

City Council conducted this meeting in accordance with Section 3 of California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Laurel Barton	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
ABSENT:	None	
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Elena Gerli	Deputy City Attorney
	Dana Swanson	City Clerk
	Katie Lichtig	Interim Finance Director
	Greg Kwolek	Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Jody Cox	Police Chief
	Eric Endersby	Harbor Director
	Nancy Hubbard	Contract Planner
	Rob Livick	City Engineer
	Michael Wambolt	Tourism Contractor

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/Wg2el7yQ3mo?t=293>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

<https://youtu.be/Wg2el7yQ3mo?t=817>

PRESENTATIONS

- Juneteenth Proclamation presented to NAACP representative, Paula Carr
<https://youtu.be/Wg2el7yQ3mo?t=1361>

PUBLIC COMMENT

<https://youtu.be/Wg2el7yQ3mo?t=1673>

Alissa Bright spoke regarding Item B-2, expressing concerns the proposed supportive housing project would be a big draw on emergency services.

Andrea Uribe, We Are the Care Initiative, spoke regarding the need for quality childcare and urged the City to invest 5% of ARP funds as an investment in families and the first five years of a child's life.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events including Shop, Sip & Stroll in the Downtown area Wednesday, June 30th, and a membership mixer in north Morro Bay mid-July.

Tyler Smith, Morro Bay, spoke regarding Item B-2, opposing the rehabilitation facility due to potential negative impacts on the community and drawdown of emergency services.

April Hook, Morro Bay, spoke against Rodeway Inn rehabilitation center and opined SB1322 allowed community members the right to designate where these types of facilities are located. She encouraged the Council to review the information submitted as agenda correspondence.

Dave Smith, Morro Bay, encouraged the Council to put restrictions and safeguards in place to limit the impacts the supportive housing project would have on the community.

Jeannie Mielke, Morro Bay, spoke against the rehabilitation facility based on its location and added private, for-profit facilities that are run poorly are a detriment to the community.

Mayor Heading closed public comment.

The Council and staff responded to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/Wg2el7yQ3mo?t=2837>

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE MAY 11, 2021 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MAY 26, 2021 CITY COUNCIL SPECIAL CLOSED
SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 ANNUAL WATER REPORT AND RECOMMENDATION FOR ALLOCATION OF WATER
EQUIVALENCY UNITS (WEU) FOR FY2021/22; (PUBLIC WORKS DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council review the annual water report and allocation of the FY 2021/22 Water Equivalency Units and adopt Resolution No. 27-21 with the following recommendations: 1) Allocate 50 Water Equivalency Units (WEUs) for residential development and 65 for commercial development for a total of 115 WEUs for FY2021/22; 2) Direct staff to Implement Mandatory Water Conservation Requirements for Severely Restricted Water Supply

Conditions if the Governor of California declares a state of emergency including San Luis Obispo County specifically due to drought.

- A-4 APPOINTMENT OF CAL MYERS AS THE RECREATIONAL BOATING REPRESENTATIVE ON THE HARBOR ADVISORY BOARD; (CITY CLERK)

RECOMMENDATION: Staff recommends the City Council appoint Cal Myers to the Harbor Advisory Board (HAB) as the Recreational Boating Representative to complete an unexpired term through January 31, 2023.

- A-5 PROCLAMATION DECLARING SATURDAY, JUNE 19, 2021 AS "JUNETEENTH DAY"; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

Mayor Heading opened public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, expressed concern regarding Item A-3 and urged the Council modify the number of WEU's to encourage more multi-family housing than commercial development.

The public comment period was closed.

Mayor Heading pulled Item A-3.

MOTION: Council Member Barton moved approval of Items A-1, A-2, A-4 and A-5. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

- A-3 ANNUAL WATER REPORT AND RECOMMENDATION FOR ALLOCATION OF WATER EQUIVALENCY UNITS (WEU) FOR FY2021/22; (PUBLIC WORKS DEPARTMENT)
<https://youtu.be/Wg2el7yQ3mo?t=3087>

City Engineer Livick responded to questions raised in agenda correspondence and public comment.

MOTION: Mayor Heading moved approval of Item A-3. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

- B-1 RESOLUTION DECLARING RESULTS OF MAJORITY PROTEST PROCEEDINGS AND (RE)ESTABLISHING (IF NO MAJORITY PROTEST) THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT, TO HELP FUND SALES, MARKETING, AND COMMUNICATION PROGRAMS FOR MORRO BAY LODGING BUSINESSES AND VACATION RENTAL BUSINESSES, PURSUANT TO THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994; (CITY MANAGER)
<https://youtu.be/Wg2el7yQ3mo?t=3500>

City Manager Collins provided the report and, along with Tourism Contractor Wambolt, was available to respond to Council inquires.

Mayor Heading opened the Public Hearing.

Mayor Heading opened Public Comment.

