



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, May 18, 2009

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

I. CALL MEETING TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Bruce Ambo led the Pledge of Allegiance.

III. ROLL CALL

Chair Johnson asked that the record show all Planning Commissioners were present.

IV. ACCEPTANCE OF AGENDA

MOTION: Lucas, Luhr 2nd to accept the agenda as presented. VOTE: 5-0

V. DIRECTOR'S REPORT/WRITTEN COMMUNICATIONS

Bruce Ambo presented on the City Council Meeting of May 11, 2009 as follows:

- Approved a minor fare increase to Dial-A-Ride services.
- Approved a contract extension for Dial a Ride and MV Transportation for one year.
- Authorized application of an FTA Grant for new Dial Ride Trolley vehicles.
- Approved Resolutions for North Point and Cloisters Lighting Maintenance Annual Assessments.
- Adopted for first reading and Introduction of Title 10, Vehicles and Traffic..
- Review of the 2008 Trolley Season Performance Report and recommendations.
- Report on Citizen's Bike Committee recommendations for Bikeways Plan.

Special Budget Workshop occurred on May 13, 2009. A number of recommendations were discussed in referenced to Measure Q allocations, staff will return with a Resolution on May 26th. Staff will also return with a Resolution for adoption of the Green Building Incentive Program.

VI. PUBLIC COMMENT:

Members of the audience wishing to address the Commission on matters other than scheduled hearing items may do so when recognized by the Chairman, by standing and stating their name and address. Comments should be limited to three minutes.

Dorothy Cutter – Requested a continuance because the Agenda was not posted on the City website until this morning.

Patty Dunton – Representing the Salinan Tribe of Monterey and San Luis Obispo Counties - Reminded the Commission they are a designated State Tribal Government, designated by the National Heritage Association and also presented three letters written previously. Requested:

- City Pursuit of General Plan goals related to protection of archaeological resources of statewide significance.
- Updated EIR for the Black Hills project.
- Update regarding the sewer project.

Ambo stated requirements for legally noticing the meeting were met.

Lucas asked if deferral of the Housing Element would impact the very tight schedule. Ambo clarified that the Commission's role was to review and make recommendations. The City Council is required to approve and recommend for submittal. Ambo confirmed comments will be forwarded to Council stating the Public Review process is ongoing until the document is certified.

VII. CONSENT CALENDAR

A. Approval of minutes from hearing on April 20, 2009

MOTION: Woodson, Lucas 2nd to accept minutes revised to read, "Agendize request by Michael Lucas for approval of summer absences." VOTE: 5-0

B. Approval of minutes from hearing held on May 4, 2009

MOTION: Woodson, Lucas 2nd to accept the minutes as stated.

AMENDED MOTION: Woodson, Lucas 2nd to accept minutes with the following revisions:

- Page 3 revised to read, "Luhr inquired of staff if locked gates were allowed."
- Page 5, Number 10 revised to read, "Could the Applicant create hip roofs to shorten the ridgeline and enlarge the view corridor around the top which would inset the ridgelines?"
- Page 5, Number 2 strike sentence, "The second story is consistent."

MOTION: Woodson, Lucas 2nd as revised. VOTE: 5-0

VIII. PRESENTATIONS

Informational presentations are made to the Commission by individuals, groups or organizations, which are of a civic nature and relate to public planning issues that warrant a longer time than Public Comment will provide. Based on the presentation received, any Planning Commissioner may declare the matter as a future agenda item in accordance with the General Rules and Procedures. Presentations should normally be limited to 15-20 minutes.

IX. FUTURE AGENDA ITEMS

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

X. PUBLIC HEARINGS

- A. **Site Location:** 570 Olive Street, R-1 zone
Applicant: Brian & Nicole Dorfman
Request: Conditional Use Permit/Coastal Development Permit for demolition of an existing 948 square foot residence, site grading and retaining walls, and a new 2,977 square foot single family residence with an attached 2-car garage, and a 1,068 square foot second dwelling unit with an attached 1-car garage and 1-car carport. This site is located outside of the Coastal Commission's Appeal Jurisdiction.
Recommended CEQA Determination: Categorically exempt, Class 3
Staff Recommendation: Conditionally approve the project.
Staff Contact: Aileen Nygaard, Associate Planner, 772-6211

Staff Report presented by Aileen Nygaard as follows:

- Categorically exempt, however location is a potential cultural resource area due to its vicinity to Cerrito Peak. Recommends modifying Condition #4 to require cultural monitor during grading activities.
- Conditional Use Permit required due to size.
- Primary residence accesses from Olive Street, Secondary Dwelling unit accesses from Cerrito Place.

Clarification:

- Shed is included in square footage calculations.
- Building Official has some ability to address grey water system through Building Code. Currently undergoing a great deal of modification.
- Fire Department has approved dual access. Addressing was also reviewed.

Joshua Jeshun, Agent for the Applicant - Stated Bill Black, Contractor and the Owners are available for questions. Presented as follows::

- Working with Building Staff on subterranean grey water system.
- Reduced plans be provided to the Fire Department identifying all main shut offs.
- Site photographs reflect what was able to be prepared in the time frame available.

Chair Johnson opened Public Comment.

Phil Dowty – Owner of existing house to the east, corner of Olive and Shasta. Spoke in favor of the elevations and style. Asked questions regarding construction hours, front yard setbacks and building height, and addressed concerns related to establishment of property lines, grade certification and side yard setbacks.

Dorothy Cutter – Asked if buildings should have the same setbacks as a primary building as a result of the dual entrances. Stated she was not able to locate FAR information in the Staff Report, as required per City Council direction.

Berta Parish – Neighbors to the south of the project. Addressed concerns about the size of both residences.

Patty Dunton, Salinan Tribe of Monterey and San Luis Obispo Counties – Received notice and contacted planner who was not aware the site may be a cultural resource due to its adjacency to Cerrito Peak.

Submitted and read a letter requesting the Commission not approve the Conditional Use Permit. Requested a requirement for an indigenous monitoring agent during all ground disturbance activities, and not just grading.

Staff responses:

- Construction hours are 7am to 7pm on weekdays.
- Project is in compliance with site specific setback requirements.
- FAR analysis is provided following the matrix in the Staff Report.
- Code identifies a 300 foot requirement - property is outside that 300' zone. Cerrito Peak is a confirmed archaeological site.
- Height certifications are taken separately for each unit from natural grade and will be verified prior to final occupancy.
- Solar panels must comply with height limitations verified through plan check process.

Agent for the Applicant returned to the podium and provided the following clarification:

- Proposed Gym is for personal use. Ambo clarified commercial activity is not allowed.
- Lay down panels proposed – no higher than existing ridge.
- Finished floor is lower than the average natural grade calculation.
- Structure is setback significantly further than existing dwellings on Cerrito.
- Post consumer waste products to be evaluated during construction. SLO Green Build has not been approached.
- Record of Survey recorded last year.
- Currently evaluating LEED certification. Project exceeds Title 24 requirements, utilizing renewable energy and intends to pursue applicable federal rebates.

Seeing no further comment, Chair Johnson closed Public Comment.

MOTION: Woodson, Luhr 2nd to conditionally approve the project by adopting a motion including the following action(s):

- A. Adopt the Findings included as Exhibit “A”;
- B. Approve Conditional Use Permit and Coastal Development Permit subject to the Conditions included as Exhibit “B” and the site development plans dated May 4, 2009 with the following changes:
 - a. Condition #7 to be deleted as it is a duplicate.
 - b. Condition #9 to be corrected to clarify construction hours.
 - c. Condition #4, revise to include staff and CEQA requirements.
 - d. Amend with a Condition to require undergrounding of utilities.

The Commission raised the following concerns:

- Inadequate evidence of compatibility for secondary dwelling unit.
- Monitoring costs may be substantial. Requested a future agenda item providing information regarding cultural resource locations. Ambo clarified that information is not public.
- Concerns regarding broad thresholds for cultural resource mitigation.

VOTE: 4-0, Lucas abstained.

- B. **Site Location:** Citywide
Applicant: City of Morro Bay
Request: Review and comment on City's Draft Housing Element of the General Plan
Staff Recommendation: Make a favorable recommendation on the Draft Housing Element and forward on to City Council for approval and submission to the State Department of Housing and Community Development for a mandatory pre-review prior to final adoption and certification.
Staff Contact: Kathleen Wold, Senior Planner, 772-6270

Staff Report presented by Jennifer Gastelum addressed the following:

- Importance of Compliance
- Review of RHNA Requirements
- Income Categories
- Capacity based on Default Density currently shows a surplus of 285 units.
- New State Law Requirements
- Demographics
- Housing Characteristics
- Rental Housing Affordability
- Ownership Housing Characteristics
- Objectives, No change
- New and Revised Policies and Programs
- Schedule

Chair Johnson opened Public Hearing.

Clarification:

- Limiting Single family development in multi-family zones would address a number of issues impacting our capability to meet affordable housing requirements.
- Emergency shelters in the single-family zones are not currently allowed.
- Current affordability requirement is triggered at 8 units. Commission is being asked to consider lowering that to 5 units, which corresponds with the Tentative Tract Map requirement.
- Current Affordable in lieu fee does not include the land value. Staff asked the Commission to consider a valuation calculation which includes land.

New and Revised Policies and Programs:

- 1) Consideration of Conditional Use Permit requirement for SFR in R-3 and R-4 zoning
 - Is there a step up from mandating which strongly encourages affordable units? Definitions in zoning can be strengthened to identify preferred development and specific findings.
 - Are there incentives for increasing density? Multi-family units are eligible for additional density.
 - AB 2811 is "no net loss" threshold. If a project results in a loss of units as a result of decreased densities, the City may be sued and rezoning required or to document availability of additional sites. Acknowledged that this is a proposal to the State, HCD may have more stringent requirements.

Agreed by consensus to propose Conditional Use Permit requirement for single-family development in R-2, R-3 and R-4 zones.

2) Emergency Shelters in C-1 Zones

- City must identify Development Standards for Emergency Shelters in the zoning code, and that amendment must occur within 12 months of adoption of the Housing Element.
- Transitional and Supportive housing uses are currently allowed in all zones.
- Concerns voiced regarding prohibition in residential zones due to faith based program potential.

Agreed by consensus to propose an overlay zone be identified to include appropriate sites for emergency shelters.

3) In Lieu Affordable Housing Fee

- Can developers be required to construct affordable units first? Program H-6.1 provides an opportunity to address timing of construction of affordable units. Current program identifies “concurrent” development. Discussion followed regarding economic impacts, financing, etc., related to dictating timing.
- Current financing challenges may be addressed by utilization of in lieu fees or identifying other financing options to allow flexibility in meeting requirements.
- Historically since 2005, there were very few projects permitted over three units thus the affordable housing requirement is rarely triggered. It was felt the affordable housing threshold is directly tied to capacity. A brief review of availability of sites large enough to accommodate 8 or more units followed.
- Have in lieu fees always been optional? Yes. If made mandatory, by definition the project becomes an affordable housing project, and is automatically eligible for density bonuses, parking exceptions, etc.
- Mobile home parks are an affordable housing resource which must be addressed. The current Owner-Occupied Rehabilitation program does provide funding for mobile home rehabilitation.
- Are the present requirements in accordance with other communities? There are various options with no particular standard applied globally. Adequate analysis must substantiate nexus and methodology for calculating fees prior to enacting any changes.

Agreed by consensus to evaluate methodology, but maintain current program description.

Recommendations for change were presented. (See Page 8, “Planning Commission Recommendations”) Clarification provided as follows:

- Affordable housing providers were notified of hearing.
- The RHNA default density is 20 units per acre in the R-4 Multi-Family zone does not apply to other residential zones (R-1, R-2, R-3).
- Annexations were not addressed in the Housing Element but may be evaluated as part of the General Plan update.

MOTION: Woodson, Luhr 2nd to continue past 10:00 p.m. VOTE: 5-0

Chair Johnson Closed the Public Hearing.

MOTION: Lucas, Luhr 2nd to recommend to City Council the City of Morro Bay Draft Housing Element of the General Plan with recommendations as submitted by the Commission. VOTE: 5-0

XI. OLD BUSINESS

A. Current Planning Processing List/Advanced Work Program

XII. NEW BUSINESS

A. None

XIII. ADJOURNMENT

Adjourn to the next regularly scheduled Planning Commission meeting at the Veterans Hall, 209 Surf Street, on Monday, June 1, 2009 at 6:00 p.m.

Nancy Johnson, Chairperson

ATTEST:

Bruce Ambo, Secretary

**Draft Housing Element
Planning Commission Recommendations
May 18, 2009**

PAGE	TOPIC	COMMENTS
9	Household Composition	Male householder, no wife with children and Female householder, no husband do not appear correct. Will verify.
15		Census Block Groups map too small. Will be reformatting pages and including new/revised maps.
21- 22	Housing Affordability	Feels cost of money is overstated.
28	Ocean View Manor	At risk, requirement for two year notice. Has there been a notice? Ambo is not aware of any notice. Gastelum noted they will continue to be at risk until they formally opt out.
36	Water Production	utilization of “increase” and “decrease” reversed and requires revision.
37	Local Land Use Control	Off street parking requirements. Feels parking does impact ability to provide housing. Relax or provide accurate data on what is being used.
45	Permit Processing times	“...one to three...” Insert “months”. Clarified “Appendix A” is the Master Fee Schedule.
48	Construction Costs	Verify and cite source for construction costs and median home price.
55 H-31	Previous Housing Programs	Insert “Housing Element” in place of “element”.
64 H-18.1	Previous Housing Programs	Codification of neighborhood preservation guidelines for affordable unit – feels this should not be eliminated. Revise to “Continue”.
71 H-42	Previous Housing Programs	Should reference Program 27.2.
82 H-11	Mixed Use	Amount of residential allowed. Would we be meeting intent if limited to allow retail? Gastelum clarified you may allow 100% residential in the mixed use zone.
82 H-13.1	Granny Units	“under special circumstances”. Revise to delete this phrase. Consider “The City shall “promote” secondary units” rather than “allow”. Delete ‘be required to’, delete “ministerial”, delete “without discretionary review or public hearing”. Gastelum confirmed this is consistent with state law. Will revise.
84 H-17	Minimizing Impact	Delete “public”.
86 H-20.1	Conversion to Condominiums	For any conversion or only low income conversions? Gastelum clarified existing low income or deed restricted.
90 H-27.2	Energy Efficiency	Delete “consider sponsoring” insert “will sponsor”. Delete “retrofit” insert “energy efficiency”.
91	Energy Efficient Land Use	Promote passive and active solar orientations in subdivision regulations.
	Future maintenance	Is this addressed or should it be addressed? Rogers clarified the CDGB program does provide grant funding for multi-family residential. Gastelum verified the funding sources do have specific requirements. Ambo noted that often it is a code enforcement issue.
	Format	Recommended a check off list be provided to the City Council identifying work list from the document as well as providing an Acronym list.
	Mobile Homes	Expansion of mobile homes section.