

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Adjourned Regular Meeting
Wednesday, January 31, 2024
2:00 p.m.

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

Noel Hatch
Mayor

Shari L. Horne
Mayor Pro Tem

Cynthia Conners
Councilmember



Annie McCary
Councilmember

Carol Moore
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

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

Public Comments/Testimony: The City accepts public comments/testimony in-person and in writing. For more information, please refer to page three of this agenda.

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

For additional information, please contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535, cityhall@cityoflagunawoods.org, or 24264 El Toro Road, Laguna Woods, California 92637.

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.

/s/ Yolie Trippy
YOLIE TRIPPY, CMC, City Clerk

1/26/24
Date

OPTIONS FOR PUBLIC COMMENTS/TESTIMONY

1. In-Person

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 by submitting a speaker card to City staff or proceeding to the podium, one-by-one, at the time an item is considered.

Members of the public wishing to address the City Council on items *not* appearing on this agenda may do so during Item V.

Each speaker will have the opportunity to speak for up to three minutes once per agenda item, unless otherwise allowed by the City Council.

Speakers are requested, but not required, to identify themselves, both on speaker cards and in comments/testimony. Speakers are advised that their names and any information submitted on speaker cards or otherwise provided in writing to the City may be disclosed or become a matter of public record. No speaker should expect privacy of such information.

2. In Writing

Written public comments/testimony may be delivered to Laguna Woods City Hall (24264 El Toro Road, Laguna Woods, CA 92637) or sent via email (cityhall@cityoflagunawoods.org) provided that they are received by the City prior to 2:00 p.m. on the day of this meeting.

Written public comments/testimony will be provided to the City Council and included in the City Clerk's written record of this meeting.

Parties submitting written public comments/testimony are requested, but not required, to identify themselves. Parties are advised that their names, email addresses, and any information submitted in writing to the City may be disclosed or become a matter of public record. No party should expect privacy of such information.

STREAM THIS MEETING ONLINE

This meeting will be live streamed on Zoom (audio and/or video).

- Visit www.zoom.us
- Click on "Join" toward the top right of the webpage
- Enter the following meeting ID: 886 6940 1329
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 013591
- Enter a name and email address as required by Zoom

Please note that information you enter into Zoom may be publicly visible and/or visible to the City. No party should expect privacy of such information.

I. CALL TO ORDER

Introductory Notes:

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II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS AND CEREMONIAL MATTERS – None

V. 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. Pursuant to state law, the City Council is unable to take action on such items, but may ask clarifying questions of the speaker, engage in brief discussion, refer items to City staff, and/or schedule items for consideration at future meetings.

VI. CITY TREASURER’S REPORT – None; the monthly City Treasurer’s Report was provided at the regular meeting on January 17, 2024

VII. CONSENT CALENDAR – None

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 or City staff requests that specific items be

removed from the Consent Calendar for separate discussion and consideration of action. Members of the public may address the City Council on items appearing on the Consent Calendar regardless of whether an item is removed for separate discussion and consideration of action.

VIII. PUBLIC HEARINGS – None

IX. CITY COUNCIL BUSINESS

9.1 Sidewalk Vending Regulations

Recommendation: Approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADDING CHAPTER 6.44 TO TITLE 6 (BUSINESSES) OF THE LAGUNA WOODS MUNICIPAL CODE TO REGULATE SIDEWALK VENDORS IN COMPLIANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 51038 INCLUDING, BUT NOT LIMITED TO, BY ESTABLISHING RESTRICTIONS AND REQUIREMENTS DIRECTLY RELATED TO OBJECTIVE HEALTH, SAFETY, OR WELFARE CONCERNS, AS WELL AS BY ESTABLISHING A PROHIBITION ON STATIONARY SIDEWALK VENDORS IN AREAS THAT ARE ZONED EXCLUSIVELY RESIDENTIAL, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

9.2 Street Racing and Excessive Vehicle Noise Regulations

Recommendation: Approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 8.06 OF TITLE 8 (TRAFFIC CONTROL) OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO

VEHICLE, GOLF CART, LOW-SPEED VEHICLE, AND MOTORCYCLE RACING AND NOISE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

9.3 California Employers' Pension Prefunding Trust Fund

Recommendation:

1. Approve a contribution of \$163,555 to the California Employers' Pension Prefunding Trust Fund ("CEPPT") for investment in the CEPPT Strategy 1 portfolio and authorize the City Manager and Administrative Services Director/City Treasurer to cause such contribution to be made and to execute agreements, documents, and certifications necessary to do so.

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2023-25 BUDGET AND WORK PLAN FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, AND FISCAL YEAR 2024-25 COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025, RELATED TO A CONTRIBUTION TO THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST ("CEPPT"), AND MAKING RELATED AUTHORIZATIONS

9.4 Fiscal Years 2023-34 Capital Improvement Program

Recommendation:

1. Receive and file a quarterly report on the status of the Fiscal Years 2023-34 Capital Improvement Program.

AND

2. Provide input to the City Manager on potential modifications of the Fiscal Years 2023-34 Capital Improvement Program.

X. CITY COUNCIL REPORTS AND COMMENTS

About City Council Reports and Comments: This is the time and place for members of the City Council to provide reports on meetings attended including, but not limited to, meetings of regional boards and entities to which they have been appointed to represent the City and meetings attended at the expense of the City pursuant to California Government Code Section 53232.3. Members of the City Council may also make other comments and announcements.

- 10.1 Coastal Greenbelt Authority
Councilmember McCary, First Alternate: Mayor Pro Tem Horne, Second Alternate: Councilmember Connors
- 10.2 Orange County Fire Authority
Mayor Hatch
- 10.3 Orange County Library Advisory Board
Councilmember Moore; Alternate: Councilmember McCary
- 10.4 Orange County Mosquito and Vector Control District
Mayor Pro Tem Horne
- 10.5 San Joaquin Hills Transportation Corridor Agency
Councilmember Connors; Alternate: Mayor Hatch
- 10.6 South Orange County Watershed Management Area
Councilmember Moore; Alternate: Mayor Pro Tem Horne
- 10.7 Liaisons to Community Bridge Builders
Mayor Pro Tem Horne and Councilmember McCary
- 10.8 Other Comments and Reports

XI. CLOSED SESSION

Closed Session Note: While members of the public are not permitted to attend closed

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

XII. CLOSED SESSION REPORT

XIII. ADJOURNMENT

Next Regular Meeting: Wednesday, February 21, 2024 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

9.1
SIDEWALK VENDING REGULATIONS

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: January 31, 2024 Adjourned Regular Meeting

SUBJECT: Sidewalk Vending Regulations

Recommendation

Approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADDING CHAPTER 6.44 TO TITLE 6 (BUSINESSES) OF THE LAGUNA WOODS MUNICIPAL CODE TO REGULATE SIDEWALK VENDORS IN COMPLIANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 51038 INCLUDING, BUT NOT LIMITED TO, BY ESTABLISHING RESTRICTIONS AND REQUIREMENTS DIRECTLY RELATED TO OBJECTIVE HEALTH, SAFETY, OR WELFARE CONCERNS, AS WELL AS BY ESTABLISHING A PROHIBITION ON STATIONARY SIDEWALK VENDORS IN AREAS THAT ARE ZONED EXCLUSIVELY RESIDENTIAL, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Background

The Fiscal Years 2023-25 Budget & Work Plan includes the following significant work plan item:

“Sidewalk Vending Regulations – Adopt sidewalk vending regulations in

order to promote health, safety, and welfare, as well as for other purposes authorized by California Senate Bill 946 (Lara, Chapter 459, Statutes of 2018). The City is unable to regulate sidewalk vending except as authorized by Senate Bill 946.”

Senate Bill 946 generally requires all cities (and counties in areas where there is no city) to allow public sidewalks and public pedestrian paths of travel to be used for the sale of food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, or from one’s person. Those commercial activities are collectively referred to as “sidewalk vending” and include both stationary and roaming sales.

Under Senate Bill 946, cities and counties are generally limited in their ability to regulate sidewalk vendors, except when directly related to objective health, safety, or welfare concerns. Perceived community animus and economic competition are not permissible objective health, safety, or welfare concerns. Senate Bill 946 also limits the fines and penalties that can be levied for violations of local regulations.

Senate Bill 946 does not apply to private property (including, but not limited to, shopping centers, office buildings, churches, temples, other places of worship, and areas within private communities such as Laguna Woods Village).

At the regular meeting on January 17, 2024, the City Council conducted a public hearing and voted 4-1 with Mayor Pro Tem Horne opposed to approve the introduction and first reading of the ordinance included with this agenda report as Attachment A.

Discussion

Today’s meeting is an opportunity for City Council action, as well as public input, on proposed amendments of the Laguna Woods Municipal Code pertaining to sidewalk vending (Attachment A). Staff recommends that the City Council adopt the proposed amendments in order to promote health, safety, and welfare, as well as for other purposes authorized by California Senate Bill 946 (Lara, Chapter 459, Statutes of 2018).

The proposed amendments include requirements such as:

- Sidewalk vendors would be required to obtain a sidewalk vending permit.

- Please note that pursuant to the First Amendment of the United States Constitution and Article 1, Section 2 of the California Constitution, the City is unable to deny or revoke permit applications on the basis of a sidewalk vendor's sale or exchange of merchandise with content that persons may find objectionable or profane.
- When sidewalk vendors are required to obtain permits or licenses from other governmental agencies (e.g., California Department of Fee and Tax Administration, Orange County Health Care Agency, and Orange County Fire Authority), proof of such permits and licenses must be provided to the City as a prerequisite for commencing operation.
- Sidewalk vendors would be required to insure and indemnify the City for claims, damages, injuries, and liabilities.
- Sidewalk vendors would be required to acknowledge that the use of public property is at their own risk and that public property is not constructed, maintained, or intended for sidewalk vending.
- Sidewalk vendors would not be permitted to operate in marked or unmarked crosswalks or driveway crossings.
- Sidewalk vendors would not be permitted to operate in locations that would obstruct the visibility of, or impede access to or use of, any automated license plate reader, fire hydrant, fire riser, fire standpipe, radar speed sign, radar speed trailer, surveillance camera owned or contracted for by the City, traffic control device, or traffic sign.
- Sidewalk vendors would be required to maintain a minimum clear width of 48 inches of accessible route area for pedestrian travel.
- Sidewalk vendors would be required to maintain the locations on which they operate in clean and sanitary condition. This would include, but not be limited to, providing trash receptacles, removing trash and debris, cleaning spills, and having certain cleaning supplies on-site. Dumping water, ice, or other items anywhere other than into trash receptacles provided by sidewalk vendors would be prohibited.

- Sidewalk vendors that use any heat, flame, or battery-, electric- or gas-powered equipment on-site would be required to keep at least one fire extinguisher on-site at all times, and notify and train employees as to the location and proper operation and use of the fire extinguisher.
- Sidewalk vendors would not be permitted to provide customer seating.
- Sidewalk vendors would be limited as to the number of shade canopies, shade structures, and umbrellas they could provide.
- Sidewalk vendors would not be permitted to sell or exchange alcoholic beverages, cannabis, cannabis products, tobacco, or tobacco cigarettes.

