



California

ITEM NO. 3

# CITY OF OCEANSIDE

## MAYOR AND COUNCIL WORKSHOP

SEPTEMBER 26, 2012

**ADJOURNED MEETING                      2:00 PM                      COUNCIL CHAMBERS**

**2:00 PM - OCEANSIDE CITY COUNCIL  
- WORKSHOP**

**Mayor**

Jim Wood

**Deputy Mayor**

Jack Feller

**Councilmembers**

Jerry Kern  
Esther Sanchez  
Gary Felien

**City Clerk**

Barbara Riegel Wayne

**Treasurer**

Gary Ernst

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**City Manager**

Peter Weiss

**City Attorney**

John Mullen

The adjourned meeting of the Oceanside City Council was called to order at 2:03 PM, Wednesday, September 26, 2012.

**2:00 PM - ROLL CALL**

Present were Mayor Wood, Deputy Mayor Feller and Councilmembers Kern and Felien. Councilmember Sanchez arrived at 2:09 PM. Also present were City Manager Weiss, City Attorney Mullen and Assistant City Clerk Trobaugh. Peter Weiss led the Pledge of Allegiance.

**WORKSHOP ITEMS:**

- 1. Review of Inclusionary Housing standards for projects that exceed base density allowance**

**PETER WEISS**, City Manager, stated we're asking Council to give direction to staff to initiate the changes to all of the appropriate documents, including Zoning Ordinances, etc., to implement what you directed a little over a year ago, which was an inclusionary housing program that would take the place of Article 14(c). Also, we're asking Council to weigh in and give some direction on what would be considered a tier-two fee.

In the spring of 2011, staff presented to Council some alternatives and methodology in calculating the City's affordable housing in-lieu fees. Council provided that direction, and staff modified those fees accordingly. As part of that direction, you had looked at coming back with a program that is essentially voluntary to look at projects with additional incentives for providing affordable housing. Council also directed that staff include all of the appropriate stakeholders in that process. We did that. We went through an exhaustive process with a number of meetings to come up

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MEETING BY CITY COUNCIL**

with a program that meets the overall intent of providing additional affordable units. The detail is in the back-up as Attachment 2.

The program will allow for the inclusion of required affordable units within the associated market-rate project. It provides for affordable units at an off-site location, either as an independent project or in collaboration with other market-rate developers seeking to fulfill their affordability requirements. It allows for the purchase, rehabilitation and income restriction of existing market-rate units. It allows for providing a subsidy to an entitled affordable housing project and donation of land of adequate size and under appropriate zoning to accommodate additional units.

The program that was put together goes through a detailed outline of how those additional units could be provided. Essentially, for projects that are going to exceed the base density, but be below the maximum density there will be a requirement to provide these additional units. In exchange for that, the development community would get some additional incentives through either additional height requirements, reduced street widths, and a number of incentives that we currently and would still provide that would allow for that increased density. In exchange, that developer would then provide the additional affordable units based on the number of units they're actually providing.

At this point, after going through the ad hoc committee, the Planning Commission and the Planning Commission's ad hoc committee, there appears to be general consensus on the outline of the program as it stands and is being presented to you. To go through the detail of updating all of those different documents is going to take time and would require review by other outside agencies we've committed to.

The bigger item was that to make it truly voluntary would be to allow them to pay a second tier fee in lieu of providing those additional units on-site or off-site. The Planning Commission was generally supportive of allowing a second tier fee. The issue then became how much that second tier fee would be. What we're presenting today is that the second tier fee be negotiated on a project-by-project basis, depending on the types of projects; what we have available; and whether we're using a new project to subsidize Mission Cove, for example. We would look at that as one option.

The second option is to conduct a comprehensive economic study that would calculate that fee, whatever it may be.

The third option, which was presented to staff by BIA (Building Industry Association) representatives, was to set the fee at approximately 7 times what is currently the in-lieu fee that Council has adopted for all other projects. We've looked at that fee and, although we don't have a way to justify that is an accurate number, we do believe the number could be supportable because we feel it's less than what the actual fee would be if we did a comprehensive analysis. It provides assurance and stability in that process. One of the issues that the BIA raised with staff was that they want to be able to make sure they know what the issue is, know what the outline is and know what the fee is going to be so they have some kind of certainty.

The bigger issue for Council today is to give direction to staff to move forward to initiate those changes to the appropriate documents and provide some direction on the overall fee.

#### Public input

**KAY PARKER**, 4377 Albatross Way, stated that in the past, we have tied our inclusionary housing fees to a study. There was a justification, and it was blind to whoever the applicant was. That's the way you insure fairness. This new proposal has not been vetted by the ad hoc committee that this Council appointed. As a process, it needs to go to a consultant for the study. We want to be sure that everybody is treated exactly the same when they come in. The option of negotiation only indicates who is a good negotiator and not necessarily the benefit of the application that is coming to

Oceanside. As an individual, she would say the best and most professional thing to do would be to go to the study. That gives you an objective, mathematical calculation to base anything on as you go forward. All of our inclusionary housing fees in the past have always gone through that process. If Council desires, we would be glad to assemble your ad hoc committee and review this for you.

**MICHAEL McSWEENEY**, Building Industry Association, 9201 Spectrum Center Boulevard, San Diego, stated it's been almost 2 years since the BIA came to Council to talk about affordable housing policies, where you directed staff to come back with a voluntary incentive-driven program. Redevelopment has been abolished by the State. At the Planning Commission workshop, the people were given a lecture on what's going to be the new normal on affordable housing, and that's to get that affordable housing financing gap down to under \$50,000, but preferably close to \$30,000.

The BIA generally agrees with Option A, which has been talked about over the last year and a half. Currently, an applicant goes through a discretionary CUP (Conditional Use Permit) process. You may gain extra units, and you pay an inclusionary fee of approximately \$1,750 on all units. The California regulatory environment has caused the affordability issue. The regulations are restrictive and lack Council's ability to be creative. They're proscriptive, meaning one size fits all. In a down market like we face, it hinders our ability to produce units. The unintended consequence is that it causes a never-ending spiral upward. It does not make sense to have one affordable house for every ten built. It's a very inefficient way to do that. Projects go unbuilt because of the regulation costs.

We're trying to come up with a new and unique plan that's never been tried before. A tier-two fee would allow certainty so that a project can be looked at by a financial institution and given underwriting criteria approval. It's a creative way for an applicant to apply and pass muster for your new requirements, and it gives the applicant additional flexibility; they don't have to pick this option. More importantly, it maximizes the efficient use of land because the affordable housing requirements kick in above base density. It's a voluntary program that compliments Option A. We're requesting that Council put this in place for 30 months, which should be enough time to thoroughly see if it works, and if it can be improved.

The in-lieu fee is not subject to a nexus study. It's a transaction cost. The nexus study for affordability has already been done, and it's based on what prices are in the market. The tier-two fee is not tied to a specific project and isn't an easy out to get around any requirements that the City has. It's not tied to a specific financing formula, and it's in existence nowhere else. Oceanside would be on the cutting edge of trying to figure out a different way to comply with affordable housing.

