

REVISED
CITY OF MORRO BAY
JOINT CITY COUNCIL - PLANNING COMMISSION
SYNOPSIS MINUTES

(Complete audio- and videotapes of this meeting are available from the City upon request)

Veteran's Memorial Building
Regular Meeting, 6:00 p.m.

209 Surf Street, Morro Bay
Monday, March 30, 2009

Janice Peters, Mayor
Betty Winholtz, Vice-Mayor
Carla Borchard, Council Member
Rick Grantham, Council Member
Noah Smukler, Council Member

Nancy Johnson, Chair
Bill Woodson, Vice-Chair
John Diodati, Commissioner
Michael Lucas, Commissioner
Gerald Luhr, Commissioner

Bruce Ambo, Secretary

I. CALL MEETING TO ORDER

Mayor Peters called the meeting to order at 6:00 p.m.

II. PLEDGE OF ALLEGIANCE

John Diodati led the Pledge of Allegiance.

III. ROLL CALL

Mayor Peters asked that the record show all City Council members were present.
Chair Johnson asked that the record show all Planning Commissioners were present.
Staff: Andrea Luker, Kathleen Wold, Aileen Nygaard, Bruce Ambo, Christine Rogers.

IV. DUTIES AND RESPONSIBILITIES

Pursuant to the Municipal Code Section 2.28.120 D., the Planning Commission shall meet with City Council twice each year to discuss proposed policies, programs, goals and objectives, budgeting, future planning, or any other planning matter required joint deliberation.

V. PUBLIC COMMENT PERIOD – Members of the audience wishing to address the Council on City business matters may do so at this time.

David Weisman – Spoke in favor of the “Alliance for Nuclear Responsibility”, thanked the City Council for their support. Billed passed last week with no opposition.

John Barta – Spoke in opposition to FAR. Stated it is essentially a defacto down-zoning which changes the value of a property. Existing homeowners experience an immediate detriment. Benefit affects only some future homes, perhaps 10 per year.

Dorothy Cutter – Spoke in favor of FAR. Citizens’ ordinance is quite comprehensive. Urges public hearings to begin now rather than deferring to a later date.

Jane Heath – Spoke in favor of FAR. Urged the Planning Commission and City Council to direct staff to proceed with work on the FAR ordinance. Stated current zoning focuses only on setback and footprint and therefore inadvertently encourages those who wish to maximize square feet to build boxes.

Bill Black – Spoke in opposition to FAR. Acknowledged his house is “square” house. Stated he is nearing a three year term on roof solar panels installed on his home which provide power rather than simply consuming it. Heating system has not been utilized all year. The house was built to superior standards than those required by the City, with no variances, built to code and experiences positive fiscal impacts. Feels lot coverage safeguards are already in place.

VI. JOINT MEETING DISCUSSION ITEMS

Need for lobbying efforts with Coastal Commission on the General Plan.

Mayor Peters made brief summary of history. Were sending letters on a monthly basis and were told that may be irritating staff and could have a negative effect.

The following discussion occurred:

- a) Coastal Commission will be holding its meeting in San Luis Obispo in July providing an opportunity to express our concerns and engage Mr. Douglas and others.
- b) Delay may be hurting the City as new LCP and Zoning Code would resolve a number of issues.
- c) Suggestion that we initiated discuss with Katcho Achadjian first. Approaching staff has not been effective. He is our representative and may have suggestion. Email each Commissioner re: issues and length of review period. Felt we should go beyond staff.
- d) State budget may be an issue, delay may not be by choice.
- e) Would the two bodies like to identify a member or two to take the lead on the issue?
- f) Coastal Commission application status was reviewed. Application has been deemed complete. CCC wished to see Stormwater Master Plan and Municipal Code. The City felt these were not pertinent to the update however provided them with the record of all decisions. CCC has committed to providing the document for review.

MOTION: Mayor Peters, Grantham 2nd to direct staff to send letter to the California Coastal Commission staff, copy Katcho, and attend the local California Coastal Commission meeting. Letter to reiterate our position that we feel the application is complete and encourage them to complete their review. VOTE: 8-0

Newspaper Racks

Mayor Peters reviewed recommendation for purchase of a consolidation bin to be funded by Harbor Fund or to copy Carmel or other court upheld ordinance about racks.

