

**MINUTES
CITY COUNCIL MEETING
MONDAY, NOVEMBER 2, 2009**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Keziah Lazalde, a 10-year-old, 5th grade student from Grover Heights Elementary School.

ROLL CALL

City Council: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals were present.

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Interim Community Development Director Beck, Police Chief Copsey, Parks and Recreation Director Petker, Assistant Administrative Services Director Byrd, and Economic Development Specialist Buckingham were also present.

Also present were City Engineer Garing and consultant Lisa Wise.

CLOSED SESSION ANNOUNCEMENTS City Attorney Koczanowicz read the following announcement:

On Monday, October 19, 2009 after meeting in Closed Session regarding:

1. Public Employee Performance Evaluation
Pursuant to Government Code Section 54957
Employee: City Manager

the City Council reconvened into open session and announced that there were no reportable actions taken.

AGENDA REVIEW

Action: Upon unanimous consensus, the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

1. **Drawing to Select Monthly Winners of the Local Economic Stimulus Program Shop Local, Shop Loyal Campaign - "Shop & Dine Grover Beach".**

Assistant Administrative Services Director Byrd briefly described the "Shop & Dine Grover Beach" Program to encourage residents to support local businesses by shopping and dining in Grover Beach. She stated there were 61 Grover Beach-based businesses participating in the program and encouraged other businesses to join. She also announced that there would be one additional drawing held in December in celebration of the City's 50th anniversary.

Fifth grade student Keziah Lazalde then assisted Assistant Administrative Services Director Byrd with the random drawing. The names of the following Shop & Dine in Grover Beach winners were announced: Joel Anderson (two separate cards were drawn with the same name), Steve Bergstrom (two separate cards were drawn with the same name), Cheryl Gilbride, Barry Hauge, Rosemary Lucier, Alfredo Mendez, Debbie Peterson, and Roger Schandel.

At this time, Parks and Recreation Director Petker played a 30-second commercial regarding the "Shop & Dine in Grover Beach" Program. She stated that it was scheduled to be broadcast on two local television stations as part of the City's marketing efforts.

2. Proclamation Declaring November 2009 as "National Hospice Month".

Mayor Shoals read and presented the Proclamation to Lori Redhair, Grover Beach resident and representative for Hospice of San Luis Obispo, as well as Co-Chair of the Grover Beach Light Up a Life Ceremony.

PRESENTATIONS

3. Presentation from the San Luis Obispo Botanical Garden.

Elizabeth Scott-Graham, Development Director of the San Luis Obispo Botanical Garden, described the master plan to develop a 150-acre site within the El Chorro Regional Park located on Highway One that would be focused exclusively on plants from the five Mediterranean climate regions of the world. When fully developed, the garden would include demonstration and meditation gardens, art work, an amphitheater, restaurants, 52 miles of trails and paths, and GPS plant identification. She stated that the botanical garden project was anticipated to become a major California destination venue, similar to the Monterey Bay Aquarium. She then presented the City with a 2009 publication by the San Luis Obispo Botanical Garden entitled "128 of Our Best Mediterranean-Climate Plants Adapted to Dry Summers" to be used as a resource document for City staff and residents.

PUBLIC COMMUNICATIONS The Mayor opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council, but were not listed on the agenda.

- A. Leah Greeley, Grover Beach resident and Parks, Recreation & Beautification Commissioner, briefly described the Halloween Carved Pumpkin event that was recently held at Ramona Garden Park.
- B. Julie Burger, read a statement on behalf of Brenda Auer, a Grover Beach resident, expressing concerns regarding plans to open a sober living or other residential recovery facility at 520 North 7th Street. She then submitted a petition signed by 16 Grover Beach residents expressing the same concerns and, when prompted, approximately one dozen people in the audience raised their hands to concur with Ms. Burger's comments.

Upon request from the Council, City Manager Perrault responded that the property owner had been contacted and confirmed to City staff that he was reviewing several options, one of which was a sober living facility. City Manager Perrault then described regulations by the State, as well as the City, regarding transitional residential facilities and confirmed that the City was continuing to review the matter.

The following individuals also spoke against allowing a sober living home to be located at 520 North 7th Street:

- Luke Anthony, Grover Beach; and
- Brad Keller, Grover Beach, who also distributed a March 2007 document entitled "Residential Recovery Homes and Their Local Impacts".

