



## **CITY OF SIGNAL HILL**

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

**THE CITY OF SIGNAL HILL WELCOMES YOU  
TO A REGULAR MEETING OF THE PLANNING COMMISSION  
February 10, 2015**

**7:00 p.m.**

The City of Signal Hill appreciates your attendance. Citizen interest provides the Planning Commission with valuable information regarding issues of the community.

Regularly scheduled meetings are held the 2<sup>nd</sup> Tuesday of every month at 7:00 p.m. The agenda is posted 72 hours prior to each meeting on the City's website and outside of City Hall and is available at each meeting. The agenda and related reports are available for review at the Library on the Friday afternoon prior to the Commission meeting.

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

**CALL TO ORDER**

**ROLL CALL**

Chair Benson  
Vice-Chair Fallon  
Commissioner Austin  
Commissioner Murphy  
Commissioner Richárd

## **PLEDGE OF ALLEGIANCE**

The Chair will lead the audience in reciting the Pledge of Allegiance.

## **PUBLIC BUSINESS FROM THE FLOOR**

Matters of general concern, which are not on the agenda, can be addressed during this portion of the meeting, and also before adjournment. However, State law (Government Code Section 54950 et seq.) prohibits the Planning Commission from acting upon any item not contained in the agenda.

## **PRESENTATION**

The Commission will recognize the volunteers who participated in the 2015 Greater Los Angeles Homeless Count and were instrumental in making the event a success. Commissioners Rose Richard and Devon Austin will provide a brief report about their participation and certificates of appreciation will be presented. The purpose of the Count is to raise awareness about the City's homeless persons in order to increase resources for the homeless in our community. The tally for the count in Signal Hill was: 5 – campers/RVs, 2 – vans, and 0 – individuals.

## **DIRECTOR'S REPORTS**

### **1. Massage Regulations and Recent Changes in State Law**

**Summary:** Staff will provide an overview of the City's regulations related to massage establishments and massage technicians and amendments required to be consistent with the recent Assembly Bill 1147 Massage Therapy Act.

**Recommendation:** Receive and file.

### **2. Update on the Pending Oil Code Amendment Revising Regulations for Methane Assessment and Mitigation and Development on Properties with Abandoned Wells**

**Summary:** Since the Division of Oil, Gas and Geothermal Resources changed their well certification program in 2010, the City has been preparing technical and environmental reports for a pending oil code amendment that would allow continued development over and near abandoned wells. The technical studies were completed in 2014 and the environmental analysis is underway. Staff will give an overview of the steps for completion of the environmental documents and adoption of the oil code amendment.

**Recommendation:** Receive and file.

### **3. Beautification Award**

**Summary:** In January, staff solicited nominations for recipients of the Beautification Award. The goal of the program is to show appreciation and acknowledge the residential and commercial property features and improvements that help to set the City of Signal Hill apart as an attractive place to live, work and play. As of the date of preparation of the agenda, no nominations have been received, however, the Commission is welcome to make nominations at the meeting.

**Recommendations:** Consider any nominations and select recipient(s).

### **CONSENT CALENDAR**

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

#### **4. Minutes of January 13, 2015 Planning Commission Meeting**

**Recommendation:** Approve.

#### **5. Retirement Announcement – Pilar Alcivar-McCoy**

**Recommendation:** Receive and file.

#### **6. City Council Follow-up**

**Recommendation:** Receive and file.

#### **7. Development Status Report**

**Recommendation:** Receive and file.

#### **8. Code Enforcement Report**

**Recommendation:** Receive and file.

#### **9. In the News**

**Recommendation:** Receive and file.

## **COMMISSION NEW BUSINESS**

Chair Benson  
Vice-Chair Fallon  
Commissioner Austin  
Commissioner Murphy  
Commissioner Richárd

## **ADJOURNMENT**

Adjourn tonight's meeting to the next regular meeting to be held Tuesday, March 10, 2015 at 7:00 p.m. in the Council Chambers located at City Hall.

If you need special assistance beyond what is normally provided to participate in Commission meetings, the City will attempt to accommodate you in every reasonable manner. Please call the City Clerk's office at (562) 989-7305 at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.



1



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM:** SELENA ALANIS  
ASSISTANT PLANNER

**SUBJECT:** DIRECTOR'S REPORT - MASSAGE REGULATIONS AND RECENT  
CHANGES IN STATE LAW

#### **Summary:**

Staff will provide an overview of the City's regulations related to massage establishments and massage technicians and amendments required to be consistent with the recent Assembly Bill 1147 Massage Therapy Act (AB 1147).

#### **Recommendation:**

Receive and file.

#### **Background:**

In 1981, Signal Hill established regulations for massage establishments and massage technicians (Attachment A). Prior to 2009, there were no state regulations for massage businesses or massage technicians. Cities were able to regulate massage businesses through land use and zoning and apply conditions related to hours of operation, sanitary conditions, education and any other areas of interest and concern. Signal Hill's regulations included the following:

- Massage establishments are required to obtain a permit to operate within the City. This requires a fee and application. The Chief of Police reviews the application and background of the applicant for the protection of public interests and approves or denies the application.

- If approved the code includes operating requirements, regulations on hours of operation and annual inspections.
  - If denied the applicant may appeal the Chief's decision to the City Council.
  - All permits may be revoked or suspended after issuance.
- Massage Technicians are required to obtain a permit to administer massages within the City. Technicians are also required to pay a fee and submit an application. In addition, the municipal code requires that the applicant be state certified and take a City examination.
  - If granted the applicant must pass the City's examination and not be convicted of any crimes. Annual renewal is based on an updated application and medical examination.
  - If denied the applicant may appeal the Chief's decision to the City Council.
  - All permits may be revoked or suspended after issuance.
- Physicians, surgeons, chiropractors, osteopaths or any registered licensed vocational nurse working under the supervisions of a state licensed physician, surgeon, chiropractor or osteopath and an individual licensed to practice any such art or profession under the Business and Professions Code are exempt from the technician permit requirement.

In 2009, SB 371 came into effective. The bill was adopted in response to concerns that massage businesses and technicians felt that they were not treated the same as cosmetologists, barbers, and other "healing arts" professionals. The bill severely limited local zoning and regulatory authority by:

- Removing authority of cities to regulate state licensed massage therapists.
- Removing authority of cities to regulate businesses that employed only state licensed massage therapists.
- Establishing the California Massage Therapy Council (CAMTC), a non-profit corporation to oversee state licensing of massage therapists.
- Allowing state licensed massage therapists the "right" to practice massage without any other City license, permit or other authorization.

The City of Signal Hill did not update the code to be consistent with SB 371 and did not apply the municipal code related to Massage Establishment or Massage Technicians (Chapters 5.16 and 5.17) as the state law was going to sunset on January 1, 2015. The Community Development Department consulted with the City Attorney and established a policy for reviewing and approving massage establishments which employ all state licensed technicians and state licensed massage technicians (Attachment B).

Consistent with SB 371, the City's policy was to treat state licensed massage technicians and establishments with all state licensed technicians the same as "barbers, beauty, and manicure shops" and "medical, dental, etc. clinics" and therefore permitted them in the Commercial Office, Commercial Town Center, Commercial General, Commercial

Residential, and Commercial Industrial zoning districts. State licensed massage technicians were also approved as an accessory use to business such as gyms, fitness training facilities, and beauty shops. Chapters 5.16 and 5.17 would only apply to establishments or technicians that were not state licensed.

After 2008, human trafficking and prostitution became increasingly associated with some massage businesses throughout the state. During the period of 2008 to 2015 the City of Signal Hill did issue a number of business licenses for state licensed massage technicians as an accessory uses to existing businesses. The City of Signal Hill is not aware of any cases of illicit massage businesses operating within the City.

In 2014, the state adopted AB 1147. The bill returns land use controls in regulating massage establishments back to local governments. Effective January 1, 2015, the City of Signal Hill once again has the legal authority to more strictly regulate massage businesses. The legislature has put all rules related to massage establishments and technicians in one statute under the Government Code 51034 (Attachment C).

### **Analysis:**

As time permits, the City will update the existing Massage Establishment and Massage Technician requirements to be consistent with state law and best practices (Attachment D). Amendments will include:

- Chapter 5.16 Massage Establishments
  - Change the zoning districts for massage establishments from “Prohibited” to “Accessory” (however, the City still allows traveling state certified massage technicians to practice inside homes in residential areas. It also allows state licensed or city massage technicians as an accessory use to businesses such as day spas, gyms, and beauty salons).
  - Update the text so that *all* technicians on the premises hold either a city technician permit or *state license*.
  - Exempt state licensed technicians from background checks.
  - Exempt state licensed technicians from dress code requirements.
  - Exempt state licensed technicians from the existing application questions/material to eliminate the possibility that it can be construed as a “test” or other type of background check.
- Chapter 5.17 Massage Technicians
  - Exempt state licensed technicians from obtaining a City massage technician permit.
  - Individuals without a state license would still be subject to code requirements (currently includes submitting an application and taking an examination).

- Update the definition of a massage establishment to include a massage business owner, including a sole provider or independent contractor.
  - This would require a sole provider or independent contractor to obtain a massage establishment permit.
- Update the application and operation requirements. Currently, the code has extensive operation requirements and requests what may be considered personal information.

Approved:

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Scott Charney

attachments

## Signal Hill Municipal Code

## **Chapter 5.16**

### **MASSAGE ESTABLISHMENTS AND PERMITS\***

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## Sections:

- 5.16.010 Definitions.
- 5.16.020 Massage establishment--Permit required--Application fees and contents.
- 5.16.030 Facilities and operating requirements.
- 5.16.040 Hours of operation.
- 5.16.050 Display of permit.
- 5.16.060 Change of location.
- 5.16.070 Employees.
- 5.16.080 Inspection of facilities and financial records.
- 5.16.090 Records of treatment.
- 5.16.100 Name of business.
- 5.16.110 Permit procedures.
- 5.16.120 Issuance of permit.
- 5.16.130 Appeal.
- 5.16.140 Grounds for revocation or suspension.
- 5.16.150 New application after denial or revocation of permit.
- 5.16.160 Surrender of permits.
- 5.16.170 Sale or transfer.
- 5.16.180 Applicability of regulations to existing licensed massage establishments.
- 5.16.190 Violation and penalty.
- 5.16.200 No effect on zoning law.
- 5.16.210 Severability.

\* Prior ordinance history: prior code §§ 9.78.010 through 9.78.190, § 9.78.210 and Ordinance 74-2-720.

#### **5.16.010 Definitions.**

For the purpose of the provisions regulating baths, sauna baths, massage establishments and similar businesses set forth in this chapter, the following words and phrases shall be construed to have the meanings set forth in this section, unless it is apparent from the context that a different meaning is intended:

A. "Applicant" means any person or entity desiring to obtain a permit to operate a massage establishment, and includes each and every owner of the proposed establishment. If the

## Signal Hill Municipal Code

applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its articles of incorporation, together with the names and residence addresses of each of the officers, directors, and each and every stockholder. If the applicant is a partnership, the application shall set forth the name and residence address of each of the partners, including limited partners. If one or more of the partners is a corporation, the provisions of this section pertaining to a corporate applicant shall apply. If a corporation or a partnership is an applicant, then the identifying information required in this section as to the "applicant" shall be provided also as to such stockholders, directors and/or partners as the case may be and a permit may be issued or denied if such stockholders, directors and/or partners do or do not satisfy the requirements and standards imposed by this chapter as to the background and character of the "applicant."

If the applicant is a corporation, a certified copy of its articles of incorporation, together with any authorizations to issue stock shall be attached to the application. If the applicant is a partnership, a certified copy of the partnership agreement, if there be one, shall be attached to the application and if the applicant be a limited partnership, a certified copy of its certificate of limited partnership shall be attached to the application.

B. "Massage" means any method of treating any of the external parts of a person including but not limited to rubbing, stroking, kneading, tapping, pounding, vibrating or stimulating with the hands, feet, elbows or any other part of the body, with or without the aid of any instrument or device and with or without such supplementary aids as rubbing alcohol, liniment, antiseptic, oil, powder, cream, lotion, ointment or other similar preparations, under such circumstances that it is reasonably expected that the person to whom the treatment is provided or some third person on his or her behalf will pay money or give any other consideration or any gratuity therefor.

C. "Massage establishment" means any place, including a private club or organization, where any massage, as defined in this section, is given or offered. It includes any place, including a private club or organization, wherein any person, firm, association, corporation or partnership engages in, conducts or carries on, or permits to be engaged in, conducted or carried on the business of giving or furnishing baths of any kind or type including Russian, Turkish, Swedish, hot air, vapor, electric cabinet, steam, mineral, sweat, salt, Japanese, sauna, fomentation or electric baths.

D. "Massage technician" is any person who administers to another person, for any form of consideration, a massage, alcohol rub, fomentation, bath, electric or magnetic massage procedure, or other similar procedure.

E. "Operator" is any person who manages or who is otherwise primarily responsible for the operation of the massage establishment, and shall include each and every person responsible for establishing personnel policy, hiring personnel, ensuring that the establishment complies with the requirements of this code and of other laws, and of establishing and administering any and all policies established by the owner for the operation of the

Signal Hill Municipal Code

establishment.

(Ord. 81-6-872 § 1 (part))

**5.16.020 Massage establishment--Permit required--Application fees and contents.**

A. Permit Required. It is unlawful for any person, association, firm, partnership, or corporation to operate or conduct a massage establishment or to permit a massage establishment to be operated or conducted, in or upon any premises within the city, or to render a massage or permit a massage to be rendered within the city at any location not licensed as a massage establishment, in accordance with the provisions set forth in this chapter.

B. Application--Fees.

1. Any applicant for a permit to operate a massage establishment shall make application to the chief of police upon a form provided by him. Such application shall be accepted only upon a showing that four hundred dollars, or such other sum as has been established by the city to cover its expenses under this chapter has been paid to the city director of finance as a fee to investigate such applicant and the proposed establishment. Where there is more than one applicant or owner of such applicant as defined in Section 5.16.010A an additional seventy-five dollars shall be paid for each additional applicant and/or owner.

2. Permits and fees required by this section shall be in addition to any license, permit or fee required under any other section or chapter of this code, including but not limited to the annual license tax and business license pursuant to Chapters 5.08 and 5.12; and a conditional use permit as required by Title 20.

C. Application--Contents. Any applicant for a permit pursuant to this chapter shall submit the following information:

1. The type of ownership of the business, i.e., whether individual, partnership, corporation or otherwise;

2. The name, style and designation, which shall not reasonably suggest that any services are available except those specified in Section 5.16.010B, under which the business is to be conducted, together with its address or proposed address;

3. A complete list of the names and residence addresses of all massage technicians, employees and attendants in the business; the name and residence address of the operator, manager or other person principally in charge of the operation of the business; and the names and residence addresses of all principals of the business;

4. The full name of the applicant, including aliases, nicknames, and any other names

## Signal Hill Municipal Code

used. In the case of a female applicant, her full name, including her maiden name and each of her married names;

5. The present address of the applicant;
6. The two previous addresses immediately prior to the present address of applicant;
7. The names and present residence address of at least five bona fide residents of the state who will attest that the applicant is of good moral character;
8. Written proof that the applicant is over the age of eighteen years;
9. The applicant's height, weight, color of eyes and hair, driver's license number, and Social Security number;
10. Two portrait photographs at least two inches by two inches;
11. The business, occupation, or employment of the applicant for the three years immediately preceding the date of the application;
12. The massage or similar business license history of the applicant, whether such person, in previously operating in this or another city or state under license, has had such license revoked or suspended and the reason therefor; and the business activity or occupation subsequent to such action of suspension or revocation;
13. Whether the applicant has ever been convicted of any crime specified in Section 51032 of the Government Code and, if so, the circumstances thereof and the sentence therefor; and
14. Such other identification and information necessary to discover the truth of the matters specified in this section as required to be set forth in application.