The following discussion occurred:

- a) Harbor Commission had previously directed Rick Algert to complete the evaluation, and the City Council had directed City Attorney to create an ordinance to accomplish that. Has not yet been completed.
- b) Paso Robles had an ordinance, was sued and lost the case. Need to find an ordinance that has been upheld as this is new legal ground.
- c) Suggestion that Carmel’s ordinance be reviewed.
- d) Morro Bay beautiful is on the cusp of ordering a consolidation bin if directed to do so. Estimated cost believed to be approximately \$3,000 per bin.
- e) Ordinance should be Citywide. Bins are overly expensive.

MOTION: Mayor Peters, Grantham 2nd direct staff to:

- 1) Investigate the purchase of a consolidation bin; and
- 2) Research Carmel's ordinance for suitability.

VOTE: 8-0

Downtown Visioning

Mayor Peters gave an overview of consensus to proceed, it is part of the redevelopment process, should community meeting begin, etc.?

The following discussion occurred:

- a) Inquiry as to timeline of the RDA process and confirmation that it included the Power Plant.
- b) Confirmation that rough draft of Feasibility Study anticipated in May. The purpose is to determine whether economic and physical blight actually exist per State definitions. Based upon the findings the Council will review whether to proceed. If the City proceeds with formation, development of the plan would include visioning. Feels approximately 70% of the community is inclusive, though area may be reduced based on findings. Business District is included.
- c) Without design guidelines, downtown will not prosper. Desire to see improved linkages between the Downtown and the Embarcadero areas expressed.
- d) Critical importance to have multiple thriving commercial areas. Concerned with efficient use of time. Immediately apparent the City is not as walkable as we would like it to be. Should be coherent rather than piece meal. Balance of efficiency and speed on the issue.
- e) With Business Improvement District and Hotel Owners Association publicizing Morro Bay it is important this be addressed. Bulb-outs improve pedestrian access, do not affect parking, look good and make our City safer.
- f) Redevelopment of downtown must occur while we still have these business here. North Morro Bay shopping malls are in serious shape. Recent new developments all look good. Need to get started so that when redevelopment funds become available we are ready to move on it.
- g) Thriving businesses are critical and walkability is important. Downtown and Embarcadero in some spots looks dark, boring and dead. Carmel example reviewed related to "path of light" to the Embarcadero.
- h) Often the issue is not the existing business owners but absentee landowners. There is a significant amount of work to be done. May want to get started now rather than waiting for the RDA.
- i) Question asked whether any effort has been made to coalesce the previous visioning results. If we start the process can we do it in a way that will be coherent with the RDA planning rather than duplicating our efforts? Are there specific activities that could begin now?
- j) Discussed the structured format and framework of the RDA planning process and how it will benefit the end result and efficiencies. When we get the General Plan returns from the CCC and is approved, it will be productive to start with a visioning process because it has been so long. That would also be an excellent time to start the Downtown Visioning process.
- k) If specific components can be broken out and progress made, it was suggested that occur.
- l) Along with General Plan, Zoning Code must also be addressed related to parking and fees. The issue comes back down to a partnership of City, Landowners and Business Owners. There are many components that must be pulled together.
- m) Confirmed Redevelopment Area Survey will be opened up to public hearings June or July. If a decision is made to move forward, the formation process and visioning could occur within the year.
- n) Suggestion made that all the previous visioning efforts be reviewed to create a foundation for future discussions.
- o) Revenue source would also be tied to the process as part of the RDA process. Those resources could be utilized to conduct the visioning process.

- p) Suggested a Planning Commission subcommittee be formed to create a baseline of existing visioning studies.
- q) Discussion of potential immediate products occurred, determined these discussion would be more suited after redevelopment funds are in hand.

Agreed by consensus to direct Planning Commission to convene a subcommittee to prepare an outline/compilation of available visioning documents and prepare a presentation to Council.

Lot Splitting

Mayor Peters – Was unable to ascertain how this issue was raised.

