



California

ITEM NO. 4

CITY OF OCEANSIDE

JOINT MINUTES OF THE CITY COUNCIL SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS COMMUNITY DEVELOPMENT COMMISSION OCEANSIDE PUBLIC FINANCE AUTHORITY

MAY 2, 2012

REGULAR MEETING 2:00 PM COUNCIL CHAMBERS

2:00 PM - **OCEANSIDE CITY COUNCIL (COUNCIL),
HARBOR DISTRICT BOARD OF DIRECTORS (HDB), AND
COMMUNITY DEVELOPMENT COMMISSION (CDC)
OCEANSIDE PUBLIC FINANCE AUTHORITY (OPFA)
- REGULAR BUSINESS**

Mayor
HDB President
CDC Chair
OPFA Chair
Jim Wood

Deputy Mayor
HDB Vice President
CDC Vice Chair
OPFA Vice Chair
Jack Feller

Councilmembers
HDB Directors
CDC Commissioners
OPFA Directors
Esther Sanchez
Jerome M. Kern
Gary Felien

City Clerk
HDB Secretary
CDC Secretary
OPFA Secretary
Barbara Riegel Wayne

Treasurer
Gary Ernst

City Manager
HDB Chief Executive Officer
CDC Executive Director
OPFA Executive Director
Peter Weiss

City Attorney
HDB General Counsel
CDC General Counsel
OPFA Legal Counsel
John Mullen

For this regular and joint meeting, the Council sat as all 4 governing bodies [Council, HDB, CDC and OPFA] simultaneously but took action as the respective agency for the jurisdiction covered by each item. Council titles only will be used for brevity throughout the entire meeting.

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB), Community Development Commission (CDC) and Oceanside Public Finance Authority (OPFA) was called to order by Mayor Wood at 2:01 PM, May 2, 2012.

2:00 PM - ROLL CALL

**NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

May 2, 2012

Joint Meeting Minutes
Council, HDB, CDC and OPFA

Present were Mayor Wood and Councilmembers Kern and Sanchez. Councilmember Felien arrived at 2:02 PM. Deputy Mayor Feller was absent. Also present were Assistant City Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

City Attorney Mullen titled the following items to be heard in Closed Session: Items 1 and 2(B). [Item 2(A) was not heard]

[Closed Session and recess were held from 2:02 PM to 4:00 PM]

CITY COUNCIL, HDB, AND CDC CLOSED SESSION ITEMS

Closed Session to discuss litigation, property acquisition, labor relations and personnel matters

1. CONFERENCE WITH LABOR NEGOTIATOR ON STATUS OF NEGOTIATIONS PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54957.6)

CONFERENCE WITH LABOR NEGOTIATOR – Negotiator: City Manager; employee organizations: Oceanside Police Officers' Association (OPOA), Oceanside Firefighters' Association (OFA), Oceanside Police Management Association (OPMA), Management Employees of the City of Oceanside (MECO), Oceanside City Employees' Association (OCEA), Oceanside Fire Management Association (OFMA), Western Council of Engineers (WCE), and Unrepresented

Item discussed (OFA and OFMA); no reportable action

2. CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)

[Property: Property bounded by Pacific Street, Myers Street, Seagaze Drive, and Civic Center Drive (APN 147-261-01 through 12; 147-076-1,2,3,10,11,12); Negotiating Parties: SD Malkin Properties; Negotiator for the City: Peter Weiss, City Manager, and John Mullen, City Attorney; Under Negotiations: Terms of Disposition Agreement and Lease]

No closed session held

Property: Vacant land located south of Oceanside Boulevard at the terminus of Nevada Street (APN 152-121-06, 152-123-05 and 152-320-11); Negotiating Parties: City of Oceanside and Galardi Group Realty Corp.; Negotiator for the City: Douglas Eddow, Real Estate Manager; Under Negotiations: Price and terms for the acquisition of the property

Item discussed; no reportable action

4:00 PM – ROLL CALL

MAYOR WOOD reconvened the meeting at 4:0__ PM. Present were Mayor Wood and Councilmembers Sanchez, Kern and Felien. Also present were Assistant City Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

CONSENT CALENDAR ITEMS [Items 3-6 and 8-11]

The items listed on the Consent Calendar may be enacted by a single vote. There will be no separate discussion of any Consent Calendar items unless requested by members of the Council/HDB/CDC or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

ASSISTANT CITY CLERK TROBAUGH reported we have a request from the public to speak on Item 12.

COUNCILMEMBER KERN pulled Item 7.

The following Consent Calendar items were submitted for approval:

2. City Council/Harbor/CDC/OPFA: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
3. City Council: Approval of Amendment 1 in the amount of \$12,181 to the professional services agreement [**Document No. 12-D0275-1**] with Weston Solutions, Inc., for environmental engineering for the Loma Alta Slough Nutrient and Bacteria Total Maximum Daily Load project, adding to the scope of work additional technical assistance and extending the term of the agreement from June 30, 2012, to June 30, 2013, for a total project cost of \$36,412; and authorization for the City Manager to execute the amendment
4. City Council: Approval of a professional services agreement [**Document No. 12-D0276-1**] with Doherty Concrete of Oceanside in an amount not to exceed \$28,007 for repairs to the concrete slab, asphalt and slope at the Wire Mountain Reservoir located at 702 Airport Road, and authorization for the City Manager to execute the agreement
5. City Council: Acceptance of grant funds in the amount of \$102,700 from the Proposition 1C Housing Related Parks Grant program awarded to the City of Oceanside for the South Pier Playground project, and approval to appropriate these funds to the project account; and approval of a purchase order in the amount of \$89,170.26 to Dave Bang Associates, Inc., of Tustin; and authorization for the Financial Services Director, or designee, to execute the purchase order
6. **Removed from the Consent Calendar for discussion – Council**
7. City Council: Acceptance of Supportive Housing Program grant funds in the amount of \$146,702 from the U.S. Department of Housing and Urban Development (HUD); approval to appropriate these funds to the Neighborhood Services Department – Housing and Code Enforcement Division; approval of an agreement [**Document No. 12-D0277-1**] with the Women’s Resource Center for use of the HUD Supportive Housing Program funds for operation of a 21-unit Transitional Housing Program; and authorization for the City Manager to execute the grant documents and the agreement
8. City Council: Acceptance of the improvements constructed by TC Construction Company, Inc., of Santee for the Annual Slurry Seal FY 2011-2012 project; and authorization for the City Clerk to file a Notice of Completion [**Document No. 12-D0278-1**] with the San Diego County Recorder
9. Harbor: Adoption of **Resolution No. 12-R0279-2**, “...authorizing the application for grant funding from the California Department of Boating and Waterways, Harbor and Watercraft Revolving Fund”, in the amount of \$300,000 through the Local Assistance Loan and Grant Program, to be used to fund a replacement Harbor restroom building; and authorizing the Harbor Administrative Officer to execute the grant application and contract documents
10. City Council: Adoption of **Resolution No. 12-R0280-1**, “...authorizing the acceptance of \$250,000 in grant funds from the Governor’s Office of Emergency Services for a gang prevention and intervention program”, for the Oceanside GRIP 2012-2013 project, approving the grant budget, appropriating the funds to the Police Department, and authorizing the City Manager to execute all grant documents; and approval of a professional services agreement with Vista Community Clinic of Vista in the amount of \$88,000 for grant-funded activities, and authorization for the City Manager to execute the agreement
11. **Removed from Consent Calendar for discussion – Public**

DEPUTY MAYOR SANCHEZ moved approval of the balance of the Consent

Calendar [Items 3-6, and 8-11].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0, Feller – absent.

Items removed from Consent Calendar for discussion

7. **City Council: Acceptance of grant funds in the amount of \$318,957 from the State of California Law Enforcement Services Account and Local Safety and Protection Account, awarded to the City of Oceanside for the COPS 2012 Grant Program, approval to appropriate these funds to the Police Department, and authorization for the City Manager or his designee to execute all grant documents**

COUNCILMEMBER KERN pulled this to recognize Linda Wood, who is retiring from the Police Department. She is the person who puts all of the paperwork together to apply for these grants, and he wanted to recognize her for all of the work she's done.

FRANK McCOY, Police Chief, stated Linda Wood has done a tremendous job for us at the Police Department. She's brought in millions of dollars of grant money to our City that has helped us fight our crime issues. She will be missed.

LINDA WOOD thanked Council for the recognition and for the support over the years on the grants that they have submitted. We've been able to use the money to make Oceanside a safer place.

COUNCILMEMBER KERN moved approval of [acceptance of grant funds in the amount of \$318,957 from the State of California Law Enforcement Services Account and Local Safety and Protection Account, awarded to the City of Oceanside for the COPS 2012 Grant Program, approval to appropriate these funds to the Police Department, and authorization for the City Manager or his designee to execute all grant documents].

MAYOR WOOD seconded the motion.

Motion was approved 4-0, Feller – absent.

12. **City Council: Adoption of resolutions initiating the proceedings for the FY 2012-13 annual renewal of the Oceanside Lighting District, Assessment District No. 2-1991, and setting a public hearing for June 6, 2012, at 5:00 p.m. to confirm the assessments**

JIMMY KNOTT, 127 Sherri Lane, stated over the past few years when the assessment districts come before the Council, there has been quite a bit of controversy with it, especially with the setting of the different rates. The public has brought forth many alternatives. Camp Pendleton has gone to an independent system with solar and has reduced their costs and enhanced their lighting systems. This needs to be a workshop prior to a public hearing for public input to explore potential alternatives that could be more cost-effective.

