

CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



MINUTES

Joint REGULAR Meeting

Wednesday, May 11, 2016 * 6:00 P. M.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video recording](#) captures the complete proceedings of the meeting and is available for viewing on the City's website.
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CITY COUNCILMEMBERS

David A. Zito, Mayor

Peter Zahn, Deputy Mayor

Mike Nichols, Councilmember

Ginger Marshall, Councilmember

Lesa Heebner, Councilmember

Gregory Wade
City Manager

Johanna Canlas
City Attorney

Angela Ivey
City Clerk

CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 6:20 p.m.

Councilmembers

Present: David A. Zito, Peter Zahn, Ginger Marshall, Lesa Heebner

Absent: Mike Nichols

Also Present: Greg Wade, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk,
Mo Sammak, City Engineer/Public Works Dir.
Marie Berkuti, Finance Manager
Bill Chopyk, Community Development Dir.
Danny King, Assistant City Manager

APPROVAL OF AGENDA:

Motion: Moved by Councilmember Heebner and second by Deputy Mayor Zahn. **Motion carried unanimously.**

PROCLAMATIONS/CERTIFICATES: *Ceremonial*

1. Public Works Week: Mayor Zito presented the proclamation which was received by Dan Goldberg, Principal Engineer.
2. Bike to Work Month: Mayor Zito presented the proclamation which was received by Doug Alden.

ORAL COMMUNICATIONS:

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

John Thompson stated that he lived in Saratoga West and asked if the City was going to repave Solana Circle, from Villa de la Valle up to the top of the hill, because it was badly beaten up from recycled water project.

Greg Wade, City Manager, responded that he and the Public Works Director had planned to review all three streets that were impacted and had a plan.

Donna Glenn said that the proposed fence on Via de la Valle was to be an 8 ft. green chain linked fence with green privacy slats and three layers of barbed wire for security and safety measures, that she was concerned about what message this presentation conveyed about the community, that the Del Mar City Council would discuss it at their next and with the fairgrounds, and that alternate types of fencing should be considered.

Councilmember Heebner stated that this was an unusual situation since the City had no authority to do anything about this land that belonged to the fairgrounds, that she had been in touch with members of the Community Relations Board who were members of the Del Mar Board and that the original design did not have barbed wire and was completely covered by vegetation. She said that she would be attending the Del Mar City Council Meeting, the Fairgrounds Board Meeting, the Design Review Board, and the Del Mar Community Relations Board and that she hoped to convey the message to the right people and get the changes necessary.

Sherry Sutton stated that she lived on Highland Court and that she had filed a complaint for violation of City Code due to a minimum seven day short term vacation rental and excessive parking and that her neighbor had also filed a complaint related to shorter term rentals problems. She said that she met with Staff to discuss the issues and wanted to go on public record to say that Solana Beach had a problem with short term vacation rentals, that Solana Beach treated homeowners and long term residents with disdain when it came to short term vacation rentals and she read a list of proposals relating to short term vacation rentals problems.

Mayor Zito responded that Council had discussed considering some allocation of funds in the budget meeting to supervise rentals and enforce policies, that some policies proposed would be out of the City's jurisdiction, that the City had initially wanted a longer rental period minimum but that the Coastal Commission only wanted a three day minimum so they negotiated for seven days, which was due to the beach access issue.

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:

An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1. - A.9.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Minutes of the City Council.

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held April 27, 2016, October 28, 2015, and September 23, 2015.

Approved Minutes http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.2. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for April 9, 2016 through April 22, 2016.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.3. General Fund Adopted Budget for Fiscal Year 2015-2016 Changes. (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2015-2016 General Fund Adopted Budget.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.4. American with Disabilities Act (ADA) Pedestrian Ramps Project, Bid No. 2016-01 Notice of Completion. (File 0820-20)

Recommendation: That the City Council

1. Adopt **Resolution 2016-054:**
 - a. Authorizing the City Council to accept as complete the ADA Pedestrian Ramps Project, Bid No. 2016-01, constructed by PAL General Engineering.
 - b. Authorizing the City Clerk to file a Notice of Completion.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.5. 2016 Sewer Repairs Project. (File 1040-48)
Recommendation: That the City Council

1. Adopt **Resolution 2016-056**:
 - a. Awarding the construction contract to Sancon Technologies, in the amount of \$326,842, for the 2016 Sewer Pipeline Repairs, Bid 2016-04.
 - b. Approving an amount of \$65,000 for construction contingency.
 - c. Authorizing the City Manager to execute the construction contract on behalf of the City.
 - d. Authorizing the City Manager to approve cumulative change orders up to the construction contingency amount.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.6. Citywide Street Sweeping Services. (File 0820-35)
Recommendation: That the City Council