You don't have to access the program if you don't want to. If the Option A menu of items doesn't work for you, your project would normally be dead. With Option B perhaps now we've found a way to move it forward. It increases your ability to comply with your newly proposed mandatory inclusion requirement. We are suggesting that the fee be set at \$12,250 per unit above base density. A computer graphic was used to show an example of how that works. He listed the fees required by the City on a project.

Anytime you go above base density, the tier-two kicks in. We're trying to figure out a way for those additional units above base density to figure out a way to make that project pencil out and to benefit the City with additional revenues. This option is totally voluntary to the applicant and creates a unique way to meet the requirement. It's not done anywhere else. It is especially for the City, as well as the applicant, on smaller in-fill projects. It will generate almost exactly what that gap range would require. A 30-month timeframe would allow plenty of data for Council to come back and analyze the program and find out if it worked or not.

**JOHN SEYMOUR**, National Community Renaissance (National CORE) 4322 Piedmont, San Diego, thinks that some fee is better than no fee. He would support the 7 times fee or in-lieu fee. He doesn't know if it will work, and he's skeptical about it. If we can get the fees coming in, at least we can get construction off the ground on projects. He doesn't like the idea of negotiated. That is crazy. We're processing Mission Cove, and he doesn't want to be negotiating with staff on fees or anything like that. He wants to know what they charge so he can do his proformas and lenders. A lot of people want to buy homes, but not until they're more confident about the jobs and getting a mortgage.

You have a pretty good proposal in front of you by the BIA. Some fee is better than no fee. The key about the fee is that it will be leveraged when it comes in by the private sector 2, 3 or 4 times, and that's where you're going to get your boost.

**JIMMY KNOTT**, 127 Sherri Lane, stated the proposal you have before you is based on stick and mortar homes, but there are other options. The City has had the right to use these affordable housing funds for decades to establish mobile home parks and/or help the homeowners obtain the parks with deeded restrictions according to law on the sales of the mobile homes to qualified levels to make sure they are affordable housing and are legally binding as such. The City has never chosen to use its legal power to do that. It is a form of affordable housing. Mobile home parks are the easiest, cheapest and fastest to construct. There are also current mobile home parks where the residents would love to use these funds to obtain their parks. Laguna Vista was a leasehold to try and control rents, not affordable housing. He encouraged Council to include manufactured home communities in this plan.

**JAMES SCHMID**, Chelsea Investments Corporation, 5993 Ave Encinas, strongly favors picking a number today because there really isn't an efficient way to set the fee. You're doing something experimental here to try to stimulate housing in a way that doesn't exist elsewhere. You can pay the money to have people come up with the number, but they don't have good models to use to figure out what that number should be. If there is a right number, it would be wrong tomorrow because the numbers go up and down: petroleum, interest rates, tax credit rates, etc. Any number you pick can only be right for an instant in time.

He doesn't know if the \$12,500 is the right number, but he knows how to define the right number. It's got to be low enough so that homebuilders actually use it. If you pick a number and nobody ever uses it, then this is all pointless. It also can't be too high because it's not really a developer fee; it's a cost that's going to be passed on to homebuyers. That doesn't enhance affordable housing. If he were the City's consultant and he could choose between a low number and a high number, he would pick a low number. The City should pick a number and see if it sells. If it flies off the shelf, then you can raise the price. Don't waste your money on a study.

**SEAN WHERLEY**, San Diego Housing Federation, 110 West C Street, San Diego, stated if you saw the census numbers that came out last week, they reported 14% of all people living in Oceanside are below poverty. So clearly there is a strong need for affordable housing here. It's for that reason that we support a study for tier-two. We recognize that without some basis, if a number is arrived at arbitrarily, the City could be subject to lawsuits asking what the rationale is for that number. Just picking a number doesn't really have as much standing as one that is backed up by a study. You were starting to work in that direction, and he would encourage you to continue that.

By having a standardized fee, it still allows for great flexibility. Any builder can choose to opt with that fee or to build the units into the structure, as planned. It also allows the builder to have more predictable costs. That's something they would all appreciate up front. The current fee structure is so low, and the loss of Redevelopment has really undermined the ability to create more affordable housing in Oceanside. A study would reinforce what the proper level is and may allow the City to begin building more affordable housing.

Lastly, Carlsbad doesn't even allow an in-lieu fee; it's just required up front. This has not compromised their attractiveness as a place for business or other residents. We would hope that could be somewhat of a motivation and inspiration for Oceanside.

**DENNIS MARTINEK**, 1537 Sleeping Indian, is on the Planning Commission and was also on the ad hoc committee. We need affordable, but where are you going to put it? One of the greatest potentials right now is the mixed-use development. It's primarily consistent with Smart Growth, which is along the transit corridors. There seems to be general agreement that is where affordable housing could work. Another general concept is that the base density has been established in the City. It was established for the particular reason and anything above that is going to cause problems.

If you go by Number 6 on Attachment 2 of the second proposal, it would appear that the CUP process would go away, and he would strongly recommend against that. You have to have some value to the process to determine whether or not increased density in a previously designated area for lower density is workable. We need a discretionary process for any kind of density above base to be evaluated.

It appears there is agreement that in the last proposal the negotiation of fees is a bad idea. You're going to be accused of showing bias or favoritism. That would be a very bad thing to do.

As far as how much of a fee, you want enough to be able to create the affordable housing. The best way of determining that is to base it on a study, which and a study wouldn't take that long and wouldn't be that expensive. This is the way we have done it before, and it would seem to be the most logical way to determine that.

If the development community doesn't pay for the affordable housing, then it's going to go back to the general population, and we need to be careful of that.

Public input concluded

**MAYOR WOOD** has been informed that there is support as this stands from the ad hoc committee. Now we have a potential new plan, and he wants to protect the City and the citizens. He's concerned that we may need a study. Is this something that needs to go back to the ad hoc committee? Is there anything different in here than what the ad hoc committee has addressed or studied?

**CITY MANAGER WEISS** responded that the overall program, even though there may not be the use permit requirement, states any project, whether above the base density or not, will still go through the discretionary review process. They will go through the same process they go through now. The process itself isn't going to change. What would change is that, in addition to a tentative map and development plan, would be the use permit. That's the only thing that would actually change.

As far as the program is concerned, he didn't hear anyone indicate that they had any significant issues with it. He suggested Council give staff direction on the program itself to move forward to initiate those appropriate changes. The issue of the fee is aside from that. There had been discussion, and the Attorney's office was involved as far as the possibility that if the number can't be justified, there is a potential for a lawsuit. However, through the process there were prior studies done that would indicate that the fee, if we went through a detailed study, could potentially be higher. There's an ability for us to adopt a lower fee. Council could direct staff to do a full-scale study if you so choose. He would recommend two actions. One is giving staff direction on the program, and the other is separate direction on the fee.