D. Nothing contained in this section shall be construed to deny to the police department of the city the right to take the fingerprints and additional photographs of the applicant, nor shall anything contained in this section be construed to deny the right of said department to confirm the height and weight of the applicant.

E. Falsification of any of the above information shall be deemed sufficient reason for denial of the application.

(Ord. 81-6-872 § 1 (part))

### **5.16.030 Facilities and operating requirements.**

## Signal Hill Municipal Code

No permit to conduct a massage establishment shall be issued unless an inspection is made under the provisions of Section 5.16.120C and it is determined that the establishment complies with each of the following minimum requirements; and a permit previously issued shall be revoked if the following facilities and operating requirements are not met:

- A. All employees, massage technicians, and attendants shall wear clean outer garments whose use is restricted to the massage establishment. The garments shall provide a complete covering by fully opaque material of the genitals, genital area, buttocks and female breasts of such employees, massage technicians, and attendants.
- B. No massage establishment licensed under the provisions of this chapter shall place, publish, distribute, disseminate or broadcast, or cause to be placed, published, distributed, disseminated or broadcasted, any advertising matter that would reasonably suggest to prospective patrons that any service is available other than those services described in subsection B of Section 5.16.010, nor shall any massage establishment indicate in the text of any advertising that any service is available other than those services described in subsection B. All advertisements placed, published, distributed, disseminated or broadcasted shall contain the establishment's business permit number.
- C. A massage business permittee shall have the premises supervised at all times when open for business by the operator or manager. The violation upon the premises of any massage establishment of any provision of this chapter by any agent, employee or independent contractor of the holder of a massage business permit shall constitute a violation by the license holder.
- D. Each massage establishment shall have at least one person who has a valid massage technician's permit on the premises at all times while the establishment is open for business.
- E. The operator of a massage establishment shall maintain a register of all persons employed as massage technicians and their permit numbers. Such register shall be made available for inspection by representatives of the city at any time during the establishment's business hours.
- F. A recognizable and readable sign shall be posted at the main entrance identifying the establishment as a massage establishment; provided, that all such signs shall comply with the sign requirements of the city, and such sign shall not reasonably suggest that services other than those identified in Section 5.16.010B are available.
- G. Minimum lighting shall be provided in accordance with the Uniform Building Code, and at least one artificial light of not less than forty watts shall be provided in each enclosed room or booth where massage services are being performed on a patron.
- H. Minimum ventilation shall be provided in accordance with the Uniform Building

Signal Hill Municipal Code

Code.

I. Adequate equipment for disinfecting and sterilizing instruments used in performing the acts of massage shall be provided.

J. Hot and cold running water shall be provided at all times.

K. Closed cabinets shall be provided, which cabinets shall be utilized for the storage of clean linen.

L. In any establishment in which massage services are rendered only to members of the same sex at any one time, such persons of the same sex may be placed in a single, separate room, or the operators of the massage establishment may elect to place such persons of the same sex in separate enclosed rooms or booths having adequate ventilation to an area outside said room or booth, while massage services are being performed.

M. Adequate bathing, dressing, locker, and toilet facilities shall be provided for patrons. A minimum of one tub or shower, one dressing room containing a separate locker for each patron to be served, which locker shall be capable of being locked, as well as a minimum of one toilet and one washbasin, shall be provided by every massage establishment; provided, however, that if male and female patrons are to be served simultaneously at the establishment, separate bathing, a separate massage room or rooms, separate dressing and separate toilet facilities shall be provided for male and female patrons.

N. All walls, ceilings, floors, pools, showers, bathtubs, steam rooms, and all other physical facilities for the establishment must be in good repair and maintained in a clean and sanitary condition. Wet and dry heat rooms, steam or vapor rooms or cabinets, shower compartments, and toilet rooms shall be thoroughly cleaned each day the business is in operation. Bathtubs shall be thoroughly cleaned after each use.

O. Clean and sanitary towels and linens shall be provided for each patron of the establishment or each patron receiving massage services. No common use of towels or linens shall be permitted.

P. A minimum of one separate washbasin shall be provided in each massage establishment for the use of employees of any such establishment, which basin shall provide soap or detergent and hot and cold running water at all times and shall be located within or as close as practicable to the area devoted to the performing of massage services. In addition, there shall be provided at each washbasin sanitary towels placed in permanently installed dispensers.

Q. Proof of compliance with all applicable provisions of the Signal Hill Municipal Code shall be provided.

(Ord. 81-6-872 § 1 (part))

**5.16.040 Hours of operation.**

The administration massages and operation of a massage establishment shall be permitted only between the hours of nine a.m. and eleven p.m.

(Ord. 81-6-872 § 1 (part))

**5.16.050 Display of permit.**

The permit issued under this chapter and massage technician permits for all such employees shall be displayed in a conspicuous place so that the same be readily seen by persons entering the premises.

(Ord. 81-6-872 § 1 (part))

**5.16.060 Change of location.**

A change of location of any of the aforementioned and described premises shall be subject to the provisions of Title 20 and, if such provisions are complied with, may be approved by the chief of police, provided all other ordinances and regulations of the city are complied with and a change of location fee of one hundred dollars is deposited with the city.

(Ord. 81-6-872 § 1 (part))

**5.16.070 Employees.**

It is the responsibility of the permittee to ensure that each and every person who performs massages on the premises holds a valid permit pursuant to

Chapter 5.17.

(Ord. 81-6-872 § 1 (part))

**5.16.080 Inspection of facilities and financial records.**

## Signal Hill Municipal Code

A. The chief of police or his agent may, and the building inspector, fire chief, county health officer shall, prior to the issuance of a permit under this chapter, and from time to time thereafter, and at least once each year, make an inspection of each massage establishment in the city for the purpose of determining that the provisions of this chapter are met.

B. The permittee under this chapter shall maintain and make available to the chief of police ledger books, daily journals, and other accounting records which truly and correctly show the income, the expenses and the distribution of all profits, if any, pertaining to the massage establishment licensed under this chapter. The purpose of the foregoing is to provide the city with a means to determine whether or not there has been a transfer of any interest in the establishment and to determine the identity of any and all persons and entities who or which own an interest therein. The chief of police may require such other financial information and records to effectuate the foregoing purpose. If application or renewal application is made to continue or to recommence the operation of a previously licensed establishment, in addition to the information required of the applicant by this chapter, the chief of police shall be provided with the foregoing financial records relating to the prior operation of the applicant.

(Ord. 81-6-872 § 1 (part))

### **5.16.090 Records of treatment.**

Every person, association, firm, or corporation operating a massage establishment under a permit, as provided in this chapter shall keep a record of the date and hour of each treatment, the name and address of the patron, and the name of the technician administering such treatment. Each and every patron shall be required to supply reliable verification of his or her identity. Said record shall be open to inspection by officials charged with the enforcement of these provisions. Identical records shall be kept of treatments rendered off the business site and shall describe the address where the treatment was rendered. The information furnished or secured as a result of any such record shall be used only to ensure and enforce compliance with this municipal code and other applicable laws and shall otherwise be confidential. Any unauthorized disclosure or use of such information by an employee of the establishment or the city shall constitute a misdemeanor, and such employee shall be subject to the penalty provisions of this code in addition to any other penalties provided by law. Such records shall be maintained for a period of two years.

(Ord. 81-6-872 § 1 (part))

### **5.16.100 Name of business.**

## Signal Hill Municipal Code

No permittee licensed under this chapter shall operate under any name or conduct the business under any designation not specified in the permit.

(Ord. 81-6-872 § 1 (part))

### **5.16.110 Permit procedures.**

A. Any applicant, as defined in this chapter, for a permit shall personally appear at the police department of the city and produce proof to the police department that the four hundred dollar application, inspection and enforcement fee has theretofore been paid to the city finance director together with any additional fees required by this chapter for additional applicants, and thereupon said applicant or applicants shall complete an application containing the aforementioned and described information. The chief of police shall have a reasonable time in which to investigate the application, the background of the applicant, and the premises, for the protection of the public interests. Upon the completion thereof, the chief of police shall notify the applicant by registered or certified mail, at the address shown on the application, whether or not such permit will be issued. The chief of police shall deliver the notification to the applicant by registered or certified mail at his or her address shown on the application within forty-five days after the chief of police receives the completed application. The foregoing forty-five-day deadline is directory only; failure to meet such deadline shall not affect the power of the chief of police to deny, or otherwise act on such application.

B. In the event that the chief of police denies a permit, the chief of police shall include a statement of the grounds for the decision in the notice to the applicant, and such applicant shall have the rights of appeal within the time limits prescribed as set forth in this chapter.

C. To aid in the determination of whether to issue a permit for a massage establishment pursuant to Section 5.16.020, the department of building and safety, the fire department, and the county department of health services may inspect the premises proposed to be devoted to the massage establishment and may make recommendations to the chief of police concerning compliance with the foregoing provisions. If the establishment is not in compliance with the provisions of this chapter, the department of health services shall issue a letter to such effect to the applicant with a copy to the city setting forth the deficiencies and if a letter of full compliance is not issued within ninety days of the application, it shall be deemed withdrawn and a new application must be filed.

(Ord. 81-6-872 § 1 (part))

**5.16.120 Issuance of permit.**

The chief of police shall issue a massage establishment permit to the applicant if all requirements of this chapter for a massage establishment are met. Moreover, and in addition to the provisions of Section 5.16.120, such a permit shall not issue if the chief of police reasonably determines that the applicant made misrepresentations on the application or any of the applicants have been convicted of one of the crimes specified in Section 51032 of the Government Code as amended from time to time. Any permits issued under this chapter are nontransferable.

(Ord. 81-6-872 § 1 (part))

**5.16.130 Appeal.**

Upon any permit required by this chapter being refused, or suspended or revoked, as specified in this chapter, the applicant or permittee may, within fifteen days after notice thereof has been sent by registered or certified mail, file a written request with the city clerk for a hearing by the council to review such refusal, suspension or revocation. Upon the filing of such a request, the city clerk shall set such hearing within forty-five days and, unless waived in writing by such person, shall serve a notice of the time and place thereof by registered or certified mail to the person making such request at the address shown therein at least fifteen days in advance of such hearing. The council may affirm the denial, revocation, or suspension, or order the issuance, or reinstatement of any permit. The applicant shall have the right to: present witnesses on his behalf; cross-examine witnesses; and present evidence and shall have the right to a full and fair determination according to the evidence.

(Ord. 81-6-872 § 1 (part))

**5.16.140 Grounds for revocation or suspension.**

A. The chief of police may revoke or suspend any permit issued under this chapter at any time upon a determination that there has been a material false statement made in the application; that there has been a transfer of an ownership interest in the establishment or any entity which may own it; that there has been false, misleading or deceptive advertising as specified in this chapter; that there has been a failure to correctly keep and make the records specified in Section 5.16.080 available for inspection; that there has been a failure to comply with the provisions of this chapter or of any law of the state regulating massage establishments or massage technicians; that the permittee, any other applicant under the application, or any

## Signal Hill Municipal Code

operator or massage technician of such massage establishment has been convicted of a crime specified in Section 51032 of the Government Code as amended from time to time; or that such massage establishment has been operated in a manner which endangers the patrons thereof or the public welfare. Any suspended permit must either be reinstated or revoked by the chief of police within ninety days after the date of suspension thereof.

B. Notice of any such decision to suspend or revoke shall be given in writing served by registered or certified mail to the permittee and shall only be final and effective at the end of the fifteenth day after such service unless the permittee has theretofore filed an appeal therefrom with the council, which shall then hold a de novo hearing in accordance with the provisions of Section 5.16.140 at which the chief of police shall have the burden of proof.

(Ord. 81-6-872 § 1 (part))

### **5.16.150 New application after denial or revocation of permit.**

No person may apply for a permit under this chapter within one year from denial of a permit to such applicant or within one year from the revocation of a permit issued to such permittee, unless the cause of the denial or revocation has been, to the satisfaction of the chief of police or council, removed within such time.

(Ord. 81-6-872 § 1 (part))

### **5.16.160 Surrender of permits.**

Each person to whom a permit has been issued under this chapter shall immediately surrender his permit to the chief of police upon its revocation or suspension.

(Ord. 81-6-872 § 1 (part))

### **5.16.170 Sale or transfer.**

Upon the sale or transfer of any interest in a massage establishment or any entity owning such massage establishment, the permit issued pursuant to this chapter shall be null and void unless the sale or transaction is to an applicant shown on the application for the permit pursuant to which the establishment was operated. A new application under this chapter shall be made by any person, firm, or entity desiring to own or operate such massage establishment.

Signal Hill Municipal Code

(Ord. 81-6-872 § 1 (part))

**5.16.180 Applicability of regulations to existing licensed massage establishments.**

A. All persons who possess an outstanding permit heretofore issued by the city to operate a massage establishment must apply for a permit and shall be issued a license or permit within ninety days of the effective date of the ordinance codified in this chapter if they qualify under the provisions of this chapter, and in any event any permits issued under this chapter prior to the effective date of the ordinance codified in this chapter shall be null and void upon the passage of ninety days from the effective date hereof.

B. As to any existing and properly licensed massage establishments as of the effective date of the ordinance codified in this chapter, and pending the application and the issuance of or denial of a permit under this chapter as above specified, the provisions of Sections 5.16.010, 5.16.020, 5.16.030, 5.16.040, 5.16.050, 5.16.060, 5.16.070, 5.16.080, 5.16.090, 5.16.100, 5.16.130, 5.16.140, 5.16.150, 5.16.160, 5.16.170, 5.16.190, 5.16.200 and 5.16.210 shall apply to such existing establishments licensed under the terms of this chapter prior to the amendments effected by this chapter.

(Ord. 81-6-872 § 1 (part))

**5.16.190 Violation and penalty.**

A. Every person, except those persons who are specifically exempted by particular provisions in this chapter, whether acting as an individual, owner, employee of the owner, operator, or employee of the operator, or whether acting as an attendant for the owner, employee, or operator, or whether acting as a participant or worker in any way, who does or practices any of the other things or acts mentioned in this chapter for which a permit is required without first obtaining a valid permit from the city is guilty of a misdemeanor and shall be punished in accordance with Section 1.16.010.

B. Any owner, operator, manager, or permittee in charge of or in control of a massage establishment who knowingly employs a person who performs or offers to perform a massage as defined in this chapter who is not in possession of a permit under Chapter 5.17 is guilty of a misdemeanor and shall be punished in accordance with Section 1.16.010; and the massage establishment permit issued under this chapter shall be revoked.

C. Any massage establishment operated, conducted, or maintained contrary to the provisions of this chapter shall be and the same is declared to be unlawful and a public nuisance,

## Signal Hill Municipal Code

and the city attorney may, in addition to or in lieu of prosecuting a criminal action hereunder, commence an action or proceeding for the abatement, removal and enjoinder thereof, in the manner provided by law; and he shall take such other steps and shall apply to such court as may have jurisdiction to grant such relief as will abate or remove such massage establishment and restrain and enjoin any person from operating, conducting, or maintaining a massage establishment contrary to the provisions of this chapter.

