

SYNOPSIS MINUTES – MORRO BAY PLANNING COMMISSION  
REGULAR MEETING – JUNE 17, 2014  
COMMUNITY CENTER MULTI PURPOSE ROOM – 6:00 PM

PRESENT:	Robert Tefft	Chairperson
	Gerald Luhr	Vice Chairperson
	Michael Lucas	Commissioner
	Richard Sadowski	Commissioner
STAFF:	Rob Livick	Public Services Department
	Brandon Ward	Assistant City Attorney
	Whitney McIlvaine	Contract Planner
	Cindy Jacinth	Associate Planner

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE  
PLANNING COMMISSIONER ANNOUNCEMENTS

PRESENTATIONS - None

PUBLIC COMMENT

Chairperson Tefft opened Public Comment period.

Susan Heinemann, Morro Bay resident, stated she would like the Commission to have planning staff continue the process of defining criteria for neighborhood compatibility.

Ted Demonte, Morro Bay resident, stated he would like the Commission to have planning staff prepare a neighborhood compatibility document and include public participation.

Nancy Bast, Morro Bay resident, stated the need to work on good criteria for defining neighborhood compatibility.

Chairperson Tefft closed Public Comment period.

Commissioner Lucas asked if the Commission can direct staff. Livick replied no and noted Council directed staff to bring back a review of neighborhood compatibility history, develop a time line, project costs and bring it to the Commission before taking it to Council.

Commissioner Sadowski asked when it would come back to the Commission. Livick replied before the end of the year.

Commissioner Tefft asked if the process would start out with a general discussion or go right to the specifics. Livick replied Council direction is to review the history of where City has been on this issue, noting a lot of work has been done on this already, before moving forward and there will be community discussion on this item.

Commissioner Luhr commented that previously a committee was appointed on this and the community was split on the approach.

Chairperson Tefft asked if an ordinance comes from this process, would it be in a zoning ordinance. Livick replied yes and the City would modify the LCP that would need Planning Commission, City Council and Coastal Commission approval.

A. CONSENT CALENDAR

- A-1 Approval of minutes from the Planning Commission meeting of April 15, 2014  
**Staff recommendation:** Approve minutes as submitted
- A-2 Approval of minutes from the Planning Commission meeting of May 6, 2014  
**Staff recommendation:** Approve minutes as submitted.
- A-3 Approval of minutes from the Planning Commission meeting of May 20, 2014  
**Staff recommendation:** Approve minutes as submitted.
- A-4 Approval of minutes from the Planning Commission meeting of June 3, 2014  
**Staff recommendation:** Approve minutes as submitted.
- A-5 Approval of Resolution 15-14 Granting the Appeal of the Administrative Coastal Development Permit (CP0-408) FOR 1000 Ridgeway and Denying the Project with Adoption of Findings.  
**Staff Recommendation:** Approve Resolution as submitted.

**MOTION:** Vice Chairperson Luhr moved to approve the consent calendar. Commissioner Lucas seconded the motion and the motion passed unanimously. (4-0)

B. PUBLIC HEARINGS

- B-1 **Case No:** #SP0-141 Sign Exception  
**Site Location:** 1105 Morro Avenue  
**Appeal:** Appeal of a Director's determination to deny a two-year extension for a sign exception permit which allowed a commercial off-premises sign in a residential neighborhood for a period of two years.  
**CEQA Determination:** Categorically Exempt, Section 15305, Class 5  
**Staff Recommendation:** Deny the appeal  
**Staff Contact:** Whitney McIlvaine, Contract Planner, (805) 772-6211

McIlvaine presented the staff report.

Vice Chairperson Luhr asked if a request for an encroachment permit for the sign came before the City today would it be denied at the staff level. Livick replied yes.

Commissioner Lucas and Jacinth discussed the status of the sign ordinance.

Commissioner Lucas asked if the mobile home park had a percentage of the sign space available, could someone use the sign. Jacinth replied no, noting off premises signs are prohibited.

Chairperson Tefft, Livick and McIlvaine discussed how the original period of two years was arrived at by Council.

Chairperson Tefft opened Public Comment period.