COUNCILMEMBER KERN moved approval of [adoption of **Resolution No. 12-R0282-1**, "...directing the City Engineer to prepare a report on the fiscal year 2012-2013 renewal of the Oceanside Lighting District, Assessment District No. 2-1991", and **Resolution No. 12-R0283-1**, "...approving the City Engineer's modified Engineer's Report regarding the 2012-2013 fiscal year renewal of the Oceanside Lighting District, Assessment District No. 2-1991", and **Resolution No. 12-R0284-1**, "...declaring its intention to levy and collect assessments within the Oceanside Lighting District, Assessment District No. 2-1991, for fiscal year 2012-2013 and setting a public hearing on the proposed assessments"].

COUNCILMEMBER FELIEN seconded the motion.

Motion was approved 4-0, Feller – absent.

GENERAL ITEMS - None

CITY COUNCIL REPORTS

12. **Mayor Jim Wood**

MAYOR WOOD confirmed that Junior Seau passed away today and his death is still under investigation by the police department. Our condolences go out to his friends and family. He has given a lot to our City and the youth here.

14. **Deputy Mayor Feller** - absent

15. **Councilmember Gary Felien**

COUNCILMEMBER FELIEN joined the second trip going to Metropolitan Water District (MWD) to plead with them to be reasonable on their rates and to cut back expenses rather than going to the first resort of raising fees. Our protest had a little effect; they trimmed back the planned rate increases to a small degree. The bad news is they passed the rates through anyway and we'll have to pass those on to the ratepayers in the City as those bills come downstream.

He attended the appreciation meeting that was held for the library volunteers. He also went to Boy Scout Troop 744's meeting and gave a presentation on citizenship in the community.

There is now going to be non-stop air service between San Diego and Reagan Airport in Washington, D.C.

13. **Councilmember Jerome Kern**

COUNCILMEMBER KERN spent last Saturday with about 120 fourth and fifth grade boys at Laurel Elementary for a program called Lead Strong Boys. He attended the Environmental Fair on Saturday as well.

He has been working with the Gear Up program, which works with MiraCosta College all the way down to the middle schools. This year the program is partnering with Junior Achievement at Chavez Middle School and Jefferson Middle School. The goal is to increase the number of students graduating from high school and entering college by better preparing the students. Junior Achievement helps by partnering with the Oceanside business community to teach young people workforce readiness and financial literacy skills that will empower them for economic success. They need business leaders to come out and volunteer to teach students on May 17, 2012, at Chavez Middle School, and May 23, 2012, at Jefferson Middle School.

14. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ attended an event honoring the top realtors in the area; the library volunteer appreciation event; the Oceanside Historical Society's appreciation dinner; and the Día Del Niño in Balderrama Park.

On April 28th we celebrated International Day of the Child and Lora Hedstrom, who ran a daycare center in South Oceanside for 26 years and recently lost her battle with cancer.

She thanked the people at Rancho San Luis Rey for putting together a last-minute birthday celebration for her.

Our hearts go out to Junior Seau's family. He was very involved with the youth in Oceanside.

CITY MANAGER ITEM

25. City Council: Quarterly Budget Update

PETER WEISS, City Manager, stated as Council directed last year, staff is presenting the third quarter update on our financial position.

SHERI BROWN, Financial Services Division Manager, stated this is for the period ending March 31, 2012. Overall the General Fund year-to-date revenues are at 63%, which is exactly where we expect to be and in line with where we are normally at this time every year. Our expenditures are at 74%. We did have some increases in our expenditures. A computer graphic had a listing of those.

With respect to the General Fund revenues, she referenced a computer graphic showing the major categories, the amended budget amount and the actuals for the third quarter. Overall we're good at the 63%. Property taxes are down; we're expecting another remittance in April to make up for all of the payments in April. Sales taxes usually have a little lag. We just got the information on the 4th quarter, so there will be two more quarters that will affect this number. Charges for services and other revenues and transfers are right at 75% for the quarter.

The General Fund expenses are at 73%. She displayed a computer graphic to show the expenses by department, which includes encumbrances, while the expenses by category do not include anything that is encumbered. It shows year-to-date actual expenses.

COUNCILMEMBER KERN asked for an explanation of the debt service listed.

MS. BROWN responded that's a year-end entry. When we close the books at the end of the year, we move that money.

Regarding third quarter adjustments, on the sales tax we're up \$204,000. The Proposition 172 sales tax is up \$350,000; card room taxes are up \$100,000; and franchise fees are up \$70,000. The revenue sources that are down are business licenses, parking citations, investment earnings, golf course rent and POST reimbursement. For business licenses, businesses pay a percentage of their gross receipts and the gross receipts that they're reporting are lower. They pay us in arrears. When they're paying this year, it's really for the 12 months proceeding, so there's going to be a lag in what's happening in the economy and what we see in this particular revenue source. At the end of the third quarter, we're looking at an expenditure adjustment of -\$521,000. There is an Attachment A to the memo prepared by the Finance Director that shows what the City Manager has recommended to make up for those shortfalls.

Public input

JIMMY KNOTT, 127 Sherri Lane, stated there is something called "austerity budget reduction", which is a new term in our budget. The figures are questionable about where they're coming from. Some of it is self-explanatory, but other items aren't. He was hoping for further clarification on those.

Public input concluded

CITY MANAGER WEISS responded in the past we gave you the written notice of the quarterly reports. You had asked that we come back, and part of that direction was to take into account budget adjustments at the time we bring the quarterly report

to you. Our expenditures are below the 75%, and we're projecting at the end of the year that we will still be under our budget. With the quarterly adjustments, what Mr. Knott referred to in Attachment A, we identify the object of where the austerity budget reductions are coming from; whether it's material and supplies, travel and conference, and in a few cases overtime.

At the 6-month report we had indicated to Council that we were freezing all expenditures and all new purchase orders. We were going to go through a different approval process. What we've done with the various departments is identify, at ¾ of the way through the year, the amount of money that they had left in various accounts. If there was travel and conference or material and supplies, we froze that money. This action is going to take it out of the budget to offset those reductions in revenues so Council doesn't have to do a closing action at the end of the year. The reduction is actually occurring at this point of the year.

Councilmember Sanchez had asked about the reduction in revenues. The parking citation revenues are down; we're writing about 8% less tickets than we have in the past, primarily due to increased compliance. Also, we will start writing more tickets because of the season so some of those numbers will start correcting themselves as we get to the end of the fiscal year.

COUNCILMEMBER FELIEN stated the parking citations were also what interested him. He wondered how the red light cameras related to that. Is there less enforcement or are people getting less tickets with the cameras now that people have gotten used to them? Are the red light cameras playing a role in the reduced receipts?

CITY MANAGER WEISS responded no. The only money we make on the red light camera program is enough money to pay for the officer to review and validate the citations. The red light camera program is not a revenue generator for the City. We are monitoring that closely because the way the law changed, the vendor for the red light cameras is now paid on a per intersection basis. If we are not generating enough revenue through citations to pay that vendor, we still have to pay the vendor. If the revenues are not coming in, we have the ability to terminate that contract. We are monitoring that closely and expect to have a recommendation to Council before the end of the fiscal year.

COUNCILMEMBER FELEIN stated primarily cyclical issues are the reason for the reduction.

CITY MANAGER WEISS responded we are writing about 8% less citations, particularly on the street sweeping. We're seeing much more compliance. He doesn't believe we're going to recover the full \$500,000, but we'll see some recovery. We've taken that into account in next year's forecast and reduced those revenues already.

Due to the end of Redevelopment, **COUNCILMEMBER SANCHEZ** stated while this is not something we will realize this quarter, we've heard that we are going to be getting a one-time payment from the County of a little over \$500,000 in the next quarter.

MAYOR AND/OR COUNCILMEMBER ITEMS

23. **Request by Councilmember Feller to direct planning staff to initiate amendments to the City's Zoning Ordinance to allow appropriate assembly uses such as weddings and wine-tasting events in the agricultural zone, subject to an administrative use permit**

COUNCILMEMBER KERN stated Councilmember Feller asked to bring this forward to initiate staff working with people to allow wine-tasting and other events in the agricultural zone. Paradise Gardens does it now, but it's not something that's allowed. There is some interest in wineries out in the agricultural zone. If we're going

to have wineries, we should allow wine-tasting. We need to update our zoning with what's happening out there.

Public input

STEVE HASTY, 190 Wilshire Road, represents Paradise Gardens. This is an asset to the community to have a place where we can do weddings, private parties, etc. Paradise Gardens had to move to the agricultural zone due to rezoning the Highway 76 project. Now there isn't a box to check at the Planning counter to say that weddings are an authorized activity. It's a beautiful agricultural area that is a natural resource to the area. Temecula has a lot of wineries and does a lot of weddings. That would be an opportunity for increased tax revenues to the City. He appreciates Council's consideration for this issue.

LARRY BALMA, 745 Sleeping Indian Road, is a past President of the South Morro Hills Association and is in favor of this. We'd like to form an ad hoc committee that would work together with Planning on the wording of this. There are other uses in that area that would probably be able to benefit from this as well.

