



AGENDA NO: C-1

MEETING DATE: April 24, 2018

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

To: Morro Bay City Council
From: Ron Reisner, Morro Bay resident
Date: April 21, 2018
Subject: April 24 City Council Regular Meeting Agenda Item C-1

Having studied agenda item C-1 for the April 24, 2018 City Council meeting - **clearly the "Pause" option is recommended.** The CCE concept as proposed describes an electrical utility operated by government. I challenge any proponent of such a concept to provide a realistic cost-benefit comparison between such a utility publicly run, and one privately run.

The Executive Summary of the *Abbreviated Technical Review of Community Choice* paper prepared in 2017 by "Pilot Power Group" - demonstrably included in the agenda item Staff report - states, "California Community Choice Energy (CCE) laws and regulations allow cities and counties to procure electricity for their residents, businesses and municipal facilities. A CCE program provides citizens with an alternative to a single monopoly electric supplier and local control over a number of key electric procurement related choices. The local control can result in rate savings, cleaner energy, local economic development, customized programming, and many other community-based possibilities." **It is important to note that Pilot Power Group is a for-profit entity in the business of, ". . . offering custom energy solutions, portfolio management, and energy procurement strategies for commercial, industrial, and community clients participating in the deregulated energy environment."** The 2017 paper appears in fact to be an advertisement for Pilot Power Group's services.

As the C-1 Staff report all too briefly states:

"The main benefit of taking a pause is that a potential new and better CCE model could emerge. This field is relatively new and prone to disruptions that can bring additional benefits to future CCE participants. Conversely, the City would lose out on the opportunity to purchase greener energy sooner, as well as potential economic benefits of participating in a CCE. In addition, the regulatory environment is rapidly changing and may preclude future options for the City of Morro Bay."

Also, the following was reported by the *SLO Tribune* in January 2018:

County drops Community Choice Energy effort; By Peter Johnson

The city of San Luis Obispo is looking for partners on a new Community Choice Energy (CCE) program—which turns local governments into renewable energy procurers and electricity sellers—but it won't be able to call SLO County.

County supervisors voted 3-2 on Jan. 23 to abandon any further exploration of forming or joining a CCE. Supervisors John Peschong (1st District), Debbie Arnold (5th District), and Lynn Compton (4th District) voted against continuing CCE talks with either the city of SLO or Monterey Bay Community Power, expressing doubt about the potential for raising customer rates, taking on debt, and getting involved in "government-run" electricity.

It takes very little research time to understand that key proponents of the CCE concept in the Central Coast are outspoken advocates of "green" energy (SLO Clean Energy is an advocacy lobbying group) - without regard, in my opinion, to the cost or feasibility of its production, and without regard to PG&E's plans and actions in regard to supplying "green" energy, much less affordable energy. While the CCE concept may offer benefits relative to additional suppliers of electrical energy, the concept at present does not appear sufficiently well developed to do so without the involvement of significant special interests, much less any reasonable assurance of reliable and competitive supply that would result in reduced cost to consumers.

I strongly encourage Council to elect the "Pause" option, at least until such time as PG&E is invited to fully and accurately inform the City and its citizens regarding PG&E's plans and actions to: 1. produce and supply "green" energy, and 2. respond to the current CCE concept as it relates to the citizens of Morro Bay being provided with reliable and affordable electrical energy.

Thank you

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AGENDA NO: C-2

MEETING DATE: April 24, 2018

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

Dana Swanson

From: B. Doerr [REDACTED]
Sent: Monday, April 23, 2018 6:28 PM
To: Jamie Irons; John Heading; Matt Makowetski; Marlys McPherson; Robert Davis; Dana Swanson
Subject: April 24, 2018, Agenda Item # C-2, - Short-term Vacation Rentals, Propoerd Ordinance No. 613

DATE: April 23, 2018
TO: Mayor & City Council
FROM: Barbara Doerr
SUBJECT: Agenda Item No. C-2 - "Introduction and First Reading of Ordinance No. 613 Amending Section 5.47.050 of the Morro Bay Municipal Code to Limit the number of Vacation Rentals in residential zones to 250 at any one time."

Following is a summary of my questions and comments regarding the upcoming discussion of proposed Ordinance 613 - Vacation Rentals, and staff report recommendations, discrepancies, and unfinished reports:

- 1.) April 24th Ordinance TITLE changes and text: New wording added "**residential zones.**" In Ordinance No 613 TITLE and text, and now restricts Vacation Rental limits to 250 only in "residential zones" and does not appear to apply citywide. Previously Ordinance 604 limited Vacation Rentals to 250 VR's City wide.
- 2.) April 24th staff report: The staff report states a goal "**to maintain the 250 cap on VR's**", but with the Ordinance TITLE change, the intent of the original Vacation Rental Moratorium does not appear to be maintained. The status quo would be to limit Vacations Rentals on a CITYWIDE basis to 250 VR's.
- 3.) April 24th staff report promises a "Comprehensive Vacation Rental ordinance." Where is the referenced ordinance?
- 4.) GPAC - The April 19th General Plan Advisory Committee (GPAC) meeting discussion of the Module 3- Zoning Code was inadequate public involvement for such an important, and controversial topic as Short-term Vacation Rentals. Please address the Vacation Rentals topic separately. The subject of VR's was important enough for a two Year moratorium, it is still important enough to be addressed singularly, by the Planning Commission, the GPAC, and finally the Mayor & City Council before inclusion in the GP/LCP.
- 5.) Staff recommends adopting a 200 foot separation between Vacation Rentals. This is inadequate and has not been previously discussed, allowing public input. Please increase staff recommended 200' separation between any type Vacation Rental to 500' or more for better protection of our neighborhoods.
- 6.) Missing Staff report: The June 1, 2016 staff report states that a written report which describes "the measures taken to alleviate the condition which led" to the Moratorium is required. Where is it?

Below I have presented additional back-up information and/or report excerpts for above comments (as numbered above).

1) Note the difference in the Ordinance TITLES and staff report statement.

ORDINANCE NO. 604 (June 14, 2016)

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, APPROVING A CITYWIDE 45-MORATORIUM ON THE ISSUANCE OF ANY NEW PERMIT, LICENSE, APPROVAL, OR ENTITLEMENT

PERTAINING TO A **VACATION RENTAL WITHIN THE CITY OF MORRO BAY** AND DECLARING THE URGENCY THEREOF AND THAT IT SHALL TAKE EFFECT IMMEDIATELY

ORDINANCE NO. 613 (*Proposed for April 24, 2018*)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AMENDING SECTION 5.47.050 OF THE MORRO BAY MUNICIPAL CODE LIMITING THE NUMBER OF VACATION RENTALS **IN RESIDENTIAL ZONES TO 250 AT ANY ONE TIME WITHIN THE CITY OF MORRO BAY**

Additionally, Ordinance 613 states:

“5.47.050 – Rental permit as business certificate. A short-term vacation rental permit issued pursuant to this chapter shall also serve as a business certificate for rental activity pursuant to MBMC Chapter 5.04; provided, that not more than 250 rental permits shall be effective at any one time within the residentially zoned portion of the City.”

Please change proposed Ordinance 613 language so that it applies “Citywide” not only in “residential zones.” Eliminate the term “the residentially zoned” and replace it with “any.”

2) The 4/24/2018 Staff Report states “maintain the 250 cap.”

“It is, therefore, necessary to take an interim step to amend the Municipal Code to maintain the 250 cap on VR’s, while we continue to work our way through development of the comprehensive VR ordinance.”

Ordinance 613 does not maintain the “250 cap” on Vacation Rentals. It adds a new restriction of a 250 cap for Vacation Rentals only in “residential zones.” The addition of the staff proposed language, **“In residential zones,”** into Ordinance 613 significantly changes the intent of the original moratorium and allows for a potential increases in short-term vacation rentals in Morro Bay. Many more Vacation Rental units can potentially be added into Morro Bay in non-residential zones.

Please keep the status quo (250 VR’s), the original intent of the Moratorium, until a new ordinance and new policies are adopted.

3) The 4/24/2018 Staff Report also states:

“It is, therefore, necessary to take an interim step to amend the Municipal Code to maintain the 250 cap on VR’s, while we continue to work our way through development of the comprehensive VR ordinance.”

And where is the comprehensive Vacation Rental ordinance? Fragments of Vacation Rental guidelines are dispersed throughout the Module 3 – Zoning Code which was presented to GPAC on April 19th. There is no a comprehensive VR ordinance.

4) General Plan Advisory Committee: The 4/24/2018 staff report for C-2 states:

“Since 2016, the Community Development Department has been working on the project Plan Morro Bay: General Plan/Local Coastal Program/Zoning Code update. A draft VR ordinance which would be included as part of Plan Morro Bay was released for public review and considered by the City’s General Plan Advisory Committee (GPAC) on April 19, 2018. As part of the draft ordinance, new regulations are proposed which in part would limit the number of VR’s in residential zones by implementing buffers that prohibit VR’s within 200 feet of one another, implement occupancy limitations, and require minimum parking standards.”

Sure, Vacation Rental issues have been added to the GP/LCP draft Module 3, Zoning Code which was presented to the GPAC on 4-19-2018, but that is not a “Comprehensive Vacation Rental Ordinance” easily understandable and released to the public. Additionally, there was very little public involvement.

There has been very little or no public notice or involvement in the new proposals hidden in the Modue-3-Zoning Code, and Modue3 applies to the whole city not just VR's.

5) 4/24/2018 staff report proposed 200' separation between Vacation Rentals.

"As part of the draft ordinance, new regulations are proposed which in part would limit the number of VR's in residential zones by implementing buffers that prohibit VR's within 200 feet of one another, implement occupancy limitations, and require minimum parking standards."

The proposed limit of 200 feet between an active, commercial use in our neighborhoods, such as Vacation Rentals, is inadequate, and has not been fully discussed by the City with public notice and comment. Please, clearly notice the public with newspaper advertisements before you adopt any limitation.

I recommend increasing the 200' limit to a minimum of 500' or more in order to limit negative impacts on our neighborhoods from Vacation Rentals. Please consider a larger buffer to prevent the character of our neighborhoods are completely changed.

6) Missing staff report promised in June 2016:

The June 1, 2016 Council agenda report prepared by Scot Graham, "Adoption of Urgency Ordinance No. 604 approving a 45-day Moratorium Limiting the Number of Vacation Rentals in the City," states:

*"Ten days prior to the expiration of the second extension to that moratorium ordinance the Council is required to adopt a **written report describing the measures taken to alleviate the condition** which led to the adoption of the ordinance. That review would likely take place on May 22, 2018."*

Has this required "**written report**" been prepared and made public. When will the Council review and adopt the above required report? It seems appropriate to adopt VR Ordinance on the same date, May 22, 2018, for better community understanding, and continuity with original Moratorium adoption.

Please wait until after September 2018 and Morro Bay residents have had time to review and concur with City policies permanently allowing and regulating Vacation Rentals in Morro Bay. Clearly notice the public with newspaper advertisements regarding any upcoming change to Short-term Vacation Rental policies. Let the residents be involved as they were prior to the Moratorium. They expect nothing less.

Attached is a copy of my email to the GPAC for the April 19th meeting. The email requests that they postpone action of the Module 3, Zoning Code, which includes zoning which applies to Vacation Rentals. There has NOT been adequate public review or notice of the Coastal Commission grant funded report, "Lower-Cost Visitor Serving Accommodations Technical Memorandum" (Vacation Rentals), and the Module 3, Zoning Code report which implements Vacation Rental policies.

Thank you for considering my requests.

Barbara Doerr

Attachment - Email to GPAC:

-----Original Message-----

From: B. Doerr [REDACTED]

To: sgraham <sgraham@morrobayca.gov>; dswanson <dswanson@morrobayca.gov>; sstewart <sstewart@morrobayca.gov>; jgoldman <jgoldman@morrobayca.gov>; gsilloway <gsilloway@morrobayca.gov>; jingraffia <jingraffia@morrobayca.gov>; rbuquet <rbuquet@morrobayca.gov>; @sstewart <msmith@morrobayca.gov>; sschneider <sschneider@morrobayca.gov>

Sent: Thu, Apr 19, 2018 3:31 pm

Subject: 4-19-2018 Postpone Discussion of Short-Term Vacation Rentals

Dear GPAC Member:

Susan Stewart, Chairperson Jan Goldman Rich Buquet, Vice-Chair Melani Smith Joe Ingraffia Glenn Silloway Susan Schneider

Please consider postponing any action during your meeting tonight relating to lower-cost Vacation Rentals (VRs) for the following reasons: 1) The Vacation Rental Moratorium has not yet expired and no action or direction has been provided by the City Council; and 2) The community needs to be given more time to study the report, "Lower-Cost Visitor-Serving Accommodations Technical Memorandum." Please additional information below.

- 1) In Morro Bay there is still a moratorium on Vacation Rentals (VRs), unless the City Council has taken a recent action to end it that I am not aware of. Ordinance No. 605 was established a moratorium on July 8, 2016 and is to last for "TWENTY-TWO MONTHS AND FIFTEEN DAYS WITHIN THE CITY OF MORRO BAY". I believe this Moratorium will expire in May 2018. A great number of residents showed an interest in the impacts of short-term vacation rentals in Morro Bay (especially a loss of available long term rentals and neighborhood impacts), and these same people should be informed when the Moratorium ends and what the next steps will be in Morro Bay. Possibly the GPAC could hold a meeting relating to only Vacation Rentals.
- 2) *The Coastal Commission grant funded report, "Lower-Cost Visitor-Serving Accommodations Technical Memorandum* is lengthy, and has just been made available to the public. After seeking an update on the report, I received an email response from the City only today with a link to the report, and advice that it was posted on the City's web site. I believe the City's posting of the report for public review occurred on April 17, 2018. Additionally, before the GPAC implements/approves policies related to Vacation Rentals based on this report, the City Council should formally receive and/or concur with the report.

Thank you for considering my request. I will not be able to attend the GPAC meeting tonight.

Thanks,

Barbara Doerr