D. Any failure or refusal of the owner, operator, manager, or permittee under this chapter to allow premises inspections or to make immediately available for inspection the records and documents specified by this chapter upon demand by the chief of police or his designated representative during the operating hours of an establishment shall be a violation of the provisions of this chapter and shall be grounds for revocation or suspension of the massage establishment permit pursuant to which the establishment is operated.

(Ord. 81-6-872 § 1 (part))

### **5.16.200 No effect on zoning law.**

Nothing in this chapter shall be construed to modify, repeal or affect the zoning laws of the city.

(Ord. 81-6-872 § 1 (part))

### **5.16.210 Severability.**

If any word, phrase, clause, sentence, or section of this chapter is for any reason invalid, such invalidity shall not impair the validity of any other part of this chapter, and the council declares that it would have enacted all of this chapter without any such invalid part thereof.

(Ord. 81-6-872 § 1 (part))

## **Chapter 5.17** **MASSAGE TECHNICIANS**

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Sections:

- 5.17.010      Definitions.
- 5.17.020      Massage technician permit required--Exemptions.

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## Signal Hill Municipal Code

5.17.030	Application--Fees--Contents.
5.17.040	Examination required.
5.17.050	Issuance--Denial--Nontransferability.
5.17.060	Annual renewal application.
5.17.070	Denial--Revocation--Suspension of permits.
5.17.080	New application after denial or revocation of permit.
5.17.090	Surrender of permits.
5.17.100	Operative date--Massage technicians licensed under prior law.
5.17.110	Other unlawful acts--Violation and penalty.
5.17.120	Severability.

### **5.17.010 Definitions.**

The words and phrases defined in Section 5.16.010 and in this section shall apply and control the meaning of such words and phrases as used in this chapter:

- A. "Massage technician" means a person who, for any compensation of any kind, gives a massage to a person at a location that is operated pursuant to a valid massage establishment permit.
- B. "Applicant," as used in this chapter, means any person desiring to obtain a permit to perform massage services.

(Ord. 81-6-871 § 1 (part))

### **5.17.020 Massage technician permit required--Exemptions.**

- A. Permit Required. No person shall engage in the business of acting nor act as a massage technician unless such person holds a valid massage technician permit issued by the city pursuant to the provisions of this section.
- B. Exemptions. The requirements of Section 5.17.020A shall have no application and no effect upon and shall not be construed as applying to any person designated as follows: physician, surgeon, chiropractor, osteopath, or any registered or licensed vocational nurse working under the supervision of a physician, surgeon, chiropractor, or osteopath duly licensed to practice their respective professions in the state nor shall the requirements of Section 5.17.020A apply to any treatment administered by any person licensed to practice any such art or profession under the Business and Professions Code of the state or of any other law of this state. Practical nurses or other persons not otherwise licensed by the state to practice pursuant to the Medical Practice Act, whether or not employed by physicians, surgeons, chiropractors, or

## Signal Hill Municipal Code

osteopaths, may not give massages or massage procedures.

(Ord. 81-6-871 § 1 (part))

### **5.17.030 Application--Fees--Contents.**

#### A. Permit--Fees.

1. Any person desiring to make application for a massage technician permit must truly and correctly complete a form provided by the city. Such completed application form shall be accepted only upon a showing that the fee in the amount established by the most current fee resolution as adopted by the City Council has been paid to the city director of finance as a fee to investigate and perform an examination relative to such applicant.

2. Permits and fees required by this section shall be in addition to any license, permit or fee required under any other section of this chapter or other chapter of this code. A permit to operate a massage establishment does not authorize the performing of massages.

#### B. Application--Contents. Any applicant for a permit pursuant to this chapter shall submit the following information:

1. The full name of the applicant, including aliases, nicknames, and any other names used. In the case of a female applicant, her full name, including her maiden name and each of her married names;

2. The present address of the applicant;

3. The two previous addresses immediately prior to the present address of applicant;

4. Written statements signed under declaration of perjury by at least five bona fide residents of the state that the applicant is of good moral character; or the identification of such individuals together with their current residence addresses;

5. Written proof that the applicant is over the age of eighteen years of age;

6. The applicant's height, weight, color of eyes and hair, driver's license number, and Social Security number;

7. Two portrait photographs at least two inches by two inches;

8. The business, occupation, and employment of the applicant for the three years immediately preceding the date of the application and the address of each and every location where such business, occupation, and employment was engaged in or performed;

## Signal Hill Municipal Code

9. The massage or similar business license history of the applicant; whether such person, in previously operating in this or another city or state under license, has had such license revoked or suspended and the reason therefor; and the business activity or occupation subsequent to such action of suspension or revocation;

10. Whether the applicant has ever been convicted of any of the crimes set forth in Section 51032 of the Government Code and if so, the circumstances thereof and the sentence therefor;

11. A certificate under penalty of perjury from a medical doctor stating that the applicant has within thirty days immediately prior to the date of the application been examined and found to be free of any contagious or communicable disease; and

12. Such other identification and information necessary to discover the truth of the matters specified in this section as required to be set forth in the application.

C. The city may require the fingerprints and additional photographs of the applicant, and confirmation of the height and weight of the applicant.

D. Applicant must furnish a diploma or certificate of graduation from an approved school wherein the method, profession and work of massage technicians is taught. The term "approved school" means and includes any school or institution of learning duly licensed by the state which has for its purpose the teaching of the theory, the method, profession, or work of massage technicians and which school requires a resident course of study of not less than two hundred hours to be given in not less than three calendar months before the student is furnished with a diploma or certificate of graduation from such school or institution of learning showing the successful completion of such course of study or learning. Schools offering a correspondence course not requiring actual attendance in a class shall not be deemed a "recognized school." Massages for consideration of any kind whatsoever shall not be provided or performed at massage schools.

E. Falsification of any of the above information shall be deemed sufficient reason for denial of the application.

(Ord. 2009-01-1396 § 1, 2009; Ord. 81-6-871 § 1 (part))

### **5.17.040 Examination required.**

A. Within ninety days of the filing of an application for a massage technician permit, and after the applicant has paid the required fee and furnished the required information, each applicant shall, prior to and as a condition to the issuance of such a permit, take and pass an

## Signal Hill Municipal Code

examination of qualifications.

B. The examination of qualifications shall determine the knowledge requisite to and the ability of the applicant to properly perform a massage and shall cover the following subjects: anatomy, physiology, hygiene, and the practice and theory of manual and mechanical massage.

C. The examination may include, among other things, a practical demonstration and a written test. It may, also among other things, consist of both practical and technical proficiency examinations.

D. In the grading of the examination, practical demonstration shall prevail over the written test; that is, a greater number of credits shall be allowed on practical demonstration than on the written test.

E. The written test shall test the competency and ability of the applicant to engage in the practice of massage. The practical portion of the examination shall require the applicant to engage in and demonstrate the techniques and the practice of massage. The examination shall require the applicant to demonstrate a basic knowledge of anatomy, physiology, hygiene and the practice and theory of manual and mechanical massage.

F. The examination may be conducted by the county health department if designated as the examiner of qualifications by the city. Qualified persons shall prepare, administer and judge the examination. The city clerk shall cause notice to be given of the first such examination no later than thirty days after the effective date of the ordinance codified in this chapter, and from time to time thereafter as such examinations are scheduled.

G. The city council may establish further standards and procedures governing the administration and grading of all examinations in addition to those established by the department of public health, and shall exercise such supervision as may be necessary to assure compliance therewith.

H. Any applicant who fails to pass an examination shall not be eligible for another examination until four weeks after taking the previous examination. Any applicant who fails to pass upon the third trial shall not be again eligible until six months thereafter.

(Ord. 81-6-871 § 1 (part))

### **5.17.050 Issuance--Denial--Nontransferability.**

The city shall grant a massage technician permit if the applicant has complied with the provisions of this chapter, if the applicant has not been convicted of any of the crimes specified in Section 51032 of the Government Code, and if the applicant passes the examination of

## Signal Hill Municipal Code

qualification specified in Section 5.17.040. Any permits issued under this chapter are personal to the applicant and are not transferable.

(Ord. 81-6-871 § 1 (part))

### **5.17.060 Annual renewal application.**

Every massage technician permittee shall annually make application for renewal of his or her permit to the city and at such time shall submit a certificate under penalty of perjury from a medical doctor stating that the permit holder has within thirty days immediately prior thereto been examined and found to be free of any contagious or communicable disease. Such annual renewal application shall require an update on any and all information set forth on the application for the massage technician permit filed by the applicant, except that application for a renewal of a technician permit shall not require the passage of an examination. Such renewal application shall be accepted only upon showing that fifty dollars has been paid to the city director of finance as a fee for such renewal. If the permittee fails to deliver such a doctor's certificate, fails to provide such updated information, or fails to pay the above referenced fee within thirty days following the annual anniversary date of the massage technician permit then, the underlying permit shall be null and void and shall be revoked by operation of the terms of this section.

(Ord. 81-6-871 § 1 (part))

### **5.17.070 Denial--Revocation--Suspension of permits.**

A. The chief of police may give notice of intention to deny, revoke or suspend any massage technician permit applied for, granted or issued under the provisions of this chapter at any time for any material false statement contained in the application or for failure to comply with the provisions of this chapter or of any law of the state regulating massage technicians, or whenever he determines that the permittee has been convicted of a felony or of a crime of moral turpitude or violence or for otherwise conducting himself or herself in a massage establishment in any manner which endangers the patrons thereof or the public welfare. Any suspended permit must either be reinstated or revoked by the chief of police within a period of ninety days after the date of suspension thereof.

B. Notice of any such intention to deny, suspend or revoke a permit shall be given in writing served by registered or certified mail to the permittee and shall take effect at the expiration of the fifteenth day after such mailing unless the permittee has theretofore filed an

## Signal Hill Municipal Code

appeal therefrom to the council.

C. Any person aggrieved by the decision of the chief of police may appeal therefrom to the council in the manner provided in Section 5.16.120.

D. In the event no appeal is taken by the permittee, the decision of the chief of police denying, revoking or suspending such permit shall become final and conclusive on expiration of the time fixed in this section for appeal.

(Ord. 81-6-871 § 1(part))

### **5.17.080 New application after denial or revocation of permit.**

No person may apply for any permit authorized by this chapter within one year from any denial of any such permit to such person or from the revocation of any such permit issued to such person, unless the cause of the denial or revocation has, to the satisfaction of the chief of police or council, been removed within such time.

(Ord. 81-6-871 § 1 (part))

### **5.17.090 Surrender of permits.**

Each person to whom a permit has been issued under this chapter shall immediately surrender his permit to the chief of police upon its revocation or suspension.

(Ord. 81-6-871 § 1 (part))

### **5.17.100 Operative date--Massage technicians licensed under prior law.**

All previously licensed masseurs, masseuses or massage technicians by the city and whose licenses are in effect as of the effective date of the ordinance codified in this chapter shall apply for and obtain a massage technician permit under this chapter within ninety days of the effective date of the ordinance codified in this chapter, and in any event permits issued prior to the effective date of the ordinance codified in this chapter shall be null and void after the passage of ninety days from the effective date hereof.

(Ord. 81-6-871 § 1 (part))

**5.17.110 Other unlawful acts--Violation and penalty.**

A. It is unlawful for any massage technician, attendant, employee, patron or other person to massage or touch in any manner the genitals or the genital area or massage or touch in any manner the female breast(s) or areola(e) of any other person upon the premises of a massage establishment.

B. Every person, except those persons who are specifically exempted by this chapter, who does or practices any of the acts set forth in this chapter for which a permit is required without first obtaining a permit from the city is guilty of a misdemeanor and shall be punished in accordance with Section 1.16.010 of the Signal Hill Municipal Code.

(Ord. 81-6-871 § 1 (part))

**5.17.120 Severability.**

If any word, phrase, clause, sentence, or section of this chapter is for any reason invalid, such invalidity shall not impair the validity of any other part of this chapter, and the council declares that it would have enacted all of this chapter without any such invalid part thereof.

(Ord. 81-6-871 § 1 (part))



## MEMORANDUM

**TO:** SCOTT CHARNEY, COMMUNITY DEVELOPMENT DIRECTOR  
**FROM:** JEFF M. MALAWY, ASST. CITY ATTORNEY  
**DATE:** APRIL 29, 2011  
**RE:** LOCAL REGULATION OF MASSAGE ESTABLISHMENTS AND TECHNICIANS

The State Legislature adopted SB 731 in 2008. The new law creates a state licensing program for massage technicians, and places limits on cities' ability to regulate state-licensed massage technicians and massage establishments employing only state-licensed technicians. The law does not affect at all cities' ability to regulate massage technicians who are not state-licensed, or massage establishments that employ at least one technician that is not state-licensed.

SB 731's rules are found in Business & Professions Code § 4612. The new rules are summarized as follows:

### **§ 4612(a) – Local Regulation of Massage Technicians**

- A city cannot require a state-licensed massage technician to obtain any type of city massage technician license or permit to practice massage in the city. (Except a business license if the person is operating his or her own massage business.)
- A city may not impose conditions on the ability of any state-licensed technician to practice in the city, such as medical examinations, background checks, or other criteria.
- A city can require a city massage technician license or permit, and impose conditions, for technicians who are not state-licensed.

### **§ 4612(b) – Local Regulation of Massage Establishments**

- SB 731's limits on local authority to regulate massage establishments apply only to massage establishments that employ *all* state-licensed technicians. There are no limits on city authority to adopt zoning and health & safety regulations for massage establishments that employ at least one non-state-licensed technician.
- In order to qualify for the SB 731 protections, each establishment must "maintain on its premises evidence for review by local authorities that demonstrates that all persons providing massage services are certified." Cities can adopt ordinances to require such establishments to file evidence of certifications or to submit to random city inspections to ensure all technicians are state-certified.

- For establishments that employ *all* state-licensed technicians:
  - A city can require a business license, just like any other business.
  - Any land use and zoning regulations must be “no different than the requirements that are uniformly applied to other professional or personal services businesses.” This means massage establishments that employ all state-licensed technicians must be allowed in every zoning district that doctor’s offices, nail salons, etc are allowed.
  - Local building code or physical facility requirements shall not require additional restroom, shower, or other facilities that are not uniformly applicable to “other professional or personal service businesses.”
  - A city may not (A) require unlocked doors when there is no staff available to assure security for clients and massage staff who are behind closed doors, and may not (B) require windows that provide a view into massage rooms that interfere with the privacy of clients of the massage business.
  - A city may adopt reasonable health and safety requirements, including, but not limited to, requirements for cleanliness of massage rooms, towels and linens, and reasonable attire and personal hygiene requirements for persons providing massage services. (But still cannot require medical examinations or background checks.)
  - A city can require massage establishments to submit to random inspections during business hours to ensure compliance with city ordinances and state law.
  - A city can require the owner to notify the city of any name change, change of management, or change of ownership.
- A city may adopt an ordinance that requires all massage establishments in the city to employ *only* state-licensed technicians. (I.e. a prohibition on non-state-licensed technicians.)

51034. (a) The Legislature in enacting this chapter recognizes the existing power of a city or county to regulate a lawful massage business pursuant to Section 37101, or pursuant to Section 16000 or 16100 of the Business and Professions Code, or under Section 7 of Article XI of the California Constitution.

(b) Nothing contained in this chapter shall be a limitation on that existing power or on the existing authority of a city to license for revenue purposes. A city, county, or city and county shall not enact or enforce an ordinance that conflicts with the provisions of this section or Chapter 10.5 (commencing with Section 4600) of Division 2 of the Business and Professions Code.

(c) Nothing contained in this chapter shall authorize a city, county, or city and county to do any of the following:

(1) Prohibit a person of one sex from engaging in the massage of a person of the other sex.

