT (CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS)) APPROPRIATIONS TO THE RIDGE ROUTE DRIVE LANDSCAPE PROJECT

WHEREAS, the Fiscal Years 2021-23 Budget (“Budget”) was adopted by the City Council on June 23, 2021; and

WHEREAS, City Council action is required to increase fund-level budget appropriations adopted as a part of the Budget; and

WHEREAS, the “Ridge Route Drive Landscape Project” is included in the Capital Improvement Program; and

WHEREAS, the existing Ridge Route Drive Landscape Project budget was established in an amount sufficient to complete design, with decisions on future construction funding deferred; and

WHEREAS, design and competitive bidding to construct the Ridge Route Drive Landscape Project is now complete; and

WHEREAS, the City Council wishes to allocate existing Federal Grants Fund (American Rescue Plan Act (Coronavirus Local Fiscal Recovery Funds)) appropriations in the amount of \$211,300 to complete the Ridge Route Drive Landscape Project; and

WHEREAS, there are sufficient unallocated Federal Grants Fund (American Rescue Plan Act (Coronavirus Local Fiscal Recovery Funds)) appropriations to accommodate the desired allocation; and

WHEREAS, with the proposed allocation of existing appropriations, the total Ridge Route Drive Landscape Project budget, including amounts previously

expended, would be \$256,932 (\$20,000 Capital Projects Fund, \$25,632 Fuel Tax Fund, and \$211,300 Federal Grants Fund).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The following allocations are made from the American Rescue Plan Act (Coronavirus Local Fiscal Recovery Funds) funds budgeted in the Federal Grants Fund. Appropriations not allocated to a specific use total \$1,562,046.

| <i>City Council Action</i> | <i>Use</i> | <i>Allocation</i> |
|----------------------------|--|-------------------|
| 10/29/22 | City Hall/Public Library Project | \$1,552,044 |
| 6/15/22 | El Toro Road and Moulton Parkway Water Quality Treatment Project | \$186,500 |
| 6/15/22 | City Hall/Public Library Project | \$157,371 |
| 6/15/22 | City-maintained Catch Basins Full Capture Systems Retrofit Project | \$84,896 |
| 6/15/22 | Woods End Wilderness Preserve Trail Drainage and Improvement Project | \$37,500 |
| XX/XX/22 | Ridge Route Drive Landscape Project | \$211,300 |
| TOTAL | | \$2,229,611 |

SECTION 2. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a special meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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6.2

**2021-2022 ORANGE COUNTY GRAND JURY
REPORT, “HOW IS ORANGE COUNTY
ADDRESSING HOMELESSNESS?”**

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: September 15, 2022 Special Meeting

SUBJECT: 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?”

Recommendation

Approve a response to the 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?” authorize the Mayor to execute the response, and direct the City Manager to submit the response as required by applicable law.

Background

On June 23, 2022, the Orange County Grand Jury publicly released a report titled “How is Orange County Addressing Homelessness?” (Attachment A). The report requires all 34 Orange County cities, the Orange County Board of Supervisors, and the County of Orange’s Office of Care Coordination and Continuum of Care Board to respond to certain findings and recommendations, in accordance with California Penal Code Section 933. The City Council is required to respond to three findings and five recommendations no later than September 21, 2022, unless an extension is obtained pursuant to California Penal Code Section 933.05(b)(3).

Discussion

Today’s meeting is an opportunity for City Council action, as well as public input, on a response to the 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?” Staff recommends that the City Council approve the proposed response (Attachment B), authorize the Mayor to

execute the proposed response, and direct the City Manager to submit the proposed response as required by applicable law.

The proposed response has been prepared in conformance with California Penal Code Section 933.05, which requires the City to respond as follows:

For Findings (select one of the following)

- The City **agrees** with the finding; or
- The City **disagrees wholly** or **partially** with the finding, in which case the response shall specify the portion of the finding that is disputed and include an explanation of the reasons therefor.

For Recommendations (select one of the following)

- The recommendation **has been implemented**, with a summary regarding the implemented action; or
- *The recommendation has not yet been implemented, but **will be implemented** in the future, with a timeframe for implementation; or
- *The recommendation **requires further analysis**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the City Council that does not exceed six months from the date of publication of the grand jury report; or
- The recommendation **will not be implemented** because it is not warranted or is not reasonable, with an explanation therefor.

* The City is required to define timeframes for responses to recommendations that have not yet been implemented, but **will be implemented** in the future or **require further analysis**. In the case of recommendations requiring further analysis, the City Council would be required to discuss such analysis by December 20, 2022. The Orange County Grand Jury requests annual reports in March of each year on the status of recommendations accepted but not yet implemented.

Fiscal Impact

Funds to support this project are included in the City's budget.

Attachments: A – 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?”
 B – Proposed Response to 2021-2022 Orange County Grand Jury Report, “How is Orange County Addressing Homelessness?”

How is Orange County Addressing Homelessness?



GRAND JURY 2021-2022

ITEM 6.2 - Attachment A

How is Orange County Addressing Homelessness?

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SUMMARY

Orange County's homeless population continues to be of great concern to residents. Seeing homeless individuals on the streets raises awareness of this persistent problem, but the elaborate efforts to address homelessness are less evident. Orange County's response to homelessness is a collaboration led by the independent Orange County Continuum of Care Board (CoC), which oversees the distribution of federal and state homeless funding. The CoC is supported by the Orange County Office of Care Coordination (OCC) which administers contracts, monitors budgets, and evaluates the results of the funded programs.

The Orange County Grand Jury (OCGJ) studied the CoC to understand how the County is working to address homelessness. The collaborative efforts led by the CoC and OCC have resulted in progress in the fight against homelessness, including a system of care across multiple levels of government programs and community providers. It further established a coordinated entry system, a cooperative homeless information system, and consolidated applications for federal and state funds. Together, the members were responsible for a quick and effective response to the coronavirus disease (COVID) pandemic on the homeless, an increase in the number of shelter beds, a decrease in homeless encampments, more outreach and treatment alternatives, and new housing vouchers being available for permanent housing.

This collaborative system of care developed by the CoC and OCC amounts to a great achievement. The graphs in this OCGJ report show the increased outreach, prevention efforts, shelter beds provided, and permanent housing made available that the CoC and OCC achieved. They also show the additional system of care resources provided by the County of Orange to prevent people from falling into homelessness. Unfortunately, from 2018 to 2021, exits from the CoC homeless system to permanent housing have hovered between 24 percent and 32 percent.¹

Orange County is addressing homelessness with elaborate systems even beyond the efforts of the CoC and OCC, but the reality of homelessness is that despite these programs our system has shortcomings and bottlenecks. This OCGJ found that: South Orange County needs an emergency shelter; homeless individuals suffering from mental illness and substance abuse need court-ordered treatment; Orange County does not have enough housing affordable to individuals exiting homeless shelters; and youth aging out of foster care do not have enough safe housing, resulting in many falling into homelessness.

BACKGROUND

There are numerous causes of homelessness. These causes range from poverty, unemployment, lack of affordable housing, and individual issues of mental and/or substance use disorders. Other risk factors include medical problems, physical disability, domestic violence, and youth aging out of the child-care system.²

The continuum of care concept was created by HUD in 1994 to promote communitywide commitment to the goal of ending homelessness. HUD provided funding to quickly rehouse

¹ 211 OC, Longitudinal Systems Analysis, FY 2018 through 2021, from HMIS data.

² US Department of Health and Human Services, Substance Abuse and Mental Health Services Administration.

How is Orange County Addressing Homelessness?

individuals and families, promote participation in programs for the homeless, and optimize self-sufficiency among those experiencing homelessness.³

HUD recommended the collaborative development of plans to end homelessness in all communities receiving HUD funding. In response, Orange County created the Commission to End Homelessness that published a Ten-Year Plan to End Homelessness in 2012.⁴ Over the ensuing decade, implementation of this model Ten-Year Plan was beyond the power of the Commission and major parts of the plan were not achieved.

Meanwhile, in 2009, HUD outlined the process of building a collaborative CoC comprised of organizations and individuals dedicated to ending homelessness. The CoC was created in 2016 along with the OCC. HUD, the major funder of homeless programs, gave the CoC responsibility for prioritizing the distribution of competitive federal homeless assistance program monies. The strategy of the CoC is to prioritize funding of programs that focus on four pillars: Prevention, Outreach, Shelter, and Housing.

Mixed Success in Addressing Homelessness

In Orange County, various approaches to manage homelessness have been tried with varying levels of success.

- **Moving the Homeless:** When businesses and residents complained about homeless individuals, police were expected to relocate them. Pushing homeless individuals out of town sometimes resulted in simply shifting the problem to neighboring communities.
- **Ordinances by Cities:** Ordinances that criminalized camping on public property or loitering contributed to the incarceration of homeless individuals, including many suffering from mental illness and substance abuse issues. Orange County Sheriff Don Barnes commented, “By default, the Orange County Jail had become the de facto mental hospital of Orange County.... [in] 2018, Orange County jails had about 2,200 inmates with severe mental illnesses.”⁵
- **Housing and Treatment:** Recent approaches that emphasized housing only or treatment only fell short in substantially reducing homelessness.
- **Local Opposition Prevented Shelter and Housing:** In Orange County, early efforts to provide low-threshold emergency shelters⁶ to get individuals off the streets were met with local opposition in most communities, as were developments of housing affordable to individuals exiting shelters. The development of a Coordinated Entry System (CES)⁷ helped reduce the neighborhood impact of shelters.

³ HUD Office of Community Planning and Development, Continuum of Care 101, June 6, 2009.

⁴ Orange County Ten Year Plan to End Homelessness, 2012.

⁵ Nick Gerda, “OC Mental Health Jail Expansion Draws Pushback and Debate”, *Voice of OC*, October 23, 2019.

⁶ A Low-Threshold Emergency Shelter offers an alternative to living on the streets. Individuals in these shelters must comply with the shelter rules but are not required to be drug and alcohol free.

⁷ Coordinated Entry System (CES) is a shared database between service providers that shuttles homeless individuals in and out of shelters eliminating walk-in and walk-out shelter access that caused community opposition. The CES is also a point of referral into permanent housing.

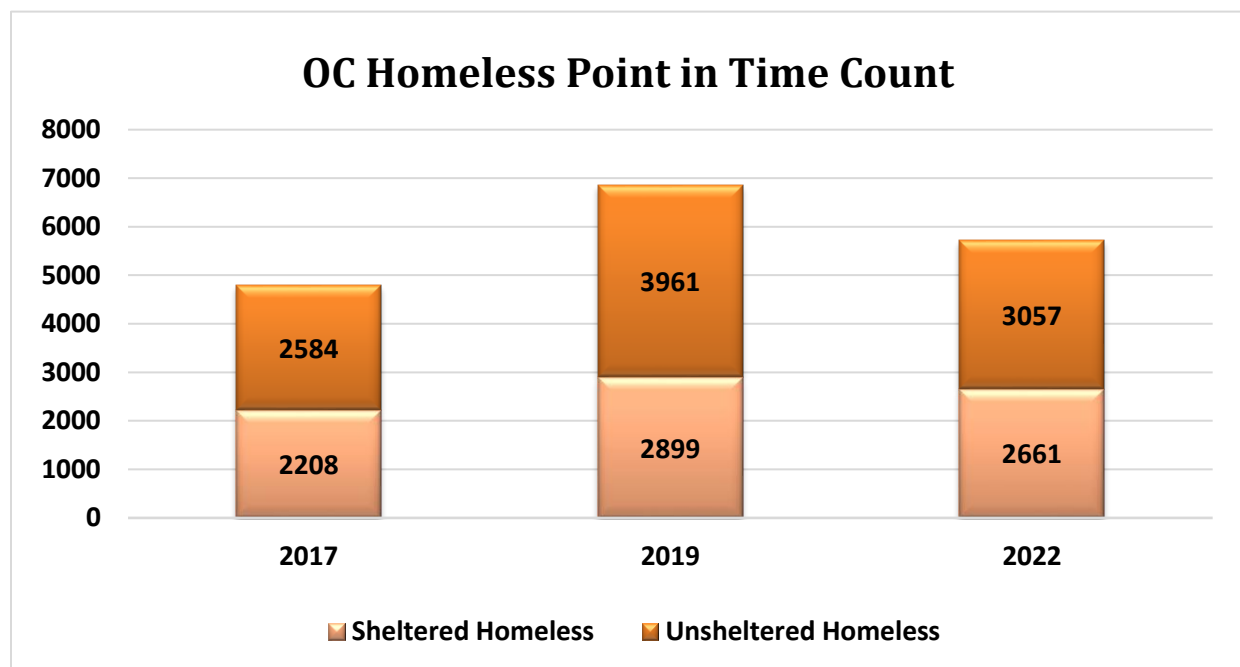
How is Orange County Addressing Homelessness?

- **Prevention Investments:** Additional assistance for rent or utilities, as well as Section 8 housing vouchers, resulted in increased financial stability of individuals at danger of becoming homeless.
- **Outreach Expanded:** More homeless individuals were reached through trust-building and outreach efforts resulting in increased numbers being sheltered.
- **Increased Shelter:** Emergency shelter beds available to the homeless increased providing immediate help to more of the unhoused.
- **Permanent Housing Added:** Some permanent housing opportunities increased through new HUD vouchers, as well as County of Orange Permanent Supportive Housing developments.