GEORGE MURRAY, 1534 Sleeping Indian Road, is a past President of the South Morro Hills Association and is the owner of Beach House Winery, which is our first vineyard/winery in the area. Without Council's help he wouldn't have been able to succeed in that project. He's a member of the San Diego County Vintner's Association, so he is monitoring the activities throughout the County. Escondido and Ramona have large pushes for wineries. He is requesting that Council allow participation by the residents in the drafting of the language for this amendment. We want to be successful for ourselves and for the City.

Public input concluded

COUNCILMEMBER KERN moved to direct planning staff to initiate amendments to the City's Zoning Ordinance to allow appropriate assembly uses such as weddings and wine-tasting events in the agricultural zone, subject to an administrative use permit.

COUNCILMEMBER FELIEN seconded the motion.

COUNCILMEMBER SANCHEZ would like to add the language that we work with the South Morro Hills Homeowner's Association. She congratulated Mr. Murray as the first winery to take a chance out there and show us that there is something we can do out in South Morro Hills that will be like a Plan B – the agri-tourism we've been talking about. We've been pushing wineries as the Plan B for our agriculturally zoned land, especially the South Morro Hills community. This is critical to maintaining our zoning and insuring we will have this mixed economy for Oceanside. She supports this. We've been working on it for a few years now. This is in line with what you've been doing in South Morro Hills. We'll be working in tandem with the County. It's critical to have the participation with those who are going to be involved in this and are already pushing forward, knowing what is needed. The Oceanside community as a whole will benefit from this in terms of our economy.

COUNCILMEMBER FELIEN stated this is a great item to move forward and it's the kind of forward-thinking that needs to happen in this City to help our businesses take advantage of new opportunities that are presenting themselves.

Motion was approved 4-0.

COUNCILMEMBER KERN announced he would pull Item 24. It's moot now because the State legislature brought it through legislation, and it was signed by the Governor within a week. This legislature can't deal with the budget or pensions, but when it comes to causing harm to Charter cities, they can't get it done quick enough.

Between the time he put it on and the time it came to Council, it's already passed. It doesn't do us any good to talk about it.

[Recess was held from 4:52 PM to 5:05 PM]

5:00 – ROLL CALL

Mayor Wood reconvened the meeting at 5:05 PM. All Councilmembers were present.

INVOCATION – John Lundblad

PLEDGE OF ALLEGIANCE – representatives of Live Well, San Diego

PROCLAMATIONS AND PRESENTATIONS –

Presentation – “Pet of the Month” presented by Michelle Quigly, San Diego County Humane Society & SPCA

Proclamation – Live Well, San Diego!

Presentation – The Regional Vision Initiative by The San Diego Foundation

Presentations were made

INTRODUCTION AND ADOPTION OF ORDINANCES

The following items are ordinances for introduction or adoption by the City Council/HDB/CDC/OPFA. Ordinances are laws of the City of Oceanside and require introduction and adoption at two separate City Council meetings (urgency ordinances are an exception, and may be introduced and adopted at one meeting as an emergency measure). The City Council/HDB/CDC/OPFA has adopted a policy that it is sufficient to read the title of ordinances at the time of introduction and adoption, and that full reading of ordinances may be waived. After the City Attorney has read the titles, the City Council/HDB/CDC/OPFA may introduce or adopt the ordinances below in a single vote. There will be no discussion of the items unless requested by members of the City Council/HDB/CDC/OPFA or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

26. **City Council/CDC: Adoption of an Ordinance of the City Council of the City of Oceanside amending Article 33 of the City Zoning Ordinance modifying the City's sign regulations** (*introduced April 18, 2012 – 4-1 vote, Sanchez no*)

CHRIS WILSON, 770 Harbor Cliff Way, stated his biggest issue with this sign ordinance as proposed is the fact that it specifies that you're going to make/keep certain things illegal, but then direct the Code Enforcement office not to enforce the law. Any time that happens, he has an issue with it because it tells our citizens that that particular law isn't important. If one law isn't important, how important are any other laws. This sets a bad example for the Council.

KEVIN BROWN, 2716 Norma Street, stated Oceanside has sold out to corporate America and the billboard companies. Mayor Wood has said he liked what he saw in Japan and that Oceanside needs the money. The majority of the Council agreed.

Our City will be blighted by 4 huge ugly electronic billboards that have no place in our coastal community. Billboards are visual pollution. Other Mayors and Councils have recognized that. It's shameful that this Council didn't. These billboards will be spewing out thousands of advertisements a day. This blatant, in-your-face commercialism will be impossible to ignore. These billboards will forever stand out against the landscape and will always draw attention. He expects to see tourist dollars moving toward other coastal cities.

By not continuing the existing ban on new billboards, based on aesthetics and safety issues, the City will forever be open to lawsuits from companies that are rejected

during the RFP (Request for Proposals) process. Any potential money made from these billboards could be lost in litigation. Council has decided on a high-risk gamble that could have disastrous financial results. Your actions are fiscally irresponsible.

Additionally, there could be proliferation of billboards on private property, based on First Amendment issues. This new ordinance has no standing to protect against these potentialities. The Council has also chosen to ignore the potential for driver distraction caused by these billboards. Common sense dictates that huge electronic billboards with changing messages are a distraction. To argue otherwise is disingenuous. Hopefully, no one will be injured or killed because of these additional distractions. He looks forward to the day when we have elected officials who care about the environment and its citizens, and not just about money.

Following the reading of the title, **COUNCILMEMBER KERN moved** to adopt **Ordinance No. 12-OR0289-1**, "...amending Article 33 of the City Zoning Ordinance modifying the City's sign regulations". He then asked where we are with the downtown sign ordinance?

CITY ATTORNEY MULLEN responded the downtown sign regulations are included within the Comprehensive Sign Ordinance update that you introduced last week. There are downtown district sign regulations within this ordinance that you are approving. The Economic and Community Development staff is going to come forward with amendments to that at some point in the future to enable alternative types of signs. Those discussions that have been ongoing in the past about changing those are not included within this. There is an Article XII section in here.

COUNCILMEMBER KERN asked at what point in the future. He would like to see it within 60 days or so. We've been struggling with this for 3 years. We're working with the Chamber and staff to come up with rules, so there is a moratorium on enforcement. When that comes back, he'd like to see the other come with it.

CITY ATTORNEY MULLEN responded his office can work with staff to bring future downtown sign regulations forward for Council's review.

COUNCILMEMBER FELIEN seconded the motion.

COUNCILMEMBER SANCHEZ is voting against this. This, as proposed, is not consistent with our General Plan. This will lead to billboard blight. We're talking about a total of 9 billboards to begin with. This is going to lead to litigation against Oceanside so any hope of getting any revenue for the City is misplaced here. What we're talking about is a law that we currently have, which is a complete ban on billboards, except for the 5 existing that we have, which are on private property and were the result of a lawsuit against our City.

Removing our current ban means that we are going to be subject to a renewed statute of limitations, which means we will be sued. Why shouldn't we be sued when we're saying we don't want a ban? Our ban was based on narrow grounds: aesthetics and public safety. With this we're saying we don't care about aesthetics and public safety. We're not only increasing the number of billboards to 9, we're going to make them more flashy. It's going to be changing the message every 4 seconds.

The first lawsuit will be the ban and not enough billboards. The second lawsuit will be from the existing billboards because they're going to say they should be treated equally. You can't have one rule for the City and one rule for the private sector. It's not fair. The existing billboards on private property will want to go digital. The third lawsuit is going to be from anybody who didn't get picked on a RFP. With 6 national sign companies that are multi-million dollar organizations with money to spend against cities, along with hundreds of smaller sign companies, it's going to be outrageous.

We've been talking about cleaning up Oceanside and having a better image for

the last 20 years. This is not the direction to go to give us a better image. She grew up here and she remembers the red light district at Mission and Hill Streets. She remembers reading about the homicides that happened downtown. We've come a long way from that. She doesn't see how this is improving Oceanside at all. This is going backwards. She is concerned about the lawsuits. We had a vote based on somebody's suggestion that we could get \$40,000,000, which has never even been hinted at before the last hearing and has not been repeated. It was a completely baseless statement. We could have made law much more relevant to what we need. This is not the way to do anything. We've had 2 legal professionals tell us not to do this.

COUNCILMEMBER FELIEN stated this is one of those difficult decisions we have to make as a city. There is no easy path in making this decision. The appeal of having revenue come into our city to help preserve some of our vital services influenced his decision. When he drives on the freeway in urban areas, he doesn't consider digital billboards blight. You glance at them a few seconds and keep going. If glancing at a billboard helps keep our libraries open, parks and recreations programs going and preserves public safety, he'll go with the billboards any day. He will also concede that it's not a risk-free option. How many decisions in life are risk free? There is the potential for lawsuits; maybe we'll have them and maybe we won't. The upside potential for the revenue exceeds the downside risk represented by the lawsuits. This is just one of the tough trade-offs we're called to make in our economically challenging times.

Motion approved 3-1, Sanchez – no; Feller - absent.