(2) Define a massage establishment as an adult entertainment business, or otherwise regulate a massage establishment as adult entertainment.

(3) Require a massage establishment to have windows or walls that do not extend from the floor to ceiling, or have other internal physical structures, including windows, that interfere with a client's reasonable expectation of privacy.

(4) Impose client draping requirements that extend beyond the covering of genitalia and female breasts, or otherwise mandate that the client wear special clothing.

(5) Prohibit a massage establishment from locking its external doors if the massage establishment is a business entity owned by one individual with one or no employees or independent contractors.

(6) Require a massage establishment to post any notice in an area that may be viewed by clients that contains explicit language describing sexual acts, mentions genitalia, or specific contraception devices.

(7) Impose a requirement that a person certified pursuant to Chapter 10.5 (commencing with Section 4600) of Division 2 of the Business and Professions Code take any test, medical examination, or background check or comply with education requirements beyond what is required by Chapter 10.5 (commencing with Section 4600) of Division 2 of the Business and Professions Code.

(8) Impose a requirement that an individual holding a certificate issued in accordance with Chapter 10.5 (commencing with Section 4600) of Division 2 of the Business and Professions Code, obtain any other license, permit, certificate, or other authorization to provide massage for compensation. However, this paragraph shall not be construed to prohibit a city, county, or city and county from requiring by ordinance that a massage business or establishment obtain a license, permit, certificate, or other authorization in order to operate lawfully within the jurisdiction.

(9) Impose a dress code requirement on a person certified pursuant to Chapter 10.5 (commencing with Section 4600) of Division 2 of the Business and Professions Code in excess of those already imposed pursuant to paragraph (10) of subdivision (a) of Section 4609 of the Business and Professions Code.

(10) Prohibit a person certified pursuant to Chapter 10.5 (commencing with Section 4600) of Division 2 of the Business and Professions Code from performing massage for compensation on the gluteal muscles, prohibit specific massage techniques recognized by the California Massage Therapy Council as legitimate, or impose any other specific restriction on professional practice beyond those set forth in subparagraph (E) of paragraph (1) of subdivision (a) of

Section 4609 of the Business and Professions Code, except as authorized by Section 460 of the Business and Professions Code.



Attachment D



December 3, 2014

To: City and County Officials

From: Assembly Members Susan Bonilla, Jimmy Gomez and Chris Holden

Re: Implementation of AB 1147

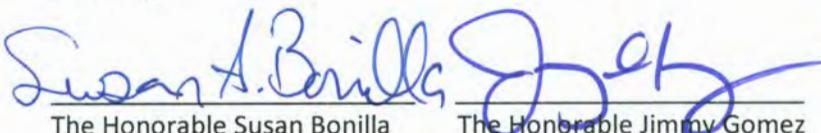
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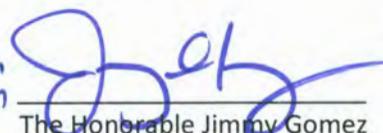
As authors of AB 1147, we carried this legislation in order to return broad control over land use to local governments in regulating massage establishments in the best interests of the individual community.

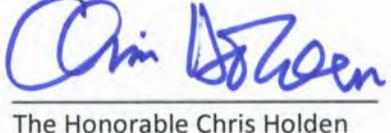
While the bill does not go into effect until January 1, 2015, many jurisdictions are considering, or are in the process of updating their ordinances. There have been numerous questions regarding what AB 1147 authorizes and what it prohibits. As authors of this bill, we have worked together with the League of California Cities, the California State Association of Counties, the American Planning Association, California Chapter and the California Police Chiefs Association to help answer some of these questions.

The answers to these questions are presented for informational purposes only and do not constitute legal advice from the organizations involved with putting together this document. Each jurisdiction should consult with its city attorney/county counsel to gain a complete understanding of AB 1147, its impact on the existing ordinances, and its legal authority to regulate massage therapy businesses.

Sincerely,

  
The Honorable Susan Bonilla  
Assembly Member, 14<sup>th</sup> District

  
The Honorable Jimmy Gomez  
Assembly Member, 51<sup>st</sup> District

  
The Honorable Chris Holden  
Assembly Member, 41<sup>st</sup> District



## FAQs with Regards to Implementation of AB 1147

*The answers to these FAQs are presented for informational purposes only and do not constitute legal advice from the organizations involved with putting together this document. Each jurisdiction should consult with its city attorney/county counsel to gain a complete understanding of AB 1147, its impact on the jurisdiction's existing ordinances, and its legal authority to regulate massage therapy businesses. The provisions of AB 1147 take effect January 1, 2015.*

**1) Q: Is a massage business that only uses certified massage professionals exempt from local regulation?**

A: No. Article XI, section 7 of the California Constitution as well as Business and Professions Code section 460(c), Government Code section 37101, Business and Professions Code 16000 and Government Code 51034 all recognize the authority of a city to regulate businesses that provide massage therapy services. Under AB 1147, cities and counties may regulate the business that provides the massage therapy services and California Massage Therapy Council (CAMTC) may regulate the individuals who apply for certification to provide massage therapy services. This division of authority and responsibility is reflected in the following statement of Legislative intent: "It is the intent of the Legislature that broad control over land use in regulating massage establishments be vested in local governments so that they may manage those establishments in the best interests of the individual community, and that the requirements and practice of the profession of massage remain a matter of statewide concern, regulation, and oversight" (Business & Professions Code 4600.5(b)).

**2) Q. What limitations does AB 1147 impose on local regulation of certified massage professionals?**

A. A local jurisdiction may not (1) prohibit a person of one sex from engaging in the massage of a person of the other sex; (2) define a massage establishment as an adult entertainment business, or otherwise regulate a massage establishment as adult entertainment; (3) require a massage establishment to have windows or walls that do not extend from the floor to ceiling or have other internal physical structures (such as windows) that interfere with a client's privacy; (4) impose client draping requirements or otherwise require clients to wear special clothing; (5) prohibit a massage establishment from locking its external doors if the business is owned by one individual with one or no employees; (6) require a massage establishment to post any notice in an area that may be viewed by clients that contain explicit sexual language; (7) require a person certified by CAMTC to take any test, medical examination, or background check; (8) require a person certified by CAMTC to get a license, permit, or other authorization to provide massage unless that person is a business owner; (9) impose a dress code stricter than that imposed by AB 1147; or (10) prohibit massage techniques permitted by CAMTC (Government Code 51034(c)).

**3) Q: Can a jurisdiction require independent contractors, sole providers, and owners of a massage business to obtain a business license, massage permit, register with the police, or get a background check?**

A: Yes. Under Government Code 51034(c)(8), a city may require a massage business owner, including a sole provider or independent contractor who is CAMTC certified, to obtain a business license, and/or massage permit or other entitlement to carry on the business of massage therapy. Independent contractors in the "business" of providing massage therapy can be regulated as a "business."

**4) Q: As part of its regulation of massage therapy businesses, can a jurisdiction require the business owner to provide a current listing of its employees and independent contractors, their CAMTC certifications and other relevant information?**

A: Yes. A jurisdiction's business regulation ordinance may require a business owner to submit a list of all of its employees and independent contractors, their certification status, and notify the local government when this information changes.

**5) Q: Can a jurisdiction require a conditional use permit (CUP) for massage businesses?**

A: Yes. Business and Professions Code 460(c) provides explicit authorization to adopt land use regulations pertaining to massage businesses. A jurisdiction may amend its zoning ordinance to require a CUP for a massage business. However, a jurisdiction may not impose conditions on the conditional use permit that would violate the provisions of Government Code 51034(c)(1)-(10) as described in Question No. 2. An application for a CUP for a massage business would be considered under the same procedures provided in the jurisdiction's zoning ordinances for other uses for which a CUP is required. Jurisdictions should review their zoning ordinances to determine whether a massage business in operation prior to January 1, 2015 is a lawful non-conforming use.

**6) Q: Can a jurisdiction impose a restriction on the location of a massage business? i.e. 300 feet from a school, park etc.**

A: AB 1147 gives local governments broad authority to use its Constitutional police power to select zoning districts that are most appropriate for massage. However, a jurisdiction may not define or otherwise regulate a massage establishment as "adult entertainment." A zoning ordinance that imposes a restriction on the location of a massage establishment such as 300 feet from a school or park will be reviewed under a "reasonable and not arbitrary" standard.

**7) Q: Can a jurisdiction require individual massage therapists (who operate as employees) to obtain a business license, massage permit, register with the police, or get a background check?**

A. No. A jurisdiction may not require an individual massage therapist who holds a certificate from CAMTC and operates as an employee to obtain any kind of license or permit or meet any other educational requirements, or to register with the police or submit to a background investigation (Government Code 51034(c)(8)).

**8) Q: What is the best way to make sure that only CAMTC-certified massage professionals work in my jurisdiction?**

A. AB 1147 separates the certification of massage therapists from the regulation of massage businesses. The certification of massage therapists is the responsibility of the CAMTC. The regulation of massage businesses is the responsibility of local jurisdictions. Therefore, the best way to make sure that only CAMTC-certified massage professionals work in a jurisdiction is to adopt an ordinance that requires massage businesses to use CAMTC-certified massage professionals only. Another way is to adopt an ordinance that prohibits a person from working in the jurisdiction as a massage therapist without a certificate issued by CAMTC. Because it's possible that the latter way might be interpreted as conflicting with the CAMTC's role in certifying massage therapists, we believe that imposing the restriction on the business is preferable.

**9) Q: Can jurisdictions regulate the hours of operation of a massage business?**

A: Yes. Jurisdictions can specify hours of operation based upon such factors as a commercial use in a residential neighborhood or other reasonable requirements.

**10) Q: Can a jurisdiction prohibit a massage professional from working out of his or her home?**

A: A jurisdiction can impose restrictions on massage professionals working out of their homes in the same manner that a jurisdiction regulates other professionals or business owners operating out of their homes. Some local governments regulate business owners operating from their homes through a home occupation permit.

**11) Q: Can a jurisdiction limit the number of massage establishments in its jurisdiction?**

A: A jurisdiction may limit the number of massage establishments in its jurisdiction if the jurisdiction is able to articulate a reasonable basis for the cap.

**12) Q: Is a jurisdiction prohibited from requiring physical improvements, such as transparent exterior windows?**

A: No. However, a list of physical improvements that may not be required is described in the answer to Question #2.

**13) Q: Can a jurisdiction adopt regulations to prohibit a massage business from opening in the same location as a previous business with illegal activity?**

A: Yes, if there is a reasonable basis for this regulation.

**14) Q: Can a jurisdiction adopt regulations holding the owner accountable for the actions of its employees and independent contractors?**

A: Yes. An ordinance regulating massage businesses may include a provision holding the business owner responsible for how the business is conducted by its employees or independent contractors. In addition, Business and Professions Code section 4607 provides that CAMTC may discipline an owner or operator of a massage business or establishment who is CAMTC-certified for the conduct of all individuals providing massage for compensation on the business premises.

**15) Q: May a jurisdiction impose land use regulations on massage businesses that are different than those imposed on other professional services?**

A: Yes. This is one of the most significant changes to the law made by AB 1147. Prior to AB 1147, jurisdictions were allowed to regulate businesses using certified massage professionals only to the extent that the jurisdiction uniformly applied those regulations to all other business professionals. This is no longer the law.

**16) Q: Can a jurisdiction enter massage establishments and make reasonable inspections?**

A: Yes. Jurisdictions can conduct reasonable inspections as part of its ordinance requirements as well as recover the reasonable costs of these inspections and other regulatory requirements.

**17) Q: Is a conditional use permit fee of \$20,000-\$30,000 legal?**

A: It depends. Fees, charges and rates are generally imposed in return for a specific benefit conferred or privilege granted. A local government has the authority to impose fees, charges and rates under its police power through California Constitution Article XI, §7. A fee may not exceed the estimated reasonable cost of providing the service or regulatory act for which the fee is charged. A fee that does exceed such cost may be considered a special tax. In addition, fees, charges and rates must be reasonable, fair and equitable in nature and proportionately representative of the costs incurred by the regulatory agency. AB 1147 includes the following statement of Legislative intent: "It is the intent of the Legislature that local governments impose and enforce only reasonable and necessary fees...."

**18) Q: Can a jurisdiction prohibit condoms on the premises?**

A: Yes. A jurisdiction can prohibit condoms on the premises of a massage establishment as a standard in its ordinance if there is a reasonable basis for this requirement.

**19) Q: How can a jurisdiction handle a massage business that (after a police sting and surrender of the business license) transfers the business to another individual?**

A: A jurisdiction may include in its ordinance a requirement that prohibits a massage business permit from being transferred without notice to and consent of the local government.

**20) Q: Can a jurisdiction adopt and enforce a dress code for massage therapists?**

A: Yes. AB 1147 includes certain restrictions on how certified massage therapists may dress. A jurisdiction may include those restrictions in its ordinance. Be aware, however, that a jurisdiction may not include stricter requirements for certified therapists. If dress code restrictions are included in a jurisdiction's ordinance, and an employee violates those restrictions, then the jurisdiction may enforce those provisions of its ordinance against the business as it determines appropriate. Violations of a municipal code may be enforced civilly, criminally, or through administrative enforcement. A jurisdiction is also encouraged to use the procedure outlined in question no. 23 to notify CAMTC of a violation.

**21) Q: What impact will AB 1147 have on existing massage businesses?**

A: Each jurisdiction should carefully review the provisions of its municipal code regarding non-conforming uses of land and imposing new regulations on existing businesses.

**22) Q: Can a jurisdiction impose a temporary moratorium on approval of massage businesses?**

A: Yes. AB 1147 takes effect on January 1, 2015. State law allows a city to adopt an interim ordinance that prohibits otherwise allowed uses when those uses conflict with a pending land use study. Such a measure requires a 4/5 vote of the jurisdiction; must contain a finding that there is a current and immediate threat to the public health, safety or welfare; and may be adopted without following the notice and adoption procedures required for other ordinances. The measure has an initial duration of 45 days and may be extended as specified by Government Code 65858. Jurisdictions should exercise caution before imposing a temporary moratorium if they have previously adopted a moratorium on the approval of massage businesses.

**23) Q: Is there a process for a jurisdiction to follow if it wishes to inform CAMTC that it believes that a certified massage therapist is in violation of state or local law?**

A: Yes. A city is encouraged to report that information to CAMTC by going to CAMTC's homepage ([www.camtc.org](http://www.camtc.org)) and clicking on the link to "File a Complaint Against a CAMTC Certificate Holder."

**24) Q: If a massage therapist with a CAMTC certificate is arrested for prostitution or violating the Sex Offender Registration Act, will his or her certificate be revoked?**

A: If CAMTC receives notice that a certificate holder has been arrested and charges have been filed alleging prostitution or a violation of the Sex Offender Registration Act, the council is required to immediately suspend the certificate and notify the city or county in which the certificate holder lives or works of the suspension. If the person is convicted, the certificate is permanently revoked. If a certificate holder commits a different act that is punishable as a sexually related crime or otherwise violates provisions of AB 1147, CAMTC may (but is not required to) take disciplinary action including, for some violations, suspending the certificate.

**25) Q: Who should jurisdictions report violations to?**

A: Violations of local ordinances should be prosecuted administratively, civilly, or criminally in accordance with the provisions of the jurisdiction's municipal code. If a jurisdiction believes that a CAMTC certified massage therapist is violating state law, then the jurisdiction is additionally encouraged to inform CAMTC as described under question no.23.