Point in Time Count

The HUD-mandated Point in Time Count (PIT)⁸ is a national effort to create a census of homeless individuals every two years. While this one-day initiative to contact and count the homeless is assumed to result in a significant undercount, it is a consistent approach which shows comparable data collected over time. The most recent PIT was conducted in 2022 and reported a decrease of 1,142 homeless individuals counted in Orange County.

North and Central SPA cities sheltered 49% of their homeless while South SPA cities sheltered on 28% of their homeless according to the 2022 PIT.⁹



⁸ Point in Time Count, Orange County Office of Care Coordination, May 2022

⁹ *Ibid.*

*“John” was a homeless man who lived in Hart Park in the City of Orange for several years. He sought housing at the County “BRIDGES at Kraemer” shelter, where he stayed for seven months. He was an Army Veteran and during his time at BRIDGES, the staff worked with him to obtain identification and get his veteran benefits. **Together they developed a housing plan and found a permanent home for him** in Fountain Valley. He reported his joy when BRIDGES staff even gave him transportation to his new home where he now lives.*

Federal Court Intervenes and Regional Shelters Are Opened

In response to a lawsuit against the County of Orange filed on behalf of the homeless individuals living in large encampments along the Santa Ana River and other public property, a federal District Court got involved in overseeing the County’s actions to clear the encampments.

On February 13, 2018, US District Court Judge David Carter ordered that “OC officials, cities and homeless advocates collaborate to find shelter for hundreds of people who have been living in the camps.”¹⁰ Judge Carter issued a Temporary Restraining Order barring the arrest of those living along the Santa Ana River stating, “That order will stand until public officials can identify an alternative place to house those living along the river trail.”¹¹

As a result of this litigation, on July 23, 2019, the District Court brokered a Settlement Agreement between the County of Orange and the advocates for the homeless.¹² This agreement outlined the number of emergency shelter beds that must be developed in each Orange County Service Planning Area (SPA)¹³, before any homeless individuals could be removed from the encampments. This agreement was later adopted by North and Central SPA cities to avoid litigation and became a major impetus to opening low-threshold emergency shelters in the North and Central OC communities. South OC SPA cities did not sign the Settlement Agreement and no new low-threshold emergency shelters have subsequently been opened to meet the need of the South OC homeless identified in the OCGJ investigation.

REASON FOR THE STUDY

Homelessness continues to be one of the most frequently identified issues of concern to Orange County residents.¹⁴ Previous Grand Juries examined efforts to address homelessness and made recommendations, many of which have been implemented.¹⁵ Yet concerns about homelessness persist in our communities. The purpose of this report is to discuss the effectiveness of the CoC and OCC in collaborating to address Orange County’s homelessness through the services that are provided by the 37 contracts they authorize and oversee. The Grand Jury sought to evaluate the

¹⁰ Hannah Fry and Doug Smith, “Frustrated judge demands O.C. find shelter for homeless being evicted from camps”, Los Angeles Times, February 14, 2018

¹¹ *Ibid.*

¹² “Federal Judge Approves Settlement of Homeless Lawsuits”, City News Service, July 23, 2019.

¹³ Service Planning Area (SPA) is the division of Orange County cities into three regional areas North, Central, and South, for the purpose of facilitating regional collaboration in the provision of services to the homeless.

¹⁴ OC Annual Survey, Chapman University 2020.

¹⁵ OCGJ Report 2017-18.

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How is Orange County Addressing Homelessness?

amount of money is being spent, the outcomes achieved, and whether this investment of public dollars is making a difference.

*“James” abruptly found himself **homeless and on the street at the age of 18 when his foster parents said they had completed their obligation to him.** With few resources, he turned to friends who let him “couch surf”, and then out of desperation, enlisted in the military. After his service, he returned to Orange County where found a friend to stay with and worked to get back on his feet. His lifelong struggles with homelessness coupled with excessive anger issues, addictions, and recovery from negative childhood experiences have required committing to radical personal change. Today in his early 50s, James has a job, and a mission to serve his community, teaching kids and helping the homeless with food, resources, and advice.*

METHOD OF STUDY

- Reviewed CoC contracts, budgets, and performance evaluations.
- Toured emergency shelters, food service providers, substance abuse and mental health treatment programs, and the Collaborative Courts.
- Interviewed federal authorities, city managers, shelter providers, homeless outreach workers, law enforcement personnel, county staff responsible for shelter and affordable housing, mental health professionals, OC jail staff, and homeless individuals.
- Reviewed documents including the Ten-Year Plan to End Homelessness, Continuum of Care Board minutes and reports, previous California Grand Jury reports, budgets, articles, and litigation.
- Conducted internet research on homeless issues.

INVESTIGATION AND ANALYSIS

Orange County Continuum of Care Collaboration

Since 1998, Orange County has developed a comprehensive regional continuum of care to address homelessness in Orange County. This collaboration covers Orange County’s 34 cities and unincorporated areas. County departments and agencies, local governments, homeless, housing, supportive service providers, and community groups (including non-profits, faith-based organizations, interested business leaders, schools, individuals with lived experience, and many other stakeholders) joined as participants with the shared mission to address homelessness.

The Orange County Continuum of Care Board (CoC), created in 2016, is the governing body for the continuum of care, whose goal is to oversee and implement this strategic collaboration as authorized by federal legislation.¹⁶ The CoC is comprised of diverse representatives of the collaborative participants.

¹⁶ Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, (42 U.S.C.11381-11389).

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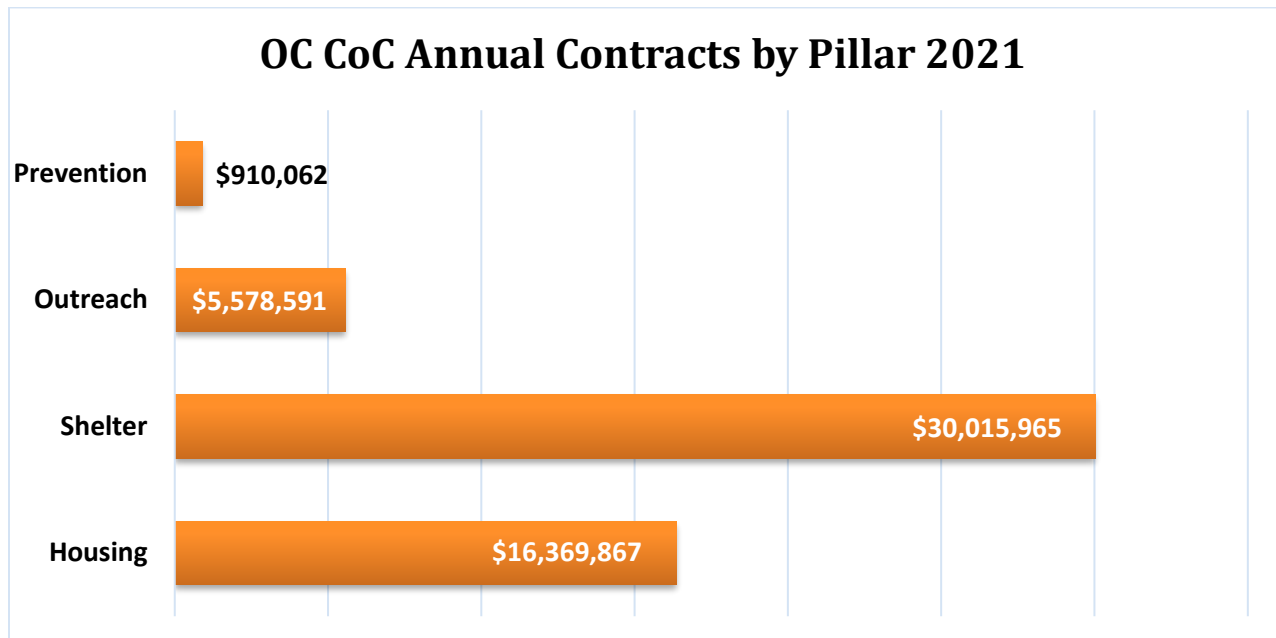
How is Orange County Addressing Homelessness?

The CoC vision is to develop a dignified and equitable system to permanently house those experiencing homelessness, on a collaborative and regional basis, to allocate funds to match the greatest needs.

Prioritizing Homeless Funding

The CoC Board is responsible for the distribution of federal, state, and local funding to address homelessness. These dollars are restricted for specific uses by the funding sources. The CoC prioritizes awarding contracts based on four strategic pillars, and the OCC administers, monitors, and evaluates the contracts. The four pillars are:

1. **Prevention** - short-term intervention to keep people in their homes, avoid eviction, and stabilize their housing.
2. **Outreach** - seeking, reaching out to, and engaging individuals as a first step towards ending their homelessness and providing services to develop self-sufficiency and independence.
3. **Shelters**- temporary residence providing protection from exposure and a safety net for the homeless.
4. **Housing** - including housing coupled with treatment and supportive services enables greater potential success of homeless individuals suffering from mental illness and substance abuse.



Source: Office of Care Coordination.¹⁷

¹⁷ Contract Inventory 2021, Orange County Office of Care Coordination.

How is Orange County Addressing Homelessness?

Continuum of Care Funding Oversight

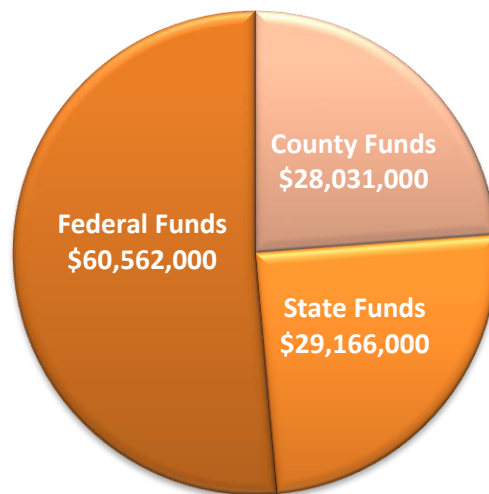
The CoC oversees 37 contracts that outline the terms and agreements as to what services must be provided, and which funding source is used (such as the County General Fund, or various state and federal grants). The source of funds dictates how the funds must be used.

The CoC receives funding through various state and federal sources through a Notice of Funding Availability. The CoC issues a Request for Proposals to which qualified non-profits submit proposals. The CoC and the Commission to End Homelessness work together to establish funding priorities. The CoC selects which proposals to fund and sends them to the Board of Supervisors for legal approval.

All contracts specify that audits may be required. Audits are based on performance and proper use of funds required by the funding source. The County can also request an audit at any time during the contract term. The OCC monitors the contracts through a monthly Expenditure and Revenue report. Along with this financial review, the County conducts yearly site visits for each contract. The on-site audit reviews all aspects of the contract obligations to ensure that the contractors are compliant with the specifications of the funding.

Contractors who meet or exceed their requirements are typically renewed. Those who fail are given the opportunity to explain unexpected hurdles they faced, such as COVID issues or other unavoidable circumstances. After a full review, the CoC Board decides whether to renew or terminate a contract.

OC Continuum of Care Funding Sources 2021



NOTE: This pie chart includes some grants awarded for multiple years. *Source: Office of Care Coordination.*¹⁸

¹⁸ *Ibid.*

How is Orange County Addressing Homelessness?

Major Funding Sources Overseen by the CoC

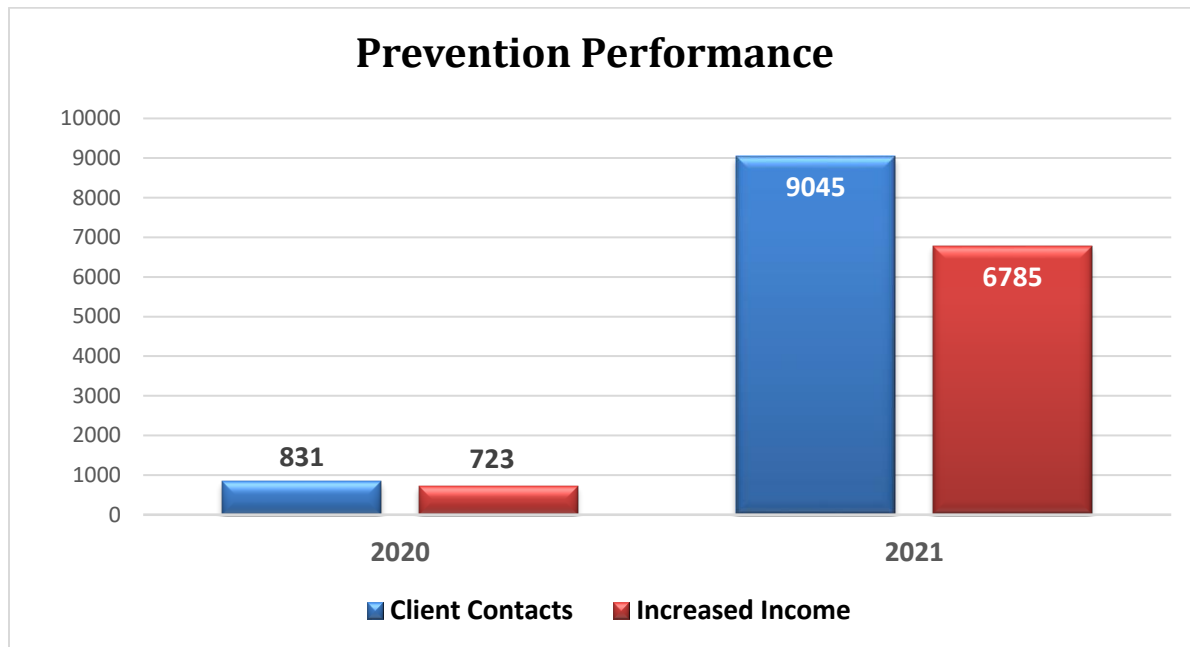
A variety of federal, state, and county restrictive grants with specific uses required make up the funding that the CoC allocates.¹⁹

CoC Process to Address Homelessness

OCGJ sought to evaluate the effectiveness of the CoC contracts under each pillar using the data from the Homeless Management Information System (HMIS) which is the shared database of all homeless services providers required by HUD for CoC's and maintained by the non-profit 211 OC.