1. Adopt **Resolution 2016-058**:
 - a. Authorizing the City Manager to execute a Professional Services Agreement with CleanStreet for Citywide Street Sweeping Services for FY 2016-17 for a not-to-exceed amount of \$45,500.
 - b. Authorizing the City Manager, at his sole discretion, to extend the Professional Service Agreement, with the annual 2% escalator clause, with CleanStreet for up to four additional one year terms, at the City's option.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.7. Coastal Rail Trail Maintenance District Annual Assessment. (File 0495-20)
Recommendation: That the City Council

1. Adopt **Resolution 2016-049**, initiating the proceedings for the annual levy of assessments within the Coastal Rail Trail Maintenance District.
2. Adopt **Resolution 2016-050**, approving the Engineer's Report for proceedings of the annual levy of assessments within Coastal Rail Trail Maintenance District.
3. Adopt **Resolution 2016-051**, declaring intention to provide for the annual levy and collection of assessments in Coastal Rail Trail Maintenance District and setting a time and date for a public hearing for June 22, 2016.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.8. Street Lighting District Annual Assessment. (File 0495-20)

Recommendation: That the City Council

1. Adopt **Resolution 2016-052** approving the Engineer's Report for proceedings for the annual levy of assessments within a special maintenance district.
2. Adopt **Resolution 2016-053** declaring intention to provide for an annual levy and collection of assessment in a special maintenance district and setting a time and date for a public hearing; and scheduling the public hearing for June 22, 2016.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

A.9. Seed Money for the Pacific Avenue – Phase 2 Underground Utility District. (File 1010-90)

Recommendation: That the City Council

1. Adopt **Resolution 2016-057** approving the payment of \$18,698 from the City's share of CPUC Rule 20A funds in seed money to pay for the preparation of preliminary plans and preliminary cost estimate by SDG&E for the Pacific Avenue – Phase 2 Underground Utility District.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Nichols. **Approved 5/0. Motion carried unanimously.**

B. PUBLIC HEARINGS: (B.1. – B.3.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designees for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

B.1. Public Hearing: Development Review Permit (DRP) and Structural Development Permit (SDP) at 402 S. Rios Ave., Applicants: Ong, Shaw, Case No: 17-14-19. (File 0600-40)

The proposed project meets the minimum zoning requirements under the SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP and administratively issue a SDP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2016-030** conditionally approving a DRP and an SDP to allow for the construction of a new multi-level, single-family residence with an attached partially subterranean, two-car garage, a detached one-car garage with an attached Accessory Living Unit (ALU) at 402 S. Rios Avenue, Solana Beach.

Mayor Zito opened the public hearing.

Greg Wade, City Manager, introduced the item.

Katie Benson, Associate Planner, presented a PowerPoint (on file).

Council disclosures.

Applicant

Erin McKinley, applicant representative, presented a PowerPoint (on file).

Motion: Moved by Councilmember Heebner and second by Councilmember Marshall.
Approved 5/0. Motion carried unanimously.

Motion: Moved by Councilmember Heebner and second by Councilmember Nichols.
Approved 5/0. Motion carried unanimously.

B.2. Public Hearing: Development Review Permit (DRP), a Major Subdivision (SUB)/Tentative Parcel Map (TPM) 980 Avocado Pl., Applicant: Van Arsdale, Case No: 17-15-04. (File 0600-40)

The proposed project meets the minimum objective requirements under the SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP and a SUB. Therefore, Staff recommends that the City Council:

1. Conduct the Public hearing: Open the Public Hearing; Report Council disclosures; Receive Public Testimony; Close the Public Hearing;
2. Adopt the IS/MND and MMRP in accordance with CEQA.
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2016-044** conditionally approving a DRP, SUB and TPM for the first phase of the project which includes subdividing the existing 4.06 acre lot into seven single family residential lots, demolition of all existing structures onsite with the exception of the existing single-family home and accessory structures at the northeast corner of the lot (proposed Lot 3), grubbing and clearing the site, grading to create building pads for six future single-family homes as well as the installation of driveway approaches, wet and dry utilities and right-of-way improvements on property at 980 Avocado Place, Solana Beach.

Greg Wade, City Manager, introduced the item.

Corey Andrews, Principal Planner, presented a PowerPoint (on file).

Leslea Meyerhoff, Consultant, continued the PowerPoint reviewing the Mitigated Negative Declaration.

Corey Andrews, Principal Planner, continued PowerPoint.

Council and Staff discussed undergrounding of utilities and story poles.

Mo Sammak, Public Works/Engineering Dir., stated that the Subdivision Map Act requires that all overhead utilities be undergrounded by the applicant if they are adjacent to the subdivision.