**MAYOR WOOD** is assuming that the program is something that everybody is on board with, is that correct? The big issue is the fee. He wants to know if the ad hoc

committee has addressed the fees.

**CITY MANAGER WEISS** responded they had looked at the fees and at the Planning Commission there was an issue of providing the fee. He doesn't believe the ad hoc committee looked at the detail as to whether we should negotiate the fee, pick a fee or do a study.

**MAYOR WOOD** stated they've been working so hard together he figured they would have had this resolved. Last he heard there was support for it as it stands, but tonight he sees there are concerns over the fee, which has always been the issue on inclusionary housing. He heard the BIA's approach, but he really hasn't heard from anyone else about the fees. He'd be supportive of the program, but he would need to get information on the fees. Does he need to go back to the ad hoc committee and have them advise us about the fees and come back to us, have an outside consultant come up with the fees or do we vote for what they presented from the BIA.

**CITY MANAGER WEISS** stated Council can direct us back to the ad hoc committee. You can vote on it today.

**MAYOR WOOD** has to decide whether to send this back to the ad hoc committee, go with the BIA plan or send it out to a consultant to decide what those fees are. He heard there would be potential litigation without a study, and we've always done a study with this. He's leaning toward having the study to find out how much in fees.

**DEPUTY MAYOR FELLER** is looking for staff to tell him how much inclusionary fees are if we don't adopt Option B.

**MARGERY PIERCE**, Housing and Neighborhood Services Director, stated the current in-lieu fee that we're collecting is \$1.31 per square foot. In addition to that, each unit pays another \$100 for administration of that fee and \$1,000 for the entire development. Every unit pays a different fee because it's based on square footage.

**DEPUTY MAYOR FELLER** thinks that if we were still at \$10,700, which is what the in-lieu fee was before, we wouldn't be having any discussion and we certainly wouldn't be hearing about a lawsuit. We have affordable housing everywhere in Oceanside. The Cove is going to be \$300,000 a unit and that's rental, not ownership. Mr. Schmid has developed property all over Carlsbad that is affordable. Plus, Carlsbad did granny flats everywhere, and that accounted for a lot of affordable housing.

He heard discussion about the negotiations from John Seymour, and he didn't understand this to be each project being negotiated; he understood it to be a set number. Is he wrong with that?

**CITY MANAGER WEISS** responded one of the options would be to negotiate on a case-by-case basis.

**DEPUTY MAYOR FELLER** isn't sure how that works. If they don't know the rules when they're coming in, that doesn't make too much sense. He doesn't believe we should be hiring another consultant for this. Not every project is going to be equal and not every project should be treated equal. Inclusionary fees don't make sense to him. If we can have builders of affordable housing do things without any money from our pocket, that's a great thing.

If we're bound by building at base density and they're going to pay that \$1,772 at 21 units, it doesn't pencil out to build a project any larger than that. That satisfies no growth, but not what we need with housing.

**RUSS CUNNINGHAM**, Senior Planner, stated depending on the zoning designation there is that range. In the example one of the speakers provided, the RH

designation (Residential High Density) allows a range between 21 and roughly 29 dwelling units per acre.

**DEPUTY MAYOR FELLER** stated you have that range, but nobody is going to stop it at 21 if they can build a few more. In this case, if we ignore what is being proposed, we're missing out on hundreds of thousands of dollars in extra money that can go to affordable housing. This \$12,250 seems to be \$2,000 more than we've ever charged before. That was on every unit, and you can see what happened to the building industry. He doesn't think people are going to build affordable housing for sale very often. That's why you have the people like Mr. Schmid who fill in that gap.

He **moved** to adopt Option A and use the tier-two from Option B.

**COUNCILMEMBER KERN** would like to bifurcate this. If you want to make a motion to direct staff to make the changes and implement all the changes that were brought forth in Option A, and let us further discuss Option B. He'd like those to be separate motions.

**DEPUTY MAYOR FELLER** agreed to bifurcate and **amended his motion** to bifurcate Options A and B, and adopt Option A.

**COUNCILMEMBER KERN** **seconded** the motion.

**MAYOR WOOD** stated that didn't help answer his question, it confused him. The project as a whole has been supported as it stands by the ad hoc committee and everybody else.

**COUNCILMEMBER KERN** thinks we should have discussion on Option A now and then vote on that before we discuss Option B.

**MAYOR WOOD** stated that might be an easier plan.

**COUNCILMEMBER SANCHEZ** agrees with Ms. Parker when she talked about having a nexus. It is critical. We need to treat people equally and not discriminate against anyone based on whatever status it could possibly be. Councilmember Feller doesn't want to hire a consultant, but every time we get sued we'll be hiring more than one consultant. That doesn't seem to make any sense. She's concerned that this was not thoroughly vetted by the same citizen's review ad hoc committee that we set up. The whole idea was to have everybody at the table at all times so we would have something that would be representative of the community, and it would be balanced.

There was a faulty premise that City policies are to blame for some 40 projects that have already been approved but are not getting built. It is the economy and the lending institutions, which are now beginning to move. She has seen hotels getting built, and she thought hotels would be the last thing she would see built. She also disagrees with the premise that the price of housing is going to somehow be based on an in-lieu fee. It's not; it's based on the market. Profits will go up and down, but not the price of housing. That is based on the market.

She agrees that the fee can't be too high or too low. Certainly \$1,000 was almost nothing.

As to Option A, she is very concerned about what Mr. Martinek said. He pointed out that in Item 6, Attachment 2, for Option A, we will completely eliminate the CUP for projects that exceed base density. Oceanside is one of the more built-out cities in the County. Most of the remaining buildable property is either in-fill or has significant challenges and/or concerns. In-fill is not a problem. Mixed-use, if truly mixed-use, is not a problem, as well as Smart Growth along transportation corridors outside of our Subarea Plan. Some parts aren't transportation corridors; we have wildlife corridors along transportation corridors. It is those remaining properties that have significant

environmental challenges and usually a lot of public opposition that concern her. If you take away the CUP, it does not allow us the flexibility to address these very challenged properties. We need to insure a balance between development and quality of life for our residents. We want the best possible development for Oceanside.

Her big concern about Option A is that it includes complete elimination of the CUP process, and that cuts out our public review process. That's in line with what we've been doing in cutting down the noticing requirements when something is going to be considered to be permitted. There are a whole lot of people who are upset that they are finding out after the fact about projects being built. We need to get back to making sure that our community understands what's happening in their own neighborhood and that these projects are in line with the character of the neighborhood.

She recommended eliminating Item 6 with respect to Option A.

**COUNCILMEMBER FELIEN** stated since this process is a result of a consensus that he's heard, he asked about the reason and process of Item 6 being part of Option A.