The following discussion occurred:

- a) Tract 41 now has many safeguards incorporated to address lot splitting. Inquiry as to whether other projects also have those safeguards?
- b) Review process is important. Need to look at lots in town that can accommodate low income housing. Each case needs to be looked at individually.
- c) Need to be careful not to confuse lot splitting with density. Need to address single family homes in multi-family areas. Need to honor existing zoning and not down-zone other areas.
- d) Linker process handled appropriately. Change may not be necessary. Taking a universal brush is inappropriate. The process worked. There was an opportunity for discretion and it was exercised. Compatibility issues must be addressed. Though there are places where it is appropriate, R-1 protection is critical.
- e) R1 zone may not be an issue as the new ordinance does not allow many lot splits. Cannot confuse lot splits with maximum density usage. That is where we can get affordable housing units in. Ordinances are in place, discretion may be exercised, and court actions allow for a safeguard.
- f) Blanket coverage may take away opportunities for affordable housing.

Agreed by consensus that no change is necessary and lot splits request will continue to be evaluated on a case by case basis.

Winholtz asked that the record reflect the fact that during the discussion three City Council members indicated that they are not really interested in lot splits.

Environmental incentives to promote green building in the application and approval process.

The following discussion occurred:

- g) Recent Solu project walked away with one good faith condition. Would like to see the momentum carried forward from that project. City of Monterey has a great ordinance with expedited permitting project, 25% time reduction, next day inspections, FAR exemptions, and setback flexibility, etc. Projects can be incentivize with minimal cost.
- h) City of Davis also has a fine subdivision plan that promotes green building. Initial layout of subdivision and sites is important. Need to start at the subdivision level and incorporate siting concepts into our codes. Anything we can do to cut the timeline, give density bonuses, certify green construction and design processes.
- i) Budgeting to pay for those incentives has not been identified. Potential for fees increases to poor projects and provide incentives for those who do good projects. Would like to see projects like the Solu's rewarded.
- j) Inquired as what extent green building can be addressed within the Housing Element. Confirmation given the sustainability and energy conservation will be a part of that process.

- k) Noted monetary incentives are nice, but there are non-monetary things we can do. The Solu project took a very long time to go through the process. Feels planning review should be expedited, including remodels.
- l) Need to look at developing time and inspection fees if applicable and identify what makes a project green, LEED Certification, renewable energy, etc.. Support green building but do not mandate it.
- m) Include remodel of single family homes.
- n) Incentives proposal will be presented to the City Council April 13th. A memo was circulated with information regarding the various certification processes.
- o) There is a need to continue with education and outreach. City projects provide a great example.
- p) Important that we follow the code. Ask what is required and not beyond that.
- q) Staff has been working on a “Strategic Plan for Managing the Greening Process” and will return within a month to review.
- r) AB 811 was reviewed. Community may establish a special district which allows Homeowners to utilize a special assessment to weatherize and install renewable energy systems. Would like to see this included in the discussions.
- s) Incentives should include business who incorporate sustainability principles and policies.

Agreed by consensus to direct staff to return in approximately one month with a presentation pertaining to a comprehensive greening strategy. Fee incentive discussions to occur at the April 13th City Council meeting.

Extent of Architectural Review by Planning Commission

Mayor Peters – Commission should be enforcing code and ordinances. Many comments from the public Re: imposing specific design requirements.

The following discussion occurred:

- a) Receiving subjective comments that the comments go beyond the rules. Commission should not be making new policies and nor retroactive ones. Architectural projections would be appropriate for comments, but subjective architectural review is not appropriate.
- b) Avoiding subjectivity is beneficial as well as not dictating style and taste to planners and developers.
- c) If Commissioners are seeing an issue that needs to be addressed consistently, it should be brought to the Council’s attention.
- d) Ensure comments regarding architecture are advisory and not directives.
- e) Suggestion that Staff provide additional direction re: discussions which exceed the purview.
- f) Problems are sometimes identified and inquiries made regarding the consideration given to functioning aspects of the projects that could make them better projects i.e., noise elements, views from adjacent properties, etc.
- g) There are situations where it is necessary to review architectural requirements in specific overlay zones.
- h) Conditioning certain materials or schemes may impact the financial feasibility and/or burden the builder with additional costs.