The Council encouraged residents to contact the City Manager or Interim Community Development Director Beck directly for additional information regarding this matter.

- E. Joseph Victorino, Grover Beach, praised the efforts of the City Council.

Recess: Upon consensus of the City Council, the meeting recessed at 7:23 p.m.
Reconvene: At 7:32 p.m., the meeting reconvened with all Council Members present.

PUBLIC HEARINGS

4. Adoption of the City of Grover Beach Housing Element.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Interim Community Development Director Beck provided an overview of the process conducted to date regarding updating the City's Housing Element and the comments received from the Department of Housing and Community Development

(HCD) after a second submittal of the draft Housing Element. She stated that the Planning Commission had conducted a Public Hearing regarding the Housing Element Update on October 13, 2009. The majority of the public comments received at that meeting focused on the proposed change in designation of the Farroll Road site, which would be specifically addressed when the Planning Commission and City Council considered the Land Use Element update in the near future. She then introduced consultant Lisa Wise.

Ms. Wise reviewed the State's requirements regarding a Housing Element Update; recapped data from the Regional Housing Needs Allocation (RHNA) regarding the number of housing units the City must plan for or accommodate, as well as the required affordable levels; and outlined proposed revisions to the Housing Element Update in response to comments received from the HCD, Planning Commission, and staff. She then presented a tentative timeline for completing the Housing Element Update. Ms. Wise and Interim Community Development Director Beck then responded to questions from the Council.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Jerry Rioux, Executive Director of the San Luis Obispo Housing Trust Fund, spoke in support of adopting the Negative Declaration and the 2009 Housing Element Update. He commended the City for proceeding quickly through the Housing Element Update process and creating opportunities for affordable housing options. He pointed out that, even though median home prices had gone down, housing was still not affordable for families of low- and very-low income levels.

Joseph Victorino, spoke about his father's willingness to build homes for low-income families.

John Mack, architect, Grover Beach, spoke in support of adopting the Negative Declaration and the 2009 Housing Element Update, but suggested the following amendments (*added text denoted with double underline, deleted text denoted with ~~strikeout~~*):

- Program 1.1.6 (Page 8): "...development projects or subdivisions of five or more units or lots to provide ~~at least~~ up to 10 percent of the units available to very-low income households..." and
"The City shall offer incentives such as increased density, reduced parking requirements, deferred or reduced permit fees, and/or expedited permit processing."
- Program 4.1.1 (Page 12): "...shall continue to install design features in at least ~~40 percent of the units~~ the same amount of units as required by the California Building Code for handicapped accessibility."
- Table 5-4 (Page 66): He pointed out that the "Total Estimated Fees per unit" of \$25,000 did not include school fees or Quimby Park fees.

He then spoke in support of the following:

- Program 7.1.3 (page 19) - parking standards;
- Program 7.2 (page 19) - expedited permit processing for affordable housing developments; and
- Program 7.2.1 (page 19) - development fee structure and consideration of fee reductions for affordable housing units where possible.

The following persons spoke against the proposal to rezone property on Farroll Road from "rural" to "medium density":

- Richard Vierra, Rose Court resident, Grover Beach, suggested changing the designation to "low-density" to preserve the rural character of the surrounding neighborhood;
- Wayne Allen, Rose Court resident, Grover Beach, suggested a "low-density" designation;
- Nancy Bergstadt, Baden Avenue resident, Grover Beach;
- Cathy Gildea, Farroll Road resident, Grover Beach; and
- Carolyn Hitko, Rose Court resident, Grover Beach.

There were no further public comments received, and Mayor Shoals closed the Public Hearing.

In response to public comments, Ms. Wise and Interim Community Development Director Beck noted the following:

- Quimby and school fees were included under "Fees and Exactions" on page 65;
- the Land Use Element Update would identify the appropriate density for the Farroll Road site; and
- Public comments regarding the Farroll Road site would be considered during the Land Use Element Update.

Brief Council discussion was held regarding additional proposed amendments to specific areas of text in the Housing Element.

Action: Upon consensus, the Council authorized amending the Housing Element as follows (*added text denoted with double underline, deleted text denoted with ~~strikeout~~*):

- Page 5, paragraph 9, under "Goals": "Ensure equal housing opportunities for all persons regardless of age, race, sex, religion or national origin, ~~or other~~ and remove potential barriers that prevent choice in housing".
- Page 8, Program 1.1.6, first sentence: "The City will consider preparing and adopting ~~prepare and adopt~~ an Inclusionary Housing Ordinance..."
- Page 12, Program 4.1.1, leave the text as is: "...in at least 10 percent of the units..."
- Page 16, Program 5.2.1, second criteria: "It is necessary to carry out a public project that would improve coastal access or other direct public benefit."
- Page 18, Program 6.2.1, at the end of the first sentence: "The City shall prepare an update of the General Plan Land Use Element and shall consider appropriate locations for workforce residential and non-residential development south of Farroll Road, between South 4th Street and South 13th Street.";
- Page 54, under "Energy Conservation", fourth bullet: "The City ~~will~~ may be participating with the County in development of an AB 811 implementation program to retrofit existing residences, including solar systems."
- Page 56; under "Energy Conservation", third paragraph: "~~Staff~~ The City is considering incentives, such as Improvement Agency funding..."
- Page 65, under "Fees and Exactions", leave the proposed amended wording as is: "...(approximately \$4,455 for a 2,000 square foot house)".

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to: 1) adopt Resolution No. 09-78 adopting the Negative Declaration for the Housing Element Update; and 2) adopt Resolution No. 09-79 adopting the 2009 Housing Element Update, as amended, and directing staff to submit the document to the Department of Housing and Community Development requesting certification of the 2009 Housing Element Update. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 09-78: A Resolution of City Council of the City of Grover Beach, California, Adopting the Negative Declaration Relating to the 2009 Housing Element Update.

Resolution No. 09-79: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 2009 Update of the Housing Element.

CONSENT AGENDA

It was m/s by Council Member Bright/Mayor Pro Tem Nicolls to approve Consent Agenda Item Nos. 5, 6, 7, and 8, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls,
and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

5. Treasurer's Report for the Period October 14-28, 2009.

Action: Approved as submitted.

6. Minutes of the Special City Council Meeting of Monday, June 22, 2009.

Action: Approved the minutes as submitted.

7. Clarification of Resolution No. 09-71, Creating Four Utility Undergrounding Districts -
Subsequent to the October 19, 2009 Public Hearing when the Council adopted Resolution
No. 09-71 to establish four districts for the undergrounding of utilities, the City was informed
by PG&E that individual Resolutions were necessary in order to form the districts.

Actions: Adopted the following Resolutions creating four Underground Utility Districts:

- 1) Resolution No. 09-80 - South County Transit Hub District;
- 2) Resolution No. 09-81 - West Grand Avenue, Gateway to the Pacific District;
- 3) Resolution No. 09-82 - City Hall and Longbranch Demonstration Project District; and
- 4) Resolution No. 09-83 - 16th Street Park District.

Resolution No. 09-80: A Resolution of the City Council of the City of Grover Beach,
California, Establishing the West Grand Avenue, Gateway to the Pacific Underground
Utility District.

Resolution No. 09-81: A Resolution of the City Council of the City of Grover Beach,
California, Establishing the City Hall and Longbranch Avenue Demonstration Project
Underground Utility District.

Resolution No. 09-82: A Resolution of the City Council of the City of Grover Beach,
California, Establishing the 16th Street Park Underground Utility District.

Resolution No. 09-83: Resolution of the City Council of the City of Grover Beach
Accepting the Grover Beach Police Department's Recommendations for Spending
the Citizen's Option for Public Safety (COPS) Grant (FY 10).

8. Consideration of a Master Plan for Future Utility Undergrounding Purposes -
Consideration of a map to be known as the "City of Grover Beach Undergrounding Master
Plan" to guide future efforts regarding relocating overhead utility lines underground in
accordance with utility tariffs Rule 20 and Rule 32.

Action: Adopted the City of Grover Beach Undergrounding Master Plan as presented.

REGULAR BUSINESS

**9. Request for Direction Regarding Vacation Home Rentals, Use and Permit
Requirements.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the
information of those present, City Manager Perrault reviewed concerns received from
residents in the vicinity of North 14th Street and Brighton Avenue regarding neighborhood
disruptions associated with the use of a vacation home rental located on North 14th Street.
The question posed to staff was: "To what extent does the City regulate vacation home
rentals?"