**BORRE WINCKEL**, President of BIA, responded we were trying to come up with a comprehensive approach to the disappearance of the RDA structure in the City. When you eliminate the CUP process out of Option A, the entire program collapses. There is no point in talking about any of the reform, and we might as well fold up our tents. We'd rather have the existing program, which is financially better than the one we're offering. It's a curious proposition as an industry that we're offering you a higher fee. That's unheard of. The reason for the higher fee, which combines the old fee with the new fee, is to create an alternative revenue stream for those applicants who, for whatever reason, cannot apply for the benefits of the incentives that are provided under Option A. We can't talk about Option B without talking about Option A. If it is Council's decision to vote separately on Option A and then have another discussion on Option B with an unforeseen future, he would not be comfortable with that direction.

There is always the cheap threat of litigation whenever we come up with something creative. Not too long ago, Council adopted a full-on nexus study that established your in-lieu fee. There is no reason to start another nexus for a higher fee that, in essence, accomplished the same thing – a margin over the current fee to pay for additional affordable housing. This Council approved a very expensive project not very long ago. It will take a lot of money to pay off gap financing in that project. If you want to go to another study and waste another half a year's worth of uncertainty, the industry will throw its hands up in the air on affordable housing and will go to another city. As it is today, you are approving projects above the base density, and you don't get any extra dollars over the in-lieu fee that comes with those units. This is a material enhancement of that scenario.

We started this process almost 2 years ago in order to find the intersection of for-profit construction and affordable housing construction, and instead of having affordable housing be a burden, make it a good thing and a positive experience. We've made a lot of progress on that. We have brought your density bonus program into conformity with State law. We have had a robust discussion about the in-lieu, which is \$1,750 today. It's that low because of the real estate crash. It's not low because you're giving a gift of public funds to the industry. He asked that Council, after almost 2 years of debate and consultants and endless study sessions, take the action. Let us have for 30 months the kind of project that combines Option A, as-is, and a fee fixed at \$12,250. Council can call the issue back at any time if for some reason it goes off track.

**COUNCILMEMBER FELIEN** thinks since this is the process and consensus, we don't need to revise Option A. It's a creative attempt to help affordable housing in the middle of a great recession. We're going to have a resolution on Option B to combine with it; we just want to debate it separately. He supports the motion.

**COUNCILMEMBER KERN** stated regarding Item 6, there is no exemption for an EIR (Environmental Impact Report), is that correct? They still have to do an EIR.

**MR. CUNNINGHAM** responded yes. This will not compromise the State-mandated CEQA process.

**COUNCILMEMBER KERN** asked if we're changing the noticing requirements.

**MR. CUNNINGHAM** responded no. We are not proposing changes to the notification process.

**COUNCILMEMBER KERN** stated there will be environmental review and neighborhood noticing.

**MR. CUNNINGHAM** stated moreover, the elimination of the CUP entitlement does not eliminate the discretionary review process or the requirement that projects would continue to live under to process, in virtually all cases, development plans.

**COUNCILMEMBER KERN** stated all of those protections, like going through the Planning Commission review and the appeal process to Council, would stay in place.

**MR. CUNNINGHAM** responded yes, they would.

**COUNCILMEMBER KERN** will support leaving Item 6 in then.

**MAYOR WOOD** stated some of this review went to the ad hoc committee and the Planning Commission. He's heard that the options as they stood were acceptable to all parties. Is this something the ad hoc committee and the Planning Commission are on board with? Does this need to go back to either of those for review of this second phase for funding?

**MR. MARTINEK** is concerned that Item 6 is vague the way it's written here. Anything that's going to be put forward in the development process is going to be subject to the discretionary process, but the way it's written, it appears that you're eliminating some of the strength of the discretionary process. If clarifications can be made, then maybe it could be dealt with that way. We have quite a bit of leverage in requiring a developer who is exceeding the base density to meet certain criteria. We want to maintain that.

**MS. PARKER** has to speak as an individual because this hasn't been before the Housing Commission. It primarily is more in the area of planning; however, the fee that we use to generate our affordable housing is a great concern to her. In the past, it has always been connected to a formula that we could justify to everyone. That is why she speaks in favor of going for the study - to justify. That way we know we have been fair to everyone, and there is a formula going in, a certainty, for this additional benefit. It is quite an additional benefit, and we haven't addressed to build on-site or off-site.

**MR. MARTINEK** stated we are doing something somewhat experimental, although this has been tried in a lot of places. You have voluntary and involuntary. The mandatory provision of affordable housing has been shown in past studies to be much more effective. If we're going to move away from some mandatory provision of affordable housing, then there are all sorts of different options. Maybe you could eventually make it so there are no fees paid. That's not what history says. The literature is full of examples and excellent studies showing that what we're trying to do isn't nearly as effective as having mandatory provisions of inclusionary affordable housing. His expectations going in are that it's not going to work as well as what we had a while back with higher fees. He's seen some figures saying the gap is actually \$25,000 to \$30,000. That's what's you would need to be able to supply an affordable housing unit under the present circumstances. Our concerns are the same. If you want affordable housing, you're going to have to have the money generated somewhere to

provide it. Seed money can multiply, and that has been helpful in the past. At least we've done some, but we haven't done nearly as much as we could have or should have.

**MS. PARKER** added or that we were mandated to do. We have been assigned a numerical responsibility by SANDAG. As you all know, we have not met that in several Housing Element cycles now. We must demonstrate good faith where we have fallen short. The State is going to look to see if we've demonstrated good faith. You need to ask if this policy meets that level of demonstrating good faith. When you can back it up with a study, it's much stronger.

**DEPUTY MAYOR FELLER** sees this as mandatory by the State. If we don't build any houses, what do we do? That's where we're headed. We'll build zero houses in this City if we don't free up the market and get people working to build houses or apartments. Whatever it is, we have to move forward. If we don't, you're not going to have any affordable money.

**ASSISTANT CITY CLERK TROBAUGH** stated the motion is to approve Option A and direct staff to initiate the appropriate changes to the appropriate documents.

**Motion was approved 4-1, Sanchez – no.**

**COUNCILMEMBER KERN** stated everybody talked about Option B. Now we're into the fee and he needs some questions answered. Some of the speakers mention the word "certainty" and people wanted certainty in the system. Another speaker talked about how to spend the money, and that will be a discussion for another time. We need to generate the money before we figure out how to spend it.

He understands the \$12,250, but the staff report has been out for a number of days with the 7 times value on it and that's what the public has been reading. He asked that if we had a set fee, would we have had other people speak.

**MICHAEL McSWEENEY, BIA, 9201 Spectrum Center Boulevard,** responded the average fee is \$1,750. Multiplied by 7, it's \$12,250. We had meetings with developers. How do we offer you something that's not too low and not too high, but just right?

**MR. WINCKEL** stated we don't want to get hung up in the factor 7 times because if Council says a year from now that the in-lieu fee should be \$20,000 at the base fee, we're going to have \$140,000 fees. The 7 times was used in context of expressing an order of magnitude. The industry is not supportive of a formula that says 7 times the in-lieu fee is the tier-two fee. We're supportive of \$12,250 on a 30-month trial basis.

**COUNCILMEMBER KERN** doesn't want to go back for a study or have a consultant. He would like to stop using Keyser Marsden for anything. The last few times he's dealt with their information, it has been wrong.