- 1. Prevention** - CoC investments in homeless prevention, include rental and utility assistance, as well as housing vouchers, and are measured as “increased income” in the graph below.

The CoC system does not represent the only County of Orange expenditures to prevent homelessness. The County allocates significant amounts of funding to prevent individuals and families from becoming homeless as outlined later in this report.



¹⁹ Grant sources include: American Recovery Plan Act (ARPA)*, Business, Consumer and Housing Agency, COVID 19 Tenant Relief Act (BCSH)*, California Emergency Solution Housing (CESH), Consolidated Appropriations Act for Rental Assistance (CAA), Coronavirus Aid, Relief and Economic Security Act (CARES)*, Federal Continuum of Care fund (CoC), Homeless Emergency Aid Program (HEAP), Homeless Housing Assistance Prevention (HHAP), HUD Emergency Shelter Grant program (ESG), HUD Housing Community Development (HCD), Orange County General Fund (GF). * COVID Related Funding.

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How is Orange County Addressing Homelessness?

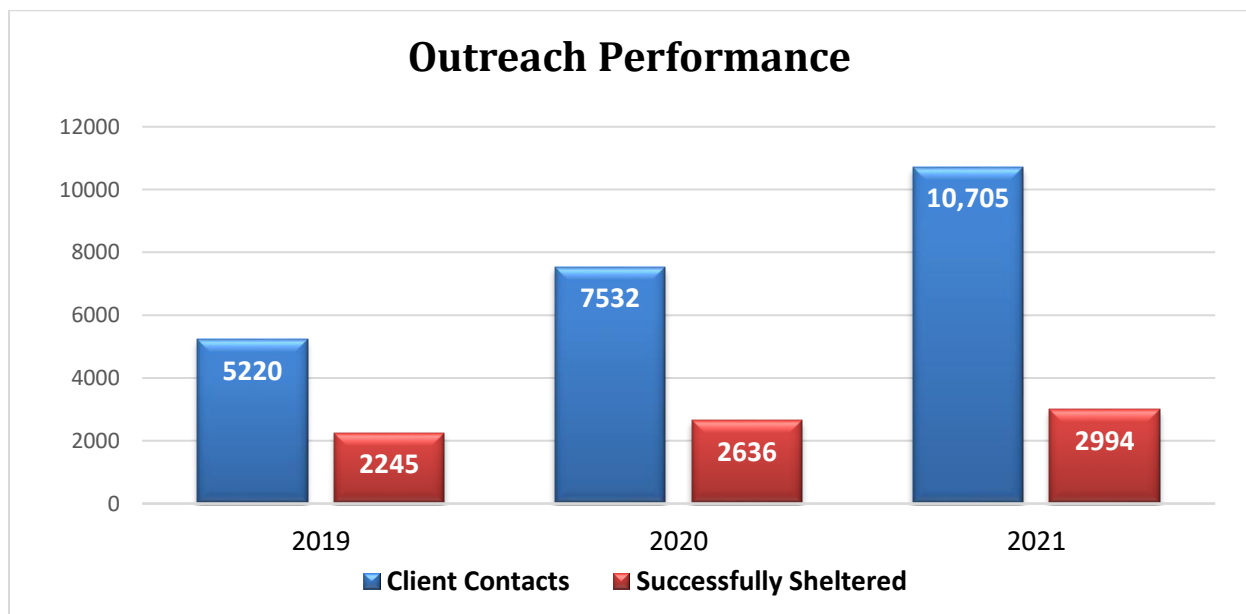
*A homeless man hanging out at a volunteer organization that provides food and assistance to the homeless described his experience in Orange. He stated that because he did not have a home, he was constantly stopped and harassed by the police, both physically and mentally. He believed that the **Be Well Center** was just a trick to get people off the streets. They would 5150 (72-hour mental health hold) everyone referred to their program and no one ever saw them again.*

- 2. Outreach** – Outreach efforts of CoC non-profit contractors resulted in successful exits from homelessness to shelter increasing about 33 percent from 2,245 in 2019 to 2,994 in 2021. In that period, outreach efforts by non-profits seeking to build trust with homeless individuals resulted in the doubling of client contacts, to over 10,000 a year. Increasing client contacts, building trust, and successful entrance into shelter are measures of successful outreach programs.

Some people believe that chronically homeless individuals do not want permanent housing and are resistant to programs. While this may be true in some cases, the OCGJ learned several reasons for this resistance, including:

- Individuals who lack trust in outreach program staff due to promises previously broken.
- Substance abusers who are not ready for treatment.
- Mentally ill individuals who lack awareness of their illness.
- Individuals who fear for their safety in shelters or housing.
- Individuals who do not like the rule that forbids walking in and out of the shelter and require access by arranged transportation only.

The OCGJ learned from law enforcement and shelter officials that there were not enough rehabilitation and treatment facilities and services to meet the need of homeless Orange County residents suffering from mentally illness or substance abuse.



Source: 211 OC, HMIS data, 2019-21

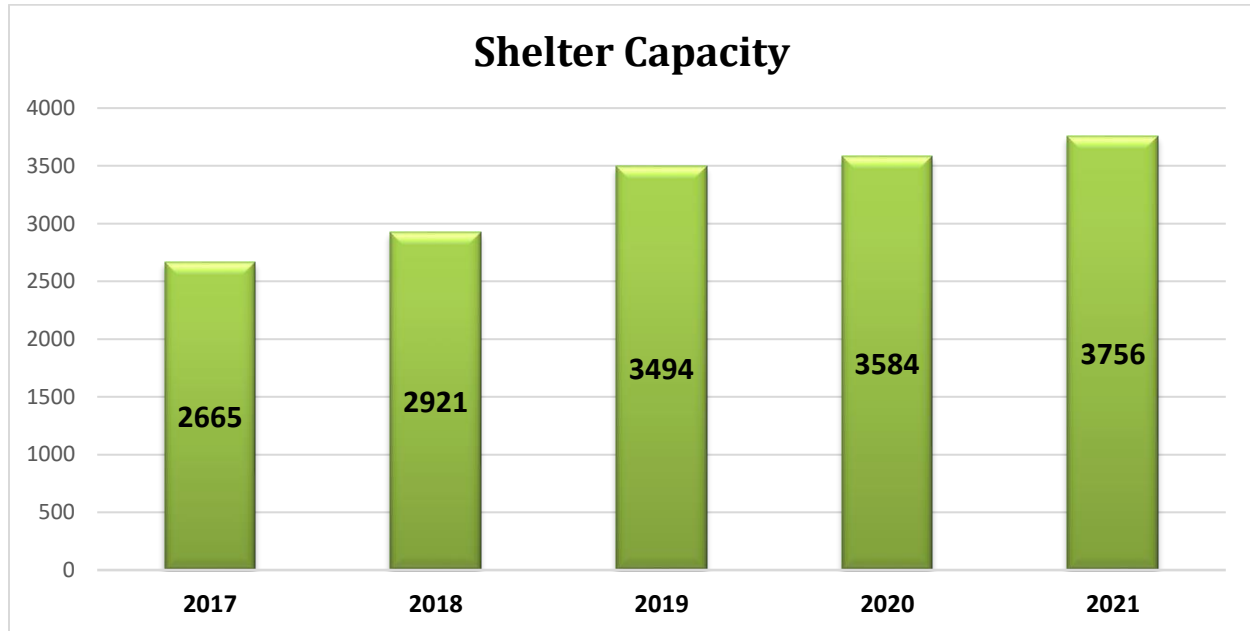
How is Orange County Addressing Homelessness?

- 3. Shelter** - Emergency shelter capacity increased over 40 percent from 2,665 in 2017 to 3,756 in 2021, primarily in North and Central SPA cities. This increase helped to temporarily house many of the homeless of Orange County.

Low-Threshold Emergency Shelters are open to all individuals whose behavior is consistent with the shelter rules. This includes individuals who are suffering mental illness as well as those who are still using drugs and alcohol. The County of Orange funds two such shelters, BRIDGES in the North SPA and YALE in the Central SPA, but has been unsuccessful in siting a shelter in South SPA.

Navigation Centers are emergency shelters that are funded by cities and other sources. Shelters have opened in Anaheim, Buena Park, Fullerton, Huntington Beach, Laguna Beach, Placentia, Tustin, and Santa Ana. Additional shelters are operated by various non-profits and faith-based organizations around Orange County. The OCGJ found that no low-threshold emergency shelters had been opened in South SPA cities to meet the identified need.

Various levels of service are provided at the emergency shelters in addition to safe beds, food, and showers. The low-threshold, multi-service county shelters work with the residents to do the following: develop a plan to get into permanent housing; get job training and secure a job; obtain benefits for which they qualify, such as veterans, general relief, disability, or other public assistance; get into treatment programs to help with their substance abuse or mental illness; receive medical care and needed medicine; and overcome other individual challenges to independent living.



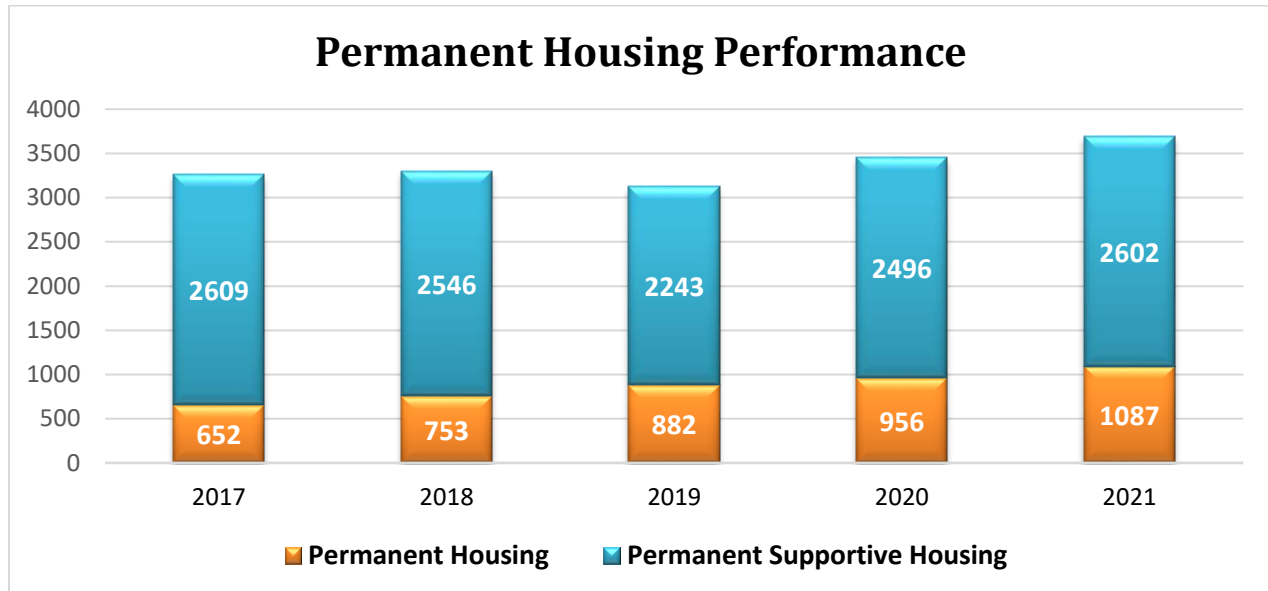
Note: Numbers include year-round and seasonal shelters, and 517 temporary COVID beds. ²⁰

²⁰ HIC Report Year Over Year 2017-21, 211 OC, Orange County, 2021.

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4. **Housing** - Permanent housing, including Permanent Supportive Housing (PSH), has increased 13 percent over the last five years, from 3,261 in 2017 to 3,689 in 2021.



Source: 211 OC Housing Inventory Count 2017-21²¹

- **Housing Vouchers** (Section 8) are issued by local Housing Authorities who set aside some for the homeless. They prioritize individual veterans, disabled, and families with children, as well as designating some for PSH projects. Vouchers are a permanent housing subsidy that require individuals to contribute 30 percent of their income to rent.
- **Exits from emergency shelters** to permanent housing were limited not only by the number of vouchers available, but by the inability of homeless individuals to find housing where landlords would accept vouchers. From 2018 to 2021, exits from the CoC homeless system to permanent housing have hovered between 24 and 32 percent.²²
- **2,700 PSH** units were needed according to the PIT count in 2017. PSH is for homeless individuals who are living with disabilities and mental illness. OC Housing Community Development leveraged California Mental Health Services Act funds resulting in 2,700 PSH units being built, approved, or in the planning stage as of 2022.
- **Treatment programs** for homeless individuals, who could benefit from permanent housing but require treatment programs to be successful, are in short supply.
- **Transitional Aged Youth (TAY)**, are 16–24-year-olds who age out of the Foster Care system. They are vulnerable and many become homeless. The CoC funds one shelter with 25 beds for TAY where the waiting list for a bed is nine months. During the pandemic, housing vouchers for TAY increased from five to 120 but fell short of meeting the 150 beds needed.²³

²¹ Orange County Housing Stock, 211 OC, Housing Inventory Count 2021 Report.