Staff is continuing to evaluate potential additional amendments and matters related to sidewalk vending. Additional recommendations and a proposed application fee are expected to be forwarded to the City Council at a future meeting.

Environmental Review

The City Council is asked to find that this action is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes “[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making” and Section 15378(b)(5) excludes “[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” from its definition of “project.”

The City Council is also asked to find that, even if this action were subject to CEQA, it would be exempt based on CEQA Guideline section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Fiscal Impact

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

Documents Available for Review

Related documents – including the proposed ordinance, the Laguna Woods Municipal Code, and materials previously submitted to the City Council as part of the adoption of Ordinance No. 12-06 (which are referenced in the proposed ordinance) – are available for public review at or from City Hall during normal working hours. The Laguna Woods Municipal Code is also available for review at www.cityoflagunawoods.org.

Attachment: A – Proposed Ordinance
 Exhibit A – Proposed Code Amendments

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ORDINANCE NO. 24-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADDING CHAPTER 6.44 TO TITLE 6 (BUSINESSES) OF THE LAGUNA WOODS MUNICIPAL CODE TO REGULATE SIDEWALK VENDORS IN COMPLIANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 51038 INCLUDING, BUT NOT LIMITED TO, BY ESTABLISHING RESTRICTIONS AND REQUIREMENTS DIRECTLY RELATED TO OBJECTIVE HEALTH, SAFETY, OR WELFARE CONCERNS, AS WELL AS BY ESTABLISHING A PROHIBITION ON STATIONARY SIDEWALK VENDORS IN AREAS THAT ARE ZONED EXCLUSIVELY RESIDENTIAL, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, pursuant to the police powers delegated to it by the California Constitution, the City has the authority to enact reasonable laws that promote public health, safety, and general welfare, including regulations related to sidewalk vending, provided such laws are consistent with California Senate Bill 946 (Lara, Chapter 459, Statutes of 2018) (“California Senate Bill 946”); and

WHEREAS, under California Senate Bill 946, the City is generally limited in its ability to regulate sidewalk vendors, except when directly related to objective health, safety, or welfare concerns; and

WHEREAS, staff has recommended adding a new Chapter 6.44 to Title 6 of the Laguna Woods Municipal Code (“Code Amendments”) to regulate sidewalk vendors in compliance with California Government Code Section 51038 including, but not limited to, by establishing restrictions and requirements directly related to objective health, safety, or welfare concerns, as well as by establishing a prohibition on stationary sidewalk vendors in areas that are zoned exclusively residential; and

WHEREAS, the Code Amendments would apply to sidewalk vendors, roaming sidewalk vendors, and stationary sidewalk vendors, each of which is defined in California Government Code Section 51036; and

WHEREAS, the City’s regulation of sidewalk vendors is necessary due to risk to health, safety, and welfare resultant of the operation of sidewalk vendors

including, but not limited to, impacts to public sidewalks, public pedestrian paths of travel, public property, traffic, circulation, mobility, motorist safety, pedestrian safety, and foodborne illness and other conditions caused by or related to food handling and preparation; and

WHEREAS, while allowed by California Senate Bill 946, sidewalk vending on public sidewalks and public pedestrian paths of travel limits and impacts the use of such public property for the public purposes for which they are intended – namely, pedestrian (and, in some cases, bicycle and/or golf cart) circulation – thereby reducing the intended usability and availability of such public property constructed and maintained with public tax revenue and monies; and

WHEREAS, in generally requiring the City to permit sidewalk vending on public sidewalks and public pedestrian paths of travel, California Senate Bill 946 compels the use of such public property for purposes for which it was not, and is not, constructed, maintained, or intended, thereby materially changing the use of such public property as compared to that which previously existed and, in doing so, exposes the City to increased liability for such newly permitted use; and

WHEREAS, requiring sidewalk vendors to obtain a City sidewalk vending permit prior to operating on public sidewalks and public pedestrian paths of travel is necessary to ensure that the objective health, safety, and welfare concerns addressed by the Code Amendments are communicated and acknowledged; and

WHEREAS, California Senate Bill 946 explicitly allows the City to require sidewalk vendors to obtain a permit for sidewalk vending, subject to conditions related to the acceptance, collection, and confidentiality of certain identification numbers, all of which are met by the Code Amendments; and

WHEREAS, California Senate Bill 946 explicitly allows the City to require sidewalk vendors to submit information on their operations, including, but not limited to, the name and current mailing address of the sidewalk vendor, a description of the merchandise offered for sale or exchange, a certification by the sidewalk vendor that to his or her knowledge and belief, the information contained on the City application form is true, the California seller's permit number (California Department of Tax and Fee Administration sales tax number), if any, of the sidewalk vendor, and if the sidewalk vendor is an agent of an individual, company, partnership, or corporation, the name and business address of the principal; and

WHEREAS, the Code Amendments require sidewalk vendors to submit information on their operations of a type and in a format necessary for the City to screen permit applications for compliance with the Code Amendments, including the objective health, safety, and welfare concerns addressed therein, and to enforce the Code Amendments subsequent to permit issuance; and

WHEREAS, California Senate Bill 946 explicitly allows the City to require sidewalk vendors to possess a valid California seller’s permit and additional licenses from other state or local agencies to the extent required by law, as well as to require sidewalk vendors to comply with other generally applicable laws; and

WHEREAS, the Code Amendments require sidewalk vendors to possess a valid California seller’s permit from the California Department of Tax and Fee Administration and valid mobile food facility permits from the Orange County Health Care Agency, when required, to ensure that other governmental agencies that have regulatory oversight over sidewalk vendors are aware of the operation of sidewalk vendors and that sidewalk vendors have acknowledged their obligation to comply with applicable laws, including laws pertaining to safe and sanitary food preparation, when applicable; and

WHEREAS, the Code Amendments require sidewalk vendors to describe the type and manner of food offered for sale or exchange such that the City has sufficient information to initiate dialogue with the Orange County Health Care Agency and Orange County Fire Authority regarding what, if any, permit and license requirements, and applicable laws enforced by said agencies, apply; and

WHEREAS, California Senate Bill 946 explicitly allows the City to require sidewalk vendors to comply with the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and other disability access standards; and

WHEREAS, the Code Amendments require sidewalk vendors to maintain and provide notice of minimum clearances for pedestrian travel required by the federal Americans with Disabilities Act of 1990 (Public Law 101-336), California Building Standards Code, and other applicable federal or state law or standards regarding disability access, to promote accessibility and safety on public sidewalks and public pedestrian paths of travel; and

WHEREAS, accessibility is a particular concern in the City of Laguna Woods due to demographics including the following from the 2020 U.S. Census: the median age of residents is 74.9 years; approximately 91% of residents are 60

years or over, an increase of 2.5% from the 2010 U.S. Census estimate of 88.5%; and, the largest growing segment of residents is aged 70 to 79 years, increasing by 9.6%, from 26.6% in the 2010 U.S. Census to 36.2% in the 2020 U.S. Census; and

WHEREAS, the Code Amendments require sidewalk vendors to maintain certain minimum insurance and indemnify the City for matters related to their permitting and operation, which is necessary to minimize potential fiscal impacts to City taxpayers should public sidewalks or public pedestrian paths of travel be damaged or incidents occur on such public property in the course of such public property being used for purposes for which it was not, and is not, constructed, maintained, or intended; such fiscal impacts may limit or imperil the City’s ability to expend public tax revenue and monies for other purposes, including law enforcement and other purposes related to health, safety, and welfare; and

WHEREAS, placing restrictions on sidewalk vending in public sidewalks and public pedestrian paths of travel within City parks is necessary to ensure the public’s use and enjoyment of natural resources and recreational opportunities, and to prevent an undue concentration of commercial activity that would unreasonably interfere with the scenic and natural character of such parks; and

WHEREAS, the Code Amendments prohibit sidewalk vendors from operating within marked or unmarked crosswalks or driveway crossings due to the potential for the sale or exchange of merchandise to exceed the time signaled crosswalks are available for pedestrian use (i.e., the period of time during which lawful, otherwise conflicting vehicle traffic is suspended), and to prevent incidents involving vehicles and vehicle-versus-pedestrian collisions for which the likelihood of occurrence is high when pedestrians are stopped or slowed in crosswalks or driveway crossings which are intended to serve only limited and brief pedestrian circulation purposes with such public property serving vehicle circulation purposes at all other times; and

WHEREAS, the Code Amendments prohibit sidewalk vendors from operating in locations that would obstruct the visibility of, or impede access to or use of, any automated license plate reader, fire hydrant, fire riser, fire standpipe, radar speed sign, radar speed trailer, surveillance camera owned or contracted for by the City, traffic control device, or traffic sign, due to those items providing vital resources for fire response, law enforcement, and other public safety functions and/or assisting motorist and pedestrian circulation, which promotes public safety and protects property from damage; and

WHEREAS, the Code Amendments prohibit stationary sidewalk vendors from operating within the specific location of another stationary sidewalk vendor to whom the City has issued a sidewalk vending permit during the limited operating hours of that sidewalk vendor, and such restriction is necessary due to the inherent conflict between multiple sidewalk vendors attempting to operate in the same location and because of the potential for such conflict to result in an altercation, disturbance of the peace, and pedestrian confusion and inundation, any of which may imperil health, safety, or welfare; and

WHEREAS, the Code Amendments prohibit sidewalk vendors from selling, dispensing, distributing, or storing alcoholic beverages, cannabis, cannabis products, tobacco, and tobacco cigarettes, consistent with the City’s existing practice of controlling the availability of such products due to the well-established potential for abuse and harmful side effects associated therewith, as evidenced by the regulation of the same by the federal government and State of California, as well as studies and information from the federal Centers for Disease Control and Prevention and other governmental agencies and health entities; and

WHEREAS, California Senate Bill 946 explicitly allows the City to require sidewalk vendors to maintain sanitary conditions and the Code Amendments include regulations pertaining to cleanliness and sanitation, including requirements to provide trash receptacles and certain cleaning supplies, and to remove spills and trash, debris and other unwanted items, any of which promote public health by preventing conditions that could serve as or create disease agents or vectors and affect receiving water quality, and which promote public safety by reducing potential obstacles to safe, clear, and unimpeded pedestrian circulation; and

WHEREAS, the Code Amendments require sidewalk vendors that use any heat, flame, or battery-, electric- or gas-powered equipment on-site to keep at least one fire extinguisher on-site at all times, and to and notify and train employees as to the location and proper operation and use of the fire extinguisher, which promotes public safety by ensuring that a form of fire suppression and personnel trained to use it are available in the event of fire; and

WHEREAS, California Senate Bill 946 explicitly allows the City to limit the hours of operation of street vendors, provided that any such limitations shall not be more restrictive than any limitations on hours of operation imposed on other businesses or uses on the same street; and