CLOSED SESSION REPORT

18. Closed Session report by City Attorney

CITY ATTORNEY MULLEN reported on the items discussed in Closed Session: See Items 1, 2(A) and 2(B). [Item 2(A) was not heard]

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

No action will be taken by the City Council/HDB/CDC on matters in this category unless it is determined that an emergency exists or that there is a need to take action that became known subsequent to the posting of the agenda.

Advance written request to reserve time to speak: None

19. Communications from the public regarding items not on this agenda

KEITH SIMIEN, 4556 Anne Sladon, lives in the Riverdale community. On both sides of the street on the second and fourth Tuesday, they have signs up that says you can't park on either side throughout the whole neighborhood. Those of us that have to park on the street have nowhere to park. He is disabled and can't always make it out on time in the morning to move his car, but he can't park on the other side of the street either. He requested that the times or days be staggered for each side of the street so people can still park somewhere.

FRANCIS KAZERSKI, 276 North El Camino Real, stated approximately one month ago he visited a staff member of a non-profit organization that helps children. The organization stops kids from falling through the cracks and being in the streets. He had suggested to the staff member that she come and visit Junior Seau because he has a recording studio in town, and it's open to record children. He thought they could make a Christmas album. Today he learned from the news media that Junior Seau died at his home in Oceanside. He asked the Council to keep an open line of communication for the community that we might know where condolences can be sent to the Seau family. He asked for people's prayers for the Seau family and for our nation.

RUBEN ALMADER, 1215 Division Street, stated once again somebody else has

been hurt. There was a shooting on Division Street in Crown Heights. This is an ongoing thing. He's here for his family and his neighbors, asking to have an item agendaized to put cameras in the neighborhood. The neighborhood is asking for help with cameras and an intervention program. There are a lot of good families in the neighborhood, and they are losing control of their teenagers to gangs. They are asking for help. It costs a lot of money, but there are programs to help. He asked Council for their help. He is Hispanic and would not mind if he was pulled over on a daily basis at a checkpoint simply because he's Hispanic if it will help keep his family safe and help with the crime in his neighborhood. We don't want the good people to move away. We want this to be a place where people wouldn't mind living. We need checkpoints or whatever it takes.

CHARLES "CHUCK" McVAY, 200 North El Camino Real, reminded the Council that the Rent Control Ordinance was enacted in 1984 to protect the homeowners from the unreasonable rental increases park owners were charging the homeowners. They had 2 choices: pay or walk away, allowing the park owners to take possession of their homes because the park owners controlled a very captive market, just like SDG&E.

Councilmembers Kern, Feller and Felien would have you believe vacancy decontrol will not affect current homeowners. Nothing could be further from the truth. The out-of-town millionaire trust babies have inherited these parks, without any investment whatsoever. Out of the past come the voices of the greedy park owners bragging about price gouging the veterans, seniors, disabled and less fortunate with unreasonable rent increases before rent control. This amendment is music to these trust babies ears. They have attempted to circumvent the current Rent Control Ordinance through courts, but have failed every time, including at the U.S. Supreme Court that have ruled in the homeowners' favor. Now they have enlisted the help of Councilmembers Kern, Feller and Felien with lavish contributions to their campaign coffers.

Amy Epstein would have all believe they may have to sell their parks for lack of enough income. What Amy does not tell you is that, of the several mobile home parks that their family owns in the County, two are in Oceanside. One is Mission View West, where he was informed by one of the residents who purchased a new expensive home and located it in Mission View. She was later informed that lease for the park was expiring and would not be renewed. Yet, they allowed her to move in there having full knowledge that the lease would not be renewed. If that was not bad enough, the park has adopted new rules which make it virtually impossible to sell or move their homes. If they have to abandon their homes, the park owner will take possession. Is it just circumstance that those park owners own a business that sells used mobile homes? Amy Epstein would also have you all believe they cannot scrape up enough money to fix a pothole.

It is not too late for Councilmembers to wake up and admit that you were wrong and campaign for a no vote on Propositions E and F. He pleaded with Oceanside veterans to vote no on E and F to help save our veteran's and senior's homes. Honesty and truth will overcome false and misleading information every time.

5:00 P.M. – PUBLIC HEARING ITEMS

Public hearing items are "time-certain" and are heard beginning at 5:00 p.m. Due to the time-certain requirement, other items may be taken out of order on the agenda to accommodate the 5:00 p.m. public hearing schedule.

20. **CDC: Adoption of a resolution approving Conditional Use Permit (RCUP12-00002) and Regular Coastal Permit (RRP12-00001) to allow for a Stone Company Store located at 310 North Tremont Street – Stone Company Store – Applicant: Stone Brewing Company**
- A) Chairman opens public hearing – hearing was opened.
 - B) Chairman requests disclosure of Commissioner and constituent contacts and correspondence – Councilmember Felien visited the site, Mayor Wood reported

contact with staff, Councilmember Sanchez reported contact with staff and driving by the site on a regular basis, Councilmember Kern reported contact with staff, site visit and public.

- C) Secretary presents correspondence and/or petitions – correspondence from Nadine Scott, which was forwarded to Council.
- D) Testimony, beginning with:

SHAN BABICK, Associate Planner, stated today Council is looking at approving a resolution for a Condition Use Permit (CUP) and a regular Coastal Permit allowing for a Stone Company Store located at 310 North Tremont Street. The site consists of an existing 952 square-foot commercial building that was built in 1966. The Zoning Ordinance requires a CUP for retail sales in addition to on-site alcohol consumption in connection with the making of the microbrews offered for sale on the premises. The proposed business includes the retail sales of Stone Company's merchandise, including apparel, glassware, sauces, soaps and dog treats. The applicant also proposes a tasting area for beer samples, keg sales and filling of reusable jugs for patrons to enjoy at home.

A computer graphic showed the proposed business location and the floor plans. There is a public parking lot with 44 parking spaces next door. The hours of operation are Sunday through Thursday from 11:00 a.m. to 9:00 p.m., and Friday and Saturday from 11:00 a.m. to 11:00 p.m. No food service is planned, but they want the opportunity to cater certain events. Delivery and services are from the rear, or the alley, and pedestrian and handicapped access is right off the front.

There are some tenant improvements, including the addition of the 216-foot accessory building for the cooling of the beverages. With regard to the beer manufacturing branch license, a licensed beer manufacturer may sell and deliver beer from the branch's office, located away from his/her place of manufacturing and exercise his/her license privilege from the manufacturer to the branch offices. They're allowed to have the beer as long as it's manufactured in a different area.

The Police Department has reviewed the conditions of the project, and they concur with staff's recommendations. Staff has reviewed the operational characteristics of the store and believe the proposed project, as conditioned, will not negatively impact the surrounding neighborhood. The store is situated in the commercial area, and its use is consistent with the surrounding area commercial land uses, such as retail.

The proposed management plan, which the project is conditioned to have, with the restricted conditions that the business is required to operate, will not affect the surrounding neighborhood, which is what staff was concerned about.

From a fiscal impact, the applicant is proposing to hire 4 full-time employees and 10 part-time employees. In addition, the applicant proposes to provide \$150,000 in building and site improvements.

Staff recommends that the Commission adopt the resolution approving the Conditional Use Permit (RCP-12-00002) and Regular Coastal Permit (RRP-12-00001) for the Stone Company store being located at 310 North Tremont Street.

MAYOR WOOD knows that we got a letter from Nadine Scott regarding the parking. These were built in the 1940's, and we've got a parking lot next to it, as well as street parking. He asked staff to explain why we don't require parking.

KATHY BRANN, Redevelopment Manager, responded in all of the downtown for the past several years we have not required parking in existing buildings for the simple reason that there is no parking. We've done numerous parking studies. We had parking studies done in 2002, 2003 and as recent at 2008, where we did an analysis of the parking and the situation as it currently stands today. All of the analyses said that under today's current standards there are no parking problems, in particular on the east

side of the tracks. As with future development, especially in the vacant lots, we're requiring all new development to provide on-site parking. It would be virtually impossible to have existing buildings provide parking. If we required that there would be a lot of vacant buildings in downtown. Every CUP that we've processed over the last several years, we don't address the parking because of the parking studies done over the last couple of years. We did build the North County Transit parking structure, and we're hopeful that we can build another parking structure on Lot 23, which will help accommodate some of these off-street parking issues in the future when development really warrants it.

Applicant

CHRIS CARROLL, Stone Brewing Company, 1999 Citricado Parkway, Escondido, is here to answer any questions that the community may have as they want to be great community partners.

Public input

MATT MORASCO, 1615 Quiet Hills, urged Council to vote yes on the Conditional Use Permit. Craft beer is very important in San Diego. It's a big tourism draw. This week is the Craft Brewer's Conference in San Diego that brings a lot of tourism as well. This addition could bring a lot of tourism to Oceanside. The proposed location is where the Sunset Market is, which would potentially bring more people in for that as well. As far as brewing establishments, we have OAW (Oceanside Ale Works) and Breakwater, so this gives us more options. Stone Brewing always follows great business practices and supports the community.

With no one else wishing to speak, Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ had asked the City Manager earlier today why parking isn't discussed at all in the staff report. We're going from a pottery store to a beer brewery. She doesn't know what parking differences there would be between the pottery store and the beer brewery. We have only \$11,000,000 in Redevelopment Funds, and we've prioritized that. We've talked about how we need to provide parking. The 5-block project is going to be moving forward, so parking is becoming more of a problem. She thought it was odd that in a Redevelopment project we were not addressing parking at all, not even requiring a parking management plan, which would give us a heads up on how the parking is going to be changing with every business that comes into Oceanside.