²² Longitudinal Systems Analysis, 211 OC, FY 2018 through 2021.

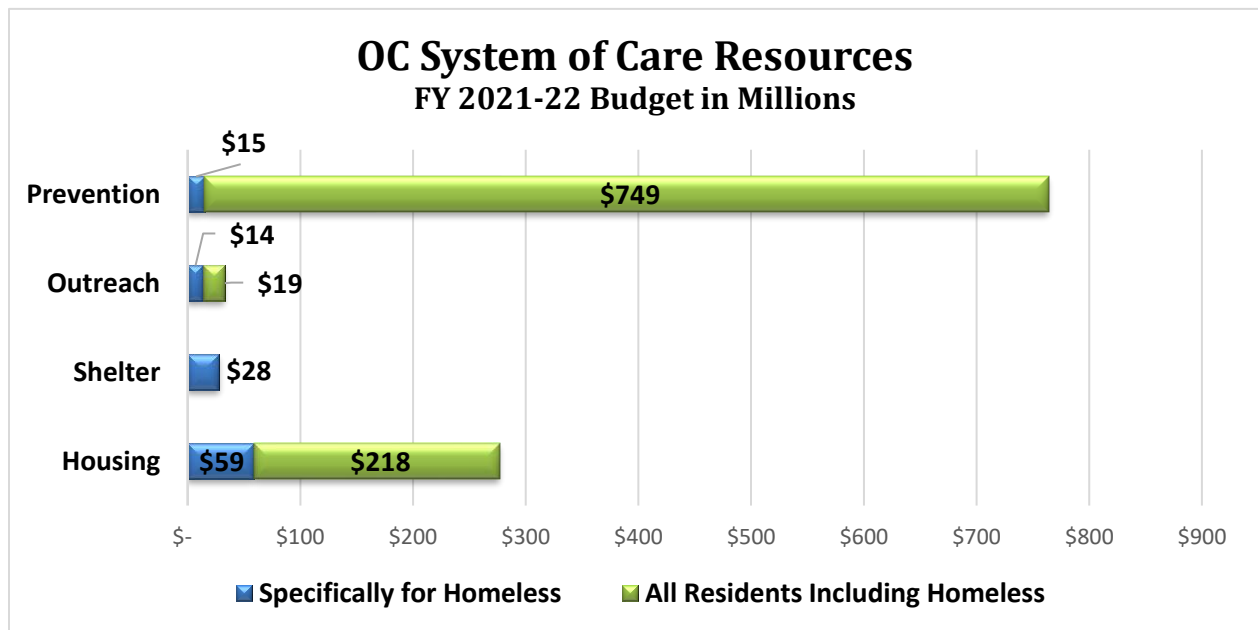
²³ Dr. Shauntina Sorrells, MSW, DSW, Chief Program Officer, Orangewood Children's Home, Chair CoC TAY Committee, in a presentation to OC Supervisor Foley's Forum on Homelessness, Santa Ana, April 20, 2022.

How is Orange County Addressing Homelessness?

OC System of Care Resources

While the CoC represents the targeted collaboration to combat homelessness envisioned by HUD, there are additional programs in the Orange County System of Care that serve homeless individuals through other County agencies, such as the following:

- **Prevention** - Health care services which include: mental health, substance abuse treatment, and public health (infectious disease control); public assistance programs such as: Cal Fresh (EBT, food assistance), Cal WORKS (job training), Cash Assistance Program for Immigrants, Medi-Cal, and General Relief (cash assistance).
- **Outreach** - Link to Services, Housing, Treatment, Basic Skills, and Job Training.
- **Shelter** - All emergency shelter funds go through the CoC Board.
- **Housing** - Housing Choice Vouchers, and Supportive Housing.



Source County of Orange ²⁴

Total Orange County Cost of Homelessness

In addition to the costs of the Orange County System of Care, the county spends significant funds annually on homeless individuals in jail and in the criminal justice system. When these expenditures are included, Orange County homeless costs were an estimated \$1.6 billion in FY 2021.²⁵

The graphs in this OCGJ report illustrate the increased outreach, prevention, shelter, and permanent housing that the CoC and OCC achieved, as well as additional system of care

²⁴ OC System of Care Resources, FY 2021-22, Orange County Office of Care Coordination.

²⁵ OC District 2 Services Assessment Final Report, Moss Adams, February 2022.

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resources provided by the County of Orange. The 2022 Point in Time count documents the resulting decrease in homelessness, even as it shows the remaining challenges.

These County of Orange investments to address homelessness make a big difference by taking many people off the streets, providing shelters with basic services, giving needed medical and mental health care, helping with job training, and creating some permanent housing. While these investments are essential, they do not go far enough to house all the homeless people living in Orange County; in fact, only about 30 percent of the individuals exiting temporary shelters move into permanent housing.

The challenge of homelessness in our changing economy has been evolving as have our systems of care and prevention. It is clear that no one approach is going to eradicate homelessness. However, if we continue to come together to learn and to improve our collective efforts, we will enable greater success in the exhaustive task of serving this vulnerable population in our community.

FINDINGS

Based on its investigation described in this report, the 2021-2022 Orange County Grand Jury has arrived at the following findings:

- F1 South Orange County SPA cities lack low-threshold emergency shelters resulting in more homeless encampments and individuals living on the streets.
- F2 Too many of the homeless who are severely and persistently mentally ill and those with addiction issues end up incarcerated instead of more appropriate placements.
- F3 The County of Orange and cities within Orange County have been inconsistent in collaboration for support of shelters and services, which has resulted in missed opportunities to end homelessness.
- F4 There are an insufficient number of rental units available to those exiting Emergency Shelters, resulting in the majority returning to homelessness when leaving the shelters.
- F5 The Office of Care Coordination, in collaboration with the Continuum of Care Board, provides an effective community-based system of setting priorities to address homelessness, learning best practices, awarding and monitoring contracts, and overseeing a comprehensive system of care. However, the challenge of housing all our homeless requires much more.
- F6 Transitional Aged Youth who age out of the Foster Care system are a vulnerable population that often become homeless and need assistance in finding housing. There are insufficient resources to adequately serve these young people.

RECOMMENDATIONS

Based on its investigation described herein, the 2021-2022 Orange County Grand Jury makes the following recommendations:

- R1 By July 1, 2023, the CoC and County of Orange should leverage funding to persuade South Orange County cities to open a regional, low-threshold emergency shelter for the homeless, in addition to the Laguna Beach Friendship Shelter. (F1)
- R2 By July 1, 2023, South OC SPA cities should collaborate in siting and funding a low-threshold emergency shelter for the homeless, in addition to the Friendship Shelter in Laguna Beach. (F2)
- R3 The CoC should fund programs in fiscal year 2022-23 for people with severe and persistent mental illness and addiction issues to receive supervised care and treatment. (F2)
- R4 By July 1, 2024, the County of Orange and cities should collaborate to open facilities that can house people with severe and persistent mental illness and addiction issues in a secure setting. (F2)
- R5 By July 1, 2023, the County of Orange, cities and CoC should collaborate to encourage the development of housing affordable to individuals exiting the emergency shelters in Orange County. (F3, F4, F5)
- R6 By December 1, 2022, the County of Orange, cities and CoC should collaborate to increase the number of housing opportunities for Transitional Aged Youth. (F6)

COMMENDATIONS

Continuum of Care - The Orange County Grand Jury commends the broad-based collaboration between the County, cities, non-profit shelter and service providers, homeless advocates, faith-based organizations helping the homeless and hungry, and public and private entities, known as the Continuum of Care. This federally supported initiative has a representative board of directors and enjoys the highly effective professional support of the County of Orange Office of Care Coordination.

The OCGJ toured facilities and interviewed those engaged at all levels in this community-wide endeavor and was impressed at the dedication and caring to help the less fortunate in our County.

During the OCGJ investigation into the CoC, several exceptional organizations and dedicated individuals were brought to our attention. While not a direct part of our focus on the CoC, they were part of this broad community effort to address homelessness so the OCGJ thought they warranted honorable mention, including:

- **Be Well OC** in Orange is an innovative collaboration to provide outreach vans with mental health crisis teams, and a residential facility to reduce the incarceration of individuals with mental illness and/or substance abuse problems.
- **Mary's Kitchen** in the city of Orange provides dignified services including food to the walk-in homeless. Additionally, clients can receive mail and take showers.

How is Orange County Addressing Homelessness?

- **Navigation Centers** in the cities of Laguna Beach, Fullerton, Buena Park, Placentia, Tustin, and Huntington Beach are providing critical shelter and services to the homeless.
- **Orange County's Emergency Shelters**, Yale, and Bridges at Kraemer are unique multi-service, low-threshold shelters run by PATH and Mercy House respectfully.
- **Outreach and Prevention** work being done by City Net and city homeless liaisons are the front line in reaching the chronically homeless.
- **Permanent Housing** is being developed by many entities overcoming various obstacles. The Grand Jury commends Jamboree Housing for their successful PSH units we toured, and the OC Housing Community Development department for their success in leveraging partnerships to create 2700 units of PSH.
- **The Salvation Army** operates a low-threshold, comprehensive homeless shelter for the City of Anaheim and is in the process of building an adjacent apartment complex with permanent supportive housing.
- **US District Court Judge David Carter** played an extraordinary role in bringing the cities and county to the table with the advocates and homeless to create change. His "hands on" approach demonstrated the compassion he expected of all.
- **Whatever It Takes (WIT) Collaborative Court** is an initiative to help high risk, high need, convicted felons, to be successfully reintegrated into society. Coordinated resources and guidance are offered to complete a program of sobriety, housing, employment, counseling, relationship issues, and consistent healthy behavior.

RESPONSES

California Penal Code Section 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court). Additionally, in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g., District Attorney, Sheriff, etc.), such elected County official shall comment on the findings and recommendations pertaining to the matters under that elected official's control *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05 specifies the manner in which such comment(s) are to be made as follows:

(a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

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- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary /or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

The Orange County Grand Jury requires and requests the following responses:

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| OC Board of Supervisors | X | X | X | X | X | X |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| OC Board of Supervisors | X | X | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Aliso Viejo | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Aliso Viejo | X | X | | X | X | X |

How is Orange County Addressing Homelessness?

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Anaheim | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Anaheim | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Brea | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Brea | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Buena Park | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Buena Park | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Costa Mesa | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Costa Mesa | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Cypress | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Cypress | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Dana Point | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Dana Point | X | X | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Fountain Valley | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Fountain Valley | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Fullerton | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Fullerton | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Garden Grove | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Garden Grove | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Huntington Beach | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Huntington Beach | | | | X | X | X |

How is Orange County Addressing Homelessness?

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Irvine | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Irvine | X | X | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| La Habra | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| La Habra | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| La Palma | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| La Palma | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Laguna Beach | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Laguna Beach | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Laguna Hills | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Laguna Hills | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Laguna Niguel | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Laguna Niguel | X | X | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Laguna Woods | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Laguna Woods | X | X | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Lake Forest | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Lake Forest | X | X | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Los Alamitos | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Los Alamitos | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Mission Viejo | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Mission Viejo | X | X | | X | X | X |

How is Orange County Addressing Homelessness?

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Newport Beach | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Newport Beach | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Orange | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Orange | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Placentia | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Placentia | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Rancho Santa Margarita | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Rancho Santa Margarita | X | X | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| San Juan Capistrano | X | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| San Juan Capistrano | X | X | | | | |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Santa Ana | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Santa Ana | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Seal Beach | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Seal Beach | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Stanton | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Stanton | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Tustin | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Tustin | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Villa Park | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Villa Park | | | | X | X | X |

How is Orange County Addressing Homelessness?

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Westminster | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Westminster | | | | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 | F4 | F5 | F6 |
|--------------------------|----|----|----|----|----|----|
| Yorba Linda | | | X | X | | |
| 90 Day Response Required | R1 | R2 | R3 | R4 | R5 | R6 |
| Yorba Linda | | | | X | X | X |

| 90 Day Response Requested | F1 | F2 | F3 | F4 | F5 | F6 |
|-----------------------------|----|----|----|----|----|----|
| Office of Care Coordination | X | X | X | X | X | X |
| 90 Day Response Requested | R1 | R2 | R3 | R4 | R5 | R6 |
| Office of Care Coordination | X | X | X | X | X | X |

| 90 Day Response Requested | F1 | F2 | F3 | F4 | F5 | F6 |
|---------------------------|----|----|----|----|----|----|
| Continuum of Care Board | X | X | X | X | X | X |
| 90 Day Response Requested | R1 | R2 | R3 | R4 | R5 | R6 |
| Continuum of Care Board | X | X | X | X | X | X |

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GLOSSARY

211 OC: A non-profit that administers the county Homeless Management Information System and publishes the data on their website.