**26) Q. What prompts the inspection/investigation of a massage therapy school that could change the status to "unapproved"?**

A: CAMTC explains that when it receives credible information alleging that the massage therapy school has violated one of the provisions of its Procedures for Un-Approval of Schools (available at [www.camtc.org/Schools.aspx](http://www.camtc.org/Schools.aspx)); this information prompts the investigation of a school. CAMTC also looks for anomalies or changing patterns in applications and transcripts that may warrant investigation.

**27) How does CAMTC obtain the actual certificate of those persons whose certification has been suspended or revoked?**

A: CAMTC explains that it requests that revoked certificate holders return their certificates and ID cards to CAMTC. In order to check whether a specific person has an active and valid CAMTC certificate, local jurisdictions can check the "Verify Certification" link on CAMTC's website.

**28) Q. Does AB 1147 apply to massage therapists who do not have a CAMTC certificate?**

A. No. AB 1147 only applies to massage therapists who have a CAMTC certificate. AB 1147 does not affect the authority of a city to regulate massage therapists who do not have CAMTC certificates or massage businesses who employ massage therapists who do not have CAMTC certificates.



**2**



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: COLLEEN DOAN  
ASSOCIATE PLANNER**

**SUBJECT: DIRECTOR'S REPORT – UPDATE ON THE PENDING OIL CODE  
AMENDMENT REVISING REGULATIONS FOR METHANE  
ASSESSMENT AND MITIGATION AND DEVELOPMENT ON  
PROPERTIES WITH ABANDONED WELLS**

#### **Summary:**

Since the Division of Oil, Gas and Geothermal Resources (DOGGR) changed their well certification program in 2010, the City has been preparing technical and environmental reports for a pending oil code amendment that would allow continued development over and near abandoned wells. The technical studies were completed in 2014 and the environmental analysis is underway. Staff will give an overview of the steps for completion of the environmental documents and adoption of the oil code amendment.

#### **Recommendation:**

Receive and file.

#### **Background:**

The City adopted its comprehensive Oil Code in 1990. At that time, Chapter 16.24 required that prior to issuance of building or grading permits, property owners or developers must provide the City with a DOGGR certification letter verifying that previous well abandonments are satisfactory, or that wells have been re-abandoned to

current or equivalent DOGGR standards. The equivalent standard recognized the complexity of the well re-abandonment process based on well conditions.

In November 2010, with no prior notice to the City, property owners, or developers, the DOGGR, which regulates the drilling, operation, maintenance, plugging and abandonment of oil, natural gas, and geothermal wells changed their well certification program to eliminate the equivalency standard and the certification letter. The abrupt change to what had been a 22-year program created uncertainty for local agencies and the development community.

On August 16, 2011, the City Council unanimously adopted Interim Urgency Ordinance 2011-08-1430 for the allowed maximum term of 45 days. The ordinance was extended twice as allowed by State law in September 2011, and August 2013. The ordinance allowed limited opportunities to develop on properties with abandoned wells pending completion of the technical studies necessary to adopt a more comprehensive code amendment.

In 2013, prior to the final expiration of the interim urgency ordinance and pending completion of the technical studies, the Council adopted an oil code amendment that continues to restrict development over and in close proximity to wells. The development regulations are similar to those in the interim ordinance and require abandoned well site surveys and methane leak testing and venting of abandoned wells prior to submittal for development review. The previous definition of area of development was revised to include a ten foot buffer outside of the limits of grading to ensure access to wells. Requirements for methane assessment and mitigation for the entire development site were also added to the ordinance.

In 2014, the technical studies were completed and the Council authorized a contract with SESPE Consulting Inc. (SESPE), to prepare the environmental document for the more comprehensive ordinance amendment.

### **Analysis:**

A draft Initial Study prepared by SESPE, in accordance with the California Environmental Quality Act (CEQA) guidelines, has been submitted to staff for review. The following outlines the next steps necessary for completion of the environmental documents and adoption of the oil code:

- Staff and consultant review of the draft Initial Study (includes legal review).
- SESPE prepares the final Initial Study.
- SESPE prepares the Notice of Completion and Environmental Document transmittal.
- The Initial Study is delivered to the State Clearinghouse.
- A 30 day public review and comment period (DOGGR receives document).

- SESPE prepares responses to comments and final environmental document.
- Planning Commission public hearing and recommendation for environmental document and oil code amendment.
- City Council public hearing for environmental document and oil code amendment.
- City Council 2<sup>nd</sup> reading of oil code ordinance.
- Ordinance becomes effective 30 days after 2<sup>nd</sup> reading.

Approved:

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Scott Charney



3



## CITY OF SIGNAL HILL

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2175 Cherry Avenue • Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: GINNY HELLERUD  
ADMINISTRATIVE ASSISTANT**

**SUBJECT: DIRECTOR'S REPORT - BEAUTIFICATION AWARD**

### **Summary:**

In January, staff solicited nominations for recipients of the Beautification Award. The goal of the program is to show appreciation and acknowledge the residential and commercial property features and improvements that help to set the City of Signal Hill apart as an attractive place to live, work and play. As of the date of preparation of the agenda, no nominations have been received, however, the Commission is welcome to make nominations at the meeting.

### **Recommendations:**

Consider any nominations and select recipient(s).

Approved by:

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Scott Charney



February

4



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: SCOTT CHARNEY  
COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: MINUTES**

### **Summary:**

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

### **Recommendation:**

Approve.

**A REGULAR MEETING OF THE CITY OF SIGNAL HILL  
PLANNING COMMISSION**  
**January 13, 2015**  
**7:00 P.M.**

**CALL TO ORDER**

Chair Benson called the meeting to order at 7:03 p.m.

**ROLL CALL**

The Commission Secretary conducted roll call.

Present:      Chair Tom Benson  
                 Vice-Chair Jane Fallon  
                 Commissioner Devon Austin  
                 Commissioner Shannon Murphy  
                 Commissioner Rose Richárd

Staff present:

- 1)      Community Development Director Scott Charney
- 2)      Associate Planner Colleen Doan
- 3)      Assistant Planner Selena Alanis
- 4)      Assistant City Attorney David Kwon
- 5)      Sr. Engineering Technician II Anthony Caraveo

In addition, there were 15 people in attendance.

**PLEDGE OF ALLEGIANCE**

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

**PUBLIC BUSINESS FROM THE FLOOR**

There was no public business.

**PRESENTATIONS**

- 1) The Planning Commission presented the 4<sup>th</sup> Quarter 2014 Beautification Award to the owners of the residence at 2299 Molino Avenue for improvements to their property. Danny Amat attended and spoke about the improvements, and thanked the Commission for the recognition of his home.
- 2) As requested, representatives from the Islamic Center presented a status report and responded to questions regarding completion of construction at 995 E. 27<sup>th</sup> Street. Chair Benson asked for a report from the Project Manager, Joseph Khalaf.

Joseph reported that he was not an on-site project manager and requested that Tarak Mohomed provide the project status.

- Tarak reported on the progress of items completed since permits were pulled in October 2013. He reported that they had no financial problems at this time but the original design was flawed and indicated that they wanted to make changes from the approved plans.
- Chair Benson asked for confirmation that the Construction Time Limits Ordinance (CTL) gave 540 days for completion.
- Staff confirmed the CTL timeframe.
- Chair Benson strongly encouraged the completion of the project as approved and requests for cosmetic changes be brought after completion.
- Tarak stated he did not want to build as approved then remodel the new construction.
- Vice-Chair Fallon commented that expiration of the CTL would mean starting over with entitlements, plan check and permits which would be more costly than a remodel.
- Commissioner Murphy agreed that changes would be more costly.
- Staff reiterated that any requested changes would not be administratively reviewed, but would be brought to the Commission as a noticed public hearing.
- Chair Benson reiterated his recommendation that the project be completed as approved in a timely manner which would be followed in the DSR and closed the public workshop.

Chair Benson thanked the representatives for coming and concluded the presentation.

## **PUBLIC WORKSHOP**

### **1. 1500 E. Hill Street “Gundry Hill” Affordable Housing Development**

Community Development Director Scott Charney read the form of notice, and Assistant Planner Selena Alanis gave the staff report.

Chris Maffris, Senior Vice President of Meta Housing, thanked the City for opportunity to present and is excited about the prospect of working with the City on this development. He introduced the team, explained their roles and discussed the design process.

The Commission asked questions for Mr. Maffris including:

- *size of Long Beach Senior Arts Colony - 1.5 acres (similar to project site)*
- *the period of time Meta Housing controls its projects - 55 years*
- *the age of their oldest project – since 1997*

Michael Bohn, Sr. Principal with Studio 111 Architects, gave a presentation of other Meta Housing projects and discussed landscaping, variety of materials used, highlighted open spaces and their uses, the lobby area, parking and elevations of the buildings, and the unit types and size of units.

The Commission asked questions related to the following:

- *viability of palm trees* - a durable species will be planted in-ground and would be somewhat protected by the buildings
- *the length of time of the first approval until the first occupancy* – securing tax credits and financing can take 8-12 months, approximately 15 months of construction
- *parking* - street level and tuck under parking
- *number of units at Gundry Hill vs the Long Beach project* – 72 vs 200
- *if a resident becomes unemployed* – management works with residents
- *fitness center* – design includes a community room, a meeting room and police department office

Chair Benson opened the Public Workshop.

The following members of the public spoke regarding the project:

- 1) Tammy Lavelle, Principal at Signal Hill Elementary School, thanked Meta Housing for their thoughtfulness in the project design. She expressed concerns about traffic congestion, safety, limited parking, and view impacts. She stated their busy traffic time is between 7:30 a.m. to 2:45 p.m. and asked that consideration be given to safety at times of drop off and pick up, and limited street parking or a similar plan would be helpful.

Chair Benson advised that safety and integration of the buildings in the community are also important to the City and Meta Housing. Staff advised that a parking study was conducted which includes traffic counts while the school was in session and a parking analysis at the Las Brisas site which uses the same parking standards. The study indicated that all of the parking spaces were not being fully utilized and parking demand for this project is expected to be similar. The study will be part of the formal documentation that the Housing Authority examines. As a condition of approval, a traffic subcommittee will be created to deal with short-term and long-term issues.

- 2) Maria Harris, Signal Hill resident, had the following concerns:
  - Lack of ability to make significant changes to this project at this time including market rate housing in the project to help support increases in property values
  - the project is beautiful and well designed
  - integration of this project with the existing neighborhood
  - impact of traffic and student safety
  - impact of the overall mass of this project
  - preference for setbacks and open spaces similar to adjacent commercial office buildings
  - consideration of lowering the density of the project by decreasing the number of units
  - integration of community and suggested amenities open to public use

- what is the expected make-up of residents regarding working classes

Chair Benson asked Meta Housing and staff to address the comments:

- *income qualifications* - the income levels are set by the State and are geared toward workforce housing; an overview of the income levels was provided
- *Regional Housing Needs Allocation breakdown* – the City is obligated to demonstrate they can accommodate the units within the city by income level
- *building height and appearance* – on Gundry Avenue, the elevation is 10' lower than on Hill Street and continues to slope downward toward the south; the surrounding industrial zoning allows for buildings up to 6 stories
- *landscaping* – street trees will be planted to soften the impact of the buildings
- *setbacks on Hill Street* – approximately 51' from the property line to the row of townhouses with the exception of the 1-story community room building
- *setbacks on Walnut Avenue* - 20' from the curb to the building with a parkway that is 5' of sidewalk to provide a traditional residential appearance
- *community room for public use* – for organized activities such as events or neighborhood meetings, the community room is open to the public
- *integration of neighborhood type design* – the townhouses have patios or balconies facing the front and open spaces so residents can interact with others and activate the street

3) Ed Parleman, Signal Hill resident, agreed with many of Ms. Harris' comments. He was concerned about parking spaces, traffic, and school safety. He asked what the plans are for the remainder of the vacant land. He was concerned about the height of the buildings.

Staff clarified parking was the lower level with 3 stories above. Current zoning for adjacent property is light industrial. At the last Land Use Element study, the feedback from the neighborhood for the adjacent property (Chemoil) was that they preferred the area to remain light industrial, not residential.

Principal Lavelle added that they have tried to alleviate traffic and parking issues and that a valet program on Walnut Avenue was implemented last year. The gate on 23<sup>rd</sup> Street is closed and only Special Education students are unloaded curbside. She asked that consideration be given due to increased congestion and the potential for more people with the development of the project.

Chair Benson closed the Workshop.

Commissioner Richárd stated she was very impressed with the tour of the Long Beach Senior Arts Colony such as the color dynamics and fabricated concrete.

She thanked Principal Lavelle for sharing the school's traffic concerns. Commissioner Richárd stated she thought this was a great project and is interested to see how the project develops.

Commissioner Murphy also stated she was impressed with the tour and liked the materials and colors used, and the quality of maintenance. She was happy that this development would meet the State's allocation of the RHNA, and supported the Gundry Hill open spaces, design, colors and amenities. She was also concerned with traffic safety. She suggested parent/children safety education and meetings with parents and crossing guards.

Commissioner Austin stated the project design felt like it was high quality when compared to some other sites in Long Beach. The designers have made it look like a part of the community. She understands the school's concerns and suggested they contact Long Beach Unified's security department. She also liked the idea of safety training. She stated she was in favor of the project and the design.

Vice-Chair Fallon stated she thought this was an outstanding company and architect. The design was beautiful. She recalled traffic had always been a problem there and agreed that parent education would be beneficial.

Chair Benson commended the design and process in development of the project. He stated the workshop brought up some concerns which focused on a good quality of life for the residents and neighbors. He stated traffic issues should be looked at by the subcommittee.

Staff stated that traffic issues are a regular concern and that the City has a good track record in maintaining relations with neighbors.

The Commission requested staff give consideration to items during the administrative review of the Site Plan & Design Review, and to pass along the comments to the Housing Authority. The Commission also encouraged the public to attend the Public Hearing regarding the Development Agreement.

## **PUBLIC HEARING**

### **2. General Plan Amendment 15-01 Amending the Official Plan Lines Map and Zoning Ordinance Amendment 15-01 Establishing Pedestrian Connection as a Designation on the Plan Lines Map**

Community Development Director Scott Charney read the form of notice, and Assistant Planner Selena Alanis gave the staff report.

Chair Benson asked for any questions from the Commission.

There being no questions from the Commission, Chair Benson opened the Public Hearing.

There being no public comments, Chair Benson closed the Public Hearing.

Vice-Chair Fallon stated she thought the General Plan Amendment and Zoning Ordinance Amendment changes were consistent with the project and was glad to be moving forward with it.

Commissioner Austin asked for clarification for the location of the electronic sign, which staff explained.

Chair Benson suggested wording in forthcoming documents to allow for flexibility of the electronic sign during emergency situations, such as allowing it to flash.

Staff noted the right of way for the proposed City View Park is currently being used by oil well operators. Landscaping there would be done on a voluntary basis by Signal Hill Petroleum and would complement the park.

