

AGENDA ITEM: A- 1

DATE: April 15, 2014

ACTION: APPROVED

SYNOPSIS MINUTES – MORRO BAY PLANNING COMMISSION
REGULAR MEETING – JANUARY 15, 2014
VETERANS MEMORIAL HALL – 6:00 PM

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

PRESENT:	Rick Grantham	Chairperson
	John Fennacy	Commissioner
	Michael Lucas	Commissioner
	Robert Tefft	Commissioner
STAFF:	Rob Livick	Public Services Director
	Kathleen Wold	Planning Manager
	Cindy Jacinth	Associate Planner
	Jaime Hill	Contract Planner

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE
PLANNING COMMISSIONER ANNOUNCEMENTS

PUBLIC COMMENT

Chairperson Grantham opened Public Comment period, and seeing none, closed Public Comment period.

PRESENTATIONS- None

Unless an item is pulled for separate action by the Planning Commission, the following actions are approved without discussion.

A. CONSENT CALENDAR

A-1 Approval of minutes from Planning Commission meeting of December 18, 2013
Staff Recommendation: Approve minutes as submitted. **MOTION:**

Commissioner Tefft moved to approve the Consent Calendar. Commissioner

Fennacy seconded and the motion passed unanimously. (4-0).

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B. PUBLIC HEARINGS

B-1 **Case No.:** A00-018 (Text Amendment)

Site Location: Citywide

Applicant/Project Sponsor: City of Morro Bay

Request: The City of Morro Bay is proposing a Local Coastal Program amendment modifying Municipal Code Title 17 (Zoning Ordinance) to provide for changes as established in the adopted 2009 Housing Element as follows:

- Update the City's Density Bonus regulations
- Remove single family dwellings units from multiple family zone districts,
- Add sections on supportive and transitional housing, farm worker housing, emergency shelters.
- Add a section allowing for a reasonable accommodation procedure to allow for necessary accessibility adjustments to homes.
- Address the needs of extremely low-income households.
- In addition, the City's Master fee schedule will be update to accommodate the proposed new procedures.

CEQA Determination: The proposed changes are exempt from environmental review pursuant to Section 15061(b)(3)

Staff Recommendation: Approve and forward the Local Coastal Programs Amendments to the City Council for adoption.

Staff Contact: Kathleen Wold, Planning Manager (805) 772-6211

Hill presented the staff report.

Commissioner Lucas confirmed accommodation for ramps in the side yard and things like that would be discretionary with staff and would not come to the Commission as a yard or setback violation. He inquired about the low income housing trigger and if staff had an idea of how many low-income housing units would have been produced in the last ten years under the proposed thresholds. Wold noted several projects such as Morro del Mar, Morro Mist, Project Center, Teresa subdivision, 500 Main. She stated it is not the norm since City is mostly demolishing and replacing single family homes.

Commissioner Lucas asked about ramifications of these changes. Hill stated changes recommended are for consistency with State law. Wold stated difference between 5 units and 8 units would not be much as most of what City does is single family homes or larger projects to maximize density.

Commissioner Lucas inquired about the in lieu fund. Wold explained how the in lieu fund works.

Commissioner Lucas asked if a motel can be turned into a SRO and ways could generate significant numbers of low income housing like an SRO. Wold explained a motel could be turned into an SRO. She added State is trying to remove regulations that are an obstacle.

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Commissioner Fennacy asked how consistent to current State law to permit building single family housing in the R3, R4 districts. Hill responded State law does permit or is silent to that effect. She add intent of adopted Housing Element is that City has committed on paper to identify where housing can be provided and if the few R3 and R4 remaining properties are allowed to build single family homes it would not be able to provide the amount of multi-family, and therefore affordable housing, that it's committed to and seen as necessary for the City's population.

Commissioner Fennacy asked if a single family home in an R3, R4 area could be rebuilt after a fire or would it be prohibited. Wold explained zoning code under nonconforming has a section that protects 3 units or less.

Commissioner Tefft asked about inclusionary units established through these provisions and if staff had an idea about the breakdown of moderate versus low versus very low versus extremely low. Wold responded City has generally allowed developer when proposing affordable housing to choose on their own. Since most units that have been developed are for sale, it is very difficult to bridge gap that occurs from anything beyond moderate. For housing which is rental, you start to see things beyond or lower than moderate. Ninety percent of projects pay an in lieu fee so City accumulates a large cash fund available for someone who wants to do a significant project like senior restricted.

Jacinth added it is a function of economics too. City may let applicant choose mix of target income and if it is a rental project, it depends on what kinds of subsidies developer has gotten. While they may want to target low income, the project has to pencil out for them financially. You need the right economic mix. Same thing goes for the for sale projects.