Agreed by consensus that the Planning Commission is not an architectural review board, and while suggestions may be made, architectural review is limited to policy, code and ordinance compliance.

Floor Area Ratio (FAR)

Mayor Peters – Inquired of Ambo if staff could put a paragraph in each project staff report analyzing the FAR impacts were the code in place. The zoning code pending approval does address most of these issues.

The following discussion occurred:

- a) Some of the comments regarding it being a taking of property value are unfounded. Cities implementing FAR are good cities. Does not see the property value impacts reflected in the empirical data.
- b) FAR may not be the proper tool. When a house is deemed legal non-conforming it may be devalued in the market place. Nonconforming structures may not be able to get insurance or mortgage financing. There is a mechanism in place for review of larger homes with appeal to City Council.
- c) FAR may not protect the community the way the community advocates think that it will. Still allows projects to maximize the house based upon the way it appears from the front. Would recommend the form based approach. The identified envelope was not intended to be the actual footprint, but a maximum.
- d) FAR will not resolve the problem of bulk, size or scale compatibility. If we ask staff to provide FAR information, it must be accompanied with conditions on how FAR would be implemented. The average size of new homes has doubled over the last 30 years.
- e) FAR may work to some degree, but in some cases does not work at all, specifically remodels. Some question whether the vocal group is the majority of Morro Bay. Need to look at our current review process and the safeguards already in place.
- f) Concerns regarding how will FAR affect our property taxes and City revenue. The smaller homes have lower property taxes. Over a period of time, there could be large impact. FAR may be too restrictive and is not family friendly in regard to remodels. Elderly persons needing to bring in a caregiver, can have difficulties. What happens to non-conforming units? Are they to be grandfathered in?
- g) How we can add a paragraph to a staff report regarding how FAR will be impacted when we do not have a FAR standard? Clarificatoin followed that the number proposed was that recommended by the ad hoc citizens group.
- h) Legal non-conforming houses have that designation for different reasons. General application to legal non-conforming units is not appropriate. The 2500 square foot limit was a stopgap measure. Need to move on to the real ordinance.
- i) There are two very vocal groups, this is an issue that needs to be addressed. The current rate of development gives us the time and opportunity to adopt an ordinance and evaluate impacts. Poor projects also affect property values. Incentives and grandfathering in are avenues to allow for such projects to overcome those obstacles. We should take what has been developed by the citizen's as a good baseline, with recommendations from staff and the Planning Commission, and provide direction to make the appropriate adjustments and move forward.
- j) FAR may be too restrictive. May work in a beach tract, but in other areas of town properties may not hold their value. Guidelines we have may need changes. Planning Commission has done well.
- k) There is a particular property in the City that fits the allowed footprint but has a huge high ceiling which makes it a massive structure from the street. FAR does not address that. It will not solve the problem of out of scale buildings in neighborhoods. Updated General Plan and Zoning Code will address many of these issues. Proposes a six month trial period with staff reports addressing FAR. This will allow us to review whether this would be a beneficial change or a detrimental change.
- l) The idea that FAR is too restrictive or does or doesn't work cannot be evaluated until there is a plan in place. FAR must be accompanied with other measures.
- m) Each property already has a FAR. There are lot size, setbacks and height limitations. We do not have problems with second stories. We have the discretion to look at properties over 2,500 feet however we have no teeth. A smaller house can be a better house. Quality will always sell.
- n) Suggestion that FAR be implemented along with incentives. Additional square feet if they articulate, bonus if they incorporate some green or solar component, or other incentive the City or community deems desirable.

- o) Previous analysis did gauge it to the averages. A prototype was prepared to demonstrate that it does not get at compatibility. That is a labor intensive piece of the analysis. Reflecting on a number does not address compatibility.
- p) There is a strong voice of people that don't think it's the answer. Coming to the Planning Commission to address non-conformance is very expensive. The closest we get is the Beach Tract. There are restrictions there that have worked for years. Why can't we look at how those restrictions are working and apply those as needed to other parts of town? It needs to be evaluated by neighborhood.
- q) Two issues need to be addressed. The duplication of plans, and homes that are out of scale. Duplication can be addressed by creating an exemption of use. Would like to see staff put some of these myths to bed. Many of these issues could be addressed by a minor staff analysis based upon case studies of cities that have implemented FAR successfully. Those cities that have implemented FAR are vibrant communities. Housing and the health of our economy are tied.

Mayor Peters brought the issue back to the City Council, reiterating proposal that staff add a paragraph to each project to address the impacts if FAR were implemented.

The following discussion occurred:

- a) FAR does not address compatibility. The FAR area analysis has already been completed. It will provide only a number, no basis for comparison or relationship with existing home sizes. Previous analysis looked at three different neighborhoods which was very labor intensive to complete.
- b) The question was asked whether neighborhood analysis could also be included in the staff report. It was clarified only three neighborhoods were analyzed and that it was a very labor intensive endeavor.
- c) Need to address the difference between compatibility and FAR. The current proposal will provide data.
- d) Suggestion that we review the work that has been completed, make the appropriate adjustments and come back with a proposal. Let's start looking at the questions and concerns and move forward with something that is effective in addressing them.
- e) Per the last direction received from Council, the areas of concern were analyzed (best recollection included the Island streets, Tree streets, Center of the town, and perhaps the Hillcrest neighborhood). Recommendations were developed. The cost of doing developing one option for code inclusion was \$25,000.

MOTION: Mayor Peters, Winholtz 2nd to direct staff for all future projects for Planning Commission review, each staff report for the next 6 months to include a paragraph to address what FAR would be.

VOTE: 4-1, Borchard opposed.

VII. ADJOURN JOINT CITY COUNCIL/PLANNING COMMISSION MEETING

The meeting was adjourned at 8:00 pm.

VIII. ESTABLISH QUORUM AND CALL TO ORDER SPECIAL CITY COUNCIL MEETING

IX. PUBLIC HEARING

Claire Grantham – Encourage approval of grant application for additional police officer.

Brian Melard, Peace Officer – Encouraged approval of application for new officer. Backup call time from Los Osos is 5 minutes. Recent armed robbery at Heritage Oaks Bank was also a single officer incident.

Resident - Encouraged acceptance of grant application.

X. NEW BUSINESS

1. Authorization to apply for the Cops Hiring Recovery Program (CHRP) Grant.

John DeRohan presented the staff report. Grant will begin to reach the goal of returning to Pre-2005 staffing levels. Past years have not provided grant opportunities. There is a good opportunity that we may lose one of our officers to military service in Afghanistan and will not be able to fill the position.

The following discussion and clarification occurred:

- a) It would not be possible to hire a temporary officer unless an additional position was funded. By law, we must hold the position during military leave.
- b) There is a possibility that someone may retire during the three year period. We would still be required to retain the position due to grant supplanting requirements.
- c) The approximate cost is for the entire three year term, with one pay raise and one merit increase.
- d) There is no obligation to hire unless the grant is awarded.
- e) This person would be used for patrol. In mutual aid circumstance the City is required to send out one officer, leaving only one officer in the City to patrol. Suggestion made to put aside monies annual at a rate of \$30K per year to prepare for fourth year in advance. Not recommended that COP Grant be utilized for the purposes because of the unpredictability of the grant offering.
- f) Discussion of whether Measure Q funds may be appropriate for this purpose occurred with opposing views.

MOTION: Grantham, Winholtz 2nd to:

- a) Approve the grant application for the Federal CHRP grant and authorize the appropriate funding as required by the grant requirements;
- b) Set aside a minimum of \$30K per year for four years to pay the funds in their entirety in the fourth year.

VOTE: 5-0

2. Consideration of Support for AB 42 (Blakeslee) "Pacific Gas and Electric Company Seismic Survey"

Winholtz provided an overview of Blakeslee Assembly Bill 42 which proposes a study and encouraged the execution of letter of support.

City Manager suggested we approve the letter as is but continue to monitor the bills progress and any updates or significant changes.

MOTION: Winholtz, Grantham 2nd move for approval of the letter with ongoing monitoring by staff. No further discussion. VOTE: 5-0

Mayor Peters adjourned the meeting at 8:30 PM.

Nancy Johnson, Chairperson

ATTEST:

Bruce Ambo, Secretary