Chronically Homeless: An individual or family who is homeless and lives in a place not meant for human habitation, for at least 1 year.

Chronic Substance Abuse: adults with a substance abuse problem that is expected to be of indefinite duration and substantially impairs the person's ability to live independently.

Commission to End Homelessness: A collaborative board of County and city government, private foundations, advocacy groups, community organizations, and other interested stakeholders that promote the success of the Ten-Year Plan to End Homelessness.

ITEM 6.2 - Attachment A

How is Orange County Addressing Homelessness?

Coordinated Entry System (CES): A system to coordinate program participant intake assessment, and provision of referral.

Continuum of Care (CoC): A HUD-mandated local board of individuals and organizations working together to address homelessness on a regional basis.

Disability: A person with physical, mental, or emotional impairment, which is expected to be of long duration, and substantially impedes an individual's ability to live independently.

Domestic Violence: The act of family member, partner or ex-partner attempting to physically or psychologically dominate another.

Homeless Management Information Systems (HMIS): Computerized data base to capture client-level information on the characteristics and service needs of those experiencing homelessness.

Housing Inventory Count (HIC): The HUD-mandated annual count of homeless shelter beds available, conducted by the CoC.

U.S. Department of Housing and Urban Development (HUD): An agency of the United States Government.

Low-Threshold Emergency Shelter: A facility offering limited shelter as a safe alternative to living on the streets and provides essential services. “Low-threshold” means that individuals do not have to be drug and alcohol free, only that their behavior complies with the shelter rules.

Navigation Center: Another name for emergency shelter, emphasizing the service provided to residents to navigate to permanent housing, jobs, medical care, and other independent living skills.

Office of Care Coordination (OCC): County of Orange staff who provide support to the CoC Board and coordinate homeless program funds and services.

Permanent Supportive Housing (PSH): Long-term, community-based housing that has supportive services for homeless persons with disabilities including mental illness.

Point-in-Time Count & Survey (PIT): A community-wide effort to collect information on the number and characteristics of individuals and families experiencing homelessness.

Severely and Persistently Mentally Ill: adults with mental health problems that are expected to be life-long and substantially impairs the person’s ability to live independently.

Sheltered Homeless: individuals who are in emergency shelters, navigation centers, or other temporary housing.

Service Planning Area (SPA): Divisions of Orange County into North, Central, and South cities to coordinate homeless shelters and services on a regional basis.

Unsheltered Homeless: individuals who spent last night in the streets, a vehicle, an abandoned building, bus/train station, camping not in a designated campground, sleeping anywhere outside, or other place not meant for human habitation or stayed in friend or family’s garage, backyard, porch, shed or driveway.

Carol Moore
Mayor

September XX, 2022

Cynthia Conners
Mayor Pro Tem

Noel Hatch
Councilmember

Shari L. Horne
Councilmember

Ed H. Tao
Councilmember

Christopher Macon
City Manager

The Honorable Erick L. Larsh
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

SUBJECT: City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "How is Orange County Addressing Homelessness?"

Dear Judge Larsh:

Per the Orange County Grand Jury's request, and in accordance with California Penal Code Section 933, please find the City of Laguna Woods' response to the subject report attached. The response was approved by the Laguna Woods City Council on September XX, 2022.

If you have any questions or would like any additional information, please contact Christopher Macon, City Manager, at (949) 639-0512 or cmacon@cityoflagunawoods.org.

Sincerely,

Carol Moore
Mayor

Attachment: A – City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "How is Orange County Addressing Homelessness?"

cc: Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

ATTACHMENT A

City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report,
"How is Orange County Addressing Homelessness?"

FINDINGS

F1. South Orange County SPA cities lack low-threshold emergency shelters resulting in more homeless encampments and individuals living on the streets.

Response: The City disagrees partially with this finding. The City agrees that the South Orange County Service Planning Area has fewer low-threshold emergency shelters than other service planning areas in Orange County, but disagrees that the availability of emergency shelters alone results in more homeless encampments and individuals living on the streets. The City notes that Orange County's 2022 Point in Time Count identified a total of 422 individuals experiencing unsheltered homelessness within the South Orange County Service Planning Area, compared to 538 in 2019; a decrease of 21.56%.

F3. The County of Orange and cities within Orange County have been inconsistent in collaboration for support of shelters and services, which has resulted in missed opportunities to end homelessness.

Response: The City disagrees wholly with this finding. The City has not inconsistently collaborated for support of shelters and services, and notes that the Grand Jury's report includes no examples of alleged inconsistency. The City is not in a position to opine on efforts by the County of Orange or other cities.

F4. There are an insufficient number of rental units available to those exiting Emergency Shelters, resulting in the majority returning to homelessness when leaving the shelters.

Response: The City agrees with this finding.

RECOMMENDATIONS

R1. By July 1, 2023, the CoC and County of Orange should leverage funding to persuade South Orange County cities to open a regional, low-threshold emergency shelter for the homeless, in addition to the Laguna Beach Friendship Shelter. (F1)

Response: This recommendation will not be implemented because it is not warranted or reasonable. The City has no authority to direct the actions of the Orange County Continuum of Care or the County of Orange. The City is willing to collaborate with other South Orange County cities related to the opening of a low-threshold emergency shelter for the homeless in the South Orange Service Planning Area.

R2. By July 1, 2023, South OC SPA cities should collaborate in siting and funding a low-threshold emergency shelter for the homeless, in addition to the Friendship Shelter in Laguna Beach. (F2)

Response: This recommendation will not be implemented because it is not warranted or reasonable. While the City is willing to collaborate with other South Orange County cities related to the siting and funding of a low-threshold emergency shelter for the homeless in the South Orange Service Planning Area, such an effort would require the participation of other cities, which the City cannot guarantee. The City is, therefore, unable to commit to implementing this recommendation. The City is also unclear as to whether the use of “collaborate” in this recommendation is meant to encompass planning for an emergency shelter or planning plus construction and operation. While the former may be possible by July 1, 2023 (provided other cities are similarly willing to collaborate), the latter is unlikely. The City permits emergency shelters by right in two zoning districts where adequate capacity is available to accommodate multiple year-round shelters (state law requires the City to permit emergency shelters by right in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter).

R4. By July 1, 2024, the County of Orange and cities should collaborate to open facilities that can house people with severe and persistent mental illness and addiction issues in a secure setting. (F2)

Response: This recommendation will not be implemented because it is not warranted or reasonable. While the City is willing to collaborate, as appropriate and feasible, with the County of Orange and other cities on matters pertaining to opening facilities that can house people with severe and persistent mental illness and addiction issues in a secure setting, such an effort would require the participation of the County of Orange and other cities, which the City cannot guarantee. The City is, therefore, unable to commit to implementing this recommendation. As required by state law, the City (a) considers supportive housing a residential use of property, subject only to those restrictions that apply to other residential dwellings of the same type in the same zoning district, and (b) permits supportive housing by right in all zoning districts where multifamily and mixed uses are permitted.

R5. By July 1, 2023, the County of Orange, cities and CoC should collaborate to encourage the development of housing affordable to individuals exiting the emergency shelters in Orange County. (F3, F4, F5)

Response: This recommendation will not be implemented because it is not warranted or reasonable. While the City is willing to collaborate, as appropriate and feasible, with the County of Orange and other cities to encourage the development of housing affordable to individuals exiting the emergency shelters in Orange County, such an effort would require the participation of the County of Orange and other cities, which the City cannot guarantee. The City is, therefore, unable to commit to implementing this recommendation. The City recently updated its General Plan Housing Element to provide for the accommodation of 1,196 new housing units, as well as incentives for, and other actions to encourage, the development of affordable housing. Both the City’s General Plan Housing Element and Zoning Code allow for the development of housing affordable to individuals exiting the emergency shelters in Orange County.

R6. By December 1, 2022, the County of Orange, cities and CoC should collaborate to increase the number of housing opportunities for Transitional Aged Youth. (F6)

Response: This recommendation will not be implemented because it is not warranted or reasonable. While the City is willing to collaborate, as appropriate and feasible, with the County of Orange and other cities to increase the number of housing opportunities for transitional aged youth, such an effort would require the participation of the County of Orange and other cities, which the City cannot guarantee. The City is, therefore, unable to commit to implementing this recommendation. The City recently updated its General Plan Housing Element to provide for the accommodation of 1,196 new housing units, as well as incentives for, and other actions to encourage, the development of affordable housing. Both the City's General Plan Housing Element and Zoning Code allow for the development of housing for transitional aged youth.

6.3

**2021-2022 ORANGE COUNTY GRAND JURY
REPORT, “WHERE HAVE ALL THE CRVS
GONE?”**

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: September 15, 2022 Special Meeting

SUBJECT: 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?"

Recommendation

Approve a response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?," authorize the Mayor to execute the response, and direct the City Manager to submit the response as required by applicable law.

Background

On June 28, 2022, the Orange County Grand Jury publicly released a report titled "Where Have All the CRVs Gone?" (Attachment A). The report requires 16 Orange County cities, the Orange County Board of Supervisors, and OC Waste & Recycling to respond to certain findings and recommendations, in accordance with California Penal Code Section 933. The City Council is required to respond to three findings and four recommendations no later than September 28, 2022, unless an extension is obtained pursuant to California Penal Code Section 933.05(b)(3).

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on a response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?" Staff recommends that the City Council approve the proposed response (Attachment B), authorize the Mayor to execute the proposed response, and direct the City Manager to submit the proposed response as required by applicable law.

The proposed response has been prepared in conformance with California Penal Code Section 933.05, which requires the City to respond as follows:

For Findings (select one of the following)

- The City **agrees** with the finding; or
- The City **disagrees wholly** or **partially** with the finding, in which case the response shall specify the portion of the finding that is disputed and include an explanation of the reasons therefor.

For Recommendations (select one of the following)

- The recommendation **has been implemented**, with a summary regarding the implemented action; or
- *The recommendation has not yet been implemented, but **will be implemented** in the future, with a timeframe for implementation; or
- *The recommendation **requires further analysis**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the City Council that does not exceed six months from the date of publication of the grand jury report; or
- The recommendation **will not be implemented** because it is not warranted or is not reasonable, with an explanation therefor.

* The City is required to define timeframes for responses to recommendations that have not yet been implemented, but **will be implemented** in the future or **require further analysis**. In the case of recommendations requiring further analysis, the City Council would be required to discuss such analysis by December 27, 2022. The Orange County Grand Jury requests annual reports in March of each year on the status of recommendations accepted but not yet implemented.

Fiscal Impact

Funds to support this project are included in the City's budget.

Attachments: A – 2021-2022 Orange County Grand Jury Report, “Where Have all the CRVs Gone?”
 B – Proposed Response to 2021-2022 Orange County Grand Jury Report, “Where Have All the CRVs Gone?”

Where Have All the CRVs Gone?



GRAND JURY 2021-2022

Where Have All the CRVs Gone?

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Where Have All the CRVs Gone?

SUMMARY

Each year Californians pay over \$1.4 billion in California Refund Value (CRV) fees to the State of California, yet only a portion of those funds are redeemed by the consumer. Since 2013, more than 1,000 redemption centers have closed throughout California leaving 1,265 redemption centers statewide and only 109 in Orange County.¹ The quantity of convenient redemption centers is constantly changing. Where once the consumer need only return their cans and bottles to the grocery store to receive their money, today redemption could mean traveling many miles. Due to the reduction of CRV redemption sites, waste haulers have become the default beneficiaries and are paid the CRV redemption for the containers collected at curbside. Millions of dollars in CRV fees still go unclaimed. Currently this amount is over \$600 million, a portion of which belongs to Orange County residents.

This report will explore the lack of redemption sites and the innovative programs being piloted to return the CRV dollars to Orange County consumers. Based on the Orange County Grand Jury (OCGJ) investigation, we recommend all Orange County cities and the County of Orange assess the revenue stream from curbside pickup, processing, and sale of recyclable materials, and leverage this to benefit their residents when negotiating waste hauler contracts. They should also require waste hauler-funded additional redemption centers when negotiating contracts.

Additionally, the OCGJ recommends all cities and the County of Orange research and apply for available grants or pilot programs from Cal/EPA California Department of Resources Recycling and Recovery (CalRecycle) that focus on returning CRV funds to their residents. Lastly, the OCGJ recommends development of programs aimed at educating residents regarding CRV redemption opportunities.

BACKGROUND

California Redemption Value (CRV), also known as California Refund Value, is a regulatory fee paid on recyclable beverage containers in California. The fee was established by the California Beverage Container Recycling and Litter Reduction Act of 1986, also called the Bottle Bill (AB 2020, Margolin).² Since 2010 the program has been administered by the Cal/EPA California Department of Resources Recycling and Recovery (CalRecycle). This Act was intended to increase the recycling rate to 80 percent of all recyclable containers and to provide for convenience in redeeming consumer deposits (CRV).

This Act established convenience zones. A retailer/dealer in an unserved convenience zone (one without a functioning redemption center) may choose, after a 60-day grace period, to pay CalRecycle \$100 fine per day in lieu of redeeming containers on site or establishing a redemption center in the convenience zone. From the CalRecycle website, a convenience zone is

¹ <http://www2.calrecycle.ca.gov/bevcontainer/recyclingcenters>.