WHEREAS, Laguna Woods Municipal Code Section 13.10.040(e) limits

the hours of operation for businesses located in areas zoned as “Neighborhood Commercial” and the Code Amendments extend a comparable limitation to the hours of operation for sidewalk vendors in areas zoned as “Neighborhood Commercial”; and

WHEREAS, the Code Amendments explicitly extend the City’s existing prohibition of food vendors providing prepared food for consumption in or with disposable food service ware made of polystyrene foam, which is codified in Laguna Woods Municipal Code Chapter 4.23 (Ordinance No. 12-06), to sidewalk vendors that sell or exchange food, and incorporates the findings and information previously submitted to the City Council as part of the adoption of Ordinance No. 12-06 herein by this reference; and

WHEREAS, the Code Amendments prohibit sidewalk vendors from connecting to utility service paid for by the City, except as may be made generally publicly available by the City, and in doing so prevents the use of public utilities for purposes other than which they were intended which may otherwise result in fiscal impacts limiting or imperiling the City’s ability to expend public tax revenue and monies for other purposes, including law enforcement and other purposes related to health, safety, and welfare, and which may result in property damage due to the manner of connection or nature of items connected; and

WHEREAS, the Code Amendments include a prohibition on sidewalk vendors’ providing customer seating and limitations on sidewalk vendors’ use of shade canopies, shade structures, and umbrellas, which are not inconsistent with California Senate Bill 946 as such prohibition and limitations do not prevent sidewalk vendors from selling or exchanging merchandise on public sidewalks or public pedestrian paths of travel; and

WHEREAS, the Code Amendments prohibit sidewalk vendors from leaving unattended equipment and other items on public sidewalks and public pedestrian paths of travel, which is necessary due to such unattended items otherwise constituting trash or litter, or creating a public nuisance as defined in California Civil Code Section 3480: public sidewalks and public pedestrian paths of travel are accessible by all persons, including all residents of the City of Laguna Woods and, at minimum, unattended items would create annoyances and potential hazards to pedestrians attempting to use such public property for the pedestrian (and, in some cases, bicycle and/or golf cart) circulation for which it is intended; and

WHEREAS, the Code Amendments prohibit sidewalk vendors from selling

or exchanging merchandise with persons in moving or illegally parked or illegally stopped vehicles on public streets, and such a requirement is necessary to reduce the potential for violations of the California Vehicle Code and incidents involving vehicle and vehicle-versus-pedestrian collisions, any of which may result in injury, death, and property damage; and

WHEREAS, sidewalk vendors operating in a manner that creates a public nuisance constitutes an objective harm to the public health, safety, and welfare; and

WHEREAS, encroachments on public sidewalks and public pedestrian paths of travel must be reasonably regulated in order to protect the public health, safety, and welfare and to provide for the orderly administration and maintenance of such public property for the benefit of the public, while also allowing reasonable accommodation and cooperative flexibility for providing necessary utility and other convenience services to the public; and

WHEREAS, persons who maintain or install encroachments on public sidewalks or public pedestrian paths of travel bear a responsibility to help preserve such public property and to contribute to the administrative and liability costs incurred by the City and caused by such encroachments; and

WHEREAS, the Code Amendments are consistent with California Senate Bill 946, as they are reasonable time, place, and manner restrictions, related to objective health, safety, and welfare concerns, and are based on compliance with other generally applicable laws, including the federal Americans with Disabilities Act of 1990 (Public Law 101-336), federal law, the California Building Standards Code, state law, and the Laguna Woods Municipal Code; and

WHEREAS, on January 17, 2024, the City Council held a duly noticed public hearing on this Ordinance at which it considered all of the information, evidence, and testimony presented, both written and oral.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that (i) each of the recitals to this Ordinance are true and correct, and are adopted herein as findings; (ii) the Code Amendments comply with all applicable requirements of State law; (iii) the Code Amendments will not adversely affect the health, safety, or welfare

of the residents within the community; (iv) the Code Amendments are in the public interest of the City of Laguna Woods; and, (v) the Code Amendments are consistent with the Laguna Woods General Plan and its various elements.

SECTION 2. After reviewing the entire project record, the City Council hereby determines and certifies that this action is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes “[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making” and Section 15378(b)(5) excludes “[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” from its definition of “project.”

After reviewing the entire project record, the City Council also hereby determines and certifies that that, even if this action were subject to CEQA, it would be exempt based on CEQA Guideline section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 3. Chapter 6.44 is hereby added to Title 6 (Businesses) of the Laguna Woods Municipal Code as set forth in Exhibit A, attached to this Ordinance and incorporated herein by this reference.

SECTION 4. This Ordinance shall take effect and be in full force and operation thirty (30) calendar days after adoption.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 6. The Mayor shall sign this Ordinance.

SECTION 7. The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 8. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2024.

NOEL HATCH, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

APPROVED AS TO FORM:

ALISHA PATTERSON, City Attorney

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 **Ordinance No. 24-XX** was duly introduced and placed upon its first reading at a regular meeting of the City Council on the XX day of XX 2024, and that thereafter, said Ordinance was duly adopted and passed at an adjourned regular meeting of the City Council on the XX day of XX 2024 by the following vote to wit:

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

YOLIE TRIPPY, CMC, City Clerk

**EXHIBIT A
CODE AMENDMENTS**

Chapter 6.44 (“Sidewalk Vending”) is hereby added to Title 6 (“Businesses”) of the Laguna Woods Municipal Code to read as follows:

CHAPTER 6.44. - SIDEWALK VENDING

Sec. 6.44.010 - Purpose and intent.

(a) The purpose and intent of this chapter is to implement reasonable time, place, and manner regulations on sidewalk vending that protect the public health, safety, and welfare consistent with the requirements of state law.

(b) This chapter is adopted and established pursuant to the specific authority granted to the City of Laguna Woods in Chapter 6.2 (commencing with Section 51036) of Part 1 of Division 1 of Title 5 of the California Government Code.

(c) Nothing in this chapter shall be construed to affect the applicability of Part 7 (commencing with Section 113700) of Division 104 of the California Health and Safety Code to a sidewalk vendor who sells food.

Sec. 6.44.020 - Definitions.

For purposes of this chapter only, the following definitions shall apply, in addition to those set forth in Chapter 1.02 of this Code:

(05) *Cannabis* shall have the same meaning as the term is defined in Section 3.18.030(20) of this Code, as amended from time to time or replaced with a successor statute.

(10) *Cannabis product* shall have the same meaning as the term is defined in Section 3.18.030(30) of this Code, as amended from time to time or replaced with a successor statute.

(15) *Certified farmers’ market* shall mean a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the California Food and Agricultural Code and any regulations adopted pursuant to that chapter.

(20) *Crosswalk* shall have the same meaning as the term is defined in California Vehicle Code, as amended from time to time or replaced with a successor statute. As of the date this chapter was adopted, the definition of “crosswalk” was set forth in California Vehicle Code § 275.

(25) *Disposable food service ware* shall have the same meaning as the term is defined in Section 4.23.020(c) of this Code, as amended from time to time or replaced with a successor statute.

(30) *Driveway crossing* shall mean any portion of a public sidewalk or public pedestrian path that is located within the path of travel for vehicles about to enter or cross a highway from any public or private property, or from an alley, including any associated curb ramps and detectable warning surfaces.

(35) *Employee* shall mean any person acting as a sidewalk vendor and any person working, providing service, or acting on behalf of a sidewalk vendor, irrespective of whether such person receives a wage, salary, commission, barter, or any other form of compensation.

(40) *Food* shall have the same meaning as the term is defined in the Sherman Food, Drug, and Cosmetic Law, California Health and Safety Code § 109875, et seq., as amended from time to time or replaced with a successor statute. As of the date this chapter was adopted, the definition of “food” was set forth in California Health and Safety Code § 109935.

(45) *Highway* shall have the same meaning as the term is defined in California Vehicle Code, as amended from time to time or replaced with a successor statute. As of the date this chapter was adopted, the definition of “highway” was set forth in California Vehicle Code § 360.

(50) *Local law enforcement* shall mean the Orange County Sheriff's Department, or successor agency.

(55) *Merchandise* shall have the same meaning as the term is defined in California Penal Code, as amended from time to time or replaced

with a successor statute. As of the date this chapter was adopted, the definition of “merchandise” was set forth in California Penal Code § 490.5(g). “Merchandise” includes, without limitation, food.

(60) *Polystyrene foam* shall have the same meaning as the term is defined in Section 4.23.020(d) of this Code, as amended from time to time or replaced with a successor statute.

(65) *Public property* shall mean any public sidewalk or public pedestrian path owned or operated by the City.

(70) *Roaming sidewalk vendor* shall mean a sidewalk vendor who moves from place to place and stops only to complete a transaction.

(75) *Sidewalk* shall have the same meaning as the term is defined in California Vehicle Code, as amended from time to time or replaced with a successor statute. As of the date this chapter was adopted, the definition of “sidewalk” was set forth in California Vehicle Code § 555.

(80) *Sidewalk vending* shall mean any action, activity, or function undertaken in the operation of a sidewalk vendor, either by an employee of the sidewalk vendor or by a person who patronizes the sidewalk vendor, uses any amenity or equipment provided by the sidewalk vendor, or buys, exchanges, handles, or inspects merchandise of the sidewalk vendor.

(85) *Sidewalk vendor* shall mean a person who sells food or merchandise from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, or from one’s person, upon public property.

(90) *Stationary sidewalk vendor* shall mean a sidewalk vendor who vends from a fixed location.

(95) *Swap meet* shall mean a location operated in accordance with Article 6 (commencing with Section 21660) of Chapter 9 of Division 8 of the California Business and Professions Code, and any regulations adopted pursuant to that article.

(100) *Temporary special permit* shall mean a permit issued by the City for the temporary use of, or encroachment on, the sidewalk or other public area, including, but not limited to, an encroachment permit, special event permit, or temporary event permit, for purposes including, but not limited to, filming, parades, or outdoor concerts.

Sec. 6.44.030 - City permitting requirements—generally.

(a) No person shall operate as a sidewalk vendor without obtaining and holding in full force and effect a sidewalk vending permit from the City and such other City permits as may be required including, but not limited to, permits that may be required under the California Building Standards Code.

(b) Obtaining and holding in full force and effect a sidewalk vending permit from the City shall satisfy any requirement that may otherwise exist for sidewalk vendors to obtain and hold in full force and effect an encroachment permit or site development permit from the City.

Sec. 6.44.040 - City permitting requirements—application.