City Manager Perrault stated that, after review of the matter, it was determined there were
no regulations regarding vacation home rentals as a specific use in the Grover Beach
Municipal Code. The Zoning Code had no "Home Vacation Use Rental" designation.
However, such units could be located within commercial zones with a use permit as a

lodging facility. He also stated that, with the exception of the unit located on North 14th Street, there were very few complaints or calls for service with the Police Department regarding vacation home rentals. The County of San Luis Obispo and the City of Pismo Beach regulated vacation home rentals and copies of both agency regulations had been included in the staff report. He and staff then responded to questions from the Council.

Brief discussion was held regarding the estimated time frame for a review of this matter by the Planning Commission and then by the City Council, including environmental review proceedings, Public Hearings, and the potential for a protracted review process in the event of Coastal Commission involvement regarding a Local Coastal Plan Update.

Mayor Shoals invited public comments on this matter. There was no response and he closed the public comment period for this item.

Council Member Mires questioned the necessity of enacting vacation home regulations at this time when there were few vacation home rentals in the City and other regulations existed that could address concerns regarding noise and parking. He cautioned that regulating vacation rentals was a highly litigious issue in some communities, citing past events in the communities of Cayucos and Cambria that resulted in the County's regulation.

Further Council discussion was held regarding the desire to increase revenue from tourism activities, keep fees for business owners to a minimum, and encourage development of visitor serving facilities. Additional comments focused on taking a proactive stance with establishing vacation rental guidelines in order to minimize disruptions in residential areas.

Action: Upon consensus (Council Member Mires voting "no"), the Council referred the issue of regulating vacation home rentals to the Planning Commission, with direction that the Planning Commission review the use, make a determination regarding the level of regulation needed, and return with recommendations to the City Council.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Council Member Bright stated that City Manager Perrault and Economic Development Specialist Buckingham would be joining her at the meeting of the San Luis Obispo County Economic Vitality Corporation (EVC) scheduled for November 18, 2009.

Mayor Pro Tem Nicolls reported on the meeting of the South San Luis Obispo County Sanitation District, which included a tour of the sanitation plant.

Council Member Peterson reported on the meeting of the San Luis Obispo County Visitors & Conference Bureau (VCB).

Council Member Mires reported on the meeting of the San Luis Obispo County Water Resources Advisory Board (WRAC) and described technical documents that were available on the agency's website.

Mayor Shoals reported on meetings of the San Luis Obispo Council of Governments (SLOCOG), San Luis Obispo Regional Transit Authority (SLORTA), and the South County Area Transit. He also described a proposed community program in Cambria for volunteers to drive senior citizens to and from medical appointments.

Recess: Upon consensus of the City Council, the meeting recessed at 9:10 p.m. to the Joint City Council/Improvement Agency meeting, which was also scheduled for this same evening.

Reconvene: At 10:07 p.m., the meeting reconvened with all Council Members present.

CITY COUNCIL MEMBER ITEMS

None at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Bright commended the Police Department for providing excellent service, and specifically praised the job performance of Police Officer Chris Roy.
- B. Mayor Shoals provided the following comments: 1) congratulated the Parks and Recreation Department for the success of recent Halloween Carved Pumpkin community event; 2) stated that Karen Swack, a representative from the U.S. Census Bureau, had contacted him regarding efforts to prepare for the 2010 Census; 3) stated that communities were being invited to support the "Healthy Eating, Healthy Living, Healthy Cities" campaign and he would provide more information at a future meeting; and 4) expressed a desire to have on-line registration and credit card payments for Parks and Recreation activities and facility rentals available by April 2010 from the City website.

CITY MANAGER'S REPORTS AND COMMENTS

None at this time.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 10:14 p.m., the Council met in Closed Session regarding the following item:

- 1. **Conference with Legal Counsel - Anticipated Litigation**
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: One (1) potential case.

Closed Session Announcements: At 10:45 p.m., Mayor Shoals reconvened the meeting in open session with all Council Members present and announced there were no reportable actions taken during Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 10:45 p.m.

/s/JOHN P. SHOALS, MAYOR

Attest:

/s/DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 04/05/2010)