If we use the \$12,250 for a defined period of time, then during that period of time, we can see if it works or doesn't. He doesn't want to do 30 months. He'd like to do January of 2015. If we do 30 months, it will put it right in the middle of budget time in 2015. At that time, whatever adjustment needs to be made, can be made. He understands the concern of coming up with a valid number. This is pretty close to valid. With the state of the economy right now, he doubts anyone will exercise this option in the next 27 months anyway.

He **moved** to use the \$12,250 amount for the tier-two in Option B, under Subparagraph iii, instead of establishing a fee of 7 times.

**DEPUTY MAYOR FELLER seconded** the motion.

**COUNCILMEMBER FELIEN** supports the motion. Our tier-one fee was the subject of a large in-depth study. The set tier-two fee is higher than the original fee that was replaced, and we've waited 18 months to move ahead on this issue. We have tried to have a creative approach to help the private sector and help affordable housing in the middle of this huge recession. We need to move ahead and support the motion.

**MAYOR WOOD** supported the first part of this because everyone has worked long and hard as a group, and the ad hoc committee worked hard on it. It wasn't easy for everyone involved. There seems to be a change without the approval of the ad hoc committee, and that concerns him. This should have all been resolved before it came to Council. Then we would have the support of the ad hoc committee and everybody else. It hasn't been confirmed by an accountant or specialist, and we're open to criticism because of that in the future. This could go back to the ad hoc committee to work out this last part, or we could go to a consultant to get it figured out. He would love to have further input on this from the ad hoc committee.

**Motion was approved 3-2**, Wood and Sanchez – no.

**CITY MANAGER WEISS** stated with the first item, we will need to amend a number of formal documents, and it will come back to Council in a public hearing. This fee will be included in that first public hearing.

2. **Public Communications on City Council Matters (Off-Agenda Items) – None**

**ADJOURNMENT**

**MAYOR WOOD** adjourned this meeting to Wednesday, October 3, 2012, at 2:00 PM. This adjourned meeting of the Oceanside City Council was adjourned at 3:18 PM, Wednesday, September 26, 2012.

**ACCEPTED BY COUNCIL:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside



California

ITEM NO.

# CITY OF OCEANSIDE

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

OCTOBER 3, 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

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**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 2:04 PM, October 3, 2012.

**2:00 PM - ROLL CALL**

Present were Mayor Wood, Deputy Mayor Feller and Councilmembers Kern and Felien. Councilmember Sanchez arrived at 2:05 PM. Also present were Assistant City

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

Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

City Attorney Mullen titled the following items to be heard in Closed Session:  
Items 2 and 3. [Item 1 was not heard]

[Closed Session and recess were held from 2:01 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]

**No closed session held**

2. **CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)**

CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Property: 1.82 acres at intersection of North Pacific Street and Harbor Drive South (portion of APN 143-010-31); Negotiating Parties: Oceanside Small Craft Harbor District and Marina Del Mar Homeowners’ Association; Negotiator for the District: Douglas Eddow, Real Estate Manager; Under Negotiations: Terms for the extension of the current lease

**Item discussed; no reportable action**

**4:00 PM – ROLL CALL**

**MAYOR WOOD** reconvened the meeting at 4:00 PM. Present were Mayor Wood, Deputy Mayor Feller and Councilmembers Sanchez, Kern and Felien. Also present were Assistant City Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

**CONSENT CALENDAR ITEMS** [Items 3-8]

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.

The following Consent Calendar items were submitted for approval:

3. 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)
4. City Council: Approval of a two-year professional services agreement [**Document No. 12-D0649-1**] with UtiliQuest, LLC, of Atlanta, Georgia, in an amount not to exceed \$104,000 (\$52,000 per year) for underground facility locating and marking services for the Public Works Department; and authorization for the City Manager to execute the agreement
5. City Council: Approval of Amendment 2 [**Document No. 12-D0650-1**] in an amount not to exceed \$420,000 to an existing professional services agreement with Value

Strategies, Inc., of Carlsbad for implementation of Phase 6 upgrade to the Financial Services Department's Oracle System, and authorization for the City Manager to execute the amendment; approval of a purchase order in the amount of \$74,115 to Enterprise Technologies for two Oracle Weblogic Suite Processor Licenses, and authorization for the Financial Services Director, or designee, to execute the purchase order; and approval to establish a \$40,000 project contingency, as needed

6. City Council: Approval of a five-year agricultural lease agreement [**Document No. 12-D0651-1**] with Rancho Del Oro Landscape and Maintenance, Inc., for the purpose of low-intensity landscape growing on 5.28 acres of City property east of Rancho Del Oro Drive between Mesa Drive and Ocean Ranch Boulevard, and authorization for the City Manager to execute the agreement
7. City Council: Approval of a budget appropriation in the amount of \$35,000 from the Economic Stabilization Reserve Fund for a regional economic development collaboration effort
8. City Council: Authorization to award a contract in the amount of \$428,488 to NEWest Construction Company, Inc., of San Diego for the construction of the Harbor Lift Station No. 4 Force Main Replacement project located north of the San Luis Rey River and east of the Pacific Street Bridge at Harbor Drive South, and authorization for the City Manager to execute the agreement upon receipt of all supporting documents

**COUNCILMEMBER KERN moved** approval of the Consent Calendar [Items 3-8].

**COUNCILMEMBER SANCHEZ seconded** the motion.

**Motion was approved 5-0.**

#### **CLOSED SESSION REPORT**

14. **Closed Session report by City Attorney**

**CITY ATTORNEY MULLEN** reported on the items discussed in Closed Session: See Item 2 above. [Item 1 was not discussed]

#### **MAYOR AND/OR COUNCILMEMBER ITEMS**

21. **Request by Deputy Mayor Feller to direct staff to modify necessary ordinances to provide vehicles displaying a Special Recognition License Plate as defined by the California Department of Motor Vehicles the same parking privileges as those vehicles displaying a disabled license plate [as related to free parking]**

**DEPUTY MAYOR FELLER** stated this was brought to his attention by a resident who is a Purple Heart recipient and has a Purple Heart license plate. They are more or less asking for the same privileges, but not the same parking spaces as the disabled public. The DMV has special recognition licenses such as: Legion of Valor, Pearl Harbor Survivor, Prisoner of War, Purple Heart and Medal of Honor winners.

He is asking to change the ordinances in the City to allow for those special recognition license plates to be free from parking fees, such as parking in our parking lots or at our meters. They do this in the State Park system, which allows them free parking. Because we are a neighbor to Camp Pendleton, we're committed to the military. He **moved** to direct staff to bring back the necessary changes in our ordinance for Council's approval to allow free parking for special recognition license plates. The disabled already have that privilege. It's not taking anything away from the disabled, it's simply for the benefit of special recognition plates.

**COUNCILMEMBER SANCHEZ** seconded the motion.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, stated this was worded in a way that made people think they would be taking away from the disabled. Some businesses were worried that they would have to add additional spaces. Deputy Mayor Feller cleared those misconceptions up in his explanation. He supports this.