She asked the City Manager and staff to get her whatever documents there were in terms of parking and what applies to this area. The City Manager gave her a staff report from September of 2003, and that study asked the Council for direction to either: A) require each new and redeveloping business to provide its own parking; or B) the City will provide parking and plan structures with adequate in-lieu fees and/or development fees. From what she understands, we decided to adopt option B and go with in-lieu, working with the businesses to provide enough parking for employees, as well as the customers that are going to be coming through here.

There is no discussion about a parking plan and no discussion about an in-lieu fee. We are short on our funding for building Parking Lots 23 and 26. We at least need to get a parking management plan so we know how our parking requirements are changing. We need to have those kinds of things, but we're completely ignoring it because of a past Council's action that says we're not going to require parking to be provided, and we're going to work toward in-lieu fees, which never materialized.

This apparently never got to be adopted formally as an amendment to our Local Coastal Plan (LCP), and it is a public access issue. In the staff report it talks about public access in terms of blocking people from going to the beach and with respect to views, but it doesn't talk about public access with respect to parking. That was another

omission. She wants to be able to get businesses to come here, but we also need to insure that people can find parking so they don't go to other cities where they can. It's already difficult to park in this area. Parking is becoming a challenge for us, and we know it's going to become a huge challenge when we lose those 5 parking lots that are being phased out. What are we planning for the future? Can we require on this project at least a parking management plan so we know how much we require and how it's going to impact other businesses in the area?

MS. BRANN wishes nothing more. She saw the staff report and read through it, and she wishes we would have gotten direction from Council back then to implement many of the suggestions that were part of that. Unfortunately, we did not, and we didn't codify any of those things. With Tremont Bar & Grill, Beachside Grill, Cabo, Divina's, etc. we didn't require any kind of parking management plan, so staff feels like it would be penalizing Stone Brewery if we were to require that at this point. Staff would be more than happy to bring back a proposal and look at implementing in-lieu fees. There were several good suggestions as part of that staff report back in 2003.

COUNCILMEMBER SANCHEZ asked if we can at least get a sense of what the parking difference is going to be with going from a pottery store to a brewery.

MS. BRANN responded the pottery store was considered retail sales, and technically this operation is also retail sales. They do sell beer. There is some ancillary beer tasting, but that's not the primary focus. They do a lot of retail sales. We're technically going from retail sales to retail sales. If they were a restaurant that would be different. If they're going from retail sales to a restaurant there would be a higher demand for parking.

COUNCILMEMBER SANCHEZ asked how many employees were in the pottery store.

MS. BRANN responded probably not that many because it was fairly empty most of the time. We're trying to encourage more lively businesses in the downtown. We think Stone is going to be a great addition to the downtown. We don't have anything like it now. Lot 23 is where most of the employees for a lot of the businesses in the downtown park right now. We don't see that as being a problem. She would be happy to come back with a proposal for a program to start collecting in-lieu fees.

COUNCILMEMBER SANCHEZ asked if there is a sense of how many people will be coming in and out of the brewery.

MR. CARROLL doesn't have a great sense of that. He can base it on the South Park location, which is more of a drop-in type of location. People don't spend hours and hours there. We could talk to the City about doing some green striping indicating 30 minutes or less to alleviate some of the parking issues. The reason we chose this location is because of the walkability. We don't feel like that many people would want to drive here because we do have other locations. We want local residents who can get on their beach cruiser or walk down. We don't think we'll have a huge impact on parking. The City lot is next us, and that was a big factor in us picking this location.

COUNCILMEMBER SANCHEZ asked if, with respect to the South Park location, you have a parking requirement that you have to meet there.

MR. CARROLL responded it's only street parking there. There are no available lots. Parking is a challenge there, so we've recently implemented a program to give a discount to people who ride the bus, take a shared car or ride their bikes. The parking issues are a concern for the residents. Whether it's us or an ice cream store, they're still going to have the same challenges. We're looking to alleviate it for the neighborhood and help out any way we can.

COUNCILMEMBER SANCHEZ asked if they would be willing to work with the

City regarding challenges to parking, if we start to get complaints from people.

MR. CARROLL responded most definitely. People always complain about parking because they want to park right in front of their residence rather than across the street, so it is a sensitive issue. We have to listen to the general concerns of the people around us and be a good neighbor.

CITY MANAGER WEISS stated employees will not be parking on Tremont Street or in that adjacent lot or they will be adding to our revenue issues that we talked about earlier. Because of the restrictions in the street and that lot, they'll either have to park at the Civic Center or in Lot 23.

COUNCILMEMBER SANCHEZ feels much better about this because of what was just said. Her only remaining issue is that Chapter 3 of the Coastal Act includes the parking and impacts to parking. Not having it addressed in the staff report is a problem for her. If the discussion that we just had was included in the staff report so that we have it memorialized, then if in the future parking does become a problem, Stone has indicated they are willing to work with the City to make sure those parking problems are addressed, that would have satisfied her. Can we do an amendment to this report?

MS. BRANN responded this issue hasn't been addressed in previous CUPs for any restaurants or alcohol service in the past. If it's the Council's desire that we start implementing some language to that effect, we'd be happy to do that.

COUNCILMEMBER KERN stated we want a crowd down there. This looks more like an apparel store. What kind of business are you planning to do there?

MR. CARROLL responded apparel is actually a decent portion of our business. It helps us pay the bills. Currently, between the 2 stores that we're operating, it's about a 50/50 mix between the beer to go and the soft goods. We do generate revenue from both avenues. The merchandise is a vital portion of that. It brings people in from across the country. We are a tourist destination, and people want to leave with a souvenir.

COUNCILMEMBER KERN stated that's the point he wanted to make. This isn't a place where you're going to sit there and power down beers. You're there to buy apparel and sample. The items you buy, you're going to take home. He is a big supporter of Oceanside Ale Works. This is a good step forward.

He **moved** to adopt **Resolution No. 12-R0285-3**, "...approving a Conditional Use Permit and Regular Coastal Permit to allow for a Stone Company Store located at 310 North Tremont Street – Stone Company Store – Applicant: Stone Brewing Company".

COUNCILMEMBER FELIEN **seconded** the motion. This seems to be an excellent project for the downtown area that will fit in as part of our revitalization of our downtown area and making it a tourist attraction. He urged his colleagues for a yes vote.

Motion was approved 3-1, Sanchez – no; Feller – absent.

21. **City Council: Approval of the FY 2012-13 Action Plan of the 2010-2015 Consolidated Plan for Housing and Community Development; and authorization to submit the FY 2012-13 Action Plan to the U.S. Department of Housing and Urban Development (HUD)**
- A) Mayor opens public hearing – hearing was opened.
 - B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Councilmember Felien reported no contact; Mayor Wood and Councilmembers Sanchez and Kern reported contact with staff.
 - C) City Clerk presents correspondence and/or petitions – none.

D) Testimony, beginning with:

JOHN LUNDBLAD, Management Analyst, stated this is the annual presentation on how we plan to use Community Development Block Grant (CDBG) funds and Home Investment Partnership funds for housing and community development in the City. As you know from our presentation in March when you adopted the budget for use of the funds, we had a 27% reduction in CDBG funds and a 50% reduction in Home funds. This reflects what we're going to be able to do in the coming year. The Action Plan is a requirement to obtain the funds. It's been out for its 30-day public review.

Public input

JOAN BROWN, 511 Rockledge Street, has been looking at these since 2005, and usually the Council just passes and accepts them. Things should be different, especially this year. You need to scrutinize it.

She knows this goes in the newspaper under Public Announcements, and it's on public display for a month. She is a non-profit who is very interested in Crown Heights' revitalization. She has given her name and OCNA's (Oceanside Coastal Neighborhood Association) email address to the Resource Center many times.

Regarding the \$13,000,000 for vouchers, the last time she heard the City has 1,600 people who are eligible for this. That's almost 1% of our population of 160,000. Escondido has 1,100, and they've broken it down. We just get the flat \$13,000,000. It's not enough detail to know what's going on here. There is no budget in here this year for the SUN Project, and she'd like to know why. CDBG funds are used to divide people up and spread them around. Instead Crown Heights gets more condensed and has the same problems we've had for the last 40 years. We need to address these things. She would like Council to address this and not just pass it.

RUBEN ALMADER, 1215 Division Street, is not sure how these funds are disbursed. However the Council or City goes about disbursing these funds, when people are getting hurt and killed and it's a crisis situation, he asked that Crown Heights not be forgotten. Maybe with those funds we can put a sports park in between Eastside and Crown Heights. Nothing brings kids together more than sports. You can have someone be your worst enemy but now you're on the same team, and you become best friends. He asked Council to consider the best interests of the kids and everybody that it's going to effect. It's important that the monies be used in a way that provides something for everyone.

JIMMY KNOTT, 127 Sherri Lane, asked when the affordable housing comes into play and how quickly we can do it. We are mandated right now to have one affordable home a day developed. With this Action Plan, how much of that is being integrated into that? We also have the issue of Laguna Vista potentially not being managed by the City. If we just allowed the homeowners in the mobile home parks to own the parks, that would take care of all of the housing goals. We're too narrowly focused in our vision. We need to expand our outlook and give that more consideration.

MR. LUNDBLAD stated one of the real issues that has to do with the CDBG program is that we are limited to no more than 15% of the entitlement for public services. Public services include everything from senior services to child care programs to gang prevention. It also includes activities like neighborhood clean-ups and the SUN Project, to an extent. We're very limited in how much money we can expend on particular services. There are many things we'd like to do. In March the Council had to face eliminating funding for a number of agencies that we have long funded. We're not funding programs for abused or neglected children, battered spouses, homeless and runaway youth, or emergency services for very low income families. We simply can't spend the money beyond the HUD regulation.

Regarding the question about Section 8 housing, we put that number in there

because it's an available one. This Annual Action Plan does not specifically address the whole Section 8 housing choice voucher program. That is covered by the Public Housing Agency Plan that came before Council in April. That details how that money is spent and all of the other regulations that control that. We do have about 1,300 local vouchers, plus 200 vouchers of families that have moved here. Those are families or households, not individuals. We do have an approximate 6-year waiting list. Someone who would apply for a voucher today might be called in the year 2018.

Regarding Crown Heights, we have a couple of things going on there now. A number of years ago, Council approved funding for some infrastructure improvements in the Crown Heights neighborhood. We did not have to use the money at that time because the City was able to obtain money from what was called a Neighborhood Improvement Program, which did a lot of work on the streets and alleys. We are moving forward on a couple of plans that haven't come before Council yet because we don't have actual dates. We're going to replace 60 street lights in the Crown Heights neighborhood, moving them from 150 watts to 250 watts. The money has already been set aside and we're working with City Engineering staff on replacing all of those lights. We're also looking at some street safety improvement that are part of the bicycle and pedestrian Master Plans that were approved by Council some years ago. We're working with the transportation engineers on getting those improvements installed, and in particular to deal with some traffic issues around the bridge that goes over Interstate 5 coming out of Division Street. We are still going to be funding the Community Resource Center; that's \$93,000 of public service money to keep the Crown Heights Community Resource Center open.

With no one else wishing to speak on this item, Mayor Wood closed the public hearing.

COUNCILMEMBER SANCHEZ stated there are lights that are being placed to make it brighter. The second part of that is to increase lighting in Crown Heights. We do need to do more. This item is about CDBG and figuring out the plan for those funds. We're being told today that we're getting 50% less in the HOME funds, so we're losing \$400,000 there; and we're losing \$50,000 in CDBG. In total, we received \$450,000 less this year than last year. Last year was another cut. We are trying to figure out how to maintain what we've been doing these past few years. We have had our 7th homicide since the very young couple who were killed in the park in Calle Monticeto. Three of those have been solved, which means 4 are not solved. That puts a lot of pressure on our neighborhoods and residents who are good people trying to raise families in neighborhoods that have had a spike in crimes, especially violent crimes. She understands that the police have been increasing the patrols, especially at night. We have to keep up the level of awareness. What we have before us is a paring down of what we're doing, but we are concerned about our crimes and insuring that we keep our families safe, especially our kids.

In the staff report, we talk about looking for projects and activities that are going to improve conditions and offer opportunities for the working poor, especially through job training activities and expansion of child care for low-income working families. One of the plans we've had for Crown Heights and Eastside is economic development. She hopes we continue to look for grants for economic development.

One of the things we've started talking about is the idea of getting a gourmet food truck and having job training through that, teaching kids how to be chefs. Maybe we could pair up with MiraCosta to teach our kids the idea of running a small business and, at the same time, employing some kids. That would be doable in the sense that it's a mobile unit. We were trying to figure out where in Crown Heights and Eastside we can site an economic development project. It's been difficult in terms of a location because of the cost of land. She is asking staff to consider having a potential mobile business that partners with MiraCosta to bring job training to our youth and do some positive things. We're going to keep losing CDBG funds every year, so we've got to think of proactive things that we may be able to get funds for.

She **moved** approval [of the FY 2012-13 Action Plan **[Document No. 12-D0286-1]** of the 2010-2015 Consolidated Plan for Housing and Community Development; and authorization to submit the FY 2012-13 Action Plan to the U.S. Department of Housing and Urban Development (HUD)]. She hopes we continue to move forward and not lose another person to the violence that we've seen a spike in.

COUNCILMEMBER FELIEN asked of the \$93,000 spent on the community resources, how much is spent on Crown Heights.

MR. LUNDBLAD responded it's approximately divided equally between Crown Heights and Eastside for the Resource Center staff. It's roughly half.

COUNCILMEMBER FELIEN asked in terms of the parks and recreation Items 1 and 2 for \$18,000 each, is any of that specifically in Crown Heights programs.

MR. LUNDBLAD responded there are none in Crown Heights because we don't have a recreation center in Crown Heights. The youth programs and the For Kids' Sake are usually run out the Joe Balderrama Center and the Melba Bishop Recreation Center. However, in Crown Heights we do have the North County Lifeline that runs youth programs out of the Crown Heights Resource Center. It's not parks and recreation, but it is a program for the youth of the neighborhood.

COUNCILMEMBER FELIEN thanked the residents of Crown Heights that came to speak. You have the support of the Council to do whatever we have the power to do as a City to try and meet the challenges in that neighborhood.

He **seconded** the motion.

COUNCILMEMBER KERN stated we're spending \$108,000 on the Crown Heights revitalization program so it's not like we're ignoring them. We are putting stuff into that community. It probably isn't enough, but we have a finite amount of money that keeps shrinking every year. If we stay on this path where it keeps getting smaller and smaller, what do you predict next year's allocation of CDBG will be.

MR. LUNDBLAD responded the President's proposed budget for next year showed about a \$200,000,000 increase in the community development budget for HUD. As it came out of the Senate, it was reduced. What we're watching is that the group of 12 that was supposed to come up with a plan to reduce the overall federal deficit could not come to a conclusion. The trigger there is that it was supposed to result in a 5% reduction for all discretionary programs. In talking with other CDBG managers across the County, we're all anticipating at least a 5% cut in the overall budget, to the point that some of the smaller cities are considering withdrawing from the program and turning their money back to the County, which is an option. Poway, for example, could get CDBG money, but they decided that the staff time is not worth it. In most of the smaller cities, the CDBG administration money nowhere near covers the cost for the program. Poway decided to give it back to the County and get a certain amount back from the County for capital projects. As for the long-term future of the CDBG program, there are no great champions in Congress right now.

COUNCILMEMBER KERN stated it's something we're going to have to deal with for the next few years. We get and administer these grants and it's getting harder and harder every year to decide how to allocate these grants. When he first got on the Council, it was a big open process and we moved money around and voted for different projects. As time went on, it gets to the point where there's just nothing to divide anymore. By the time you do all of the in-house and necessary things, there isn't a lot left over for the things we would like to do. We're going to have to look beyond this and figure out how we're going to supply those services to those communities without CDBG.

MR. LUNDBLAD stated Linda Wood and Brendan Mangan were working until 7:30 last night to meet a 9:00 a.m. deadline to submit another grant application to the Office of Juvenile Justice and Delinquency Prevention. They have gotten money from the Department of Justice and the State that actually helps support youth programs in Calle Monticito, Crown Heights and Eastside. We're looking more toward other ways to do this. There is a very aggressive approach to seek out grants that work on suppression, intervention and prevention.

Motion was approved 4-0, Feller – absent.

[Recess was held from 7:04 PM to 7:15 PM]

22. **City Council: Introduction of Zone Amendment (ZA11-00003) and the consideration of Local Coastal Program Amendment (LCPA11-00001) to amend Section 3032 (Affordable Housing Density Bonus) of the 1992 Zoning Ordinance and establish the amended text as part of the implementing document of the Local Coastal Program in order to bring the City's affordable housing density bonus provisions into conformance with state law, underscore the City's authority to allow the off-site provision of required affordable units, and provide additional flexibility for land donation in exchange for density bonus; the proposed zoning text amendments would apply Citywide, including within the Coastal Zone and the Downtown Area; and introduction of an ordinance and adoption of a resolution to effect these amendments – Affordable Housing Density Bonus Ordinance Revision**

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Councilmembers Felein and Kern reported contact with staff, public and industry representatives, Mayor Wood and Councilmember Sanchez reported contact with staff.
- C) City Clerk presents correspondence and/or petitions – letters from James Schmidt and the BIA, which Council has copies of.
- D) Testimony, beginning with:

RUSS CUNNINGHAM, Senior Planner, stated we discussed density bonus on two occasions last year in the context of the Council's consideration and ultimate adoption of a new method of calculating the City's affordable housing in-lieu fee. In light of the public dialogue we've already had on this issue, he's available to answer any questions Council may have about the basics of this State mandated program.

As to how we got here, in the course of Council's deliberations on alternative calculations of the in-lieu fee, the Council directed staff to convene an ad hoc committee to explore voluntary incentives to affordable housing that would augment our overall affordable housing strategy. That ad hoc committee met six times last year between March and October, and considered a variety of options for promoting affordable housing developments, including the enhancement of the City's density bonus provisions.

Throughout the ad hoc committee's deliberations, the Planning Division maintained a regular dialogue with the California Department of Housing and Community Development (HCD), which is responsible for certifying the City's housing elements.