Applications for sidewalk vending permits shall be reviewed for conformance with this chapter and acted upon administratively by the City Manager. When issued, sidewalk vending permits shall be valid for a period of one year (365 calendar days) or until the date that the sidewalk vending permit is suspended and/or revoked. If any of the information listed in this section becomes inaccurate or incomplete during the term of the sidewalk vending permit, the sidewalk vending permit shall become invalid and subject to suspension and/or revocation unless and until all inaccurate and/or incomplete information is corrected and furnished to the City, on a form provided by the City, within 15 calendar days of the date the information became inaccurate and/or incomplete. Renewal applications for sidewalk vending permits must be made at least 60 calendar days in advance of the expiration date. In applying for sidewalk vending permits or renewals thereof, applicants shall furnish to the City a sworn statement, upon a form provided by the City, setting forth the following information:

ITEM 9.1 – Exhibit A to Attachment A

(1) The name of the sidewalk vendor, including the legal name and any fictitious business names under which the business of the sidewalk vendor is to be conducted;

(2) The organizational structure type of the sidewalk vendor (e.g., corporation, joint venture, limited liability company, partnership, sole proprietorship, or trust);

(3) The number the sidewalk vendor will file federal taxes under (e.g., federal employer identification number, individual taxpayer identification number, social security number, or national identification number) or, in lieu of a social security number, a California driver's license number, a California identification number, an individual taxpayer identification number, or a municipal identification number. Pursuant to state law, numbers collected under this subsection shall not be available to the public for inspection, shall be kept confidential, and shall not be disclosed except as required to administer the sidewalk vendor permitting program established by this chapter or comply with a state law or state or federal court order;

(4) The legal name, mailing address, telephone number, and email address of the sidewalk vendor's primary point of contact for the City during processing of the permit application ("applicant");

(5) The legal name, mailing address, telephone number, and email address of the sidewalk vendor's primary point of contact for the City during any future operation of the sidewalk vendor ("operator");

(6) Notarized statements from the applicant and operator acknowledging that they have reviewed, had an opportunity to consult with legal counsel regarding, and agree to comply with this chapter and all other applicable provisions of this Code and federal, state, and local laws including, without limitation, the California Retail Food Code and California Sales and Use Tax Law. If the applicant is an agent of an individual, company, partnership, or corporation, their notarized statement shall be executed in that capacity;

(7) Notarized statements from the applicant and operator acknowledging that (i) the use of public property is at the applicant's and operator's own risk, (ii) public property is not constructed, maintained, or intended for sidewalk vending, and (iii) the City has not made and will make no representations, warranties, or guarantees, express or implied, regarding the suitability, appropriateness, or safety of the use of any public property for sidewalk vending, and that the issuance of any sidewalk vending permit would not constitute any such representation, warranty, or guarantee. If the applicant is an agent of an individual, company, partnership, or corporation, their notarized statement shall be executed in that capacity;

(8) The legal name, mailing address, telephone number, and email address of the agent for the service of process for the sidewalk vendor;

(9) The California seller's permit number (California Department of Tax and Fee Administration sales tax number), if any, of the sidewalk vendor, including, when applicable, proof that the location or sublocation of said California seller's permit number is the City of Laguna Woods. If the sidewalk vendor does not have a California seller's permit number, proof of exemption from obtaining one shall be provided. If an approved City sidewalk vending permit is required before the California Department of Tax and Fee Administration will issue a California seller's permit, the City Manager may conditionally approve sidewalk vending permits with operation of the sidewalk vendor prohibited until the information required by this subsection is received, reviewed, and accepted in writing by the City Manager;

(10) The Mobile Food Facility Permit from the Orange County Health Care Agency, if any, for the sidewalk vendor. If the sidewalk vendor does not have a Mobile Food Facility Permit, proof of exemption from obtaining one shall be provided. If an approved City sidewalk vending permit is required before the Orange County Health Care Agency will issue a Mobile Food Facility Permit, the City Manager may conditionally approve sidewalk vending permits with operation of the sidewalk vendor prohibited until the information required by this subsection is received, reviewed, and accepted in writing by the City Manager;

ITEM 9.1 – Exhibit A to Attachment A

(11) A statement regarding whether the sidewalk vendor would operate as a roaming sidewalk vendor or stationary sidewalk vendor;

(12) A description, map, or drawing of the specific location (for stationary sidewalk vendors) or specific route (for roaming sidewalk vendors) where the sidewalk vendor would operate;

(13) The hours per day and days per week that the sidewalk vendor would operate;

(14) A description of the merchandise that would be offered for sale or exchange, including (i) the square feet of display space for food, (ii) whether any cut food would be offered, (iii) whether any food would be washed on-site, (iv) whether any milk, milk products, or products resembling milk products subject to licensing under the California Food and Agriculture Code would be offered, (v) whether any raw meat, poultry, or fish would be cooked or otherwise prepared on-site, (vi) whether any meat, poultry, or fish would be cooled or thawed on-site after being cooked on-site or off-site, and (vii) the types of cooking devices and associated fuel (e.g., coal, charcoal, electricity, kerosene, propane, or wood) that would be used on-site;

(15) For stationary sidewalk vendors, a site plan demonstrating that the location(s) from which the sidewalk vendor would operate would maintain a minimum clear width of 48 inches of accessible route area for pedestrian travel within the public property when considering all amenities, equipment, merchandise, and reasonably anticipated customer queuing, or other minimum clear width for pedestrian travel required by the Americans with Disabilities Act of 1990 (Public Law 101-336), California Building Standards Code, or other applicable federal or state law or standards regarding disability access;

(16) A notarized statement from the applicant reading “Under penalty of perjury, I hereby declare that the information contained within and submitted with this application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the permit, and/or suspension or revocation of a permit issued.” If the applicant is an agent of an

individual, company, partnership, or corporation, the notarized statement shall be executed in that capacity; and

(17) Any additional information which the City Manager may require.

An annual application fee in an amount established by resolution of the City Council shall be presented with the sworn statement submitted under this subsection. This fee may be adjusted from time to time to compensate the City for sidewalk vending permit processing-related costs, by resolution of the City Council.

Sec. 6.44.050 - City permitting requirements—suspension, revocation, and non-renewal.

The City Council or City Manager may suspend, revoke, or refuse to renew a sidewalk vending permit for any sidewalk vendor that (i) is found to have submitted incomplete, untrue, inaccurate, or otherwise misrepresented information in its application for such permit, (ii) pursuant to state law, is guilty of four or more violations of this chapter within one year (365 days), or (iii) remains in violation of the City’s building and zoning regulations, or any other applicable provision of this Code or local law for a period in excess of 15 calendar days after the sidewalk vendor or agent for the service of process for the sidewalk vendor has been notified by the City either personally, in-person, by telephone, or by email, or by posting notice on any of the sidewalk vendor’s amenities or equipment. Sidewalk vendors shall notify and train employees to check for posted notices throughout the hours of operation and to immediately provide such notices to owners of the sidewalk vendor and agents for the service of process for the sidewalk vendor. During the aforementioned 15 calendar day period, the sidewalk vendor may provide the City party who issued the notice of violation with evidence contesting the violation. The City party who issued the notice of violation shall consider such evidence prior to suspending, revoking, or refusing to renew a sidewalk vending permit. A decision of either the City Council or City Manager to suspend, revoke, or refuse to renew a sidewalk vending permit is final and non-appealable.

Sec. 6.44.060 - City permitting requirements—transferability.

Sidewalk vending permits do not run with the land, are particular to a type

of sidewalk vendor (roaming or stationary), are particular to a specific location (for stationary sidewalk vendors) or specific route (for roaming sidewalk vendors), and are not transferrable to new sidewalk vendors, different types of sidewalk vendors, or new locations or routes for existing sidewalk vendors.

Sec. 6.44.070 - City permitting requirements—insurance and indemnification.

As a condition of approval of any sidewalk vending permit, the sidewalk vendor shall:

- (1) Execute an agreement indemnifying the City, its respective elected and appointed boards, officials, officers, agents, employees, and volunteers from any claims, damages, injuries, and liabilities of any kind associated with the permitting or operation of the sidewalk vendor, including without limitation, injuries, illness, and deaths that may occur as a result of foodborne illness or the use of public property for sidewalk vending, for which it is not constructed, maintained, or intended for;
- (2) Maintain insurance in the amounts and types that are acceptable to the City Attorney or his/her/their designee;
- (3) Name the City, its respective elected and appointed boards, officials, officers, agents, employees, and volunteers as additionally insured on all City required insurance policies;
- (4) Agree to defend, at its sole expense, any action against the City and/or its respective elected boards, appointed boards, officials, officers, agents, employees and/or volunteers related to this chapter and/or the City's approval of a sidewalk vending permit; and
- (5) Agree to indemnify and reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to this chapter and/or the City's approval of a sidewalk vending permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the sidewalk vendor of its obligation hereunder.

Sec. 6.44.080 - Other licensing and permitting requirements.

(a) No sidewalk vendor shall operate as a sidewalk vendor without obtaining and holding in full force and effect all licenses and permits as may be required by the California Department of Tax and Fee Administration, or successor agency, Orange County Health Care Agency, or successor agency, Orange County Fire Authority, or successor agency, and other federal, state, and local governmental agencies.

(b) Sidewalk vendors shall not be required to first obtain the consent or approval of any nongovernmental entity or individual before operating as a sidewalk vendor.

Sec. 6.44.090 - Location requirements.

(a) A sidewalk vendor may only operate on public sidewalks or other public pedestrian paths identified in an approved sidewalk vending permit that meet all of the requirements listed below in this section:

(1) The location is not within the immediate vicinity of a permitted certified farmers' market or a permitted swap meet during the limited operating hours of that certified farmers' market or swap meet. For the purpose of this subsection only, "permitted" shall mean that the certified farmers' market or swap meet is operating with the approval or consent of any governmental agency or, if no such approval or consent is required, with the approval or consent of the property owner of the parcel(s) where the certified farmers' market or swap meet is operating.

(2) The location is not within the immediate vicinity of an area designated for a temporary special permit issued by the City during the duration of the temporary special permit, provided that any notice, business interruption mitigation, or other rights provided to affected businesses or property owners under the City's temporary special permit are also provided to any sidewalk vendors specifically permitted to operate in the area, if applicable.

(3) The location is not within a park owned or operated by the City, if the operator of the park has signed an agreement for concessions that

exclusively permits the sale of food or merchandise by the concessionaire.

(4) The location is not within a marked or unmarked crosswalk or driveway crossing. This subsection shall not be construed as preventing a roaming sidewalk vendor from lawfully traveling through marked or unmarked crosswalks or driveway crossings provided that no merchandise is sold or exchanged within any such crosswalk or driveway crossing.

(5) The location is not such that the visibility of any automated license plate reader, fire hydrant, fire riser, fire standpipe, radar speed sign, radar speed trailer, surveillance camera owned or contracted for by the City, traffic control device, or traffic sign would be obstructed, or access to or use of the same impeded.

(6) For stationary sidewalk vendors, the location is not within the specific location of another stationary sidewalk vendor to whom the City has issued a sidewalk vending permit during the limited operating hours of that sidewalk vendor.

(7) For stationary sidewalk vendors, the location is not zoned exclusively residential in this Code.

(b) Sidewalk vending permits do not preclude the City from closing, reconstructing, or reconfiguring its public sidewalks and public pedestrian paths of travel as may be necessary from time to time including, but not limited to, to accommodate other encroachments on public property or construction or maintenance of public property.

(c) Sidewalk vending permits do not provide any approval or authorization for sidewalk vendors to operate either in whole or in part on private property or anywhere other than on specifically identified public property.

Sec. 6.44.100 - Operational requirements.

Sidewalk vendors shall comply with all of the following operations requirements, in addition to all other applicable requirements of this Code:

(1) *Accessible Clearance.* Sidewalk vendors shall maintain a

minimum clear width of 48 inches of accessible route area for pedestrian travel within the public property when considering all amenities, equipment, merchandise, and reasonably anticipated customer queuing, or other minimum clear width for pedestrian travel required by the Americans with Disabilities Act of 1990 (Public Law 101-336), California Building Standards Code, or other applicable federal or state law or standards regarding disability access. For the purpose of this subsection, “maintain” shall include, but not be limited to, at minimum all of the following:

a. For stationary sidewalk vendors, marking the minimum areas of public property that must remain clear for accessible route area for pedestrian travel with temporary flooring tape. The sidewalk vendor shall continuously inspect the condition of such flooring tape to ensure its accuracy and visibility and to prevent hazards. The sidewalk vendor shall remove all such flooring tape and clean all tape residue from public property each time sidewalk vending ceases;

b. Posting on each nonmotorized conveyance from which merchandise is sold or exchanged, table, shade canopy, shade structure, and umbrella used by the sidewalk vendor a clear and legible notice in each of the languages for which the California Voting Rights Act requires the County of Orange to translate elections materials stating that a minimum clear width of 48 inches of accessible route area for pedestrian travel must be maintained around the sidewalk vendor and customer queuing; and

c. Refusing to sell or exchange merchandise with any person standing or otherwise occupying space within any of the minimum areas of public property that must remain clear for accessible route area for pedestrian travel.

(2) *Alcoholic Beverages.*

a. Sidewalk vendors shall not engage in the sale, dispensing, distribution, or storage of alcoholic beverages.

b. Sidewalk vendors shall actively monitor and prevent the consumption, sale, dispensing, distribution, or storage of alcoholic beverages on the parcel(s) on which they are located. For the purpose of this subsection, “actively monitor” shall include, but not be limited to, training employees to actively identify violations of this subsection. For the purpose of this subsection, “prevent” shall include, but not be limited to, making timely reports to local law enforcement.

(3) *Cannabis*. Sidewalk vendors shall not engage in the sale, dispensing, distribution, or storage of cannabis or cannabis products.

(4) *Cleanliness*. Sidewalk vendors shall maintain the public property on which they operate in a clean and sanitary condition. For the purpose of this subsection only, “maintain” shall include, but not be limited to, at minimum all of the following:

a. Providing at least one trash receptacle per table used by the sidewalk vendor. Such trash receptacles shall be placed either below or immediately adjacent to every such table. Such trash receptacles shall be removed when sidewalk vending ceases and shall not be emptied into any public trash receptacle as they are not sized, maintained, or intended for use by sidewalk vendors.

b. Maintaining on-site at least one dry broom, one dustpan, and absorbent pads or towels suitable for outdoor use.

c. Immediately removing merchandise, trash, debris, fats, oils, grease, ice, or any other fluid, material, mineral, or substance that falls onto public property in the course of sidewalk vending, whether by the sidewalk vendor, its customers, or any other person. Trash, debris, and other unwanted items shall be placed in one or more trash receptacles provided by the sidewalk vendor. Trash, debris, and other unwanted items shall not be placed in any public trash receptacle as they are not sized, maintained, or intended for use by sidewalk vendors.

d. Not dumping ice, water, or any other fluid, material, mineral, or substance anywhere other than into one or more trash receptacles provided by the sidewalk vendor.

(5) *Fire Extinguishers*. Sidewalk vendors that use any heat, flame, or battery-, electric- or gas-powered equipment on-site (e.g., to prepare food) shall keep at least one easily accessible, properly charged, and properly maintained 10-BC-rated fire extinguisher on-site at all times. Sidewalk vendors shall notify and train employees as to the location and proper operation and use of such fire extinguisher.

(6) *Hours of Operation*. When operating in public property zoned as “Neighborhood Commercial” in this Code, sidewalk vendors shall not be open to any member of the public between 6:00 a.m. and 10:30 p.m., Monday through Sunday, unless otherwise provided for by an approved use permit.

(7) *Polystyrene Foam*. Sidewalk vendors shall not provide any prepared food in or with disposable food service ware made of polystyrene foam.

(8) *Public Utilities*. Sidewalk vendors shall not connect to any utility service paid for by the City including, but not limited to, electricity, internet, gas, and water, except as may be made generally publicly available by the City.

(9) *Roaming*. Roaming sidewalk vendors must remain in constant motion except when completing a transaction.

(10) *Seating*. State law generally requires the City to allow sidewalk vendors to sell and exchange merchandise on public property but does not require the City to allow customer seating. Accordingly, sidewalk vendors shall not provide more than one seat per employee on-site and shall not provide or permit seating to be used by customers.

(11) *Shade*. State law generally requires the City to allow sidewalk vendors to sell and exchange merchandise on public property but does not require the City to allow shade canopies, shade structures, or umbrellas. Accordingly, sidewalk vendors shall not provide shade canopies, shade structures, and umbrellas except when placed over

the pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance, or one's person, from which merchandise is sold or exchanged.

(12) *Tobacco and Tobacco Cigarettes*. Sidewalk vendors shall not engage in the sale, dispensing, distribution, or storage of tobacco or tobacco cigarettes.

(13) *Unattended Items*. Amenities, equipment, and merchandise used by the sidewalk vendor shall not be left unattended on public property.

(14) *Vending to Vehicles*. Sidewalk vendors shall not sell or exchange merchandise to any person in a moving, illegally parked, or illegally stopped vehicle on any public street within the jurisdiction of the City or any governmental agency.

Sec. 6.44.110 - Obligation to maintain.

Where this chapter requires the construction, erection, installation, posting, placement, or use of any tangible item, there also exists an obligation for the same to be kept clean, complete, and in good structural and functional working order, and to not be allowed to fall into a state of disrepair, damage, or decrepitude.

Sec. 6.44.120 - Violations and penalties.

(a) This chapter may be enforced in any manner set forth in this Code, or as otherwise provided by law, subject to the limitations set forth in Chapter 6.2 (commencing with Section 51036) of Part 1 of Division 1 of Title 5 of the California Government Code.

(b) All remedies and penalties prescribed by this chapter or which are available under any other provision of this Code and any other provision of law or equity are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

(c) Any person who violates any provision of this chapter shall be guilty of a separate offense for each and every day, or any portion thereof, of which any violation of any provision of this chapter is committed, continued, or

permitted by such person, and shall be punishable administratively, and except as otherwise set forth below, the following penalties shall apply:

(1) *Administrative Fines for Violations.*

- a. An administrative fine of \$100.00 for a first violation.
- b. An administrative fine of \$200.00 for a second violation within one year of the first violation.
- c. An administrative fine of \$500.00 for each additional violation within one year of the first violation.

(2) *Administrative Fine Reductions.*

- a. When imposing an administrative fine, the City shall provide the person with notice of his/her/their right to request an ability-to-pay determination and shall make available instructions or other materials for requesting an ability-to-pay determination. The person may request from the City an ability-to-pay determination at adjudication or while the judgment remains unpaid, including when a case is delinquent or has been referred to a comprehensive collection program. The City Manager shall make ability-to-pay determinations on behalf of the City and reduce administrative fines accordingly. Ability-to-pay determinations made by the City Manager may be contested in the same manner as administrative citations may be contested per Section 1.06.090 of this Code.
- b. If a person against whom an administrative fine is imposed meets the criteria described in subdivision (a) or (b) of California Government Code § 68632, the City shall accept, in full satisfaction, 20 percent of the administrative fine imposed. The person against whom an administrative fine is imposed shall provide proof sufficient to the City Manager of their meeting the criteria described in subdivision (a) or (b) of California Government Code § 68632.

(2) *Violations Not Infractions or Misdemeanors.* Pursuant to state law, no violation of this chapter shall be punishable as an infraction or misdemeanor.

(3) *Violations Not Subject to Additional Financial Conditions.* Pursuant to state law, no violation of this chapter shall be assessed additional fines, fees, assessments, or any other financial conditions beyond those described in this chapter.

Sec. 6.44.130 - City Manager's authority.

In addition to all other authority provided by state law, the City Council, and this Code, the City Manager shall have the following authority:

(1) For purposes of administration and enforcement of this chapter generally, the City Manager may from time to time promulgate such administrative interpretations, rules, and/or procedures consistent with the purpose, intent, and express terms of this chapter as the City Manager deems necessary to implement or clarify such provisions or aid in enforcement.

(2) The City Manager may delegate to, or enter into contracts with, public agencies or private entities to implement, administer, and/or enforce any of the provisions of this chapter on behalf of the City.

(3) The City Manager may file complaints and reports with the California Department of Tax and Fee Administration, or successor agency, Orange County Health Care Agency, or successor agency, Orange County Fire Authority, or successor agency, and other governmental agencies, regarding known or suspected unlicensed or illegal activity by or related to sidewalk vendors.

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9.2
STREET RACING AND EXCESSIVE VEHICLE
NOISE REGULATIONS

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: January 31, 2024 Adjourned Regular Meeting

SUBJECT: Street Racing and Excessive Vehicle Noise Regulations

Recommendation

Approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 8.06 OF TITLE 8 (TRAFFIC CONTROL) OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO VEHICLE, GOLF CART, LOW-SPEED VEHICLE, AND MOTORCYCLE RACING AND NOISE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Background

At the regular meeting on September 20, 2023, Councilmember Moore agendized an item related to street racing and excessive vehicle noise regulations. Acting on a recommendation made by Councilmember Moore, the City Council unanimously voted to direct the City Manager to draft an ordinance for future consideration by the City Council that would – if adopted by the City Council at a future meeting – prohibit street racing and excessive vehicle-related noise on public streets.

At the regular meeting on January 17, 2024, the City Council conducted a public hearing and voted 5-0 to approve the introduction and first reading of the ordinance included with this agenda report as Attachment A.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on proposed amendments of the Laguna Woods Municipal Code related to street racing and excessive vehicle noise (Attachment A). Staff recommends that the City Council adopt the proposed amendments in order to codify new regulations that the Orange County Sheriff's Department has indicated would help address street racing and excessive vehicle noise on public streets.

The proposed regulations would generally prohibit street racing (speed contests) and loud, unnecessary, or unusual vehicle-related noise. Orange County Sheriff's Department personnel would be able to issue citations under the proposed regulations and would then submit those citations to the City for collection.

In addition to the proposed regulations, Orange County Sheriff's Department personnel would continue to be able to issue traffic citations under the California Vehicle Code including, but not limited to, sections 23109(a) ("Speed contests prohibited"), 27150 ("Exhaust systems"), and 27151 ("Modification of exhaust system to amplify or increase noise prohibited").

Environmental Review

The City Council is asked to find that this action is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively "CEQA") pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes "[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making" and Section 15378(b)(5) excludes "[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" from its definition of "project."

The City Council is also asked to find that, even if this action were subject to CEQA, it would be exempt based on CEQA Guideline section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Fiscal Impact

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

Documents Available for Review

Related documents – including the proposed ordinance and the Laguna Woods Municipal Code – are available for public review at or from City Hall during normal working hours. The Laguna Woods Municipal Code is also available for review at www.cityoflagunawoods.org.

Attachment: A – Proposed Ordinance
 Exhibit A – Proposed Code Amendments

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ORDINANCE NO. 24-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 8.06 OF TITLE 8 (TRAFFIC CONTROL) OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO VEHICLE, GOLF CART, LOW-SPEED VEHICLE, AND MOTORCYCLE RACING AND NOISE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, staff has recommended amending Chapter 8.06 of Title 8 of the Laguna Woods Municipal Code (“Code Amendments”) in order to codify new regulations that the Orange County Sheriff’s Department has indicated would help address street racing and excessive vehicle noise on public streets; and

WHEREAS, the City contracts with the Orange County Sheriff’s Department to provide law enforcement services within Laguna Woods, including traffic enforcement; and

WHEREAS, on January 17, 2024, the City Council held a duly noticed public hearing on this Ordinance at which it considered all of the information, evidence, and testimony presented, both written and oral.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that (i) each of the recitals to this Ordinance are true and correct, and are adopted herein as findings; (ii) the Code Amendments comply with all applicable requirements of State law; (iii) the Code Amendments will not adversely affect the health, safety, or welfare of the residents within the community; (iv) the Code Amendments are in the public interest of the City of Laguna Woods; and, (v) the Code Amendments are consistent with the Laguna Woods General Plan and its various elements.

SECTION 2. After reviewing the entire project record, the City Council hereby determines and certifies that this action is not subject to the California Environmental Quality Act of 1970, Public Resources Code Section 21000, et. seq., as amended and implementing State CEQA Guidelines, Title 14, Chapter 3 of the California Code of Regulations (collectively “CEQA”) pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable

indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guidelines Section 15378(b)(2) excludes “[c]ontinuing administrative. . . activities, such as . . . general policy and procedure making” and Section 15378(b)(5) excludes “[o]rganizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” from its definition of “project.”

After reviewing the entire project record, the City Council also hereby determines and certifies that that, even if this action were subject to CEQA, it would be exempt based on CEQA Guideline section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 3. Chapter 8.06 of the Laguna Woods Municipal Code is hereby amended to read as set forth in Exhibit A, attached to this Ordinance and incorporated herein by this reference.

SECTION 4. This Ordinance shall take effect and be in full force and operation thirty (30) calendar days after adoption.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 6. The Mayor shall sign this Ordinance.

SECTION 7. The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 8. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2024.

NOEL HATCH, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

APPROVED AS TO FORM:

ALISHA PATTERSON, City Attorney

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 **Ordinance No. 24-XX** was duly introduced and placed upon its first reading at a regular meeting of the City Council on the XX day of XX 2024, and that thereafter, said Ordinance was duly adopted and passed at an adjourned regular meeting of the City Council on the XX day of XX 2024 by the following vote to wit:

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

YOLIE TRIPPY, CMC, City Clerk

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**EXHIBIT A
CODE AMENDMENTS**

Section 8.06.020 (“Racing”) is hereby added to Chapter 8.06 (“Vehicle Operation”) of Title 8 (“Traffic Control”) of the Laguna Woods Municipal Code to read as follows:

Sec. 8.06.020 - Racing.

No person while operating any vehicle, golf cart, low-speed vehicle, or motorcycle, as those terms are defined in California Vehicle Code, shall engage in any speed contest, or game of “follow the leader,” “hare and hound,” or any other similar game or contest on any public street. For the purpose of this section, “speed contest” shall have the same meaning as the term “motor vehicle speed contest” is defined in California Vehicle Code, as amended from time to time or replaced with a successor statute. As of the date this chapter was adopted, the definition of “motor vehicle speed contest” was set forth in California Vehicle Code § 23109(a).

Section 8.06.030 (“Noises”) is hereby added to Chapter 8.06 (“Vehicle Operation”) of Title 8 (“Traffic Control”) of the Laguna Woods Municipal Code to read as follows:

Sec. 8.06.030 - Noises.

No person shall make, continue, or cause to be made or continued any loud, unnecessary, or unusual noise which annoys, disturbs, injures, or endangers the comfort, repose, health, peace, or safety of any neighborhood or person as a result of operating any vehicle, golf cart, low-speed vehicle, or motorcycle, as those terms are defined in California Vehicle Code; nor shall any person race the motor of any vehicle, golf cart, low-speed vehicle, or motorcycle or needlessly bring to a sudden start or stop any vehicle, golf cart, low-speed vehicle, or motorcycle so as to annoy, disturb, injure, or endanger the comfort, repose, health, peace, or safety of any neighborhood or person by noise made, continued, or caused by such vehicle, golf cart, low-speed vehicle, or motorcycle.

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9.3
CALIFORNIA EMPLOYERS' PENSION
PREFUNDING TRUST FUND

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: January 31, 2024 Adjourned Regular Meeting

SUBJECT: California Employers' Pension Prefunding Trust Fund

Recommendation

1. Approve a contribution of \$163,555 to the California Employers' Pension Prefunding Trust Fund ("CEPPT") for investment in the CEPPT Strategy 1 portfolio and authorize the City Manager and Administrative Services Director/City Treasurer to cause such contribution to be made and to execute agreements, documents, and certifications necessary to do so.

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2023-25 BUDGET AND WORK PLAN FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, AND FISCAL YEAR 2024-25 COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025, RELATED TO A CONTRIBUTION TO THE CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST ("CEPPT"), AND MAKING RELATED AUTHORIZATIONS

Background

Like many local governments in California, the City contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits

for employees. The City is required to make annual contributions to CalPERS that are based on a variety of assumptions including, but not limited to, rates of return on pooled investments managed by CalPERS. The difference between the sum of the City’s accumulated plan assets and the total projected cost of earned pension benefits is referred to as “unfunded accrued liability.”

City Administrative Policy 2.9 (Budgeting, Reserves, and Reporting) contains the following provision related to unfunded accrued liabilities:

“2.9.07. Unfunded Accrued Liability for Retirement Plans. The City shall consider making lump sum payments to reduce unfunded accrued liability for California Public Employees’ Retirement System (CalPERS) pension plans at least as frequently as each biennial budget development process. The City shall strive to maintain an at least 80% funded level for all CalPERS pension plans.”

Since May 2017, the City Council has approved lump sum payments to reduce unfunded accrued liability for CalPERS pension plans totaling \$1,058,660.

Table 1: History of Lump Sum Payments to CalPERS

Date of City Council Approval of Lump Sum Payments	Total Lump Sum Payments (all CalPERS pension plans)
May 17, 2017	\$483,218
September 26, 2018	\$137,455
October 16, 2019	\$101,092
October 21, 2020	\$29,970
October 18, 2023	\$306,925
Note: No lump sum payments were necessary between the lump sum payments approved on October 21, 2020 and October 18, 2023, due to the City’s total liability being more than fully funded as a result of investment performance and prior contributions.	

In accordance with California Government Code Section 21711(a), the California Employers’ Pension Prefunding Trust (“CEPPT”) is established in the State of California’s Treasury for the purpose of allowing eligible public agencies to prefund required pension contributions. The CEPPT is an Internal Revenue Code Section 115 Irrevocable Trust similar to the California Employers’ Retiree Benefit Trust (“CERBT”) that the City has participated in since 2016 to prefund statutorily required retiree medical benefits. The CalPERS Board of Directors is responsible for the administration and investment of both the CEPPT and CERBT.

A CEPPT program informational flyer is included as Attachment B. Expected rates of return for CEPPT investments range from 3.5% to 4.5% as of June 30, 2023.

At the adjourned regular meeting on April 7, 2021, the City Council adopted two resolutions (Resolution No. 21-13 and Resolution No. 23-14) that enabled the City's participation in the CEPPT. Thereafter, an agreement to participate was entered into by the City and CalPERS with an effective date of April 20, 2021.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on a proposed contribution to the CEPPT. Staff recommends making a contribution in order to diversify the City's investment portfolio and pursue investment earnings to offset the City Council's regular practice of making lump sum payments to reduce unfunded accrued liability for CalPERS pension plans.

Approval of the proposed resolution (Attachment A) would result in a contribution of \$163,555 to the CEPPT, which would be invested in the CEPPT Strategy 1 portfolio detailed in Attachment C. The proposed contribution is equal to 25% of the \$654,218 increase in the City's government-wide net position at the end of the previous fiscal year (i.e., 25% of Fiscal Year 2022-23's revenue over expenditures).

Staff would monitor and report on the performance of the proposed contribution in each monthly City Treasurer's report. Based on budget and economic conditions, as well as future actuarial valuations for CalPERS pension plans and investment earnings, staff may recommend making additional contributions to the CEPPT and/or using investment earnings and CEPPT assets to fund future lump sum payments to reduce unfunded accrued liability for CalPERS pension plans.

While City Administrative Policy 2.2 (Investment of Financial Assets) does not apply to funds invested separately with independent fiduciaries, investing in the CEPPT would nevertheless further diversify the City's overall investment portfolio which would help avoid incurring unreasonable and avoidable risk associated with concentrating investments in unvaried investment types, maturity segments, or financial depositories and institutions.

The CEPPT offers two investment portfolios – the proposed CEPPT Strategy 1 and a more conservative and historically lower-yielding CEPPT Strategy 2. While staff recommends investing in CEPPT Strategy 1 based on its historical performance

and the strength of the City's current financial position to accept greater investment risk, information on CEPPT Strategy 2 is included as Attachment D.

A CalPERS representative will be available at today's meeting to answer questions and provide additional information regarding the CEPPT.

Fiscal Impact

Sufficient funds to make the proposed contribution to the CEPPT are available within the unassigned General Fund balance, which currently totals approximately \$6 million. The proposed resolution (Attachment A) would increase appropriations in the Fiscal Year 2023-24 Budget by \$163,555.

Once funds are contributed to the CEPPT, disbursements can only be taken for pension contribution costs, subject to the terms of the City's CEPPT participation agreement. In addition to future lump sum payments to reduce unfunded accrued liability, disbursements could be taken to pay annual employer contributions.

Report Prepared With: Liz Torres, Administrative Services Director/City Treasurer

Attachments: A – Proposed Resolution
B – CEPPT Program Informational Flyer
C – CEPPT Fund Facts – Strategy 1 dated December 31, 2023
D – CEPPT Fund Facts – Strategy 2 dated December 31, 2023

RESOLUTION NO. 24-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2023-25 BUDGET AND WORK PLAN FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, AND FISCAL YEAR 2024-25 COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025, RELATED TO A CONTRIBUTION TO THE CALIFORNIA EMPLOYERS’ PENSION PREFUNDING TRUST (“CEPPT”), AND MAKING RELATED AUTHORIZATIONS

WHEREAS, the Fiscal Years 2023-25 Budget (“Budget”) was adopted by the City Council on June 28, 2023; and

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

WHEREAS, the City contracts with the California Public Employees’ Retirement System (“CalPERS”) to provide pension benefits for employees; and

WHEREAS, in accordance with California Government Code Section 21711(a), the California Employers’ Pension Prefunding Trust (“CEPPT”) is established in the State of California’s Treasury for the purpose of allowing eligible public agencies to prefund required pension contributions; and

WHEREAS, at the adjourned regular meeting on April 7, 2021, the City Council adopted two resolutions (Resolution No. 21-13 and Resolution No. 23-14) that enabled the City’s participation in the CEPPT; and

WHEREAS, an agreement to for the City to participate in CEPPT was entered into by the City and CalPERS with an effective date of April 20, 2021; and

WHEREAS, staff recommends that the City contribute \$163,555 to the CEPPT for investment in the CEPPT Strategy 1 portfolio; and

WHEREAS, contributing to the CEPPT would diversify the City’s investment portfolio and pursue investment earnings to offset the City Council’s regular practice of making lump sum payments to reduce unfunded accrued liability for CalPERS pension plans; and

WHEREAS, it is necessary for the City Council to increase Fiscal Year 2023-24 appropriations for the General Fund in the amount of \$163,555, with the appropriation drawn from the unassigned General Fund balance, to allow for the contribution to the CEPPT; and

WHEREAS, the unassigned General Fund balance has sufficient funds to accommodate the increased appropriations.

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. 23-16, as previously amended by Resolution Nos. 23-25 and 23-33, is hereby amended, in its entirety, to read as follows:

The budget revenue projections are:

	<i>Fiscal Year 2023-24</i>	<i>Fiscal Year 2024-25</i>
General Fund		
Property Tax	\$3,297,700	\$3,405,200
Property Transfer Tax	\$112,000	\$114,900
Sales Tax	\$1,196,000	\$1,233,000
Franchise Fees	\$751,800	\$753,100
Transient Occupancy Tax	\$604,000	\$620,000
Developing Processing Fees	\$814,400	\$827,400
Interest	\$352,000	\$340,000
Miscellaneous	\$207,700	\$213,800
SUBTOTAL	\$7,335,600	\$7,507,400
Capital Projects Fund		
Intergovernmental	\$0	\$0
Interest	\$0	\$0
SUBTOTAL	\$0	\$0
Fuel Tax	\$492,800	\$503,700
Road Maintenance & Rehabilitation Program	\$435,300	\$465,600
Measure M2 (OC Go)	\$336,000	\$348,600
Service Authority for Abandoned Vehicles	\$0	\$0
Supplemental Law Enforcement Services	\$167,800	\$169,600
Mobile Source Reduction	\$72,000	\$22,000

ITEM 9.3 – Attachment A

PEG/Cable Television	\$18,400	\$18,800
Senior Mobility	\$140,700	\$145,700
Community Development Block Grant (CDBG)	\$500,000	\$150,000
Federal Grants	\$1,618,278	\$782,869
State of California Grants	\$239,800	\$0
Miscellaneous Special Revenue	\$0	\$0
Laguna Woods Civic Support Fund	\$0	\$0

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

	<i>Fiscal Year 2023-24 Adopted Budget</i>	<i>Fiscal Year 2023-24 Carryover Appropriations</i>	<i>Fiscal Year 2023-24 Budget Amendments</i>	<i>Fiscal Year 2023-24 Amended Budget</i>
General Fund	\$7,730,079 ^A (includes transfers to Capital Projects Fund of \$608,250)	\$8,544	\$470,480 ^{A,B}	\$8,209,103 (includes transfers to Capital Projects Fund of \$608,250)
Capital Projects Fund	\$608,250	\$130,535	-	\$738,785
Fuel Tax	\$395,000	-	-	\$395,000
Road Maintenance & Rehabilitation Program	\$325,821	-	-	\$325,821
Measure M2 (OC Go)	\$285,700	-	-	\$285,700
Service Authority for Abandoned Vehicles	\$0	-	-	\$0
Supplemental Law Enforcement Services	\$176,100	-	-	\$176,100
Mobile Source Reduction	\$0	\$12,811	-	\$12,811
PEG/Cable Television	\$15,000	-	-	\$15,000
Senior Mobility	\$207,000	-	-	\$207,000
Community Development Block Grant (CDBG)	\$150,000	\$307,528	-	\$457,528
Federal Grants	\$719,145	\$1,006,869	-	\$1,726,014
State of California Grants	\$0	\$221,898	-	\$221,898
Miscellaneous Special Revenue	\$0	-	-	\$0
Laguna Woods Civic Support Fund	\$48,810	-	-	\$48,810

ITEM 9.3 – Attachment A

TOTAL	\$10,052,655	\$1,688,185	\$470,480	\$12,211,320
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^A Fund Budget Adjustment CC-23/24-01: CalPERS Lump Sum Payments, +\$306,925 (R 23-33)

^B Fund Budget Adjustment CC-23/24-02: CEPPT Contribution, +\$163,555 (R 24-XX)

	<i>Fiscal Year 2024-25 Adopted Budget</i>	<i>Fiscal Year 2024-25 Carryover Appropriations</i>	<i>Fiscal Year 2024-25 Budget Amendments</i>	<i>Fiscal Year 2024-25 Amended Budget</i>
General Fund	\$7,287,511 (includes transfers to Capital Projects Fund of \$0)	-	-	\$7,287,511 (includes transfers to Capital Projects Fund of \$0)
Capital Projects Fund	\$0	-	-	\$0
Fuel Tax	\$425,000	-	-	\$425,000
Road Maintenance & Rehabilitation Program	\$195,795	-	-	\$195,795
Measure M2 (OC Go)	\$290,700	-	-	\$290,700
Service Authority for Abandoned Vehicles	\$0	-	-	\$0
Supplemental Law Enforcement Services	\$176,100	-	-	\$176,100
Mobile Source Reduction	\$0	-	-	\$0
PEG/Cable Television	\$15,000	-	-	\$15,000
Senior Mobility	\$227,000	-	-	\$227,000
Community Development Block Grant (CDBG)	\$150,000	-	-	\$150,000
Federal Grants	\$782,869	-	-	\$782,869
State of California Grants	\$0	-	-	\$0
Miscellaneous Special Revenue	\$0	-	-	\$0
Laguna Woods Civic Support Fund	\$300	-	-	\$300
TOTAL	\$9,550,275	-	-	\$9,550,275

The budget appropriations authorized by this section reflect the Fiscal Years 2023-25 adopted budgets, plus authorized budget adjustments approved between July 1, 2023 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 increased General Fund appropriations adopted as part of this resolution shall be considered “non-operating” and shall be used to make a \$163,555 to the CEPPT for investment in the CEPPT Strategy 1 portfolio. The City Manager and Administrative Services Director/City Treasurer are hereby authorized to cause such contribution to be made and to execute agreements, documents, and certifications necessary to do so.

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 2024.

NOEL HATCH, 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. 24-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2024, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

The California Employers' Pension Prefunding Trust

Prefund future pension costs with a CalPERS trust fund

The CEPPT is designed to give public agencies who offer defined benefit pensions the opportunity to save money by investing now for their future pension contributions.



89

Participating Employers



493% Growth

In Employer Participation From Inception to FY 2022-23



140.1 million

Assets Under Management

“ The CEPPT program gives us a powerful tool to help ensure the stabilization and sustainability of our long-term retirement benefits. With its low fees, flexibility, risk diversification, and professional staff, it is the perfect program to save money for our agency and the ratepayers we serve. ”

- Robert Housley, General Manager Finance and Human Resources, Midway City Sanitary District, Orange

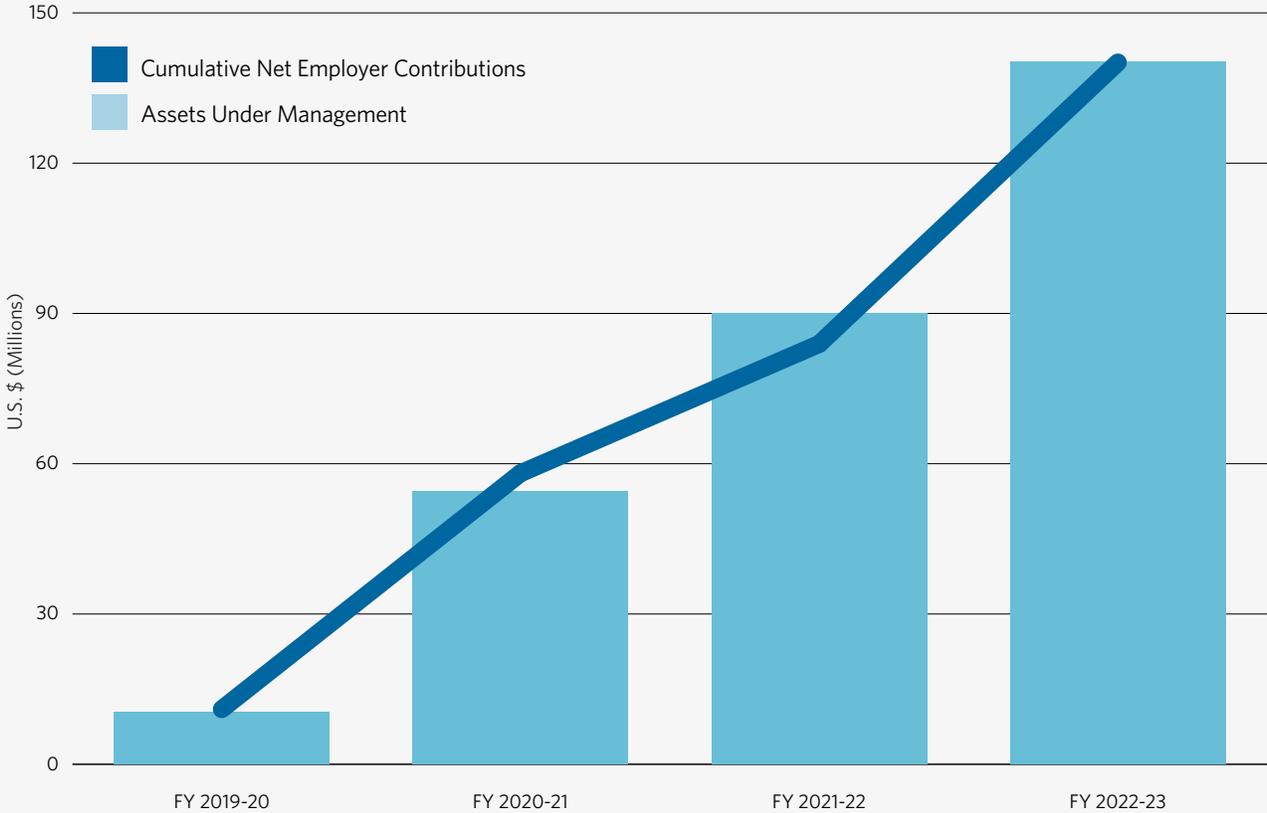
Choice of Asset Allocation Strategies

	Expected Rate of Return	Standard Deviation	Risk Level Less Conservative → More Conservative
Strategy 1	4.5%	8.8%	
Strategy 2	3.5%	6.1%	

Figures as of June 30, 2023



Consistent Growth of CEPPT Fund Assets Since Inception



How can you use the CEPPT?

- Prefund normal cost contributions and unfunded liability payments
- Make additional discretionary payments
- As a contingency fund for future volatility

Advantages of Participating in CEPPT

The CEPPT is designed to save you money and stabilize your budget by offering:

- CalPERS investment management
- Low total participation costs
- Efficient and effective customer outreach and support
- Simple and streamlined account transactions

Portfolio Managed by CalPERS

- Fiduciary responsibility assumed by the CalPERS Board
- Investment management by experts at CalPERS and internationally renowned consultants
- Two investment strategy options with varying risk levels
- All public market securities

Learn more at www.calpers.ca.gov/ceppt
Contact us at ceppt4u@calpers.ca.gov



CEPPT Strategy 1



December 31, 2023

Objective

The CEPPT Strategy 1 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CEPPT Strategy 1 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 2, this portfolio has a higher allocation to equities than bonds. Historically, equities have displayed greater price volatility and, therefore, this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 1	Annual Expense Ratio
\$155,882,974	0.25%

Composition

Asset Class Allocations and Benchmarks

The CEPPT Strategy 1 portfolio consists of the following asset classes and corresponding benchmarks:

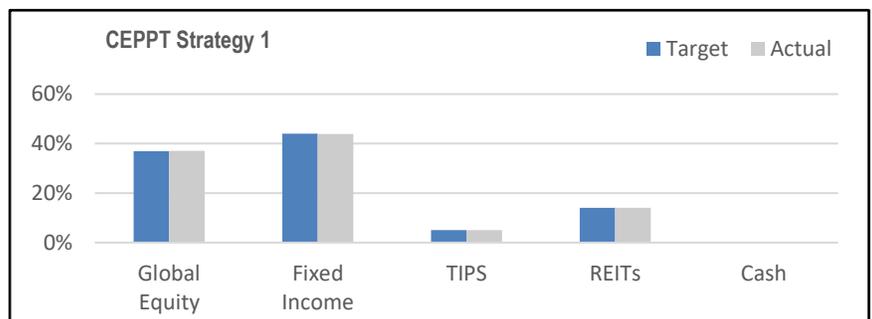
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	37%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	44%	± 5%	Bloomberg US Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	14%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	91-Day Treasury Bill

Portfolio Benchmark

The CEPPT Strategy 1 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



CEPPT Strategy 1 Performance as of December 31, 2023

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (October 1, 2019)
Gross Return ^{1,3}	5.06%	9.46%	5.55%	12.11%	0.90%	-	-	4.15%
Net Return ^{2,3}	5.04%	9.40%	5.43%	11.85%	0.67%	-	-	3.91%
Benchmark Return	5.10%	9.50%	5.53%	11.85%	0.74%	-	-	4.05%
Standard Deviation ⁴	-	-	-	-	11.40%	-	-	11.57%

* Returns for periods greater than one year are annualized.

¹ Gross returns are net of SSGA operating expenses.

² Net returns are net of SSGA operating expenses, investment management, administrative and recordkeeping fees.

³ Expenses are described in more detail on page 2 of this document.

⁴ Standard deviation is based on gross returns and is reported for periods greater than 3 years.

CEPPT Strategy 1



December 31, 2023

General Information

Information Accessibility

The CEPPT Strategy 1 portfolio consists of assets managed internally by CalPERS and/or by external managers. Since it is not a mutual fund, a prospectus is not available and daily holdings are not published. CalPERS provides a quarterly statement of the employer's account and other information about the CEPPT. For total market value, detailed asset allocation, investment policy and performance information, please visit our website at www.calpers.ca.gov.

Portfolio Manager Information

The CalPERS Board, through its Investment Committee, directs the CEPPT investment strategy based on policies approved by the Board of Administration. State Street Global Advisors (SSGA) manages all underlying investments for CEPPT, which include: Global Equity, Fixed Income, Real Estate Investment Trusts, and Treasury Inflation-Protected Securities.

Custodian and Record Keeper

State Street Bank serves as custodian for the CEPPT. Northeast Retirement Services serves as recordkeeper.

Expenses

CEPPT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the expenses, the greater reduction of investment return. Currently, CEPPT expense ratios are 0.25%. This equates to \$2.50 per \$1,000 invested. The expenses consist of administrative expenses borne by CalPERS to administer and oversee the Trust assets, investment management and administrative fees paid to SSGA to manage all asset classes, and recordkeeping fees paid to Northeast Retirement Services to administer individual employer accounts. The expenses described herein are reflected in the net asset value per unit. The expense ratio is subject to change at any time and without prior notification due to factors such as changes to average fund assets or market conditions. CalPERS reviews the operating expenses annually and changes may be made as appropriate. Even if the portfolio loses money during a period, the expenses will still be charged.

What Employers Own

Each employer invested in CEPPT Strategy 1 owns units of this portfolio, which invests in pooled asset classes managed by CalPERS and/or external advisors. Employers do not have direct ownership of the securities in the portfolio.

Price

The value of the portfolio changes daily based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value also changes with market conditions.

Principal Risks of the Portfolio

The CEPPT fund is a trust fund dedicated to prefunding employer contributions to defined benefit pension plans for eligible state and local agencies. CEPPT is not, however, a defined benefit plan. There is no guarantee that the portfolio will achieve its investment objectives or provide sufficient funding to meet employer obligations.

An investment in the portfolio is not a bank deposit, nor is it insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC), CalPERS, the State of California or any other government agency.

There are risks associated with investing, including possible loss of principal. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. For more information about investment risks, please see the document entitled "CEPPT Principal Investment Risks" located at www.calpers.ca.gov.

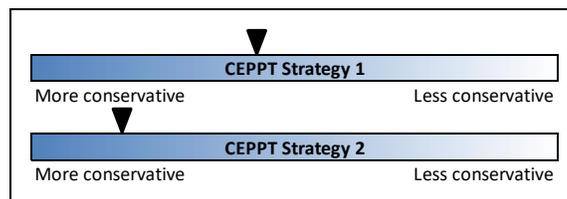
Fund Performance

Performance data shown on page 1 represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an employer's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than historical performance data shown. For current performance information, please visit www.calpers.ca.gov and follow the links to California Employers' Pension Prefunding Trust.

CEPPT Strategy Risk Levels

CalPERS offers employers the choice of one of two investment strategies. Projected risk levels among risk strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2
Global Equity	37%	21%
Fixed Income	44%	61%
Treasury-Inflation Protected Securities	5%	9%
Real Estate Investment Trusts	14%	9%



CEPPT Strategy 2



December 31, 2023

Objective

The CEPPT Strategy 2 portfolio seeks to provide capital appreciation and income consistent with its strategic asset allocation. There is no guarantee that the portfolio will achieve its investment objective.

Strategy

The CEPPT Strategy 2 portfolio is invested in various asset classes that are passively managed to an index. CalPERS periodically adjusts the composition of the portfolio in order to match the target allocations. Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with CEPPT Strategy 1, this portfolio has a lower allocation to equities and a higher allocation to bonds. Historically, funds with a lower percentage of equities have displayed less price volatility and, therefore, this portfolio may experience comparatively less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

CalPERS Board may change the list of approved asset classes in composition as well as targeted allocation percentages and ranges at any time.

Assets Under Management

As of the specified reporting month-end:

CEPPT Strategy 2	Annual Expense Ratio
\$49,317,347	0.25%

Composition

Asset Class Allocations and Benchmarks

The CEPPT Strategy 2 portfolio consists of the following asset classes and corresponding benchmarks:

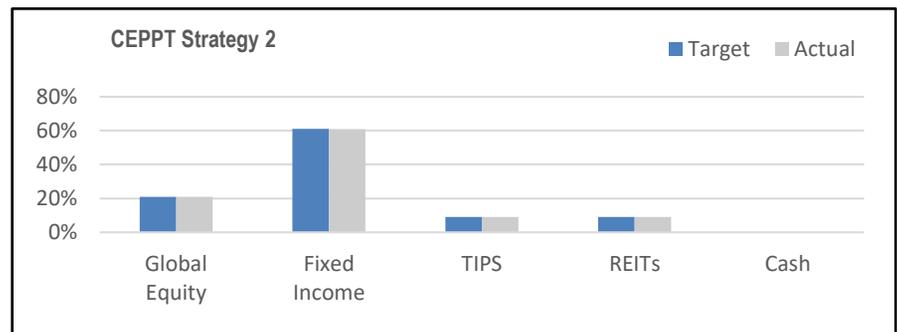
Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	21%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	61%	± 5%	Bloomberg US Aggregate Bond Index
Treasury Inflation-Protected Securities ("TIPS")	9%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts ("REITs")	9%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	+ 2%	91-Day Treasury Bill

Portfolio Benchmark

The CEPPT Strategy 2 benchmark is a composite of underlying asset class market indices, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of the specified reporting month-end. CalPERS may temporarily deviate from the target allocation for a particular asset class based on market, economic, or other considerations.



CEPPT Strategy 2 Performance as of December 31, 2023

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (January 1, 2020)
Gross Return ^{1,3}	4.48%	8.25%	4.58%	9.23%	-0.92%	-	-	1.43%
Net Return ^{2,3}	4.46%	8.19%	4.46%	8.98%	-1.14%	-	-	1.20%
Benchmark Return	4.55%	8.30%	4.57%	9.04%	-1.00%	-	-	1.33%
Standard Deviation ⁴	-	-	-	-	9.14%	-	-	8.71%

* Returns for periods greater than one year are annualized.

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CEPPT Strategy 2



December 31, 2023

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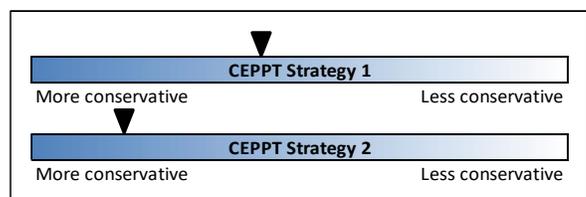
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9.4
FISCAL YEARS 2023-34 CAPITAL
IMPROVEMENT PROGRAM
(NO REPORT)