Public input concluded

**COUNCILMEMBER FELIEN** wanted to clarify that this would not allow the people with the special recognition license plates to park in handicapped places. It's just a matter of parking in metered places or parking lots without paying.

**COUNCILMEMBER SANCHEZ** seconded this because of the clarification. She was going to support directing staff to somehow have a workshop with the disabled and business communities. Now that it's been clarified, she supports it 100%. We're very proud of our veterans and military families. This is important, and she's glad Deputy Mayor Feller brought this up.

**COUNCILMEMBER KERN** agrees with the change, but he's a little confused with the request. This is so far-fetched from what was put on the agenda, so can we vote on it that way? This completely changes what the agenda item was.

**CITY ATTORNEY MULLEN** thinks it's within the scope of what's agendized. You're just giving a referral to staff to come forward with an amendment to our fee schedule. One of the privileges of having a disabled placard is that you don't have to pay the applicable fees, so that's why it's within the scope of what we put on the agenda.

**COUNCILMEMBER KERN** stated everyone's big concern is the use of handicapped parking spaces by people who don't need handicapped parking.

**CITY MANAGER WEISS** stated the Vehicle Code makes it very clear that only vehicles displaying a property disabled license plate or placard are allowed to park in disabled spaces. If someone with a Purple Heart placard parked in a handicapped space, they're going to get a ticket.

**DEPUTY MAYOR FELLER** apologized for any confusion. He was trying to make it appear as the same privilege of free parking in our lots as disabled.

**Motion was approved 5-0.**

22. **Request by Deputy Mayor Feller to eliminate the City Council Aide positions and to allocate the savings to re-open the Marshall Street Pool and provide consolidated administrative and clerical support to the Council through the City Manager's Office, and direction to staff**

**DEPUTY MAYOR FELLER** is bringing this item up for discussion because we need to lead by example and examine our own department for ways to save money. A graphic was used to show a list of City Council offices and their staffing levels. Oceanside is the only city that employs 5 Council Aides at a cost of \$390,000 per year. That means that we have sole discretion over those Aides. Having 5 full-time Council Aides means paying vacation, sick and holiday pay, and a variety of other paid days off for 5 people when all we need is one person to do this job.

He **moved** to eliminate the City Council Aide positions and to allocate the savings to re-open the Marshall Street Pool and provide consolidated administrative and clerical support to the Council through the City Manager's Office.

The new position would be more stable than our Council Aide positions because the staff person remains no matter the outcome of each election. This would eliminate the added costs of hiring new Council Aides as a result of an election or every time one leaves the job. His job is to do what is best for the citizens. There was a time when this was a luxury for us as Councilmembers because we are part-time. This is the best for our citizens and they would agree that applying those funds to reopening the Marshall Street Pool would be more beneficial to them than his having a personal Council Aide.

**Motion died** for lack of a second.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, stated years ago he sat down with a former Councilmember and was told that the idea of the Council Aides in Oceanside had its start with loaning City employees to help do work for Councilmembers. It expanded from there. He listed other options to having 5 full-time Aides.

**SHIELA KADAH**, 5301 Village Drive, does not support this. We shouldn't get rid of any jobs. We need people that are elected to save all the jobs. We should look at pay cuts across the board, especially with people earning more than \$100,000. Good jobs keep the community strong. Any Councilperson who wants to get rid of a job should be voted out of office.

**FRANCES KAZERSKI**, 276 North El Camino Real, is opposed to this suggestion. Access to the Council is very difficult now since there is no longer a front office person. There's nobody there. Now you want to get rid of staff aides. The Mayor is very busy, and it would be wrong to terminate the Mayor's Aide because she is the access to the Mayor's office. All of the Aides have been valuable and are needed. He recommended ways to raise money to keep the Council Aides.

**CHRIS WILSON**, 770 Harbor Cliff Way, opposes this proposal. His main concern is the quality of representation that the public receives. Given that Council positions are part-time, you need someone full-time that you can rely on to help. Without that support, the quality of the representation that the public receives from you as our elected officials would be diminished.

Public input concluded

**DEPUTY MAYOR FELLER** stated in light of this rebuke, he would say if his colleagues are not willing to eliminate the 5 Council Aides, he would have an alternate recommendation. We are part-time Councilmembers, and he likes that his Aide is there for everybody who isn't there. We need to have full-time accountability, representing us to the public and staff. He **moved** to have the Council Aides use a time clock supported by an accounting of how their time is spent. If they want to get paid the package of \$78,000 per year, they need to be sitting in their chairs.

**MAYOR WOOD** doesn't believe that's part of the agenda.

**CITY ATTORNEY MULLEN** understands the request to be have the Council Aides not eliminated but to report their time that they're in the office.

**DEPUTY MAYOR FELLER** stated that is correct.

**CITY ATTORNEY MULLEN** doesn't believe there is an agenda issue with that because the elimination is what is being proposed so something short of that you can discuss, but it would be up to the Council to entertain that.

**Motion died** for lack of a second.

**GENERAL ITEMS** - None

**CITY COUNCIL REPORTS**

9. **Mayor Jim Wood**

**MAYOR WOOD** attended Harbor Days on September 29<sup>th</sup>. He thanked everyone involved. He announced the Senior Expo is coming on Saturday, October 13<sup>th</sup> at El Corazon Senior Center.

William Vaughn, former Police & Fire Commissioner, passed away the week of September 17<sup>th</sup>.

10. **Deputy Mayor Jack Feller**

**DEPUTY MAYOR FELLER** announced that Oceanside Civitan just installed Ann Speraw as their new President.

Former Oceanside Police Officer Arman Doucet passed away late last month.

11. **Councilmember Gary Felien**

**COUNCILMEMBER FELIEN** attended Harbor Days, and it was wonderful. He also attended the POW/MIA recognition day on Camp Pendleton on September 21<sup>st</sup>; and a police ride-along with the gang unit to get a better understanding of what they do on a daily basis.

12. **Councilmember Jerome Kern**

**COUNCILMEMBER KERN** also attended Harbor Days.

They started pouring the slabs for the new green waste facility. Moving the old facility here will open up the space for the soccer fields at El Corazon.

He announced Pride at the Beach on October 13<sup>th</sup>.

13. **Councilmember Esther Sanchez**

**COUNCILMEMBER SANCHEZ** announced St. Mary's Star of the Sea Luau on October 13<sup>th</sup>.

She has been doing some pro bono work for the Costa Serena community and was given a plaque showing their appreciation.

**Changes to the agenda**

**ASSISTANT CITY CLERK TROBAUGH** announced that Public Hearing Items 16 and 17 have been continued until October 17, 2012.

[Recess was held from 4:37 PM to 5:02 PM]

**5:00 – ROLL CALL**

Mayor Wood reconvened the meeting at 5:02 PM. All Councilmembers were present.