Senate Bill 1818 (SB 1818), adopted in 2005, essentially lowered the eligibility thresholds for density bonus. A computer graphic showed the established percentages of affordability that must be provided in order to achieve a density bonus at a certain percentage. State law was also amended to establish a maximum density bonus of 35%. The density bonus range, under State law, is 20%-35% on a sliding scale based on the percentage of affordability that a project proposes. The State added land donation in exchange for density bonus as an option.

The State established thresholds for additional concessions or incentives to be granted by the locality in exchange for density bonus with up to 3 concessions or incentives mandated by the State based on the percentage of affordability proposed. Those concessions could be flexibility in development standards, reduction in limitations created by lot coverage standards, landscape requirements, private open space requirements, height requirements or set-back requirements and could include incentives of a monetary or financial nature.

The State established parking maximums that prohibit the City from requiring more parking than is specified by State statute. Those parking maximums are inclusive of guest and handicapped parking.

The State established density bonus in exchange for child care facilities, with a 1:1 ratio between the square footage of the child care facility and the amount of additional square footage that would be granted to a project.

Finally, the State statute provides for a waiver of development standards that are deemed to render density bonus, at whatever percentage is sought, infeasible. We have not spoken with any jurisdictions that have had a waiver requested of them, and we think the concessions and incentives component of density bonus law would address issues of the feasibility of a project and the extent to which regulatory concerns might impact the feasibility of a project.

As mentioned, staff and the Planning Commission are recommending enhancements to our density bonus provisions that go a little bit beyond State law. These enhancements come largely out of the dialogue with the ad hoc committee last year.

We're looking at greater flexibility for land donation. The parameters for land donation under State law are quite strict. Unless land is either contiguous to the project site or within a ¼ mile of the project site; unless it is at least an acre; and unless it can accommodate at least 40 dwellings, it is not eligible under State law in exchange for donation. State law says localities don't have to accept land in exchange for density bonus, unless it meets those parameters. We're proposing that those parameters be loosened just a bit.

Staff and Planning Commission are recommending that land donation be an acceptable option when that land is of a size and capacity under zoning to accommodate the number of affordable units required in exchange for the sought density bonus. Staff and Planning Commission are also recommending, in the event that the donated land is not contiguous to the density bonus project site and is not within a ¼ mile of that project site, that such land still be donatable if it falls within a transit-served area – defined as areas that are within ¼ mile of rail transit or high frequency bus service, which would be 15-minute headways.

State density bonus law also says that land donation only has to be accepted in exchange for density bonus when it is made available for very low-income households. We think this it appropriate to allow land donation for the provision of housing, attending to the needs of both very low and low income households. Those are two different categories.

The other area where we're suggesting some flexibility is in terms of where the affordable units that are required in exchange for density bonus would be located. We're advocating, along with the Planning Commission and the ad hoc committee, that there be an allowance under relatively strict parameters for off-site provisions of required affordable units in exchange for density bonus. HCD staff, in our conversations with them last year, expressed concern about the City providing a prescriptive path for applicants to gain a buy-right allowance for the off-site provision of affordable units under the auspices of density bonus, with the implication that density bonus is intended

to promote truly inclusionary housing, essentially the physical integration of market rate and affordable units within the same project on the same site. Staff responded to this concern by pointing out that the model State density bonus ordinance includes an allowance for the off-site provision of affordable units.

The City of Encinitas has recently approved the off-site provision of affordable units in conjunction with density bonus for several market rate single-family projects. This response eventually gained a somewhat grudging acceptance from HCD that the City had the legal wherewithal to allow off-site provision as long as this allowance is at the City's discretion and not simply a buy-right allowance that the applicant can gain by simply meeting a set of standard codified requirements or conditions. We're confident that, as expressed in our local ordinance, which is language verbatim out of the State model density bonus ordinance, that we will not run afoul of HCD over this issue.

The off-site provision would be solely at the City's discretion, not a categorical allowance and only when the City can make the finding that the off-site provision of affordable units is in the public interest.

With respect to discretionary review, it's important to point out that any otherwise required entitlements for a density bonus project would still be required: Development Plan approval, Conditional Use Permit approval, or whatever might be required. We could not require a variance or a General Plan amendment to exceed the density, but those other entitlements would still be required; a public hearing would be required and the City would have the discretion to approve, deny or condition the project accordingly.

The City has density ranges that run from a base to a maximum. We are currently exploring the prospect of affordability standards that are specific to projects that propose densities above the base and below the maximum, so they wouldn't qualify for density bonus but would be exceeding the base allowance under the City's zoning standards. That will be coming before Council soon. We will be meeting this month with an ad hoc committee of the Planning Commission to refine recommendations that came out of a public workshop that was conducted on April 3rd. We should be able to get back to Council at some point this summer with those recommendations from the Planning Commission.

As far as the efficacy of density bonus, it has rarely been sought or implemented in Oceanside. There was a cluster of density bonus projects in the early 1980's, one in the 1990's and there have been two since the turn of the century. Virtually all of those projects involved 100% exclusively affordable projects and almost all of them involved affordable senior housing.

San Diego and Los Angeles have seen a lot of density bonus projects. Should you be interested, he can talk about why those projects are more attractive in other jurisdictions than they have been in Oceanside.

Program 3 of our current housing element establishes the updating of our density bonus ordinance as an action item. We are fulfilling that action item tonight. That should support us in our efforts to certify our next Housing Element, which is required to be adopted by the City in roughly April of 2013.

Public input

JIMMY KNOTT, 127 Sherri Lane, has attended almost all of the hearings on this matter. Regarding the question of off-site provision of affordable units, if that is done we must avoid concentrations that can lead to "ghettoization". It should only be acceptable if there is increased community services and parkland. It should be done in a fair, equitable and impartial way with mixed classes.

We are at Stage 3 or 4 in City development with our build out, because we have

a lot of restrictions on land use within the City. The best solution to this is to build up. Then you can designate low-income areas.

Under ADA (Americans with Disabilities Act) law, handicapped parking must not be included as part of the count. However, it must be set aside and included in the project. Staff misinterprets this.

The reason we have no building of mobile home parks is because the City has chosen not to take its housing funds and build mobile home parks. The City is at fault for making sure there are no mobile home parks built.

JOAN BROWN, 511 Rockledge Street, believes Carlsbad does it right. If you're going to build, then 15% of it goes to affordable housing. It should be done then and not have in-lieu fees like we've done. The problems in the City are from putting too many houses in a little area. She doesn't understand all of the words that are used for this density bonus. We shouldn't be putting that affordable housing mixed-use on Mission without any trees or landscaping. That will just bring more blight. It will turn it from affordable to nobody wanting to live there. Then it will turn into rentals. Our biggest problem in Oceanside is our rental units. She doesn't believe in making affordable housing for people to live at the beach.

MICHAEL McSWEENEY, Senior Policy Advisor for the Building Industry Association (BIA), commended staff for working with us, even when we had disagreements. They were always cooperative and willing to listen, and we found a way to work together to achieve something that we can support.

Regarding inclusionary housing and the previous statements that were made, they are not true. The types of inclusionary housing that we took City staff on a tour of to actually see what's been built are the kind of projects that people would want to live in. They're dedicated for 55 years; they can't be just turned over. At the workshop with the Planning Commission, we had people from our industry give the Planning Commissioners a tutorial on how affordable housing is built and the financing involved with it. The important thing about this density bonus from our point of view is the ability to be able to do projects off-site. When you must build one or two units here or there, it's not economically feasible. The thing about the affordable project that staff toured is that the people who build them also manage them. Since they are for people who make 60% or less of the income, they're professionally managed, and they don't take any guff from people. If people are not good residents, they are kicked out. There's a line around the block for that type of housing.

He asked for Council's support and approval of the density bonus as submitted.

RUBEN ALMADOR, 1215 Division Street, asked if any of these projects look at any existing structures as far as restoring and remodeling them for use as affordable housing in an area that's so congested already.

MR. CUNNINGHAM responded that generally speaking we're talking about new construction, but there are provisions in our Code or in our proposal and State law that allow for density bonus in condominium conversions. If someone were to seek to convert rental property to 'for sale' property, they could achieve more units within that building envelope of that existing apartment building if they were willing to restrict, under affordability covenants, a certain percentage of those new 'for sale' units in the condominium conversion.

MR. ALMADOR has noticed that people have remodeled and redone existing building and converted them into condominiums where they are beautiful and right next to the beach. He thinks we should consider some of the properties around here and getting an incentive to convert them into condominiums. That seems like something that would help out the whole community and bring a positive change.

Public input concluded

With no one else wishing to speak on this item, Mayor Wood closed the public hearing.

COUNCILMEMBER KERN stated in reading the staff report, basically we're coming into compliance with State law for the most part. There are a few little tweaks in it, but nothing major.

He **moved** to introduce [Zone Amendment (ZA11-00003) and the consideration of Local Coastal Program Amendment (LCPA11-00001) to amend Section 3032 (Affordable Housing Density Bonus) of the 1992 Zoning Ordinance and establish the amended text as part of the implementing document of the Local Coastal Program in order to bring the City's affordable housing density bonus provisions into conformance with state law, underscore the City's authority to allow the off-site provision of required affordable units, and provide additional flexibility for land donation in exchange for density bonus; the proposed zoning text amendments would apply Citywide, including within the Coastal Zone and the Downtown Area; and introduction of an ordinance and adoption of **Resolution No. 12-R0287-1 (Council) and Resolution No. 12-R0288-3 (CDC)**, "...amending the Local Coastal Program for the purpose of adopting State mandated affordable housing density bonus regulations and requesting California Coastal Commission certification of said amendment" and to effect these amendments – Affordable Housing Density Bonus Ordinance Revision].