Cathy Novak, representative for Virg's Fishing and Ms. Sharon Moores, clarified Ms. Moores and Virg's Fishing is no longer part of the request and appeal for a time extension.

Chairperson Tefft closed Public Comment period.

Chairperson Tefft, Vice Chairperson Luhr and Commissioners Lucas and Sadowski stated support for the staff recommendation.

**MOTION:** Vice Chairperson Luhr moved to deny the appeal on SP0-141 and adopt the Resolution in Exhibit A. Commissioner Lucas seconded the motion, and the motion passed unanimously. (4-0)

B-2 **Case No.:** #UP0-120/AD0-024 Conditional Use Permit and Variance for a 6-unit hotel  
**Site Location:** 1170 Front Street  
**Permit Time Extension Request:** Request for an additional two-year time extension to inaugurate the hotel project permitted pursuant to the conditional use permit and variance cited above.  
**CEQA Determination:** Mitigated Negative Declaration, 2006  
**Staff Recommendation:** Approval  
**Staff Contact:** Whitney McIlvaine, Contract Planner, (805) 772-6211

McIlvaine presented staff report.

Commissioner Lucas asked if this is a private or city parcel and if only approving permits to be extended. McIlvaine replied it is a private parcel and only approving permits to be extended.

Commissioner Sadowski and McIlvaine discussed the number of time extensions previously granted and how many extensions can be granted.

Vice Chair Luhr asked if there has been any movement at the Coastal Commission level. McIlvaine replied the Applicant was granted a one year time extension and would need to reapply for a Coastal Permit for this project as the permit has expired.

Chairperson Tefft opened Public Comment period.

Cathy Novak, Applicants' representative, stated since there is a new property partner, they need a little more time to review the project.

Commissioner Lucas asked if the purpose of the request is to determine if the Applicant wants to do this project and that if they decide on something else, would they need to start the process all over again. Novak replied yes.

Chairperson Tefft asked if the downturn in the economy made the project not viable economically. Novak replied yes.

Chairperson Tefft asked now that the economy was improving would this project be viable or if significant modifications need to be made. Novak replied it is still under discussion by the Applicants.

Chairperson Tefft closed Public Comment period.

Commissioner Lucas stated support for the time extension.

Vice Chairperson Luhr asked if the plans change significantly, would it come back to the Commission. McIlvaine replied yes.

Vice Chair Luhr stated he prefers a short extension noting his concern with the permit languishing. McIlvaine noted a condition could be added approving the two year extension and that an application be submitted to the Coastal Commission within a certain period of time. Vice Chairperson Luhr stated support for that.

Commissioner Sadowski stated with all the changes since 2006, the process needs to start over.

Chairperson Tefft reopened Public Comment period.

Barbara Doerr, Morro Bay resident, stated major changes had occurred and requested the Commission deny the extension request.

Chairperson Tefft closed Public Comment period.

Chairperson Tefft reported he had ex parte communication with the Applicants prior to the meeting and stated support for the extension.

Chairperson Tefft, Vice Chairperson Luhr, Commissioner Lucas and Livick discussed differences between 6 month and 2 year extensions.

**MOTION:** Vice Chairperson Luhr moved to grant a one year time extension to for Conditional Use Permit #UP0-120 and Variance #AD0-024 that shall expire 6/17/15. Commissioner Lucas seconded the motion and the motion passed. (3-1, Commissioner Sadowski voting no)

B-3 **Case No.:** #A00-021

**Site Location:** Citywide

**Applicant:** City of Morro Bay

**Request:** Consideration for the 2014-2019 Housing Element Update and associated Negative Declaration with forwarding of a recommendation to the City Council. The Housing Element has been updated at this time in response to California Government Code Section 65588(b), which requires Housing Elements to be updated at specified intervals.

**CEQA Determination:** Negative Declaration, SCH#2014051053

**Staff Recommendation:** Forward a favorable recommendation to City Council to adopt the Negative Declaration and to approve the 2014-2019 Housing Element Update as conditionally certified by the State Department of Housing and Community Development.

**Staff Contact:** Cindy Jacinth, Associate Planner, (805) 772-6577

Jacinth presented staff report.

Sinsheimer presented update of the Housing Element process noting HCD is happy with draft.

Vice Chair Luhr commented the report is extremely well done.

Commissioner Lucas expressed concern to cap growth based on water, noting he would like to have a gray water requirement rather than as an option like it is now. Livick replied the growth cap came from a citizen initiative and would require going back to the public to change the cap. Livick noted the Council recently modified their WEU allocation requirements so new WEUs need to be offset on a 2 to 1 ratio, but did not dictate how the offset would occur leaving it up to the developer to define.

Commissioner Lucas and Sinsheimer discussed the concept of overpayment on page 33, noting the analysis indicates there is an affordability issue.

Commissioner Sadowski asked if the 2500 square foot rule for homes should be in this document. Jacinth replied criteria like that would be in the zoning ordinance.

Commissioner Sadowski asked if Morro Bay has never met its low income quota. Jacinth noted the Housing Element has made a policy to encourage and incentivize affordable housing development.

Chairperson Tefft opened Public Comment period and seeing none closed Public Comment period.

Commission Sadowski and Livick discussed the desalination plant permits and wells in the Chorro basin.

Commissioner Sadowski stated the update is optimistic regarding the water situation in the City and would like to see more clarity in the report. Sinsheimer replied what we are required to do for the Housing Element is plan for the City's regional housing needs allocation (RHNA) of 155 units and assess whether there is enough water to meet the RHNA. Livick updated the Commission on State Water, noting the City is working with its partners in the county on other ways to deliver water to Morro Bay.

Vice Chair Luhr stated the City has seen a 200 acre feet per year reduction in water use with the growth that has been allowed, noting new and remodel construction reduces overall water use.

Commissioner Lucas stated he would like a recommendation to make gray water mandatory. Sinsheimer asked if it would be appropriate to add another program to include solar, renewable energy or water conservation technologies or measures. Commissioner Lucas said it could be added to say consider requiring solar or other renewable energy and gray water reclamation techniques in new construction.

Vice Chairperson Luhr expressed concern about the requirement for a remodel to upgrade the entire house to Title 24 standards with no threshold on the size of the permit to where people would not come in for a permit and the City would see more illegal construction occur. Chairperson Tefft noted that these are concepts and the specifics about thresholds would be enacted by ordinance. Sinsheimer added the program language is to consider so it is open ended at this point.

Chairperson Tefft stated support for the conservation and rehabilitation section in Chapter 7.

Commissioner Sadowski and Livick discussed the section regarding sewer capacity noting it needs to be refined to reflect where the City is currently with the WRF.

Jacinth clarified the recommended changes from the Commission: language to add clarity regarding recent water issues and Chorro water, revise section regarding sewer and where City is going with the WRF regarding collection, and modify program H-22.4 to consider requiring solar, gray water systems and rain water in new construction.

Vice Chairperson Luhr expressed concern with program H-22.6 noting he would like more clarification and not leave it as just a permit. Livick suggested the language be changed to say significant remodel or addition and Vice Chair Luhr agreed to that language change.

**MOTION:** Commissioner Lucas moved the Planning Commission adopt the Resolution in Attachment 1 as amended by comments from the Commission that recommends the City Council approve amendment A00-021 “2014-1019 Housing Element Update” and adopt Negative Declaration SCH#2014051053. Commissioner Sadowski seconded the motion and the motion passed unanimously. (4-0)

UNFINISHED BUSINESS

C-1 Current and Advanced Planning Processing List  
Staff Recommendation: Receive and file.

Jacinth reviewed the work program with the Commissioners.

D. NEW BUSINESS - None

E. DECLARATION OF FURTUE AGENDA ITEMS

Chairperson Tefft, Commissioners Sadowski and Lucas, and Livick discussed the LCP grant and update. Livick noted staff could bring an item to the Commission regarding the LCP update.

Commissioner Luhr and Livick discussed the Measure D area in relation to review of new businesses to ensure conformance with the measure.

F. ADJOURNMENT

The meeting adjourned at 8:01 p.m. to the next regularly scheduled Planning Commission meeting at the Veteran’s Memorial Building, 209 Surf Street, on Tuesday, July 1, 2014 at 6:00 pm.

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Robert Tefft, Chairperson

ATTEST:

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Rob Livick, Secretary