² <http://www.bottlebill.org>

Where Have All the CRVs Gone?

typically a half-mile radius circle with the center point originating at a supermarket that meets the following definitions based on Public Resources Code Sections 14509.4 and 14526.5:

- Supermarket is identified in the Progressive Grocer Market Guidebook.
- Supermarket gross annual sales are \$2 million or more.
- Supermarket is considered a full-line store that sells a line of dry groceries, canned goods, or non-food items and perishable items.

A convenience zone is required by law to have within the zone's boundaries a recycling center that redeems all California Redemption Value (CRV) containers. A convenience zone with a recycler inside its boundaries is considered a served zone. Convenience zone recyclers provide opportunities to redeem containers near where the beverages were purchased.

For the past several years, using the California redemption program has been a challenge for Orange County consumers. Several factors have led to this difficulty, including lack of access to fewer redemption centers. More than 1,369 supermarket redemption centers have closed since the peak in 2013. Just over 1,200 redemption centers remain in operation in California compared to nearly 2,600 centers in 2013. According to three separate surveys, supermarket chains and other beverage retailers legally obligated to be recyclers of last resort are refusing to redeem consumer deposits up to two-thirds of the time.³

CalRecycle brings together the state's recycling and waste management programs. They have provided grants to five pilot programs in California which make resident consumer CRV refunds more accessible and convenient, with the goal of diverting more recyclables from landfills. One pilot grant program is currently operating in Orange County.

REASON FOR THE STUDY

The subject of unclaimed CRV, and a pilot program being developed to address it, were brought to the attention of the OCJG through recently published articles and personal experience.

A yearlong investigation of the California bottle deposit program found that the system could collapse without fundamental reform and that best practices are not being used.⁴ Currently, redemption centers in Orange County are few and far between and have been closing at an alarming rate. The lack of redemption centers has increased the statewide unclaimed deposits held by CalRecycle to over \$600 million.

³ Liz Tucker, "Trashed, How California Recycling Failed and How to Fix It," Consumer Watchdog, published January 2020. For surveys showing that obligated stores refuse to redeem empties two thirds of the time, see: <https://www.consumerwatchdog.org/energy/consumer-watchdog-report-shows-66-grocery-stores-surveyed-refused-recycle> and <https://www.nbcbayarea.com/news/local/Cash-in-the-Can-Californias-Recycling-Run-Around-564236811.html>

and <https://abc7news.com/society/stores-required-to-redeem-crv-on-bottles/5553583/>.

⁴ Liz Tucker, "Trashed, How California Recycling Failed and How to Fix It," Consumer Watchdog, January 2020.

Where Have All the CRVs Gone?

The largest single recycling operator, rePlanet Recycling Centers, that had 600 locations in California, closed their last 284 centers on August 5, 2019, many of which were in Orange County. With fewer options, consumers have relinquished their CRV refunds to the trash haulers by resorting to single stream curbside collections. This CRV and material revenue is in addition to fees paid by residents to collect the recyclable materials. Waste haulers, including municipal haulers, were paid \$146 million in 2020 for consumer CRV *donated* to their recycling bins at curbside and rural drop off locations.⁵

The OCGJ discovered CalRecycle was exploring new ways to encourage recycling through five pilot programs. *Recycle From Home* in Irvine makes redemption of CRV as easy as taking out your trash. This report examines the issues and solutions behind recycling and CRV redemption and explores opportunities to expand innovative programs throughout the County.

METHOD OF STUDY

The OCGJ used a variety of methods to gather information for our investigation.

- Interviews with individuals with expertise in state and local waste and recycling management.
- Research about CRV, waste haulers, Convenience Zones, Cash for Trash, local newspapers, grant programs pertaining to Orange County and various sources relating to the overall operations of recycling and CRV fees.
- Report studies from CalRecycle, Consumer Watchdog, and Container Recycling Institute (CRI).
- Tours of Orange County landfills.
- Review of various Assembly and Senate Bills pertaining to recycling.
- Conducted a survey of Orange County cities recycling coordinators regarding their current CRV recycling programs.

INVESTIGATION AND ANALYSIS

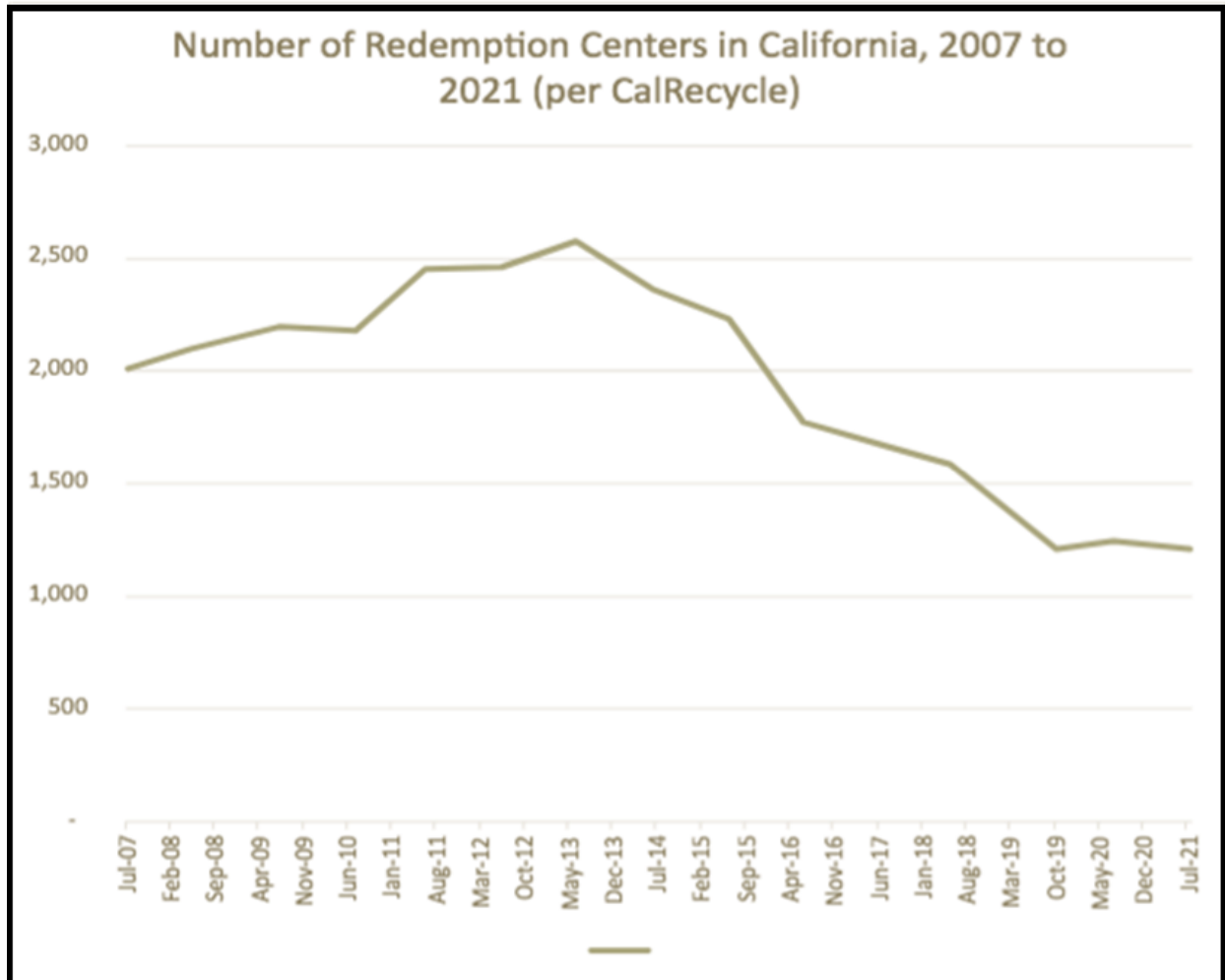
CRV Redemption

California's bottle and can recycling program was once considered successful. Today it has become a failed model. California now has a very inconvenient redemption structure compared to other states. As of May 2021, Californians have only one redemption center for about every 26,000 people. Oregon, in comparison, has 74 percent higher quantity of redemption centers than California,⁶ even though Oregon's population is one-ninth the size of California's.

⁵ For more on haulers and why consumers do not get back deposits, see: <https://www.consumerwatchdog.org/news-story/opinion-why-californians-don't-get-thier-bottle-and-can-deposits-back>.

⁶ OBRC, Quarterly Report Q4 2020

Where Have All the CRVs Gone?



More than half California's redemption centers have closed since 2013 due to State underpayments, commodities markets, and later the coronavirus pandemic. Redemption centers have faced financial hardships due to both scrap price declines and inadequate payments from CalRecycle. An additional hardship has been the increase in minimum wage for redemption center employees that has not been accounted for by the payment formula. More than 1,369 redemption centers have closed in California since the peak in 2013. Just over 1,200 redemption centers remain in operation in California, compared to nearly 2,600 centers in 2013.

According to CalRecycle, grocery stores can be granted exemptions if recycling centers would not be economically viable, or if another redemption center is sufficiently close by, or if consumers predominantly use curbside services in their location.⁷

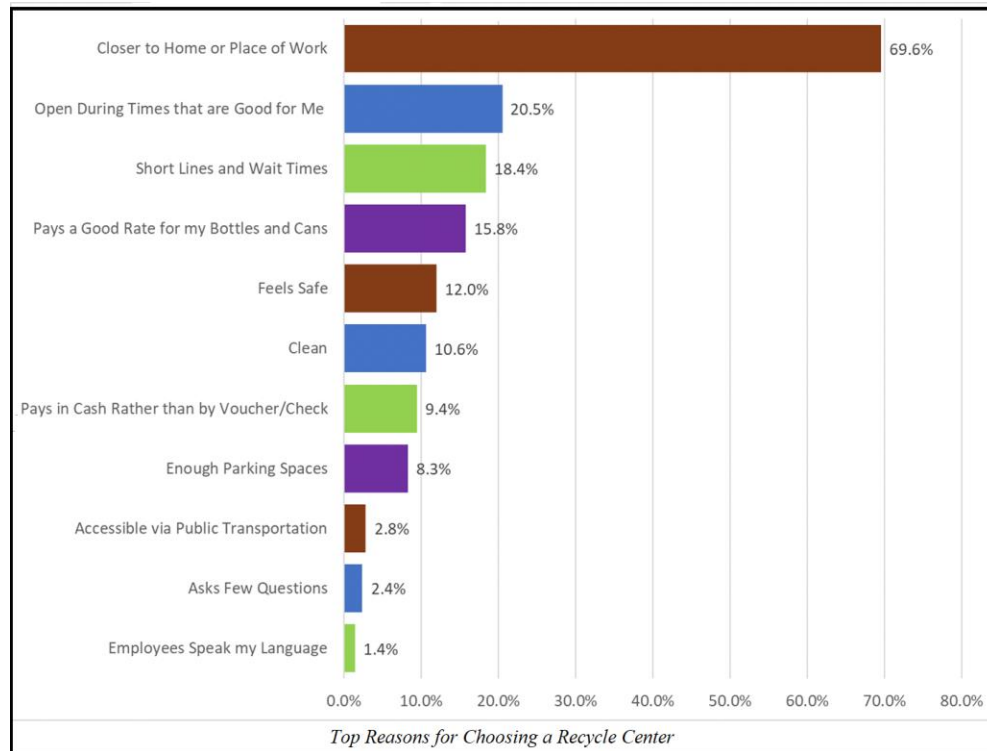
Orange County currently has 338 convenience zones, but only 134 of the convenience zones have a redemption center. There are 59 zones made exempt by CalRecycle, 10 more on hold,

⁷ For more on exemptions and other program rules, see: <https://www.calrecycle.ca.gov/bevcontainer/retailers/zones>.

Where Have All the CRVs Gone?

and 135 unserved.⁸ In the rest of the unserved zones lacking redemption centers, retailers are supposed to provide on-site redemption or pay State fees to avoid responsibility. Returning CRV containers to the local grocery store increases consumer convenience.

In an intercept survey, people were asked to choose from eleven options as to why they redeemed bottles at the recycling center. The top three reasons were ‘close to home’ (70 percent), ‘open at good times’ (21 percent), and ‘short lines and wait times’ (18 percent).⁹



Consumer Watchdog conducted an audit of 50 Los Angeles-area grocery, convenience and drug stores required by the State to refund consumer bottle deposits. The audit found up to two-thirds of retailers responsible for redemption may be refusing to take bottles back. The penalty from CalRecycle for refusing CRV redemption is between \$100 and \$1,000, depending on whether it is a repeat offense. It is very rare that retailers will be inspected and penalized by CalRecycle.¹⁰ Close to 4,000 California stores have signed up with CalRecycle to redeem CRV containers in zones lacking recycling centers.¹¹ In Orange County, 109 Recycling/Redemption centers remain open,¹² many with limited days and hours of operation. In addition, there are currently 195 in-

⁸ <https://www2.calrecycle.ca.gov/bevcontainer/recyclingcenters>.

⁹ Intercept Survey conducted by the University of California, Berkeley research team.

¹⁰ Liz Tucker, “Trashed, How California Recycling Failed and How to Fix It,” Consumer Watchdog, published January 2020.

¹¹ www2.calrecycle.ca.gov/BevContainer/InStoreRedemption.

¹² www2.calrecycle.ca.gov/bevcontainer>recycling centers.

Where Have All the CRVs Gone?

store CRV redemption locations.¹³ Although the CalRecycle website lists the status, hours, and days of operation of recycling and redemption centers, the OCGJ determined the information is not always accurate.