COUNCILMEMBER FELIEN seconded the motion.

COUNCILMEMBER KERN stated the staff report is very thorough and staff did a good job of putting this all together. He noted that the child care bonus says if you build a 10,000-square-foot child care facility you get 10,000 feet of housing that you can build. When we talk about Mission Cove, at one time there was a plan for some type of child care facility.

COUNCILMEMBER SANCHEZ stated we need to get into compliance with State law, and we've wanted to do that for quite some time. As the staff report indicated, we would have to comply regardless of whether we approve this or not. When she grew up here, we didn't have those high density buildings behind the Oceanside High School football field or a Crown Heights situation. Her concern is that we do not have a plan yet for where it would go. We did talk about along transportation routes. What safeguards do we have that we're not going to create another Crown Heights, that this is not going to all be concentrated in one neighborhood, that we're not going to have banks of low-income neighborhoods, with developers just selling those rights and creating the projects they want. We want good projects, and we do have to make room for more folks. She would like to raise the bar in terms of architecture and making this City unique. What guarantees or protections do/can we have to insure that we're not going to create another Crown Heights, a challenged community with good folks trying to make it a good place, but because of the densities in there – which is the highest density in the City – there is a constant moving of people.

MR. CUNNINGHAM responded the principal safeguard in place against the concerns that you're mentioning is the discretionary review process, which is not compromised by State law. Those entitlements that would otherwise be required would still be required.

COUNCILMEMBER SANCHEZ clarified that we don't have objective criteria. We just have this very subjective system. You get three votes because you made a contribution to their campaign and you get a project through. Can't we come up with any objective criteria that can insure that it doesn't have to just be three Councilmembers? She's sure no one thought that we were going to have Crown Heights at the time those buildings were approved, but here we are. We're investing huge amounts of resources to address public safety concerns.

CITY ATTORNEY MULLEN responded in addition to the discretionary review, it's probable that any applicant who wants a density bonus is also going to need a concession or incentive. State law obligates you to grant a specified number of incentives or concessions for them to utilize the density bonus unit, but there are required findings that have to be made. You could not approve a concession or incentive if one of the specific findings are met. For instance, if it's not needed economically. There's also public health and safety criteria.

COUNCILMEMBER SANCHEZ stated, with all due respect, she's looking for more than that. She understands that the development community wants bright lines. They want to know what they can build, where, and what the maximum is. If you can go to the maximum, that's what you're going to do because that is going to maximize your profitability. Her concern is how we can safeguard our community from more Crown Heights. Besides blaming 3 or 5 people back in the 1980's, what else can we do?

MR. CUNNINGHAM, speaking to the context of Crown Heights and the fact that zoning in that area currently belies the nature of development there, you're absolutely right. That may be the most dense community in the City. Current zoning there, under the 1992 Zoning Ordinance, is primarily single-family. That area was down-zoned through a new ordinance. Density bonus would mean something very different there now under the current zoning. It's likely that even with a 35% density bonus allowance, one could not reconstitute a lot of the higher density rental development that's in that community now.

COUNCILMEMBER SANCHEZ asked about the issue regarding insuring that these are not concentrated in one place. We're talking about off-site, and we don't want to start to develop low-income neighborhoods.

MR. CUNNINGHAM responded when we started the discussion with the ad hoc committee, there was unanimity on this particular point. The affordable housing developers for and non-profit – the market rate developers and affordable housing advocates – were all advocating for this off-site allowance. For the most part, they wanted it to be allowed by right. They wanted applicants to be able to meet objective criteria and, through fulfillment of that criteria, be able to go off-site by right. Where we ended up is somewhere very different. It would be entirely at the City's discretion to allow or not allow off-site, and the City decision-makers would have to make a specific finding that it is in the public interest to allow that off-site provision.

COUNCILMEMBER SANCHEZ asked how we limit the amount of affordable homes in a concentration. How can we insure that it's evenly distributed? The whole idea behind on-site is that you can't really tell from the outside. You use materials that cost a little less, you may not build everything that you built for the market-rate housing, but you can't tell. That's what Carlsbad does and she's a little jealous that Carlsbad is able to do that. If we're not going to require building on-site affordability, how can we guarantee that we're not going to concentrate it in one place?

MR. McSWEENEY responded that if he were to drive Council to some of these buildings, you wouldn't be able to tell that it's affordable housing. Also, when you walk through the units, they are professionally managed and look like any other for-rent community. One of the reasons we took staff on the tour was because there was a mention that you don't want those kinds of projects. Going out and actually seeing these buildings takes away any preconceived stereotypes that you might have. As far as locating them, in a theoretical model, inclusionary housing sounds wonderful. The reality is it's very difficult and expensive to achieve, and it's not efficient. Sometime the Council should sit through that tutorial because it really gives you a grasp of the dynamics of what is in the market place and how we get there from here. It's complicated with the tax financing. He understands public perception that we're going to build these horrible places, but it isn't like that.

COUNCILMEMBER SANCHEZ appreciates your comments, but with all due respect, it's not perception. She lived in Eastside. It's based on living here and seeing things that happen like Crown Heights. Her concern is the concentration of affordable housing. She doesn't know if there would be a Calle Montecito if it hadn't been targeted as a place for affordable housing.

JERRY HITTLEMAN, City Planner, responded a number of inclusionary projects do occur on the site where you're doing the market-rate housing. This is just one option to go off-site; it doesn't mean every project would go off-site with their affordable housing. If you were to look at the map where the affordable housing can go, it's a very broad cross section of the community. It goes all the way out to the eastern part of the community on Mission Avenue and also around the transit stations. He doesn't think we'll see a concentration; they have a broad range of the community where these units can go.

COUNCILMEMBER SANCHEZ stated OCNA came forward and talked about not liking the row houses in the neighborhood because they didn't fit in character with the community. We were working toward doing an overlay for South Oceanside and for the area covered by OCNA. She guesses that's still a work in progress. How does that work out in terms of maintaining the character of the neighborhood, which is single-family like Crown Heights was before we got a density project there. How do we work this in to our desire to insure that we preserve the character of our neighborhoods?

MR. HITTLEMAN responded we don't have anything in the ordinance right now. When projects come in, staff will review them to a great degree to insure that does not happen, that we don't have a concentration, and that it goes to the Planning Commission and then the Council, if it were appealed to the Council. Given all of these safeguards, and the broad area where these projects can occur, he thinks it will be okay.

COUNCILMEMBER SANCHEZ clarified if his response is it's discretionary and we'll be able to review this and 3 people will decide.

MR. HITTLEMAN responded yes.

MAYOR WOOD asked staff that is present if this sounds reasonable to them.

Staff members responded yes.

MAYOR WOOD stated when this first came up, he was approached by the BIA and other people about trying to improve the economy for the people that work. We all want to see everybody working. He was a little surprised at the SANDAG retreat regarding density bonuses and transit corridors. The speaker said it wasn't going to fit because the kind of people that could afford to live there aren't going to be the people that take mass transit. That's the first time he's heard different stories about what's going on. The people who should have been building this affordable housing for years and years should have been the BIA and people like that, not special non-profits. You're the experts, not non-profits. All of the sudden we see a change from the people who should be building houses.

He doesn't want pockets of blight or low-income blighted communities. He's seen some in Oceanside. His first complaint was about off-site, but staff answered some of his questions, stating there are some guidelines and ways to address this. His thought was people would be building nice market-value in one place and pushing all of the low-income off-site, and now we have a slum area. The Housing Department and Housing Commission are on board for this. The review process is very important, and he'd like to see that we get some good projects that look good. He agrees that with ones he's seen around the County. The staff on-site makes all the difference. We have to make sure that's what is happening.

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He was worried about the off-site provision. Staff has addressed some of it. He's had a lot of feedback from the Housing Commission and other people, and they think that, considering all factors, this is okay. At SANDAG, the trend is smaller, more density, cost-savings and based on transportation corridors. We also have to watch out that they're spread out all around the City. Affordable housing is important, and we need to address that. Crown Heights changed the density, and it turned into a real problem. A lot of the housing has been taken on by the military building more low-income housing on base. We have to go along with the State requirements and regulations. He appreciates the guidelines that have been put in by staff and the Commission.

Following the reading of the ordinance title, **Motion was approved 3-1**, Sanchez – no, Feller – absent.

ADJOURNMENT

After a moment of silence for Junior Seau and Lora Hedstrom, **MAYOR WOOD** adjourned this joint meeting of the Oceanside City Council, Community Development Commission, Small Craft Harbor District Board of Directors and Oceanside Public Finance Authority at 8:03 PM on May 2, 2012. [The next regular meeting is scheduled for 2:00 PM on Wednesday, May 16, 2012].

ACCEPTED BY COUNCIL/HDB/CDC/OPFA:

Barbara Riegel Wayne
City Clerk, City of Oceanside