**INVOCATION** – Reverend Malaki Tauiliili

**PLEDGE OF ALLEGIANCE** – Elkie Wills

**PROCLAMATIONS AND PRESENTATIONS –**

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

Presentation – Employee Service Awards

Presentation – Mayor’s Youth Sports Recognition and Appreciation Award

**Presentations were made**

**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

**15. Communications from the public regarding items not on this agenda**

**FRED MURRAY**, 2409 Dunston Street, announced Speak Out Oceanside, which is a non-partisan town hall style public forum. He invited everyone to come and participate on October 18<sup>th</sup>.

**SHIELA KADAH**, 5301 Village Drive, invited everyone to An Evening of Politics and Empowerment on October 14<sup>th</sup> at the Carlsbad Village Theater to meet Jerry Tuttleman, who is running for congress in our district.

**JIMMY KNOTT** read from a letter by **FRANCIS KAZERSKI** paying tribute to a woman recently shot in Chula Vista, as well as his father, Steven, who died from gunshot wounds in 2001.

**KIM HEIM**, MainStreet Oceanside, 701 Mission Avenue, thanked everyone in the City for all of their help with Harbor Days.

**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.

16. **[City Council: Introduction of an ordinance amending Chapter 29 of the Oceanside City Code by establishing wastewater user rate increases, and introduction of an ordinance amending Chapter 37 of the Oceanside City Code by establishing water user rate and external water provider charge increases]**

This public hearing is being continued to 5:00 p.m. on October 17, 2012

17. **[CDC: Adoption of a resolution denying Conditional Use Permit (RCUP12-00005) and Regular Coastal Permit (RRP12-00007) for a pawn shop located at 222 North Coast Highway – Oceanside Jewelers – Applicant: Chad Coogan]**

This public hearing is being continued to 5:00 p.m. on October 17, 2012

18. **City Council: Approval to appropriate \$140,486 from the FY 2012-2013 Community Development Block Grant Program Entitlement Grant from the U.S. Department of Housing and Urban Development to the CDBG contingency fund for FY 2012-2013 projects; approval to allocate funds in the amount of \$50,000 from the CDBG contingency fund to the Brooks Street Swim Center Improvements Project (termites/roof), and approval to amend the 2012-2013 Action Plan accordingly**

A) Mayor opens public hearing – hearing was opened.

- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood, Deputy Mayor Feller and Councilmember Kern reported contact with staff; Councilmembers Sanchez and Felien reported no contact.
- C) City Clerk presents correspondence and/or petitions - none
- D) Testimony, beginning with:

**EILEEN TURK**, Recreation Division Manager, stated we are required by law to have a public hearing regarding CDBG monies. We're asking for \$50,000 for the Brooks Street Swim Center. Basically, \$140,000 minus \$50,000 would be \$90,000 as contingency money that was rolled over from last year's projects where all of the money wasn't utilized. This is HUD (Housing and Urban Development) money and this public hearing is part of doing business.

We're hoping to get termite work and repairs done at the Brook Street Swim Center. It's in dire need of work.

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

**COUNCILMEMBER SANCHEZ moved** approval [to appropriate \$140,486 from the FY 2012-2013 Community Development Block Grant Program Entitlement Grant from the U.S. Department of Housing and Urban Development to the CDBG contingency fund for FY 2012-2013 projects; approval to allocate funds in the amount of \$50,000 from the CDBG contingency fund to the Brooks Street Swim Center Improvements Project (termites/roof), and approval to amend the 2012-2013 Action Plan accordingly].

The Brooks Street pool is an institution in Oceanside. This is a wonderful thing that we have, and it needs this kind of tender loving care.

**COUNCILMEMBER KERN seconded** the motion.

**Motion was approved 5-0.**

20. **City Council: Consideration of Zone Amendment (ZA12-00006) and Local Coastal Plan Amendment (LCPA12-00005) amending the Sign Ordinance, Article 33 of the 1986 and 1992 Zoning Ordinance to regulate commercial mascot advertising displays and feather banners, as well as minor administrative changes, and establishing the amended text as part of the implementing document of the Local Coastal Program; and adoption of a resolution and introduction of an ordinance to effect these changes – Sign Ordinance – Applicant: City of Oceanside**

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood, Deputy Mayor Feller and Councilmembers Felien and Kern reported contact with staff and public; Councilmember Sanchez reported contact with staff.
- C) City Clerk presents correspondence and/or petitions - none
- D) Testimony, beginning with:

**AMY FOUSEKIS**, Principal Planner, stated this proposal involved a Local Coastal Program (LCP) amendment and Zoning Ordinance text amendment for the Oceanside Sign Ordinance, LCPA-12-00005 and ZA-12-0006.

On April 18, 2012, the City Council approved an LCP amendment and a Zoning amendment that revised and updated the prior sign regulations to insure regulation in a constitutional manner, distinguish the regulatory from the proprietary standards, set parameters for advanced sign technologies, digital signs, and update the existing ordinance format. By that action, the 1985 and 1992 Sign Ordinances were reconciled and today we have, subject to approval by the Coastal Commission, one Sign Ordinance that we would be implementing.

At that time, there were a few comments made by members of the public and the Chamber of Commerce with respect to provisions or the prohibition of commercial mascot signage and feather banner signs. The Council gave direction to coordinate and assist the Chamber of Commerce to bring forward the sign amendment for such provisions. This evening we will be presenting the information that came out of meetings held at the Chamber with the support of City staff.

The amendments to the Sign Ordinance include provisions that would allow feather banners on private property; not permit extensions of those banners over the right-of-way; require a minimum spacing of 8 feet between banners; set a maximum height of 15 feet, or the building height that it would be adjacent to or on the property of, whichever is less; and would be maintained in good condition at all times.

With regard to the commercial mascots, it is being recommended that they are allowed on public sidewalks during the daytime hours between sunrise and sunset; are located in a way that would not interfere with ingress and egress, or free use of sidewalks; set a maximum of 2 commercial mascots per street intersection corner and a 10-foot separation between commercial mascots; and there will be no sign display exhibits or airborne signs.

Should the Council decide that those recommended provisions would be included this evening, we have prepared an ordinance to approve these amendments to Article 33 of the 1986 and 1992 Zoning Ordinance and a resolution for adoption, approving a LCP amendment establishing Article 33(a) and 33(b) as zoning regulations within the Coastal Zone.

In addition to the regulations just mentioned, there were some minor clean-up items that we've included as part of the legislative draft. The first one is the deletion of references to the Redevelopment Agency and the Director of Economic and Community Development, as well as any references for provisions to the Redevelopment Area.

#### Public input

**DAVID NYDEGGER**, President of the Oceanside Chamber of Commerce, is very pleased with the progress made on this issue, and he urged Council to vote in favor of it. This came out from a meeting last April. We were asked to help with that and appreciated the hard work of staff in making this happen. This wasn't previously in our Code. The business community came together and were in agreement with what works and what shouldn't work.

**CARL HANGER**, 3839 San Lorenzo Court, owns a business and thanked the Planning Commission for the effort they put into hearing the business community and accommodating us.