It was moved by Commissioner Murphy and seconded by Commissioner Richárd to waive further reading and adopt the following resolutions:

Resolution No. 764-01-15 (as amended) entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, CALIFORNIA, RECOMMENDING CITY COUNCIL ADOPTION OF MITIGATED NEGATIVE DECLARATION 01/09/15(2), RELATIVE TO GENERAL PLAN AMENDMENT 15-01 AND ZONING ORDINANCE AMENDMENT 15-01 ASSOCIATED WITH THE FUTURE CONSTRUCTION OF A CITY VIEW PARK WITH AN ELECTRONIC SIGN

Resolution No. 765-01-15 entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, RECOMMENDING CITY COUNCIL APPROVAL OF GENERAL PLAN AMENDMENT 15-01 AMENDING THE OFFICIAL PLAN LINES MAP BY RECLASSIFYING AN APPROXIMATE 350-FOOT SEGMENT OF CRESTON AVENUE IMMEDIATELY WEST OF CHERRY AVENUE FROM LOCAL STREET TO PEDESTRIAN CONNECTION

Resolution No. 766-01-15 (as amended) entitled:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIGNAL HILL, RECOMMENDING CITY COUNCIL APPROVAL OF ZONING ORDINANCE AMENDMENT 15-01 ESTABLISHING PEDESTRIAN CONNECTION AS A DESIGNATION ON THE OFFICIAL PLAN LINES MAP OF THE CITY OF SIGNAL HILL WITHIN SECTION 20.72.085 OF THE MUNICIPAL CODE

The following vote resulted:

AYES:	CHAIR BENSON; VICE-CHAIR FALLOON; COMMISSIONERS AUSTIN, MURPHY AND RICHÁRD
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

## **CONSENT CALENDAR**

Commissioner Murphy requested that Item No. 6 be pulled for discussion.

### **Commission Received and Filed Consent Calendar Items No. 3, 4, 5, 7 and 8.**

It was moved by Vice-Chair Fallon and seconded by Commissioner Richárd to receive and file Consent Calendar Item Nos. 3, 4, 5, 7 and 8.

The motion carried 5/0.

### **Commission Receives and Files Consent Calendar Item No. 6.**

Commissioner Murphy asked if the Commission had reviewed changes to the Costco food court and hearing center expansion. Staff advised that tenant improvements are not reviewed by the Commission. A Project Update would be mailed the following week to neighbors. Commissioner Murphy advised there are noise issues, some of which were addressed by management. She had a question regarding a new entrance, and staff clarified that the only change was a new man door near the existing entrance. Commissioner Murphy was also concerned about parking for contractors and employees; staff advised we have discussed with management and will address this in the upcoming community meeting in February.

It was moved by Commissioner Murphy and seconded by Commissioner Richárd to receive and file Consent Calendar Item No. 6.

The motion carried 5/0.

## **COMMISSION NEW BUSINESS**

Commissioner Richárd asked about the space at the former It's A Grind location. Staff noted there had been some discussions with Waba Grill but we have not issued a business license.

Commissioner Murphy stated the Dollar Tree Store does not have enough shopping carts and the store had a very poor appearance. Staff stated they would contact the property owner, Signal Hill Petroleum, to discuss with the store manager.

Commissioner Austin had concerns about traffic circulation at the Gateway A site. Staff advised they will follow up with Signal Hill Petroleum and suggested additional stop bars for spacing and traffic control. Also, she noted the 99 Cent Store sidewalk needs steam cleaning and there is a lot of trash outside the store. Staff will discuss with management and the property owner.

Chair Benson asked if Commissioners were interested in attending the Planning Commissioners Academy. There being no immediate request to attend, staff offered to forward information for other training opportunities.

Chair Benson suggested there be a notification of projects coming within 90 days of the Construction Time Limits expiration date. Staff advised a countdown feature can be created on the Development Status Report.

Chair Benson stated parking is an issue at the 99 Cent Store and Gateway A locations. He asked if it would be possible to get a comparison of sales at the Costco before and after the opening of the gas station. Staff advised they would request this of Costco management.

Chair Benson noted that employees working at the Auto Mall are parking on the streets. He asked about the use of the vacant land next to Best Buy as a parking lot for employees. Staff advised the property management plan for that parcel is managed by the Successor Agency.

#### **ADJOURNMENT**

It was moved by Vice-Chair Fallon and seconded by Commissioner Murphy to adjourn to the next regular meeting of the Planning Commission to be held on Tuesday, February 10, 2015.

The motion carried 5/0.

Chair Benson adjourned the meeting at 10:10 p.m.

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TOM BENSON  
CHAIR

ATTEST:

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SCOTT CHARNEY  
COMMISSION SECRETARY



February

5



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: SCOTT CHARNEY  
COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: RETIREMENT ANNOUNCEMENT – PILAR ALCIVAR-MCCOY**

Recently the City Manager announced the retirement of Pilar Alcivar-McCoy as our Community Services Director. Her last day in Signal Hill will be July 20<sup>th</sup>. Pilar has worked in the profession for over 30 years. She and the Community Services Department have accomplished much during her 5 years as our Director. Her projects and accomplishments include:

- Served as president of the statewide association of parks and recreation professionals and helped bring new resources and fresh ideas to the parks community
- Assisted Council Member Woods in a series of events celebrating the City's 90<sup>th</sup> Anniversary
- Worked with the non-profit organizations:
  - Friends of the Signal Hill Library
  - Signal Hill Historical Society
  - Signal Hill Community Foundation which became more involved in the community's events including
    - fundraising for the Concerts
    - managing the memorial brick program
    - collecting funds for the Holiday Outreach and Community Services Annual Sponsorship Program
- Commenced work on the Community Garden and the Reservoir Park "Sustainable Garden" and adult exercise stations
- Managed the CDBG Block Grant Program and trail funds from Supervisor Knabe; securing funding for the Senior Nutrition Program when the CDBG budget was reduced

- Expanded the Active Adult Excursions to 2 day trips per month and 2 overnight trips per year
- Reorganized the ARC (After School Recreation Club) and phased out Kid's Camp, increasing participation at lower costs to families
- Expanded Library programs including the summer teen reading program, the Great Animal Sleep Over and the Bark Dog reading program
- Worked with the Parks and Recreation Commission to find a location for Community Message Board and the new View Park
- Worked with the Commission, Police Department and Public Works Department on the new park rules
- Worked on the new sign program, which will be coming to the Commission this summer

Ken pointed out, "I think it is important to remember that all of this was accomplished during the depths of the Great Recession, which began in 2008, reducing department's revenues." We join with him in offering congratulations to Pilar for a job well done and for the best as she moves on to her next adventure in life!



6



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: SELENA ALANIS  
ASSISTANT PLANNER**

**SUBJECT: CITY COUNCIL FOLLOW-UP**

#### **Summary:**

Below for your review is a brief summary on the City Council's action from the previous month.

#### **Recommendation:**

Receive and file.

#### **Background and Analysis:**

- 1) At the January 20, 2015 City Council meeting, there were no Community Development Department related items.
- 2) At the February 3, 2015 City Council meeting, there were two items discussed:
  - During public business from the floor not listed on the agenda Mrs. Pamela Hughes of 2311 Ocean View Drive spoke about concerns in regards to the Construction Time Limits Ordinance that was adopted. Project specific concerns are related the project's classification for time limits, 120 days request for extension vs. 90 days granted and potential fees to be applied.
  - Mayor's Clean-Up - the Mayor expressed his appreciation to staff and Commissioner Fallon for their organization and participation in the Mayor's Clean-Up of the westside neighborhood.

Approved by:

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Scott Charney



7



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: SCOTT CHARNEY  
COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: DEVELOPMENT STATUS REPORT**

### **Summary:**

Attached for your review is the monthly Development Status Report.

### **Recommendation:**

Receive and file.

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Residential**

<b>Address</b>	<b>Project Description</b>	<b>Application</b>	<b>REVIEW</b>			<b>SPDR</b>			<b>CTL</b>			<b>Status</b>
			<u>Director</u> <u>approval</u>	<u>PC</u> <u>approval</u>	<u>CC</u> <u>approval</u>	<u>Exp.</u>	<u>1<sup>st</sup> Ext.</u>	<u>2<sup>nd</sup> Ext.</u>	<u>Exp.</u>	<u>1<sup>st</sup> Ext.</u>	<u>2<sup>nd</sup> Ext.</u>	
2357 Lewis Avenue	Repairs to a fire damaged single-family dwelling  Applicant: California Construction	Administrative Review	Required	N/A	N/A	N/A	N/A	N/A				Plans submitted for building plan check.  SA/JH
1790 E. Burnett St.	Renovation of existing house and construction of new 4-car garage with roof deck, workshop and parking court  Applicant: Gary Severns	Administrative Review	✓	N/A	N/A	Permit Issued 02/13/14	N/A	N/A	N/A			Approved change from cedar shingles to a composite for reduced maintenance and requested revised color scheme. A new color board and rock samples have been submitted. Installation of the rock band is underway. Revised window design for both sides of front door is pending (9/14).  Rear grade was too steep – Grade reworked and garage foundation poured.  Framing of garage has begun (1/15).  Rough plumbing, electrical and HVAC complete (2/15).  CTD/JH

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

Residential

<b>Address</b>	<b>Project Description</b>	<b>Application</b>	<b>REVIEW</b>			<b>SPDR</b>			<b>CTL</b>			<b>Status</b>
			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
3240 Cerritos Ave.	A 1,168 sf 2 <sup>nd</sup> unit over four-car garage and a 2 bedroom addition to an existing house	SPDR 05-01	N/A	01/18/05	N/A	Permit Issued 01/28/14	N/A	N/A	01/23/15	3/14/15  30		<p>C of O issued on rear unit. Working on front unit (7/14).</p> <p>12/22/14 letter mailed to property owners within 100' regarding request for 1<sup>st</sup> extension. No objections were received.</p> <p>The first extension granted until 3/14/15.</p> <p>The applicant is working to complete the project by 3/14/15 and if pace of work remains will be complete by date.</p> <p>On 2/4/15 a notice that the permit will expire in 40 days was sent.</p> <p>Rough electrical and plumbing inspected.</p> <p>JH</p>

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

Residential

<b>Address</b>	<b>Project Description</b>	<b>Application</b>	<b>REVIEW</b>			<b>SPDR</b>			<b>CTL</b>			<b>Status</b>
			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
2311 Ocean View	Add/expand second story decks and "trainhouse" in side and rear yard of existing single-family home	SPDR 08-05	N/A	07/14/09	N/A	Permit Issued 08/16/13	N/A	N/A	08/11/14	9/30/14	01/12/15 	Permit issued 8/19/13.  The first extension granted until 9/30/14. (50 days)  A second extension granted until 1/12/15. (90 days)  A 60 day reminder notice was sent on 11/12/14.  A 30 day reminder notice was sent on 12/12/14.  Signed off for roof and deck inspections (12/14).  An expiration notice was sent on 1/12/15.  Staff provided an additional 19 days (for days that City Hall was closed) until March 3, 2015 until penalties can be applied (2/15).  SA/JH
Applicant: M/M Hughes												

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Residential**

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			<u>Director</u> <u>approval</u>	<u>PC</u> <u>approval</u>	<u>CC</u> <u>approval</u>	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	
3477 Brayton Ave.	Remodel existing SFD and new 931 sf second unit with 3-car garage	SPDR 11-03	N/A	08/09/11	N/A	Prior to CTL						The applicant has completed construction on the second unit and 3-car garage.
	Applicant: Reginald McNulty											Revised plans for the remodel of the existing SFD to include a second story and additional square footage will be brought back to the Planning Commission for review at the March 2015 meeting (2/15).
												SA
2799 21 <sup>st</sup> St.	A two-story 3,629 sf SFD and 3 car garage	SPDR 13-05	N/A	01/14/14	N/A	Permit Issued 7/21/14	N/A	N/A	01/12/16			Framing nearly complete (12/14).
	Applicant: Vivir Properties/ Silva Family											Roof nailing complete (1/15).
												Rough plumbing, electrical complete (2/15).
												JH
924 E Vernon St.	Demolition of existing dwelling and detached garage for construction of a new two story 3,230 sf duplex and 4-car garage	SPDR 14-02	N/A	06/10/14	N/A	06/10/15						Applicant working with SCE and Public Works on alley improvements (10/14).
	Applicant: LLG Construction											Building plans for the duplex were submitted for plan check and comments were returned to the applicant (2/15).
												SA

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Residential**

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			<u>Director</u> <u>approval</u>	<u>PC</u> <u>approval</u>	<u>CC</u> <u>approval</u>	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	
3360 Lemon Ave.	A 1,207 sf 2 <sup>nd</sup> unit over a four-car garage at the rear of a property with a SFD	SPDR 14-03	N/A	07/08/14	N/A	07/08/15						SPDR approved, signed conditions received.  Plan check is complete. Applicant is preparing grading plans for submittal to Public Works and submittals for LA County Fire (215).  CTD
	Applicant: Jason Shorrow											
1995 St. Louis Ave.	A proposal to demolish existing dwelling and detached garage for a new two story 3,187 sf SFD with attached 3-car garage	SPDR	N/A	Required	N/A							View Notice sent on 8/4/14. Story poles installed on 8/5/14.  PC workshop 10/14/14.  Applicant is revising plans and coordinating a view analysis (2/15).  SA
	Applicant: Seth Sor											
2260 Walnut Ave.	A proposal for a new two story 1,894 sf SFD with attached 2-car garage on a vacant lot	SPDR	N/A	Required	N/A							Staff has reviewed preliminary plans. The applicant is working on well survey and plans (2/15).  SA
	Applicant: Santana Investors											

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Residential**

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			<u>Director</u> <u>approval</u>	<u>PC</u> <u>approval</u>	<u>CC</u> <u>approval</u>	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	

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

Crescent Square	25 three-story detached single-family dwellings at the N/E corner of Walnut and Crescent Heights Street	SPDR 14-04 ZOA 14-03 VTTM 72594	N/A	8/12/14	9/2/14	08/12/15						SPDR approved on 8/12/14.  Construction pending plan check submittal and completion of the Oil Code Amendment (2/15).  Grading plan has been submitted for plan check (2/15).  SC/SA
Walnut/ Crescent Heights St.	Applicant: Summer Hill Homes/Signal Hill Petroleum											
Gundry Hill	Development of 72 multiple-family, affordable units, three and four stories in height and a community building, community garden, tot lot and courtyard with on-site management	SPDR for Administrative Review and approval by the Director of Community Development	Required	N/A	N/A	N/A	N/A					Tours completed on 1/6/15 and 1/8/15.  A community meeting with the Planning Commission was held on 1/13/15.  The Disposition and Development Agreement will be reviewed by the Housing Authority on 2/17/15.  SC/SA
1500 E Hill St.	Applicant: Meta Housing											

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Residential**

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			<u>Director</u> <u>approval</u>	<u>PC</u> <u>approval</u>	<u>CC</u> <u>approval</u>	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	Exp.	1 <sup>st</sup> Ext.	2 <sup>nd</sup> Ext.	
2599 Pacific Coast Highway	<p>Residential SP-10</p> <p>1<sup>st</sup> concept plan had 14 attached units</p> <p>2<sup>nd</sup> concept plan had 12 attached units</p> <p>3<sup>rd</sup> (current) concept plan has 10 detached units</p>	<p>Preliminary review</p> <p>PC Workshop</p> <p>SPDR</p>	N/A	Required	Required							<p>Workshop held 8/12 with direction to continue working with applicant. A follow up meeting was held on 9/12.</p> <p>Staff met w/owner who reports the lot consolidation outreach effort was not successful.</p> <p>Staff met w/applicant to review a new concept plan on 9/13. Revised design has 10 detached units &amp; more closely meets the intent of SP-10, however, following engineering review, access and guest parking was revised (6/14).</p> <p>Revised project was reviewed at workshop on 9/9/14 and Commission requested changes to design. Applicant has requested to meet w/staff for re-design discussion.</p> <p>At mtg. w/applicant revised conceptual plans for 9 detached units were previewed and met most of the development standards. Due to the proposed height and view policy the applicant was going to proceed with the view analysis outreach.</p> <p>Applicant revised plans and submitted for conceptual review (2/15).</p> <p>CTD</p>
Applicant: Mike Afiuny												