Chuck Davison, President and CEO of Visit SLOCal, offered his support in the establishment of the Morro Bay Tourism Business Improvement District under the 1994 law.

The Public Comment period and Public Hearing were closed.

MOTION: Council Member Davis moved to adopt Resolution No. 28-21 declaring the results of majority protest and re-establishing the Morro Bay Tourism Business Improvement District, to help fund sales, marketing, and communications programs for the Morro Bay lodging businesses and vacation rental businesses, pursuant to the Property and Business Improvement District Law of 1994. The motion was seconded by Council Member Addis and carried 4-0-1 by roll call vote with Council Member Barton absent.

B-2 APPEAL FILED ON APRIL 28, 2021 OF THE PLANNING COMMISSION'S DENIAL OF AN APPEAL OF THE ADMINISTRATIVELY ISSUED MINOR USE PERMIT (MUP20-02), APPROVING A CHANGE IN USE FROM A MOTEL (FORMERLY TWIN BAY INN AND BEST WESTERN) TO SUPPORTIVE HOUSING. THE ZONING OF THE SITE IS MCR/R-4/SP AND IS NOT LOCATED IN THE COASTAL APPEALS JURISDICTION. AS REQUIRED BY STATE LAW, SUPPORTIVE HOUSING IS A USE ALLOWED BY RIGHT IN BOTH THE MCR AND THE R-4 ZONES; (COMMUNITY DEVELOPMENT)
<https://youtu.be/Wg2el7yQ3mo?t=4210>

Assistant Planner Hubbard provided the report and, along with Deputy City Attorney Elena Gerli, City Attorney Neumeyer, and Community Development Director Graham, responded to Council inquires.

Mayor Headding opened the Public Hearing.

Ashley Smith, Appellant, restated information and concerns raised in the Appeal and submitted as agenda correspondence and asked the Council to deny the project or postpone the vote until it had reviewed all the evidence.

Brian Der Vartanian, spoke on behalf of the Applicant, Morro Bay Recovery, responded to issues raised in the Appeal and offered to make State licensing compliance reports available for review by the City.

Organes Nardos, Executive Director of Absolute Control, spoke on behalf of the Applicant and clarified he was assisting Mr. Der Vartanian with licensing and program development but had no ownership or financial interest in Morro Bay Recovery.

Mayor Headding opened Public Comment.

Susan McDaniel, Morro Bay, supported the need for professional treatment but was concerned by the lack of clear, complete and consistent information from the Morro Bay Recovery team.

Tyler Smith, Morro Bay, urged the Council to deny the project, noting there was ample evidence of safety concerns.

Tim Gailey, Morro Bay, expressed concerns regarding proximity to schools and urged the Council to vote no.

Leah agreed with concerns regarding the facility's proximity to schools and asked the Council to vote no.

Rich Donald, Rodeway Inn General Manager, responded to concerns raised regarding public safety.

Natalie Penny, Morro Bay, opposed the project based on its proximity to family neighborhood and schools.

Nathan Parks, Morro Bay, opposed the project and believed the information provided was adequate to defend a no vote.

The Public Comment period and Public Hearing were closed.

MOTION: Mayor Headding moved to deny the appeal and uphold the Planning Commission decision and the Director's approval of Minor Use Permit (MUP20-02) allowing the change in use to supportive housing in compliance with the requirements of the Morro Bay Municipal Code, by adopting Resolution No. 29-21, with two additional conditions: 1) have the applicant mandated to timely provide copies to the City of any reporting required by the California Department of Health Care Services, provided that any information identifying residents of the facility, any private medical information, or information protected from disclosure by law shall be redacted; and 2) the applicant provide the City with notice of any findings of violation or disciplinary action taken by the California Department of Health Care Services against the facility within 30 days of receiving a determination by the department. The motion was seconded by Council Member Heller for discussion.

Brian Der Vartanian, Applicant, agreed to the two added conditions.

City Attorney Neumeyer confirmed the Minor Use Permit would be amended to add the two new conditions.

Mayor Headding reopened the public hearing public comment; seeing none, the public hearing was closed.

Following discussion, the motion carried 5-0 by roll call vote.

C. BUSINESS ITEMS

C-1 DISCUSSION OF REVENUE OPPORTUNITIES AND NEEDS FOR HARBOR FUND;
(HARBOR DEPARTMENT)
<https://youtu.be/Wg2eI7yQ3mo?t=11110>

Harbor Director Endersby provided the report and responded to Council inquires.

The Council provided individual comments regarding the need for a steady revenue stream to address unmet capital improvements and infrastructure needs along the waterfront.

The public comment period for Item C-1 was opened; seeing none, the public comment period for Item C-1 was closed.

The Council did not take any formal action on this item.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/Wg2eI7yQ3mo?t=12429>

None

E. ADJOURNMENT

The meeting adjourned at 8:56 p.m.

Recorded by:

Dana Swanson
City Clerk