The primary cause of redemption center closure is the lack of compensation received from CalRecycle. Liza Tucker, a consumer advocate with Container Recycling Institute, stated, “the formula for calculating state payments to recycling centers is flawed.” CalRecycle, she said, “averages costs to run centers across the state. But the cost of operating a redemption center in a grocery store parking lot – which is the most convenient for consumers – is substantially higher.”¹⁴

The rePlanet Recycling Centers suffered the largest closure. Established in 1984, rePlanet grew to 600 redemption centers in California at its peak. In 2016, it closed 191 centers and terminated 300 employees. On August 5, 2019, it closed the remaining 284 centers and laid off the remaining 750 employees. David Lawrence, rePlanet’s President said the factors were:

Reduction in State Fees:

- Depressed pricing of aluminum and plastic
- Minimum wage increases
- Required Health and Workers Compensation Insurance¹⁵

The decline in Redemption Centers will result in:

- Tons of metal, plastics, and glassware going into landfills
- Increased greenhouse gas
- Increased litter
- Lost jobs in recycling and redemption industry
- Income for families and individuals who gather discarded cans and bottles to earn extra cash

A letter from Container Recycling Institute (CRI) urged the State to extend the Processing Payment Emergency Regulations for one year.¹⁶ The Emergency Regulations add a 10 percent reasonable financial return to calculate the processing payments that will be made to certified recyclers for 2021. This processing payment subsidy is intended to offset the difference between their operating costs and the revenue earned from scrap sales and handling fees. “Recyclers” include recycling centers, and curbside and drop-off programs.

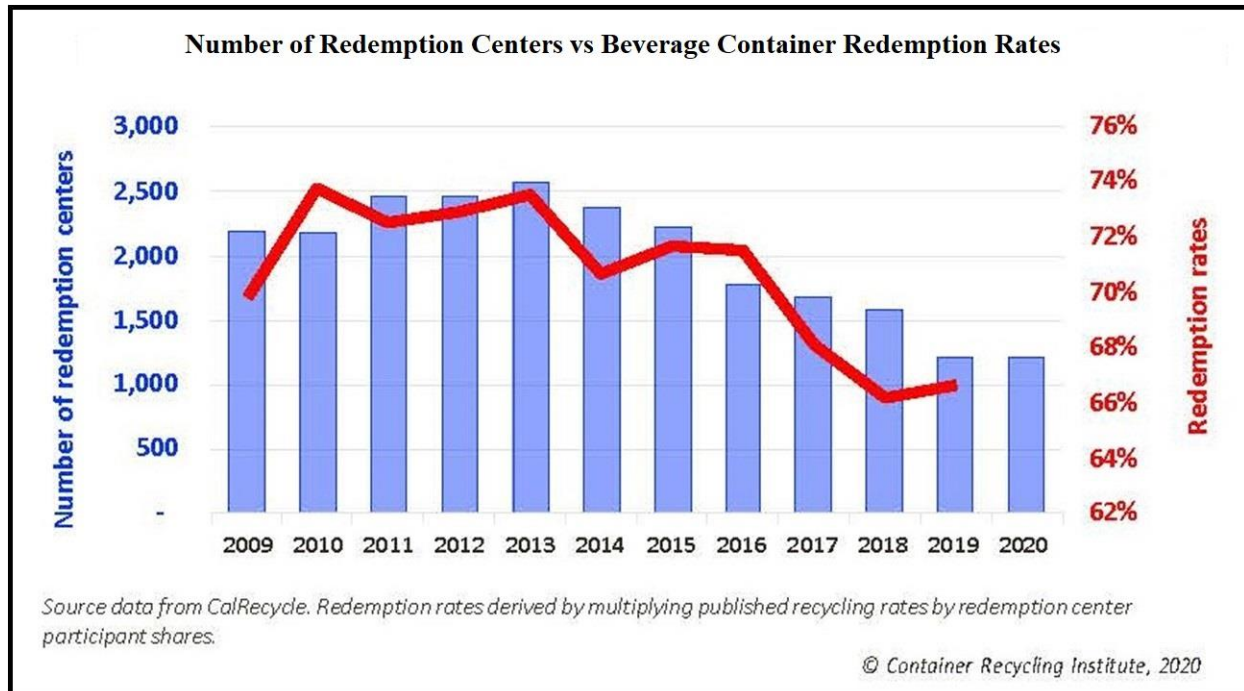
¹³ www2.calrecycle.ca.gov/beveragecontainer/instore redemption.

¹⁴ Kevin Smith, “rePlanet Closes all Recycling Centers, Prompting a Call for Bottle, Can Redemption at Stores,” San Gabriel Valley Tribune, August 6, 2019.

¹⁵ Ibid.

¹⁶ December 6, 2021, letter from Container Recycling Institute President and Executive Director, Susan Collins to The State of California Office of Administrative Law.

Where Have All the CRVs Gone?



California retailers are the failsafe for the program in locations lacking redemption centers. California has an average of one center for every 26,000 consumers,¹⁷ leading to CRV non-redemption.

Waste Haulers

Municipal curbside drop-off programs and trash haulers benefit from the redemption of CRV containers the consumers discard. When the Bottle Bill¹⁸ passed, environmental groups and lawmakers envisioned a network of redemption centers in supermarket parking lots to redeem containers. But California lawmakers and environmentalists also wanted to encourage developing curbside recycling. Operators of curbside and rural drop-off recycling programs are eligible to bill the State for the CRV stamped on the labels of containers without offering consumers refunds.¹⁹ Waste haulers were paid \$146 million in 2020 for consumer CRV *donated* to their recycling bins at curbside and rural drop off locations.²⁰ The rate at which consumers take bottles and cans for direct deposit refunds stands at 58.8 percent as of November 2021.

¹⁷ California's population of 40 million is served by 1,553 redemption centers, per CalRecycle presentation, Beverage Container Recycling Program, Certification and Registration Branch, 4th Quarter 2018, presented in January 2019.

¹⁸ AB 2020, Margolin.

¹⁹ <https://www.CalRecycle.ca.gov/bevcontainer>.

²⁰ In 2020 haulers were paid \$118 million for the CRV in curbside bins and \$28 million for the CRV at rural, drop off locations, according to the CalRecycle data analyzed by Container Recycling Institute. Corporate waste haulers operate a majority of these of these programs. Municipalities operate at least ten percent of these programs statewide.

Where Have All the CRVs Gone?

Meanwhile, unredeemed deposits in the State's main beverage fund are more than \$600 million.²¹

Curbside haulers in many cities use a single stream method of gathering recyclables. People put their recyclables into one bin and trucks take them to a processing center where machinery sorts the materials. But during transport, the materials are jostled together, rendering at least one quarter of the materials useless because they are contaminated with ground-in bits of organic waste, paper, plastic, and metal. This contamination contributes to increased landfill waste rather than recycling.

In California, waste haulers profit in numerous ways:

- They receive the CRV value, and the material scrap value of recyclables collected.
- Those that process recyclable materials are paid an additional three quarters of one percent, based on the total value of CRV collected, for administrative costs.
- They are paid subsidies to compensate for the difference between the cost of recycling and the market scrap value.
- They are awarded supplemental payments.

California awards "supplemental payments" to operators of curbside programs. These payments were initially created as an incentive to start and support curbside collection programs. Now that most cities have curbside collection programs supported by ratepayers, the supplemental payments are additional profit.

²¹ Liza Tucker, "State Obscures Extent of a Half-Billion-Dollar Surplus of Unredeemed CRV Deposits as Redemption Rate Stays Stuck at 58 percent," Consumer Watchdog, February 9, 2022.

Where Have All the CRVs Gone?



Visualization of flow of Payments to Waste Haulers²²

Beverage Container Recycling Pilot Program

Under previous legislation,²³ CalRecycle approved five pilot programs to boost consumer redemption access in the following jurisdictions: Culver City, San Francisco, San Mateo County, Sonoma County, and the City of Irvine.

Communities can create CRV redemption programs that work for them. Pilot programs allow flexible operating requirements and customized redemption programs designed to meet a region's unique needs. The CalRecycle Pilot Project Grant Program is designed to assist jurisdictions that lack CRV beverage container recycling opportunities for their residents.

The goals of the Pilot Project Grant Program are:

- Improving redemption opportunities in underserved areas.
- Allowing local governments and private industry to work together, to create new, convenient, and innovative recycling opportunities that work in their region or area.
- Increasing consumer redemption access.
- Increasing recycling percentages in pilot program areas.

²² Liza Tucker, "Waste Haulers: The Square Peg in the Circular Economy," *Consumer Watchdog*, May 2021. Used with permission of the author.

²³ California Beverage Container Recycling and Litter Reduction Act (Assembly Bill 2020, Margolin, Statutes of 1986 Chapter 1290) (Public Resources Code 14571.9) SB458 (Wiener Chapter 648 Statutes of 2017).

Where Have All the CRVs Gone?

Pilot program jurisdiction is defined as a city, county, or a combination thereof, that has authority to issue a grant permission for a certified pilot program recycler to operate in the designated pilot project area. Jurisdiction must meet at least one of the following criteria:

- The jurisdiction must have at least six unserved convenience zones.
- At least 75 percent of all convenience zones are unserved.

Local jurisdictions can now apply to turn their recycling deserts into hubs for convenient bottle and can redemption. California has approved five additional pilot grants, and the grant pilot program has been extended until June 30, 2026. The Governor has allocated an additional \$10 million to support the local pilot programs.

Additional Grant Opportunities

Currently, in Orange County, there is one grant pilot program operating. This program, called *Recycle from Home*, is a joint effort between the City of Irvine and the program's founder, Ryan Bloom. Irvine was an ideal location for a pilot program because of its high-density population with unserved CRV redemption zones. *Recycle from Home* picks up recycling directly from the resident's doorstep and deposits CRV refunds into the user's account of choice, minus 10 percent paid to the program. Participants are responsible for sorting their CRV recyclables and placing them in specially coded bags provided. Once the bag is ready, residents simply schedule a pick-up with *Recycle from Home* through an app or phone call and place the bag(s) on their porch. The OCGJ found this program to be an innovative way to return CRV funds to the consumers.

Additionally, CalRecycle offers the Beverage Container Recycling Grant Program. Beginning September 30, 2021, and ending June 28, 2024, grants are available to cities for beverage container recycling. The goal of this program is to reach and maintain an 80 percent recycling rate for all of California refund value beverage containers-aluminum, glass, plastic, and bi-metal. Unlike the Grant Pilot Program, no redemption element to consumers is required. The requirements are:

- The projects must be in California.
- Reimbursement will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).
- The grantee will ensure that the recycling bins, if applicable, are serviced on a regular basis and that collected material is transported to a certified recycling center.
- The grantee will ensure, if applicable, that it and/or other entities certified to collect beverage containers are certified or registered by CalRecycle in the proper category and will provide the Grant Manager a copy of the certification certificates(s) upon request.

Where Have All the CRVs Gone?

The grantee shall monitor the project for the tonnage and revenues collected by material type, if applicable, and will report to the Grant Manager in the progress and final reports. Information for both these programs is available on the CalRecycle web site.²⁴

The OCGJ strongly encourages other cities and the County to research and apply for available grants or pilot programs from CalRecycle for their communities that focus on returning more CRV funds to their residents' benefit and to reduce recyclables from entering landfills.

Current State of Redemption Efforts in Orange County

The OCGJ surveyed the thirty-four cities in Orange County. The purpose of the survey was to evaluate the efforts the cities are currently undertaking to help residents obtain their CRV refunds and remove recycling from the waste stream. The City of Irvine is currently participating in the *Recycle from Home* grant pilot program and requires its solid waste hauler to operate a buy-back center for Irvine residents.

Over 40 percent of the 14 cities that responded to the OCGJ survey failed to offer an organized program for public outreach and education regarding CRV redemption and recycling. Many relied on their waste haulers to make recycling available and to educate their community. Brea had applied for CalRecycle Beverage Container Recycling grants for the purchase of designated recycling containers at several city and school locations.

Three of the responding cities took into consideration waste hauler revenue from CRV redemption and raw material sales in different ways. Laguna Beach had a windfall recycling payment clause in their waste hauler contract. It stipulated that the contractor agreed to pay Laguna Beach 25 percent of revenue that is attributable to the sale of recyclable material collected in the city that exceeds \$135 per ton (net processing costs). Similarly, Fountain Valley had CRV revenue sharing which required the waste hauler share CRV revenue with the city once the contractor's baseline CRV revenue exceeded \$275,000. San Juan Capistrano considered fundraising efforts by requiring the waste hauler to offer free 30-yard roll-off containers to local schools for collecting CRV from students and families. When these containers are filled, the contractor is required to provide the redemption value to the school as a fundraising source. The OCGJ applauds the efforts by these cities to benefit their citizenry and increase material recycling.

The OCGJ sees a missed opportunity for the cities that are not leveraging CRV or the raw material revenue when negotiating their waste hauler contracts. Orange County cities should be more proactive in encouraging CRV redemption and recycling by their residents. The OCGJ also encourages each City's participation and promotion of the grant pilot programs currently offered by CalRecycle.