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Commercial-Industrial**

<b>Address</b>	<b>Project Description</b>	<b>Application</b>	<b>REVIEW</b>			<b>SPDR/CUP</b>			<b>CTL</b>			<b>Status</b>
			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
2653 Walnut Ave.	An approximate 8,000 sf warehouse/office building	Administrative Review	✓	N/A	N/A	Permit Issued 04/13/11	N/A	N/A	Prior to CTL			Utilities released. Window installation and asphalt are completed (9/14).
2H Construction	Applicant: 2H Construction											Landscaping complete. TI's in process (12/14).
1680 E. Hill St.	31,739 sf TI for additional classrooms	Administrative Review	✓	N/A	N/A	Permit issued 04/17/14	N/A	N/A	04/06/16			Still no progress (2/15).
AUHS	Applicant: American Univ. of Health Sciences											JH
2475 Cherry, 3300 Atlantic	Electric vehicle charging stations at both stores	Administrative Review	✓	N/A	N/A	Permit issued 10/31/14	N/A	N/A				Rough electrical complete. Awaiting final (1/15).
	Applicant: Fresh & Easy											Both locations finalized (2/15).
												JH
2701 Cherry Avenue	ADA parking lot improvements	Administrative Review	✓	N/A	N/A							Permit ready for issuance (2/15).
	Applicant: Best Buy											

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Commercial-Industrial**

<b><u>Address</u></b>	<b><u>Project Description</u></b>	<b><u>Application</u></b>	<b>REVIEW</b>			<b>SPDR/CUP</b>			<b>CTL</b>			<b><u>Status</u></b>
			<b><u>Director approval</u></b>	<b><u>PC approval</u></b>	<b><u>CC approval</u></b>	<b><u>Exp.</u></b>	<b><u>1<sup>st</sup> Ext.</u></b>	<b><u>2<sup>nd</sup> Ext.</u></b>	<b><u>Exp.</u></b>	<b><u>1<sup>st</sup> Ext.</u></b>	<b><u>2<sup>nd</sup> Ext.</u></b>	
3355 Olive Avenue	Proposal for new 5,000 sf warehouse and office building  Applicant: Roger Vititow	Administrative Review	Required	N/A	N/A							Staff reviewed preliminary plans.  Owner preparing plans for building plan check
3201-3225 Pacific Coast Highway	Tentative Parcel Map to subdivide an existing 1.8-acre lot into two lots	71592, extension granted	N/A	11/08/11	N/A	11/8/13	11/8/14	11/8/15	N/A	N/A	N/A	3 <sup>rd</sup> TPM ext granted per State law. TPM valid until 11/8/15.  Property has new owner. Staff has prepared a letter to inquire about future intent for subdivision from new property owner (2/15).
Quality Inn	Applicant: William Suh											CTD

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Commercial-Industrial**

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			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
845 E. Willow St.	A 18,994 sf medical/office building	SPDR 13-02	N/A	07/09/13	N/A	Permit Issued 02/25/14	N/A	N/A	2/15/16			Foundation complete, structural steel and site work in process; utilities on-site (11/14). Exterior metal finished (12/14).  Conformity Report went to the Planning Commission on 12/09/14.  Parking lot asphalt complete (1/15).  Exterior steel complete. Ext. finish started (2/15).  The applicant is requesting another change to the building elevations. Staff has advised the applicant that the change will require a Planning public hearing expected to be in March 2015.  JH
2H Construction	Applicant: 2H Construction											
2200 E. Willow St.	Costco Gas Station	SPDR 13-03 ZOA 13-01 CUP 13-01	N/A	08/13/13	09/03/13	Permit Issued 5/20/14	N/A	N/A	11/11/15	N/A	N/A	Tenant improvements underway for hearing center, freezer boxes and food service area (1/15).  Community meeting for Gas Station CUP to be held on 2/12/15.  SA/JH
Costco	Applicant: Costco											

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

Commercial-Industrial

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			<u>Director approval</u>	<u>PC approval</u>	<u>CC approval</u>	<u>Exp.</u>	<u>1<sup>st</sup> Ext.</u>	<u>2<sup>nd</sup> Ext.</u>	<u>Exp.</u>	<u>1<sup>st</sup> Ext.</u>	<u>2<sup>nd</sup> Ext.</u>	
995 E. 27 <sup>th</sup> St.	A 2,205 sf religious center at the NW corner of California and 27th Street	SPDR 13-04 CUP 13-02	N/A	10/08/13	10/15/13	Permit Issued 10/31/13	N/A	N/A	04/24/15 			Vent cones installed over abandoned wells, working on grading cert. (5/14).  A representative for the applicant attended the January Commission meeting to provide an update on construction. He expressed a desire to make revisions to the interior floor plan, including additional storage space in a mezzanine area, and minor exterior changes. No additional parking is provided to accommodate added floor area. The Commission recommended finishing the project as approved. The applicant is considering options. Any requested changes will be reviewed by the PC.  A 60 day CTL expiration letter has been sent.  Rough plumbing and electrical complete and work on parking area is ongoing (2/15).
LBIC Center	Applicant: Abdel Alomar											CTD/JH

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Commercial-Industrial**

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			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
1660 E. Spring St.  BMW Dealership	A 77,810 sf showroom, sales, and service facility and display area for automobile sales  Applicant: Sonic/BMW	SPDR 14-01	N/A	4/8/14	N/A	Permit Issued 9/16/14	N/A	N/A	09/5/16			Foundation and retention basin started (10/14). Street improvements and utilities underway (11/14).  Methane barrier complete. (12/14).  Conformity report for minor architectural revisions to be at an upcoming PC meeting.  Slab and roof on garage completed. Steel going into showroom (1/15).  Masonry near completion. (2/15).  JH/SA
2953 Obispo Ave.  Futsal Indoor Soccer	A request to allow indoor soccer as a conditionally permitted use in the City.  Applicant: Mike Biddle	ZOA CUP	N/A	Required	Required							Deposit submitted to begin coordination of workshops w/HOAs (7/14).  Applicant has requested to temporarily postpone request (12/14).  Applicant intends to proceed w/CUP request (2/15).  CTD

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Commercial-Industrial**

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			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>

**General Community Development Projects**

- Planning Department staff reviewed and approved 9 business licenses.
- Building Department staff issued 12 permits including 4 solar permits, and the valuation of the permits is approximately \$966,857 (includes Costco Food Court).
- Staff organized and participated in the Mayor's Clean-Up of the westside neighborhood with 44 volunteers.
- Staff coordinated the 2015 Greater Los Angeles Homeless Count with Police Department and volunteers. The Count showed approximately 5 campers/RVs and 2 vans that had homeless people in Signal Hill.
- Staff participated in the California League of Cities webinar "The Rise of Vacation/Short-Term Residential Rentals and What Cities Are Doing About It"
- Staff participated in the Law Seminars International's webinar on the "Deployment of Wireless Facilities" regarding new legislation.

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Wireless Telecommunications Facilities**

<b>Address</b>	<b>Project Description</b>	<b>Application</b>	<b>REVIEW</b>			<b>SPDR</b>			<b>CTL</b>			<b>Status</b>
			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
2411 Skyline Dr.	A request to add 1 new Tower Dish to the Cell Tower as allowed by CUP 99-05	Administrative to modify CUP 99-05	✓	N/A	N/A	Permit Issued 10/2/14	N/A	N/A				Crown Castle has new management and is working to resolve interference issues with two residents. Plans approved and permit issued for 1 new dish for Clearwire 10/2/14.  An interference study has been completed and staff met with Crown Castle to facilitate installation of interference devices and review CUP conditions of approval (12/14).  Interference resolution and compliance with 1 CUP condition is pending (2/15).  CTD
		Applicant: Crown Castle										
2550 Orange Avenue - Monopole	Removal and replacement of (3) existing panel antennas on the existing 60' slim line pole, and the installation of (1) fiber demarcation box and (5) RRU units on a purposed H-frame at grade level	Administrative to modify CUP 04-02	✓	N/A	N/A	Permit Issued 10/27/14	N/A	N/A				Permit issued 10/27/14.  SA/JH
	Applicant: Core Dev.											

**City of Signal Hill**  
**Community Development Department**  
**Development Status Report**  
**February 10, 2015**

**Wireless Telecommunications Facilities**

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			<b>Director approval</b>	<b>PC approval</b>	<b>CC approval</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	<b>Exp.</b>	<b>1<sup>st</sup> Ext.</b>	<b>2<sup>nd</sup> Ext.</b>	
1855 Coronado rooftop facility	Replacing 56" panel with 72" panel antennas, screen box in sector A & B will be increased by 3'	Administrative to modify CUP 08-03	✓	N/A	N/A		N/A	N/A				1 <sup>st</sup> plan check comments returned to applicant on 12/3/14. Awaiting resubmittal.
	Applicant: Core Dev.											SA
2766 St. Louis Dr.	Relocate 3 existing panels, install 3 8' antennas and install RRUs	Administrative to modify CUP 00-03	✓	N/A	N/A		N/A	N/A				Plans submitted for first building plan check on 2/2/15.
T-Mobile	Applicant: Associated Land LLC											SA
2201 Orange Ave. T-Mobile on Crown Castle Mono palm	A request to add 3 new 8' panel antennas and relocate 3 existing antennas on 3 arms of the existing mono palm	Administrative to modify CUP 07-04	✓	N/A	N/A		N/A	N/A				Staff provided comments for the applicant (2/15). CTD/JH
2633 Cherry Avenue	Rooftop Wireless Telecommunication Facility for AT&T	CUP	✓	Required	Required							Staff met with the applicant to review preliminary plans for the rooftop facility and suggested revisions to elevations and plans for aesthetics (5/14 and 7/14). Applicant preparing plans and expects to resubmit (2/15).
AT&T	Applicant: Core Dev.											SA



**8**

**CODE ENFORCEMENT REPORT**

THIS REPORT IS NOT PROVIDED.

SUBJECT MATTER CONTAINS CONFIDENTIAL INFORMATION

AND IS FOR INTERNAL USE ONLY.



February

9



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

February 10, 2015

### **AGENDA ITEM**

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

**FROM: SCOTT CHARNEY  
COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: IN THE NEWS**

### **Summary:**

Featured articles for this meeting include:

- Methane Curbs Planned for Oil, Gas Sector
- How Long Does it Take to Build a House?
- High Court Sides with T-Mobile in Cell-Tower Case
- Plunging Oil Prices Choke Off Boom in Bakersfield
- Food “Accelerators” and the \$10 Bag of Pasta

### **Recommendation:**

Receive and file.

## U.S. NEWS

# Methane Curbs Planned for Oil, Gas Sector

BY AMY HARDER

The Obama administration unveiled plans Wednesday to regulate methane emissions from the nation's oil and natural-gas industry for the first time, a move aimed at meeting climate-change goals while not hampering the nation's energy boom.

The Environmental Protection Agency plans to propose federal regulations to cut methane emissions from the oil and gas sector by 40% to 45% over the next decade from 2012 levels, White House and agency officials said Wednesday.

The rules, scheduled to be proposed this summer and completed by 2016, would apply only to new or modified sites. For existing oil and gas operations, the EPA is set to rely mostly on voluntary measures to cut methane, a move backed by the industry.

To reduce emissions, companies would have to install technology that prevents methane from being inadvertently leaked and monitor their operations for possible leaks. Many companies are already using this kind of equipment, according to industry executives and the EPA.

The new regulations are designed to help the administration meet a commitment it made in Beijing in November to reduce U.S. greenhouse-gas emissions, as well as to bring political momen-

tum to a United Nations summit this year where world leaders will decide whether to create a new climate agreement.

Administration officials say the EPA rules wouldn't hamper the growth of the oil and gas industry, a big economic driver during President Barack Obama's

tenure. That view is shared by at least some energy executives.

"I don't see this as having a significant cost impact on our company at all," said Mark Boling, an executive vice president at Houston-based Southwestern Energy Co., one of the nation's largest producers of natural gas.

The action announced Wednesday represents a sort of middle ground between what environmental groups wanted and what the oil and natural-gas industries said they could support, though the administration left the door open for more expansive regulation later on.

While cheering the EPA's move toward regulation, some environmental groups criticized the administration for not regulating existing sources. However, the Clean Air Act would trigger regulation on existing sources eventually if the agency pursues rules affecting new sources.

"The administration is proposing to fight methane pollution with one hand tied behind its back, not using the full range of powers under the Clean Air Act to cut these emissions," said Conrad Schneider, advocacy director of the Clean Air Task Force.

Despite skepticism from some environmentalists, the administration has supported natural gas as an energy source in part because it puts out fewer carbon emissions than coal or oil.

At the same time, the administration and environmental groups are increasingly worried about the effects of natural-gas use on climate change as the U.S. produces more of the fuel. Administration officials note that methane, a primary component of natural gas, has a warming effect on the planet more than 20 times greater than carbon dioxide.

Since 2005, domestic oil production has nearly doubled and natural-gas production has risen by about 50%, according to the U.S. Energy Information Administration. Methane emissions from the sector have dropped roughly

15% over that period through 2012, according to EPA data, but the agency estimates that these emissions will rise 25% over the next decade if steps aren't taken to cut them.

Trade groups representing the oil and gas industry were more critical than some individual companies of Wednesday's announcement.

Marty Durbin, CEO of America's Natural Gas Alliance, a trade group representing natural-gas producers including Southwestern, said he was "disappointed the administration is choosing to take a regulatory approach that will take years to implement, rather than a cooperative approach with the industry that we believe will ultimately result in greater emissions reductions in a shorter time frame."

Reaction on Capitol Hill was split—with Republicans, who now control both chambers of Congress, criticizing the move and vowing swift oversight, and Democrats commanding the administration's actions.

Many independent analysts concluded the EPA's actions were, for now anyway, a positive result for the industry because the rules could have been more expansive. ClearView Energy Partners, a nonpartisan energy analysis firm, said in a research note that the outcome is "generally beneficial for industry."



The EPA aims to regulate methane emissions by the energy industry. Above, pumps in Watford City, N.D.

Associated Press

## MANSION

SPREAD SHEET | ADAM BONISLAWSKI

## HOW LONG DOES IT TAKE TO BUILD A HOUSE?

Start-to-finish times have fluctuated over the years, mainly because of changes in the labor market, experts say



Want to get your house built as quickly as possible? Buy land in the South and nail down a construction crew.

According to data collected by the U.S. Census Bureau, in 1973 it took, on average, six months to build a single-family

home. In 1980, that number was up to 6.9 months, and in 2009 it was up to 7.9. In 2013, the latest data available, it was back down to six months.

Why the sudden speedup? Are job sites spiking the coffee with Red Bull?

The main cause of longer construction times is a tight labor market, says Rick Judson, a Charlotte, N.C.-based de-

veloper and former chairman of the National Association of Home Builders, trade organization. And while labor shortages are perhaps to be expected during boom times, they crop up during housing busts, as well, he notes.

Take, for instance, the aftermath of the 2008 mortgage crisis. Construction times rose steadily during the boom, from an average of 6.1 months in 2002 to 6.9 months in 2006. But delays grew even longer after the housing market collapsed, with build times topping out at 7.9 months in 2009.

"Many tradespeople simply went out of business and aren't coming back," Mr. Judson says. "They either retooled themselves educationally, moved into a different business, or simply retired."