Commissioner Tefft indicated conclusion he would draw is current density bonuses and concessions are not necessarily sufficient to make an inclusionary project fly economically.

Hill noted they are flip sides of the same coin. There is an inclusionary requirement so if you build over 5 units you are either required to pay in lieu fees or build a unit. State also mandates you provide for density bonuses and other incentives or concessions should you chose to build onsite or build more. Number of concessions and density bonuses increase based on number of units and affordability of those units.

Commissioner Tefft asked staff to clarify Table 17 in relation to intent of farm worker housing changes since the table indicates single family. Hill explained key is looking at definitions where employee housing defined versus the sub-set of agricultural worker housing. Employee housing is 6 or fewer workers and deemed can be single family structure and Ag worker housing is 36 beds or 12 units.

Commissioner Tefft inquired about shelters, allowing them in the central business district and if another location, like industrial, might be more feasible. Hill responded this was a direct carryover from the Housing Element. Based on experience in other communities it is likely due to proximity of other services and geographically central and a safe haven in case of natural disasters.

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Commissioner Tefft stated it is not clear what constitutes employee non-farm worker housing. Need to define what is employee housing and recommend staff review this before going to Council.

Commissioner Tefft stated HCD defines income categories for SLO County based on medium income for 4 persons. He thinks should be defined according to household size. He stated should include how City defines household size.

Commissioner Tefft asked staff to look at State statute in relation to where it states rent and mortgage for low and very low income does not exceed 30% and make sure they line up with one another so it just isn't mortgage cost. He stated would be useful to include a list of what is included in monthly housing costs.

Commissioner Tefft inquired if occupancy restriction could be by sex as well for something like a women's shelter or transitional facility for women getting out of bad situations. Wold stated reason why not tailoring to Morro Bay is that these are State requirements that have been vetted and would need to go through legal staff to make sure could do that.

Commissioner Tefft inquired if under the reasonable accommodation procedure can address State laws regarding items that must be offered in new construction of multi-family residential and accessibility guidelines for multi-family dwellings that have been adopted by the State. Wold stated as things are changing and the building code is requiring certain things to go in multiple housing they are not put in the zoning ordinance as it goes to Coastal and can become a stagnant document rather than living. She added for dynamic things, it is easier to change these in the building code as they change.

Commissioner Tefft stated Section 17.50.020 regarding inclusionary housing requirements appears to have gone beyond what State law requires regarding density bonuses and/or concessions regarding moderate priced housing of common ownership developments like condominiums that do not apply to an apartment building to be rented at moderate rates. He wanted to know if intent is to broaden the definition or go with what the State suggests. Hill indicated she would go back to State law to review with the written policy.

Commissioner Tefft asked if it is warranted to leave room for exceptions not allowing single family residences in multi-family zones. Wold stated it would not be acceptable as you sign off with HCD you are making a commitment to change your behaviour, but what City could do is put an exception in for substandard lots that couldn't build multi-family. Hill added allowed density on a site is tied to its area based on their General Plan but that language could be added to address unusual circumstances that occur such as substandard size or naturally occurring features precluding reasonable development.

Commissioner Lucas stated City should incentivize density since we are almost built out.

Commissioner Fennacy echoed Commissioner Tefft's comments relative to single family housing and like staff's proposal to remedy that.

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MOTION: Commissioner Tefft moved to adopt Planning Commission Resolution 01-14 and recommend the City Council adopt the proposed amendments to Title 17 (Zoning Regulations) of the Municipal Code and Master Fee Schedule (Exhibit B) as presented.

Commissioner Lucas seconded the motion.

Wold requested Commission include in the motion direction to staff clarify those issues discussed. The State is offering streamlining of the next Housing Element that would be an extreme cost savings to the City. She asked that specific direction be included in the motion that the consultant can move forward with and not have to come back to the Commission.

AMENDED MOTION: Commissioner Tefft amended his previous motion to include direction to staff to review comments made by Commission and make necessary corrections prior to providing document to City Council.

Commissioner Lucas seconded and the amended motion passed unanimously. (4-0).

UNFINISHED BUSINESS

C-1 Current and Advanced Planning Processing List

Staff Recommendation: Receive and file.

Upcoming Projects: 800 Quintana.

Wold reviewed the Work Program with the Commission.

NEW BUSINESS - None

DECLARATION OF FUTURE AGENDA ITEMS

- Regular Planning Commission and Joint Council meeting schedule
- Election of Chair and Vice-Chair

ADJOURNMENT

The meeting adjourned at 7:09 p.m. to the next regularly scheduled Planning Commission meeting at the Veteran's Hall, 209 Surf Street, on Wednesday, February 5, 2014 at 6:00 pm.

Rick Grantham, Chairperson

ATTEST:

Rob Livick, Secretary