An additional tool for sharing information about each City's recycling efforts is the City Recycling Coordinators Meeting. This meeting is held quarterly and facilitated by staff of OC Waste & Recycling (OCWR), a department of the County of Orange. A recent meeting included

²⁴ www.calrecycle.ca.gov

Where Have All the CRVs Gone?

recycling coordinators, representatives from CalRecycle and OCWR, consultant groups, and industry professionals. Agenda items included:

- Education Outreach Updates.
- CalRecycle Update.
- City/Consultant Q&A.

The OCGJ believes this is an educational and informative opportunity for City Recycling Managers and encourages participation by all cities.

FINDINGS

Based on its investigation described here, the 2021-2022 Orange County Grand Jury has arrived at the following principal findings:

- F1 Due to the reduced availability of convenient CRV redemption sites and the lack of accurate online information, it is difficult for resident consumers to redeem CRV fees.
- F2 Because redemption site locations have diminished in number, waste haulers are the beneficiaries to the CRV fees paid originally by resident consumers.
- F3 CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and are offering financial incentives to do so. Orange County and its cities are not fully taking advantage of the grant or pilot program opportunities available through CalRecycle.
- F4 Orange County and most OC Cities do not make CRV redemption and recycling a priority when negotiating their waste hauler contracts which results in missed financial opportunities and convenience for their residents.

In accordance with California Penal Code Sections 933 and 933.05, the 2021-2022 Grand Jury requires responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

RECOMMENDATIONS

- R1 By January of 2023, each of the cities in Orange County should research and apply for available grants or pilot programs from CalRecycle for their community that focus on returning more CRV funds to their residents. (F3)
- R2 By January of 2023, the Orange County Board of Supervisors should require OC Waste & Recycling to research and apply for available grants or pilot programs from CalRecycle for the unincorporated areas of OC that focus on returning more CRV funds to their residents. (F3)

Where Have All the CRVs Gone?

- R3 When renegotiating their current waste hauler contract, all cities and the County of Orange should assess the value of the CRV funds received by the waste hauler in their jurisdiction and creatively leverage this revenue for the benefit of their residents. (F2, F4)
- R4 By January of 2023, all cities and the County of Orange should develop extensive community outreach programs aimed at educating the public about how to access CRV redemption in their jurisdiction. (F1, F3)

COMMENDATIONS

The OCGJ commends *Recycle From Home* in the City of Irvine as CalRecycle's only pilot project grant program in Orange County. A collaboration between the City and private enterprise, *Recycle From Home* is a unique collaborative concept to service the entire City of Irvine's CRV recycling needs. This is an eco-friendly way to recycle right from your driveway or doorstep. This mobile residential recycling service was selected and approved as part of a new pilot project grant program established by the State of California. The pilot program is innovative, convenient, helps keep CRV recyclable material out of the waste stream and returns the deposits directly to the consumer.

RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

California Penal Code Section 933 requires the governing body of any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court). Additionally, in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g., District Attorney, Sheriff, etc.), such elected County official shall comment on the findings and recommendations pertaining to the matters under that elected official's control *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05 specifies the way such comment(s) are to be made as follows:

(a) As to each Grand Jury finding, the responding person or entity shall indicate one of the following:

Where Have All the CRVs Gone?

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding; in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- (c) If a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary /or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Responses Required

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

| 90 Day Response Required | F1 | F2 | F3 | F4 |
|------------------------------------|----|----|----|----|
| Orange County Board of Supervisors | X | X | | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|------------------------------------|----|----|----|----|
| Orange County Board of Supervisors | X | X | X | X |

Where Have All the CRVs Gone?

| 90 Day Response Required | F1 | F2 | F3 |
|------------------------------|----|----|----|
| City Council of Laguna Hills | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|------------------------------|----|----|----|----|
| City Council of Laguna Hills | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|-------------------------------|----|----|----|
| City Council of Laguna Niguel | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|-------------------------------|----|----|----|----|
| City Council of Laguna Niguel | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|------------------------------|----|----|----|
| City Council of Laguna Woods | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|------------------------------|----|----|----|----|
| City Council of Laguna Woods | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|-----------------------------|----|----|----|
| City Council of Lake Forest | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|-----------------------------|----|----|----|----|
| City Council of Lake Forest | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|------------------------------|----|----|----|
| City Council of Los Alamitos | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|------------------------------|----|----|----|----|
| City Council of Los Alamitos | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|-------------------------------|----|----|----|
| City Council of Mission Viejo | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|-------------------------------|----|----|----|----|
| City Council of Mission Viejo | X | X | X | X |

Where Have All the CRVs Gone?

| 90 Day Response Required | F1 | F2 | F3 |
|--|----|----|----|
| City Council of Rancho Santa Margarita | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|--|----|----|----|----|
| City Council of Rancho Santa Margarita | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|------------------------------|----|----|----|
| City Council of San Clemente | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|------------------------------|----|----|----|----|
| City Council of San Clemente | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|-------------------------------------|----|----|----|
| City Council of San Juan Capistrano | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|-------------------------------------|----|----|----|----|
| City Council of San Juan Capistrano | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|---------------------------|----|----|----|
| City Council of Santa Ana | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|---------------------------|----|----|----|----|
| City Council of Santa Ana | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|----------------------------|----|----|----|
| City Council of Seal Beach | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|----------------------------|----|----|----|----|
| City Council of Seal Beach | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|--------------------------|----|----|----|
| City Council of Stanton | X | X | X |

Where Have All the CRVs Gone?

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|--------------------------|----|----|----|----|
| City Council of Stanton | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|--------------------------|----|----|----|
| City Council of Tustin | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|--------------------------|----|----|----|----|
| City Council of Tustin | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|----------------------------|----|----|----|
| City Council of Villa Park | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|----------------------------|----|----|----|----|
| City Council of Villa Park | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|-----------------------------|----|----|----|
| City Council of Westminster | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|-----------------------------|----|----|----|----|
| City Council of Westminster | X | X | X | X |

| 90 Day Response Required | F1 | F2 | F3 |
|-----------------------------|----|----|----|
| City Council of Yorba Linda | X | X | X |

| 90 Day Response Required | R1 | R2 | R3 | R4 |
|-----------------------------|----|----|----|----|
| City Council of Yorba Linda | X | X | X | X |

Responses Requested

| 90 Day Response Requested | F1 | F2 | F3 | F4 |
|---------------------------|----|----|----|----|
| OC Waste & Recycling | | X | X | X |

| 90 Day Response Requested | R1 | R2 | R3 | R4 |
|---------------------------|----|----|----|----|
| OC Waste & Recycling | | X | X | X |

Where Have All the CRVs Gone?

GLOSSARY

| | |
|--------------------|---|
| Assembly Bill 2020 | Encourage recycling and reduce litter. |
| Assembly Bill 939 | Integrated Waste Act – mandates reduction of waste being disposed. |
| Bottle Bill | Senate Bill 38. |
| CalRecycle | California Department of Resources, Recycling and Recovery. |
| CIP | Convenience Incentive Payment. |
| Convenience Zone | A convenience zone is required by law to have within the zone’s boundaries, a recycling center that redeems all California Redemption Value (CRV) containers. A convenience zone with a recycler inside its boundaries is considered a served zone. |
| CRV | California Refund Value. |
| Handling Fee | Monthly payments made by the CalRecycle to recycling centers that meet certain eligibility requirements. |
| MRF | A facility utilized for the purpose of collecting, sorting, and processing materials to be recycled. |
| PRA | Public Records Act. |
| OAL | Office of Administrative Law. |
| OCWR | OC Waste & Recycling, a department of the County of Orange. |
| OCGJ | Orange County Grand Jury. |
| Processing Fee | Total cost charged per online transaction. |
| Redemption Center | Accepts empty deposit beverage containers from redeemers. |
| Senate Bill 38 | “Bottle Bill” – requires beverage industry to establish convenient recycling and redemption places so consumers may get their deposits back. |
| Single Stream | Waste haulers pick up Recycle bins from customer’s location. |
| Transaction Fee | Flat dollar amount charged based on the number of transactions. |
| Waste Hauler | Any person carrying or engaging in the collection of waste. |

Carol Moore
Mayor

September XX, 2022

Cynthia Conners
Mayor Pro Tem

Noel Hatch
Councilmember

Shari L. Horne
Councilmember

Ed H. Tao
Councilmember

Christopher Macon
City Manager

The Honorable Erick L. Larsh
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

SUBJECT: City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?"

Dear Judge Larsh:

Per the Orange County Grand Jury's request, and in accordance with California Penal Code Section 933, please find the City of Laguna Woods' response to the subject report attached. The response was approved by the Laguna Woods City Council on September XX, 2022.

If you have any questions or would like any additional information, please contact Christopher Macon, City Manager, at (949) 639-0512 or cmacon@cityoflagunawoods.org.

Sincerely,

Carol Moore
Mayor

Attachment: A – City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?"

cc: Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

ATTACHMENT A

City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report,
"Where Have All the CRVs Gone?"

FINDINGS

F1. Due to the reduced availability of convenient CRV redemption sites and the lack of accurate online information, it is difficult for resident consumers to redeem CRV fees.

Response: The City disagrees partially with this finding. The closure of the former certified recycling center in Laguna Woods did make it more difficult for resident consumers to redeem CRV fees. There are currently no certified recycling centers in Laguna Woods and only three obligated retailers in Laguna Woods providing in-store CRV redemption. Of the 10 certified recycling centers located nearest Laguna Woods, two are in the city of Aliso Viejo, four are in the city of Irvine, one is in the city of Lake Forest, and three are in the city of Mission Viejo. It has not been the City's experience that CalRecycle's online lists of certified recycling centers and obligated retailers are inaccurate, although to the extent that material inaccuracies exist, the City would agree that those inaccuracies would make it more difficult for resident consumers to redeem CRV fees.

F2. Because redemption site locations have diminished in number, waste haulers are the beneficiaries to the CRV fees paid originally by resident consumers.

Response: The City agrees with this finding. In Laguna Woods, it is reasonable to assume that with the reduced availability of convenient CRV redemption sites, resident consumers are increasingly choosing to dispose of beverage containers with CRV value in recycling containers collected by the waste hauler. To the extent that the waste hauler chooses to separate beverage containers and subsequently redeem CRV fees, the waste hauler would be the beneficiary of CRV fees paid originally by resident consumers.

F3. CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and are offering financial incentives to do so. Orange County and its cities are not fully taking advantage of the grant or pilot program opportunities available through CalRecycle.

Response: The City disagrees partially with this finding. The City agrees that CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and is offering financial incentives to do so. While the City is eligible to apply for CalRecycle's Beverage Container Recycling Grant Program, the program provides one-time funding for new or enhanced ongoing collection programs. The City has not applied for funding in recent years as it lacks the financial resources to ensure that new or enhanced ongoing collection programs are maintained beyond the grant term. With respect to CalRecycle's Beverage Container Redemption Pilot Project Grant Program, the City lacks sufficient resources to commit to conceptualizing, implementing, and administering a "new and innovative" type of redemption opportunity, and likewise is unable to provide reasonable assurance related to maintaining any prospective program beyond the pilot term. In light

of the foregoing, the City disagrees that it is not fully taking advantage of the grant or pilot program opportunities available through CalRecycle. The City is not in a position to opine on efforts by the County of Orange or other cities.

RECOMMENDATIONS

R1. By January of 2023, each of the cities in Orange County should research and apply for available grants or pilot programs from CalRecycle for their community that focus on returning more CRV funds to their residents. (F3)

Response: This recommendation will not be implemented because it is not warranted or reasonable. The City will continue to research grant and pilot program opportunities from CalRecycle, but is unable to commit to making applications by January 2023. There are a number of variable factors, including workload, organizational capacity, and cost/benefit, that impact the City's decisions whether to apply for grants or pilot programs. Please also refer to the City's response to Finding F3 for information regarding challenges related to specific CalRecycle grant and pilot programs.

R2. By January of 2023, the Orange County Board of Supervisors should require OC Waste & Recycling to research and apply for available grants or pilot programs from CalRecycle for the unincorporated areas of OC that focus on returning more CRV funds to their residents. (F3)

Response: This recommendation will not be implemented because it is not warranted or reasonable. The City has no authority to direct the actions of the Orange County Board of Supervisors nor jurisdiction in unincorporated areas.

R3. When renegotiating their current waste hauler contract, all cities and the County of Orange should assess the value of the CRV funds received by the waste hauler in their jurisdiction and creatively leverage this revenue for the benefit of their residents. (F2, F4)

Response: This recommendation will not be implemented because it is not warranted or reasonable. The City's existing franchise agreement for solid waste handling services has an initial term through June 30, 2032. When the time comes for the franchise agreement to be renegotiated, the City will assess the matters warranting renegotiation as then-relevant. It is conceivable that the value of CRV funds received by the waste hauler may not be relevant when the franchise agreement is renegotiated due to as-yet-unknown changes in the recycling economy. For that reason, among others, the City is unable to commit to any particular renegotiation strategy at this time.

R4. By January of 2023, all cities and the County of Orange should develop extensive community outreach programs aimed at educating the public about how to access CRV redemption in their jurisdiction. (F1, F3)

Response: This recommendation will not be implemented because it is not warranted or reasonable. The City's website includes information on where beverage containers with CRV can be redeemed, including links to CalRecycle's list of certified recycling centers

and obligated retailers. City staff provide the same information to members of the public upon request. The City does not receive any significant number of inquiries on this matter, which suggests that “extensive” community outreach is unnecessary at this time.

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