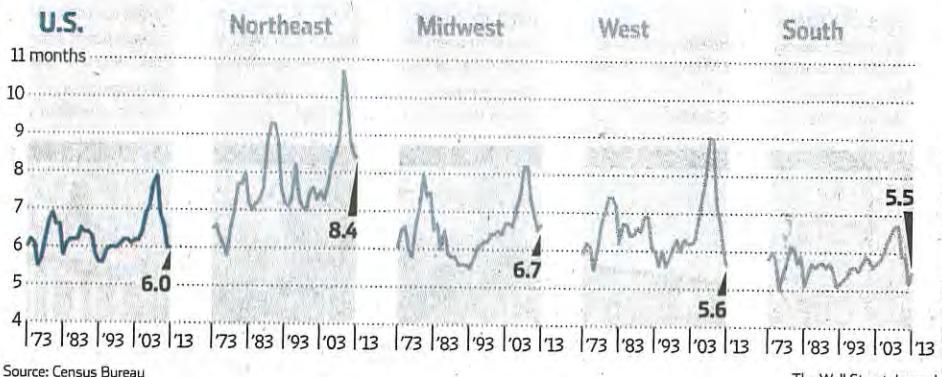
And that, he says, created a labor shortage that persisted even as single-family housing starts plummeted from a peak of 1.7 million in 2005 to



James Roast

## Nailed It

The average length of time to build a home, in months, from start to finish.



Source: Census Bureau

445,000 in 2009.

In particular, busts thin the ranks of less skilled workers like framing carpenters, says Ed Brady, president of Bloomington, Ill.-based Brady Homes and an NAHB vice chairman. Such workers typically have less time and education invested in their trade and are

therefore quicker to change career paths than, for instance, a plumber or electrician, he says.

Weather is the other key factor underlying house build times, Mr. Judson says.

"When you have freezing weather in the Northeast, you can't pour concrete. You don't get the productivity out of

contractors and subcontractors that you would in the more temperate days of spring, summer and fall," he says.

The census numbers bear this out—with build times consistently longest in the Northeast and shortest in the South with the Midwest and West somewhere in between.

## CORPORATE NEWS

## High Court Sides With T-Mobile in Cell-Tower Case



The Supreme Court found that local authorities must quickly provide wireless providers with reasons for denying cell-tower proposals.

By JESS BRAVIN

WASHINGTON—The Supreme Court on Wednesday said municipalities that reject a cellphone tower must quickly provide the wireless service provider with reasons for the denial, giving the company enough time to decide whether to challenge the decision in court.

**T-Mobile** South, a unit of T-Mobile USA Inc., had argued that Roswell, Ga., fell short of federal requirements in 2010 when it sent the company a brief letter denying its request to build an 11-story cell tower in a residential neighborhood, and referred T-Mobile to city council minutes to discern the decision's rationale.

The opinion, by Justice Sonia Sotomayor, rejected T-Mobile's argument that the city should have provided a written decision spelling out the reasons for rejecting the tower. But it did hold that Roswell erred by taking too long to provide the council minutes for T-Mobile to review.

By a 6-3 vote, the court found that local authorities must provide such materials "at essentially the same time" they deny cell-tower requests, so carriers have an adequate opportunity to decide whether to challenge the decision in court within a 30-day deadline.

T-Mobile General Counsel Dave Miller called the ruling a "great victory."

"Transparent and fair decision-making by local governments will allow wireless service providers to improve the nation's wireless networks to meet con-

sumers demand," he said.

Going forward, "it won't be hard to comply" with the decision, said David Davidson, the Roswell city attorney. "We just won't send them the decision until we have the minutes ready for the meeting."

It may be harder, however, for smaller municipalities with less frequent council meetings to comply, he added.

In the 1996 Telecommunications Act, Congress sought to balance the national interest in improving wireless coverage with many localities' distaste for the proliferation of unsightly towers. Congress left intact some state and local authority over land use, but required that officials act quickly on tower requests and that denials be "supported by substantial evidence" in a written record when rejecting proposals.

While local officials must provide written reasons, nothing in the Telecommunications Act requires they "be given in any particular form," Justice Sotomayor wrote, joined by Justices Antonin Scalia, Anthony Kennedy, Stephen Breyer, Samuel Alito and Elena Kagan.

The Roswell council minutes note various council members objecting to the proposed tower as "aesthetically incompatible" with the surrounding residential area, potentially harming property values. In dissent, Chief Justice John Roberts and Justices Clarence Thomas and Ruth Bader Ginsburg said they wouldn't have required the city to promptly provide its reasons when denying a proposal.

# Plunging oil prices choke off boom in Bakersfield

By **TIFFANY HSU**

JANUARY 29, 2015, 5:00 AM | REPORTING FROM BAKERSFIELD

**E**

ach year, the American Assn. of Drilling Engineers hosts a meeting here affectionately called the Liar's Club.

A cocktail-fueled crowd hears oil companies' well-drilling and production forecasts — estimates often so grandiose everyone understands they are exaggerations. Pledges to drill thousands of wells are common.

But at this month's meeting, no one felt like telling tall tales. Fewer than 10 wells were promised, all by small, independent companies. Giant firms — Chevron, Occidental — promised nothing, said Dave Rippy, general manager of Bakersfield Drilling Consultants, who has attended for two decades.

"I've never seen anything like it," he said. "It was very somber, very eerie."

Plunging oil prices worldwide are landing hard in Bakersfield, choking off the boom of recent years in one of America's great oil towns.

Since June, oil companies have let go more than 21,000 people nationwide, according to career counseling firm Challenger, Gray & Christmas. In December, Canadian oil field services firm Ensign Energy Services notified California authorities that it planned to lay off as many as 700 workers in the state.

Drilling projects are being delayed or canceled. Only 14 drilling rigs are active on land in California, down from 48 in June, according to oil field services company Baker Hughes in Houston. So far this year, the state Department of Conservation has received 147 notices from oil and gas companies intending to engage in new drilling, down from 225 during the same period in 2014.

On Tuesday, supervisors in Kern County declared a fiscal emergency, citing lower property tax revenue from oil properties.

The government could face a \$61-million hole in its budget when the fiscal year begins July 1, according to projections from the county's assessor-recorder office. The decline in revenue for county services, fire protection and schools is expected to be "the largest we've seen in a long time," assistant assessor Lee Smith said. "It's going to impact all the departments."

California is the nation's third-largest oil producer behind Texas and North Dakota, according to the federal government. The majority of the supply comes from Kern County, home to the five most productive petroleum fields in the state.

More than 188,500 Californians work in the oil industry, according to a report last year from the Los Angeles County Economic Development Corp. That includes employees and sole proprietors in such areas as drilling, refining, pipeline construction and machinery manufacturing.

Some 12,000 people are on oil and gas extraction and well-drilling payrolls in Bakersfield. Combined with related positions in refineries, pipeline transportation and more, nearly 7% of all jobs in the region are linked to petroleum — the highest percentage among large U.S. metropolitan areas.

Oil is "the lifeblood" of the local economy, said Melissa Rossiter, spokeswoman for the area's Chamber of Commerce.

"Either you work in oil or you know someone who does," said Rossiter, whose father was in the industry for 35 years.

The forces descending on the industry here extend far beyond its borders and its control.

Amid a global glut, oil prices have been halved in less than six months. Light, sweet crude, the benchmark for North America, closed down nearly 4% at \$44.45 a barrel on Wednesday, hitting its lowest point in nearly six years. Brent crude, the global benchmark, fell 2.3% to \$48.47.

U.S. stocks of commercial crude oil soared last week to nearly 407 million barrels — a record high since the U.S. Energy Information Administration began keeping track in 1982.

Demand can't keep up, even amid historically low gasoline prices.

The small- to mid-sized oil producers clustered around Bakersfield are worried, even though they're accustomed to the peaks and valleys of a volatile commodity, said Les Clark, executive vice president of the Independent Oil Producers' Agency in Bakersfield

"There's a lot of serious faces around here," Clark said. "We're all hopeful the price is going to bounce back soon."

Until it does, companies are scaling back. Westwood firm California Resources Corp. this month backed away from a project in Carson that would have created up to 200 wells. Economists had projected that the project would support 300 jobs.

The company, recently spun off from Occidental Petroleum Corp., said the project was "no longer practical in the current commodity price environment."

Others in the industry, such as Dave Rippy, have turned to backup plans.

For a decade, Rippy and his wife supplied drilling consultants for rigs operated primarily in California. At one point he had 22 consultants in the field.

As of a month ago, he had none. Rippy and his wife are thinking about shutting down the company. He's now focused on outside work as a sales manager for a pump-rental company.

"I could see it coming," he said. "I kept telling everybody that the balloon's going to pop."

Before oil prices fell, Bakersfield had done well in the economic recovery. A boom in the oil fields helped pull the region out of the housing meltdown, when it suffered some of the highest foreclosure and unemployment rates in the nation.

The city's population has been growing, in part because of an influx of educated young professionals, along with businesses attracted to the relatively low cost of operating in the area.

The prosperity could be seen in rising revenue last year at the Petroleum Club, a private dining club at the top of the city's tallest building, where men wearing plaid shirts meet over white tablecloths under gleaming chandeliers.

The club makes the bulk of its money from a still-steady stream of parties and banquets, many booked years in advance.

But in the last three months, it has also lost members and started waiving initiation fees to lure new ones. Although the club serves agriculture executives, doctors, lawyers and more, most of its members still come from the oil industry.

"When oil prices go down, oil companies are a little more reluctant to pay a membership," said Weldon Soris, the club's membership director.

Kern County is seeing a more dramatic effect on tax collections.

The price per barrel — which on Jan. 1 was assessed at \$55 compared with \$99 a year earlier — is one of the primary factors used to calculate the taxable value of oil fields and other properties, according to the County Administrative Office.

Oil and gas companies accounted for roughly a third of the assessed value of the county's tax base last year. Administrators expect tax revenue reductions of at least \$44 million for the county's general fund and \$17 million for the fire fund.

Property values, which in oil towns tend to follow crude prices, could also waver.

Local companies such as DrillCool are weighing their options. The Bakersfield firm rents out specialized machinery designed for use during high-temperature drilling. Until recently, the company had a waiting list to manage high demand; now, several coolers sit unused in the yard behind its warehouse.

More than half of the company's business has been in North America, but it plans to increasingly scour the globe for customers.

"You go where the going is good," said global sales manager Fred Nilson, whose office has a floor-to-ceiling map showing DrillCool equipment deployed around the world.

Bakersfield "is an oil and agriculture town. We've been through these cycles before," Nilson said. "But there's concern — people don't want to say fear."

## MARKETPLACE

# Food 'Accelerators' and the \$10 Bag of Pasta

## Entrepreneurs Move Out of the Kitchen

BY ERICA E. PHILLIPS

LOS ANGELES—A couple of days each week, after dropping off her two toddlers at day care, Leah Ferrazzani hauls a commercial-grade extruder into her kitchen and gets to work shaping and cutting organic pasta. She then carefully dries it on racks in what used to be the family's laundry room.

Ms. Ferrazzani launched Semolina Artisanal Pasta in October. She said the business quickly exceeded her home kitchen's capacity of about 250 pounds a week. "In L.A., there are really people who get behind your food," said Ms. Ferrazzani, who sells her pasta in 1-pound bags for \$10 each.

As tastes shift toward specialty, local and organic foods, more "food startups" are entering the market. According to PitchBook, a private financial database, close to \$570 million in venture capital has been invested over the past five years in companies that produce food for consumption, or prepared foods, with the number of deals involving startup food makers growing to 36 in 2014 from 13 in 2011.

And for good reason: The specialty food business is booming. The National Association for the Specialty Food Trade says the sector hit a record \$88.3 billion in sales in 2013, and continued to grow in 2014. The association attributed the sector's popularity to "growing concern" among consumers about sustainability and health, as well as increased interest in "small-batch production"—knowing where food is made and who made it.

As demand for their products grows, food startups like Ms. Ferrazzani's—many of which source their ingredients close to home, sell mainly in nearby shops and are restricted to producing limited quantities in their home kitchens—are finding they need to scale up quickly for wholesale distribution. And that can be difficult.

Regulatory requirements have complicated the transition from selling goods at local retail shops to distributing them wholesale to large grocery

chains. Wholesale buyers have stricter health standards than local retailers, requiring significant upfront investment by producers.

Los Angeles County's public health inspectors are now re-evaluating the rules. Some state health codes have already changed in recent years to ease the startup process in the cottage food industry, or businesses that operate out of their home kitchens. New legislation is what helped Semolina Artisanal Pasta first get off the ground, but the law restricts cottage food businesses to less than \$50,000 a year in sales.

In Los Angeles County alone, according to the U.S. Census, the number of food manufacturing businesses with fewer than 10 employees grew to almost 2,000 in 2012, from less than 1,500 10 years earlier.

Angelo Bellomo, Los Angeles County's director of environmental health, said health inspectors are trying to foster those small businesses' need to grow. "We're being innovative in how we interpret and apply the requirements" of the state health code "without sacrificing their basic health protections," he said.

The current regulatory system was tailored to accommodate larger-scale food producers, which have a major presence here. Los Angeles County is home to Sunkist Growers and the U.S. headquarters of Nestlé, among other large companies.

Most of what's produced here gets shipped elsewhere, said Robert Puro of Seedstock, a consultant in sustainable food systems. In most major cities, only 1% to 2% of what's consumed is produced locally, he said. Developing that shorter supply chain—from local farms to packing and production facilities to retailers—is "the big missing piece in the local food puzzle," Mr. Puro said.

Enter Los Angeles's latest experiment: Early in 2015, Ms. Ferrazzani and several small food producers will move to an industrial kitchen at L.A. Prep, a new food production center that will house as many as 50 businesses ready to scale up from home or



Leah Ferrazzani is running out of pasta-making capacity in her kitchen.

shared kitchens.

Mott Smith, one of L.A. Prep's founders, said he sees the facility as a way of expanding the "middle-class in the food processing arena."

Developed through collaboration with the county over the past two years, the facility will manage health and safety requirements for producers, help them get expedited wholesale licenses and provide services such as food storage, security, trash collection and access to required equipment like range hoods and grease traps.

Mr. Bellomo said historically his agency has been "centered on public health and safety." But, he said, "If we can add to those objectives innovation—to allow locally based production of foods that are healthy, and of the type and character where there is growing demand—we need to

support that."

L.A. Prep will also provide "accelerator" services to help its tenants grow their operations, joining more than 100 food incubators and culinary accelerators that have emerged around the country in the past few years, such as Chobani Food Incubator in New York City.

While her \$2,000 monthly rent at L.A. Prep is "probably more than I would want to pay," Ms. Ferrazzani said, it might save her money in the long run because she won't have to build her own production facility—something she estimates could cost at least \$150,000.

Instead, she's raising just \$25,000 to purchase a commercial pasta dryer that will allow her to make at least 500 pounds of spaghetti, rigatoni and conchiglie each week—more than double what she's making now.

## An Appetite for Startups

The specialty food business hit a record \$88.3 billion in sales in 2013. That success is drawing more interest in new businesses from venture capitalists.

Venture capitalist investment in food producers by state, 2009-14

Total investment: \$570 million

California	Massachusetts	New York
\$302.6 million	83.6	34.9
Utah	Colo.	Fla.
32.4	16.9	14.3
	Oregon	Texas
	10.2	11.3
	Va.	Ga.
	9.1	5.9
	N.J.	
20.5	Ky.	Md.
	10.0	5.6
		N.H.
		4.8

Source: PitchBook

The Wall Street Journal