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

**MAYOR WOOD** appreciated everyone who was involved with staff and the Chamber.

**COUNCILMEMBER KERN** moved approval [of Zone Amendment (ZA12-00006) and Local Coastal Plan Amendment (LCPA12-00005) amending the Sign Ordinance, Article 33 of the 1986 and 1992 Zoning Ordinance to regulate commercial mascot advertising displays and feather banners, as well as minor administrative changes, and establishing the amended text as part of the implementing document of the Local Coastal Program; and adoption of Council **Resolution No. 12-R0655-1**, "...modifying the Local Coastal program relating to the City's sign regulations and requesting California Coastal Commission certification of said amendment", and CDC **Resolution No. 12-R0656-3 (CDC)**, "...modifying the Local Coastal program relating to the City's sign regulations and requesting California Coastal Commission certification

of said amendment", and **introduction of an ordinance** to effect these changes – Sign Ordinance – Applicant: City of Oceanside].

**COUNCILMEMBER FELIEN** seconded the motion.

**DEPUTY MAYOR FELLER** said we have a lot of feather banners out there now, and about 50% of them are in bad shape. How is staff going to bring them into compliance? We have some time before the ordinance comes into effect to forewarn them.

**GEORGE BUELL**, Development Services Director, stated his understanding, based on statements that City Manager made at the public hearing preceding this on this issue, is that this would be on the honor system. It would be a Code Enforcement issue, but given our limited financial and staffing resources at this time, it would not be a priority for Code Enforcement.

**DEPUTY MAYOR FELLER** asked if we are going to notify all businesses in some way, like water bills or something like that.

**MR. BUELL** can explore ways of informing the business community. Possibly we can send out a postcard to businesses that use the feather banners. We can also work with the Chamber of Commerce in seeing how we can most effectively reach their membership as well.

After titling of the ordinance, the **motion was approved 5-0.**

19. **City Council/CDC: Introduction of an ordinance adding Article 33C "Signage" to the Oceanside Zoning Ordinance (ZA-200-09) and repealing Article 33 of the 1992 Zoning Ordinance and establishing Article 33C as the new Sign Ordinance for Downtown; and adoption of a resolution approving Local Coastal Plan Amendment (RLCPA12-00001), for the Downtown Project Area – Applicant: City of Oceanside**

- A) Chairman opens public hearing – hearing was opened.
- B) Chairman requests disclosure of Commissioner and constituent contacts and correspondence – Mayor Wood, Deputy Mayor Feller and Councilmembers Kern, Felien and Sanchez reported contact with staff and public.
- C) Secretary presents correspondence and/or petitions – none.
- D) Testimony, beginning with:

**KATHY BRANN**, Redevelopment Manager, stated we've been working on this for a number of years and are excited to bring this forward. This item is a piggy-back item to the item Council just heard. For the entire citywide Sign Ordinances, we're creating Article 33(a), 33(b), and this would be Article 33(c), specific to the downtown. A lot of people have asked how this got started. We started thinking about this several years ago with Wyndham and some of the development that was happening in the downtown. We decided to have a series of meetings. We started out with an ad hoc committee with some of the RAC (Redevelopment Advisory Committee) members and also some Planning Commission members. We created a subcommittee with local business owners and had people from the Arts Commission and sign manufacturers at the table to find out the needs and desires and how to implement it.

We wanted to increase the flexibility and be creative as far as the different things in the downtown that you might not otherwise consider elsewhere in the City. People have asked why the downtown is different, and for the most part, if you look at the characteristics in the downtown, we have many narrow storefronts, historic buildings, current and future development exceed 5 stories in height, built over an entire City block. With the implementation of the Mission Avenue improvements, we wanted to create a more walkable environment. Allowing some of the signs we're proposing is going to allow people to travel and walk around the downtown more freely. The urban downtown is entirely different than a shopping center out east.

In summary, the changes we're proposing are increasing the sign height for walls and logos, allowing for projecting and vertical signs, allowing for menu boards for downtown restaurants, providing new regulations for wall murals and allowing for signage on all 4 sides of the building. Currently the Sign Ordinance only allows for 2 sides. This was a huge request by the Wyndham; they wanted to have at least 3 sides. She's sure the Citimark block in the future is also going to want to have signs on more than 2 buildings. We're now allowing for 3 lines of text and for some creativity to give it a better feel and character for downtown.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, stated in the meeting that he attended the electronic signs were also brought up. He doesn't see anything here about electronic signage.

**KIM HEIM**, MainStreet Oceanside, supports this. Five years ago staff started with a subcommittee. It got off to a good start because it was grounded with the industry. The signage industry played a big role in helping tell us what the trajectory of commercial signage was going to be in the next 15 years. With that, we were able to retool the Sign Ordinance that could be tailored to the downtown setting, with unique building forms, various ages of buildings, set-backs and covered ratios to allow the flexibility necessary to provide the signage that new investors are going to want to put downtown over the next 20 years. It covers every element from standard signs that cover building frontages to electronic signage that will eventually replace print signage in the next 5-10 years. This is very forward-looking and well thought out. We had input from various cities in California that have well thought out sign ordinances as well, and a lot of collaboration from the community. He asked Council to support this.

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

**COUNCILMEMBER KERN** asked if Mr. Knott's question could be addressed first.

**MS. BRANN** responded we are going to allow for some electronic use in some instances in the downtown on a case-by-case basis.

**COUNCILMEMBER KERN** stated on the El Corazon Committee years ago, we were talking about the Village commercial where we were going to have some high density mixed-use and something similar to this as signage. Are we going to take some of that signage out there?

**MS. BRANN** responded this is just addressing the downtown; however, in something similar to this, large subdivisions can have their own proposed sign ordinance or text for large shopping centers. You could certainly do that for El Corazon.

**COUNCILMEMBER KERN moved introduction of an ordinance** adding Article 33C "Signage" to the Oceanside Zoning Ordinance (ZA-200-09) and repealing Article 33 of the 1992 Zoning Ordinance and establishing Article 33C as the new Sign Ordinance for Downtown; and adoption of Council **Resolution No. 12-R0653-1**, "...approving Local Coastal Plan Amendment (RLCPA12-00001), for the Downtown Project Area" and CDC **Resolution No. 12-R0654-3**, "...approving Local Coastal Plan Amendment (RLCPA12-00001), for the Downtown Project Area" – Applicant: City of Oceanside.

**COUNCILMEMBER FELIEN seconded** the motion.

After titling of the ordinance, the **motion was approved 5-0.**

**INTRODUCTION AND ADOPTION OF ORDINANCES** - None

October 3, 2012

Joint Meeting Minutes  
Council, HDB, CDC and OPFA

**ADJOURNMENT**

After a moment of silence for Armand Doucet, **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 5:48 PM on October 3, 2012. [The next regular meeting is scheduled for 2:00 PM on Wednesday, October 17, 2012].

**ACCEPTED BY COUNCIL/HDB/CDC/OPFA:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside