

CITY OF MORRO BAY  
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, June 16, 2008

Chairperson Nancy Johnson  
Vice-Chairperson Bill Woodson      Commissioner Michael Lucas  
Commissioner Gerald Luhr      Commissioner Gary Ream  
Michael Prater, Secretary

I. CALL MEETING TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Ream led the pledge.

III. ROLL CALL

Johnson asked that the record show all Commissioners were present.

Staff Present: Bruce Ambo, Michael Prater, Rachel Grossman, Kimberly Peoples

IV. ACCEPTANCE OF AGENDA

MOTION: Ream, Woodson 2<sup>nd</sup> to accept the agenda as presented. VOTE: 5-0

V. DIRECTOR'S REPORT/WRITTEN COMMUNICATIONS

Ambo reported at the June 9, 2008 meeting, City Council:

- Directed Staff to bring back the lease site negotiation at 225 Main Street as a future agenda item
- Adopted a Memorandum of Understanding with the Firefighters regarding a cost of living adjustment
- Adopted a resolution allowing Staff to apply for funding from the CalHome Program
- Adopted a resolution designating Main, Alder and San Jacinto as a low priority for intersection traffic improvements
- Opened the Public Hearing and provided direction with minor revisions to the Stormwater Management Plan and authorized Staff to submit the Plan to the Regional Water Quality Control Board
- Held a Public Hearing on the abandonment of a portion of Palm Street and continued the item to July 14
- Received & filed a report on how the sewer and water fees were structured
- Opened a Public Hearing and held a discussion on putting a potential tax on the November ballot
- Authorized Staff to submit an application for CDBG PTA grants for a redevelopment feasibility study
- Received and filed Staff's report on the Urban Accords
- Authorized settlement of a law suit regarding the cell tower proposal at the church at 545 Shasta
- Mayor Peters was appointed to the JPA Ad-hoc committee

At the June 23, 2008 meeting, Ambo said City Council would:

- Hear a report on the consequences of the proposed State Transit Assistance Budget Amendments
- Review a Certificate of Convenience for the Surf Taxi Cab Company to operate in the City of Morro Bay
- Approve the Notice of completion on Bonita Street Fire Station
- Authorization to enter into a contract with GE Water for the brackish equipment at the desal plant
- Have a discussion on Placing an Initiative on the November 2008 General Election Ballot in Regard to Amending Measure D
- Have a discussion on the costs associated with the advertising of the CalFire Workshops
- First hearing on the temporary moratorium on the downtown parking-in-lieu fees

- Hear a Harbor Dept presentation for Green Wave
- Have a discussion on repealing the primary election process
- Have a discussion on GEM cars

Lucas asked if the Council put a moratorium on Cell Towers in residential areas. Staff acknowledged they did. Luhr asked what the boundaries of the redevelopment area will be. Ambo said that is what the study will determine. Luhr asked for clarification of the process. Ambo said the feasibility study is the first step and that will lay out the potential for the redevelopment agency and the whole process, if it goes smoothly, it will take about two years. Woodson asked when the canopy inventory that was not completed as part of the Urban Accords Report would be completed. Grossman said it would be done as part of the Stormwater Management Plan requirements and Staff estimates it will be done in about eighteen months.

VI. PUBLIC COMMENT - None.

VII. CONSENT CALENDAR

A. Approval of minutes from hearing held on June 2, 2008

Woodson asked to have added on page 3 for the Teresa Drive project “Woodson recommended the applicant investigate installing a berm upslope of the project to protect it from heavy rains similar to the existing one.”

MOTION: Woodson, Luhr 2<sup>nd</sup> to approve the minutes as revised. VOTE: 5 – 0.

VIII. PRESENTATIONS – None.

IX. FUTURE AGENDA ITEMS

- A. Planning Commission interpretation on decks in the front yard setback and what elements are allowed on them.

X. PUBLIC HEARINGS

A. Site Location: 1040 Monterey Street in the R-4 zoning district. Applicant: Doug Storm. The applicant requests Conditional Use Permit approval to construct a 1,332 square foot habitable floor area addition and a 480 square foot garage addition to an existing nonconforming residence. This site is located outside of the appeals jurisdiction of the California Coastal Commission. (Recommended CEQA Determination: Categorically exempt, Class 1, Section 15301). Staff Recommendation: Conditionally approve the project. Staff Contact: Rachel Grossman, Associate Planner, 772-6261.

Grossman presented the Staff Report noting the existing non-conformities on the site and the changes the applicant will be making to the site. Woodson asked if some of the new Stormwater requirements have been included in this project. Grossman said Public Works did include some of those items in number 15 of the Public Services Conditions. Luhr asked the density on this site and if there is enough room on this site for the applicant to do a multifamily project. Grossman said there is room for a duplex if they demolished part of the existing residence. Luhr asked if there is anything in our codes that encourages enhancing the density of the sites in the R4 zone. Grossman said there is not anything currently but Staff hopes to address that the next time they work on the Housing Element. Lucas asked if the garage was removed as a requirement. Staff said that was by the choice of the applicant.

Johnson opened the Public Hearing asking the applicant to address the Commission. Doug Storm addressed the Commission noting the garage is being removed due to its bad condition and that it floods during heavy rain.

Roger Ewing spoke in favor of the project noting the applicant’s choice to not build an overly large house.

Ken Vesterfelt spoke favorably of this project and also spoke about the house on Dunes that had been referenced tonight, noting it was designed very well and is very compatible with other houses in Morro Bay.

Johnson closed the Public Hearing seeing no further comment.

Woodson asked if the tree on the lot is going to be removed. Staff acknowledged it will be removed and there is not a requirement for replacement. Woodson asked if the fence will be replaced. Mr. Strom indicated the co-owners of that fence do not have a desire to replace it. Woodson asked about the wood shake siding and if it would remain. Mr. Storm said it will probably be replaced with a similar shake siding and painted. Luhr asked if the applicant had considered building a granny unit on the property. Mr. Storm said they had not considered that option yet. Ream asked if the two-strip concrete drive will be removed. Mr. Storm said he is not planning on it at this time. Ream also asked if all of the plumbing fixtures have been retrofitted. Mr. Storm said they had already been retrofitted. Lucas asked if the applicant had considered photovoltaic options for the home. Mr. Storm said they had not, but would consider it. Lucas also suggested putting a window at the top of the stairway for additional heat venting. Woodson asked about lot coverage and Grossman confirmed the allowable lot coverage.

MOTION: Ream, Woodson 2<sup>nd</sup> to approve the project as presented.

Woodson acknowledged the exception that is being allowed for the minimum setback. Luhr commented on the apparent loss of opportunity by not being able to require higher density on this site.

VOTE: 5 – 0.

**B. Zoning Ordinance Amendment** – Changes within the R-1 zone district, S.1, & S.2 Overlay Districts. The Planning Commission will be holding its second hearing on Neighborhood Compatibility to consider the implications for developing floor area ratios versus the use of lot coverage and articulation standards. This is a continuation of the workshop series held in late 2007 and early 2008. The Planning Commission is continuing their evaluation and will be making a recommendation to the City Council. Following the discussion staff is anticipating drafting code changes to reflect the direction. The community is invited to review the staff report and share your ideas on the topic. Copies of the staff report are available for review on the City’s web page at [www.morro-bay.ca.us](http://www.morro-bay.ca.us), or at the Public Service Department at 955 Shasta Ave., or Morro Bay Public Library at 625 Harbor Street, and/or are available for copying at Mills Reprographics at 495 Morro Bay Boulevard. Staff Contact: Mike Prater, Planning Manager, 772-6261.

Prater presented the Staff Report highlighting the background of this item and the approach Staff took in addressing the item.

Lucas spoke favorably of Staff’s presentation and asked for clarification on the following:

- Staff’s square footage numbers that are referenced on page 2 and how our current standards regulate them
- What they have as stricter guidance for review of homes that come before this body and the discretion the Commission has to be more stringent than the standards
- Why Staff didn’t bring a parallel suggestion back rather than the either/or option they presented
- If Staff really felt the general public would have trouble with the FAR calculations. Prater said that they have professionals that struggle with the current regulations and Staff is concerned that FAR may be difficult for the general lay person that may draw plans

Luhr asked Staff to clarify the following questions:

- The numbers on page 5 were pulled from the MLS and Prater said they were
- The number of homes that have come before them of the larger size was only two and Prater agreed
- If Staff had any suggestions for giving the Commission more teeth for stricter review. Prater said there are a number of items including second story step backs and privacy requirements.

Woodson asked Staff the following questions:

- If Staff would concur that something needs to be done and Prater said that Staff feels that the current ordinances are doing a fairly good job, but felt there were ways to improve the design of the buildings.
- If Staff approached other Cities to confirm if this approach would be easy to implement and Ambo said his prior experience is that Staff's approach is very workable and the built quality was very favorable.
- Asked what the effectiveness of averaging the adjacent properties for proposed projects. Prater said he could not confirm if there are other communities that are using this option, but Staff felt it was a good option for "gradually growing a neighborhood".
- If second story setbacks is still Staff's recommendation for getting at the Citizens concerns. Prater said that Staff's feeling if the main concern was privacy and encroachment, but if house size is the main concern then FAR would be the best approach to get at that issue.
- If any of the Cities that Staff polled had put FAR into place and are not using it now. Prater said there are Cities that have done that.

Woodson said he was surprised to see Staff recommend the continuation of heightened review of homes over 2500 square feet, since the only two they have had have fit the rules. Prater said that is based on the idea that the two you have seen have fit the rules, but as time goes on, there may one that comes before you that is out of line with the neighboring homes and then would be able to be scrutinized more closely by the Commission. Ambo also stated that this gives a threshold of heightened review and may give some people a feeling of security.

Johnson thanked Staff for a clear presentation and asked the number of empty lots in town or lots that could potentially be redeveloped.

Johnson asked for a short break at 7:25 p.m. and called the meeting back to order at 7:32 p.m.

Roger Ewing stated he felt the reason FAR is before the Commission at this time is because of the vagueness of the code the previous Commissioners put into place. The most noticeable thing you see with the larger houses is the loss of vegetation and to please consider the positive aspects of FAR.

Bill Martony said he is not pro or con for FAR but does have concern about the change in character of the neighborhoods and the need to find the balance between property rights and small-scale neighborhood.

George League spoke against FAR noting the strong possibility of the decline in property values.

Sue Perry stated her concern about the large homes that are being built in Morro Bay and spoke in favor of FAR urging the Commission to adopt an ordinance that includes FAR.

Dannie Tope spoke favorably of Staff's recommendation and the potential ramifications if FAR is implemented.

Robert Tefft said he felt the Staff Report did an excellent job of pointing out why the City is in need of adopting an ordinance that includes FAR, but he did also note that FAR may not be the best way to get at the problem but the problem does need to be addressed. He also acknowledged the unusual number of small lots and homes in Morro Bay and also the unusually large number of small families.

Peter Risley asked the Commission to give Staff direction so Staff has very clear direction. He said FAR is a good part of what changes needed to be made.

Dorothy Cutter stated she felt there are not a lot of large families in town. She also stated she isn't sure that FAR is the exact answer but some version of it that helps reduce the bulk and scale.

Amity Perry said they suggest the Commission adopt an ordinance that uses a group of resident's recommendations including FAR

David Nelson spoke in favor of FAR with the articulation of the second story to save the character of the town. He doesn't feel people should be able to maximize what they build on their lot.

Kevin Rice said that by imposing strict regulations it will cause builders to do whatever they can within the rules to maximize their home thus causing a cookie cutter effect that would be caused by stricter regulations. He felt this would cause Morro Bay to be like a Homeowners Association instead of having a Planning Commission to help keep character.

John Barta said that FAR is a way to make houses smaller and it would devalue homes. Future value of lots is based on size, view and what can be built on that lot. By implementing FAR it will cause smaller homes thus causing homeowners to experience devaluation of their property.

Anne Reeves spoke in favor of FAR and felt it could be implemented without devaluing property.

Ken Vesterfelt said he felt the word mansionization is over used in town and that there were many people at the workshops that are satisfied with the current ordinances.

Johnson closed the Public Hearing seeing no further comments.

Luhr reviewed some of the calculations he came up with and felt that the houses on small lots would be far too small. If FAR is implemented there are ways to build houses that fit within the FAR regulations but that impose on the lot lines and would be much more imposing than a house that is built within our current regulations. He referred to New Urbanization planning as a possible perspective to approach this problem. He felt it was going to take much more time than what they could accomplish tonight and than what FAR can get at. He also spoke strongly about noticing and felt it was necessary to notice all owners in the City when they move forward with changes to the ordinance.

Ream clarified that there is an elementary school in town and that there are not many families in town and that having a non-conforming home does not affect your homeowners insurance. He also agrees that when a large home can be built on a lot it increases its value; it also decreases the surrounding homes values by affecting their views. He was deeply disturbed by the fact that 70% of the homes in town would become non-conforming if FAR was implemented. Ream said there are many communities that have implemented FAR and been successful in having well articulated homes. He said that lot sizes may have to be verified by a surveyor. He felt Morro Bay will be a community that will always have smaller homes and that the families come into play for the larger homes for those who live out of town and come here to vacation with their families.

Lucas said this is one of the only cities he has ever been to that doesn't have FAR and is amazed that we don't. He said he was pleased with the December Staff report and doesn't necessarily think FAR is the solution but believes it may be a combination of the two. He spoke favorably of the 2<sup>nd</sup> story articulation that Staff had brought forward and allowed for good design, but it too limited the square footage that can be built on a lot. He did not agree that it is a complicated issue to apply. House design in 20 – 30 years is going to be completely different due to the increase in energy costs and natural light and venting will become part of normal design.

Woodson asked Staff for clarification on the 70% of the non-conforming houses should they implement FAR and if those houses would then have to come before the Commission. Staff said if an across the board FAR was implemented; that they would but if the FAR was adjusted neighborhood-to-neighborhood it would be much less. Woodson proposed that the Commission put something together tonight and move it on to the Council since this issue started over a year ago and it needs to move forward; suggesting using FAR as an element of the direction they go and felt the process set in place is successful including the appeal process. Woodson also felt that second story articulation would affect the price of a lot just as much as FAR and he is concerned about the small lots as well, especially if they implement FAR and it keeps owners of small lots from developing a reasonable size home.

Johnson said she felt there seemed to be a lot of people in town that are not in favor of FAR, unlike what she had originally thought. She asked Staff what percentage of projects are non-conforming and come before the Planning Commission right now. Staff said they were not sure but thought it was about 20 – 30 percent. Johnson clarified that FAR and second story setbacks are very different approaches and felt they should see more options before they make a decision or even a recommendation to Council. She would like to see them hold a Public Hearing to see what direction they would like to go before they do a bunch of work and get it shot down.

Woodson said he felt this is a Political issue and should be addressed by directing Staff and this Commission cannot direct staff; they can only recommend and felt that Council can direct them appropriately. Johnson confirmed with Staff that the Commission could “direct” Staff to draft code and that then Council could change that code if they chose. Johnson clarified with Woodson that he felt FAR addressed bulk issues. Luhr gave an example of how a FAR house could be perceived as very bulky from the front of the house. Ream said he would not vote in favor of sending tonight’s report forward to Council, but would be willing to stay until the time limit to talk about what they want to send forward. Luhr expressed his concern about drafting a FAR limitation that was the same across town and felt it should be adjusted from area to area of town. Lucas said he felt the issue is a very complex issue and thus the direction should be very complex to address it appropriately and was very surprised to see the average size of houses that are being sought out, feeling that they would have been much larger but the smaller house does still seem to be appealing. Luhr said he felt the problem seems to be the large bulky home, which is not the majority of the homes in Morro Bay. He suggested addressing that topic, by suggesting that the large homes come before the Planning Commission to keep the bulk in check or go neighborhood by neighborhood to address the issue so that implementing these regulations penalizes no one. Woodson did not feel that they could go neighborhood by neighborhood to address the concerns with this topic.

Johnson asked for comments on articulation and how all of the Commissioners felt on that topic. Lucas felt articulation is very important and very critical to agree on as Commission. Ream felt articulation is also very important and that a combination of FAR with articulation is the best approach even if it is applied area by area, as the issue from the Public seems, in his opinion, to be “large homes on small lots”. All Commissioners agreed that articulation must be a part of the ordinance.

Ambo said that Staff is not against FAR but they don’t think that using one FAR number across the City will make using FAR an inefficient tool.

Woodson stated that at the December meeting the Commission had requested that Staff come back with an approach to FAR with second story articulation and that is not what Staff brought back to them tonight.

Johnson asked Prater to review his second story articulation presentation from December.

Lucas asked if Staff could demonstrate what could be done on some of the smaller lots in North Morro Bay using second story articulation as demonstrated in their December Staff Report and what the resultant FAR comes out to. Woodson suggested being very specific in the request. He suggested using 5 feet back from the side wall of the first story and 25% of the front elevation should be stepped back at least 10 feet. Luhr said he would suggest changing the side setbacks to four feet on the sides but felt this was way too restrictive. Woodson asked what he would suggest. Luhr said he liked Staff’s recommendation. Woodson suggested looking at the option of 4 foot set back on 25% of the front elevation and four foot setback on either of the side of the structure. Lucas said he wanted to make the example simple so the Public can understand it and so they don’t get a cookie cutter look and agreed that the proposal is a good starting point. Ream said he felt this was a good starting point but he felt there will be other things that will need to be looked at and felt that it was in the best interest of the process to find out where Council stands on this topic so they know what direction they wanted to go in. Lucas said that he felt if Staff comes back it’s good, but if it goes to Council and gets reviewed its even better. Woodson restated the idea he shared back in December.

Prater clarified that the examples he could bring back would be 2400, 3200, 4000 and 5000 square feet. Lucas suggested doing a flat lot for the smaller lots and a sloped lot on the larger lots using the present lot coverage,

noting what the resultant FAR is with those criteria. Prater clarified that on the sloped lots he would use a nine-foot ceiling height. There was consensus to have Staff come back with the suggested examples noted. Staff clarified that they would be coming back with numbers not drawn samples. Lucas asked if Staff would be coming back to the Commission or the Council. There was consensus to come back to the Commission with the demonstration first. Luhr confirmed that Staff would be coming back with a massing demonstration with visual aids at the first meeting in August.

MOTION: Ream, Luhr 2<sup>nd</sup> to have Staff come back to the Commission with a presentation as discussed. VOTE: There was consensus among the Commissioners.

XI. OLD BUSINESS

A. Current Planning Processing List

Projects submitted for Administrative Approval (not single-family residential unless in MCR)

1. None

Woodson asked why Staff was approving variances. Staff clarified the ordinances allowed Staff to approve minor variances.

XII. NEW BUSINESS – None.

XIII. ADJOURNMENT

Johnson adjourned the meeting at 9:44 p.m. to the next regularly scheduled Planning Commission meeting at the Veterans Hall, 209 Surf Street, on Monday, July 7, 2008, at 6:00 p.m.

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Nancy Johnson, Chairperson

ATTEST:

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Michael Prater, Secretary