Council discussed affordable housing which would have a third party to administer the program which would include background checks annually, driveway aprons, project phases, that each building project would return to Council for approval, and street widths.

Mo Sammak, Public Works/Engineering Dir., said that the street was currently not very wide and some areas were being required to be widened, and that the street width would be proposed to between a minimum of 20 ft. and a maximum of 30 ft.

Council, Staff, and Consultant discussed that the applicant would be required to do curb, gutter, sidewalk, or DG alternative, improvements in adjacent areas to the project, that hydrology had no significant impacts, that the active construction for Phase I would be estimated to be 10 months for active construction including grading and perimeter improvements which did not include the construction of the six homes, that that criteria for findings were regarding phase I and not driveways at this time since the parcel structure phase was not being considered at this time because the homes were not yet being developed.

Council disclosures.

Applicant

Ted Van Arsdale, applicant, and wife Victoria, owners of Feather Acres, said that they developed in this area long ago, that it was originally a chicken ranch, that neighbors gradually moved in and it had graduated into something different, their longest neighbor has been there since 1946, and showed pictures (on file) of the property long ago. He said that their nursery business eventually focused on orchids, that they lived differently than most in the area because they had the land to keep horses, a steer named Chip, and many other animals over the years. He said that they no longer grow product and the flower industry was gone and that with water conservation and the ongoing cost to maintain 4 ½ acres, that they were ready to downsize and relocate, that they were overwhelmed with interested parties and they wanted to choose someone who would consider the interest of their neighbors,

Blair Pruett, developer, thanked Staff for their help with their application and stated that their intent was to develop the property and reside on it, that they would not sell lots but instead

develop it first to sell the remaining parcels, that they were not asking for a change in zoning or land use designation, that they needed to get a subdivision approved before starting to develop it. He said that he had grown up in the area and this was an opportunity, that when the property was marketed he made an effort to talk to the community to see it was a good fit, that they had held gatherings on the site, Nov 2014, and two last year, and one last month, which were well attended to get to know the community and address their concerns, that change was difficult for a minority of the neighbors, that they intended to work towards an affordable housing plan for approval, and that their consultants were available for questions.

Public Speakers

Diane Goldberger stated that his family had lived on Avocado Place in the property immediately adjacent to Feather Acres since 1983. She said that the Van Arsdales and Mana Investments had been open and informative about their intentions for the property, that she welcomed the new development and felt it would increase the value of the area, that she was concerned about the affordable living unit, that the City could not currently account for the long term and low income rentals on Avocado Place, and she thanked the City for not requiring a 'sidewalk to nowhere' and stated that they did not want streetlights.

Nora Oust stated her support for Vicki and Ted Van Arsdale and said that she did not want her telephone post put underground, that she was not in favor of widening the road, and she would like a 25 MPH sign placed on the road.

Cindy McNiece thanked Ted and Vicki Van Arsdale for the Feather Acres experience and stated that Orville and Blair were handpicked by Ted and Vicki and that they had been honest and forthright, they had conducted several phenomenal community meetings, that one stand out was the affordable living unit and that it did not meet the requirements of the Municipal Code Section 17-20 D as it did not have adequate public services available in the area and that a 45-year lease in a multi-million dollar neighborhood was an impact, and asked to Council to accept a housing impact fee from the builder in lieu of a unit.

Alexander Harris stated that he lived on Avocado and that the road was dangerous and he feared for the safety of his children, that he wanted a 20 ft. wide road throughout the whole process because a 17 ft. wide road was dangerous, that parking of any construction should be on the applicant's property and not on the road, and that any vehicle coming through weighing over 1 ton should not drive faster than 10 mph.

Dave Morash said that he lived on Avocado for 20 years and that the plans were great but the only problem was with the affordable housing unit, that more consideration should be given to putting it in a neighborhood than a high housing value area, that there are problems with existing homes in the neighborhood and City Staff had said they were unequipped to handle the violations and problems, that the City needed to look at what was required of an affordable housing unit and look for other ways to do it, and that it would negatively impact the value of his home. He stated that if they do the project he would like an increased budget so people can feel the town is taking care of them.

Doug Kinnear said that he lived in the area for 12 years and had known the Van Arsdales for

30 years, that they were magnificent neighbors, they opened up their property for their neighbors to enjoy, they kept their place up in a way that kept up the neighborhood, that he could not ask for more conscientious new neighbors to be subdividing, that they could have sold and left but they would be living on the property, and that they found developers who also want to live on the property and bring children to the neighborhood. He stated that he was confident that when the project was finished it would be to everyone's advantage.

Aubrey Morrow stated that he and his wife had been neighbors of the Van Arsdale's for 12 years, that they supported the request and that they were happy to have six new families.

Jai Shah stated that he lived on Avocado Place, that he was concerned with the timeline stating that the property would be subdivided and then there will be at least 6 years of construction and that the construction process would impact the neighborhood, and asked to consider widening the roads for safety reasons and consider burying the power lines all along Avocado Place.

Ron Manhaghi stated that he had been a resident of Avocado Place for 16 years, that the construction was scary because it was in a rural area, many people that live outside of Avocado Place walk the loop, that he was concerned for their safety because of the skinny streets and it not being well lit at night, that he was concerned about the existing power lines and the dangerous hairpin turn since there were a lot of children in the neighborhood and they needed something safer.

Ben Wilson stated that he was a Solana Beach resident and that he fully supported the project, that there was a big supply and demand imbalance with housing, there were not a lot of homes for sale in the community, that more housing options would allow residents to buy homes in the City and not have to move away for alternative housing options, that infill housing would benefit the community and make the homes look more aesthetically pleasing and increase the property values.

Brad Termini stated that he was a Solana Beach resident of 8 years and that he owned a local development company, that he got to know the project when the Van Arsdale's were interviewing potential developers and that he instantly liked the property and the owners, that the owners selected developers who would work with the community, and that even though his role was no longer a prospective developer that he was a prospective buyer.

Matt Weaver stated that he lived in Spindrift, that the developers have done a good job of taking into consideration the interest of all neighbors and maximizing the potential of the area, that the site plan would have minimal impact, and increase property values.

Andrew Carmen stated that he lived on Avocado Place immediately west of the project, that the proposal was to subdivide the lots and that nothing held the developers to actually developing the properties instead of selling off the lots individually, that he would like to see a full plan to see the proposed drainage, that he recommended widening the road to 24 ft. maximum to maintain the consistent feel of the neighborhood, that all adjacent utilities should be undergrounded and that it would be ideal to have that done throughout Avocado Place.

Betsy Walcott stated that she lived on N. Sierra and spent a lot of time at Feather Acres, that

she was pleased to hear about discussions going well in the area that this is the best possible scenario, and encouraged support of the plan.

Mayor Zito recessed the meeting at 8:15 p.m. and reconvened at 8:24 p.m.

Johanna Canlas, City Attorney, said that the Staff report update outlined the affordable housing requirement component, pursuant to state and local code that a for sale of 5 units or more was required to provide affordable housing onsite or offsite, but they could not pay an affordable housing fee in lieu of the obligation, that a 2011 supreme court decision deemed it non constitutional for housing set-asides for for-rent projects, that this project was a for-sale project and the affordable housing requirement stands, that the applicants had choices under 7.70 including providing one parcel as affordable housing, that the applicant decided not to do it because of neighbors consideration, that their alternative was to create an accessory living unit as allowed under the City's code. She said that the applicant was asking to waive the requirement due to a fractional unit but the City's code did not allow a waiver, the applicant could increase the size of the accessory unit by adding a bedroom to address the fractional unit and this would be the only time they could pay a fee for a fractional unit, the current rate for affordable housing was \$25.28 per sq. ft. and Staff calculated that fractional unit to be \$9,000 that would be the cost in addition to the accessory unit they were proposing.

Council and Staff continued discussion regarding driveways that could not be more than 24 ft. maximum, that a lot of earth work would be done and the construction could take years and the neighborhood may be effected by erosion, visual quality for the neighborhood and maintenance of the pads until they are sold, that the Municipal Code addressed pads and slopes which must be maintained and landscaped prior to receiving a structure pad, that the grading permit would require a maintenance agreement until they are taken over by individual property owners, review landscape plan with in-house consultant, that the hairpin curves in the road widths, wider the road faster they drive, decomposed granite could extend out to the sharp corners, and some strategic road widths to smooth out the dangerous curves.

Discussion continued regarding that affordable housing was a state mandate with targets to put in about 330 affordable units, and to date the City has added 13 so there is a long way to go, that the income criteria will meet those of teacher level income or a senior citizen on low income, and that background checks would be performed on applicants.

Discussion continued regarding the applicant was only required to address the undergrounding facilities in their own area, that if surrounding adjacent areas wanted undergrounding they could establish an assessment district to underground utilities and if they potentially combine with the project to take advantage of an economy of scale and join in the project to resulting in less cost, and that the applicant has offered his services to facilitate for that work in that area.

Council discussed parking during construction and asking that it be limited to on-site, to preserve two Torrey Pine trees is possible and that it there were removed to replace them at a ratio of 4:1 rather than just 1:1, that affordable housing existed in every neighborhood and have not negatively impacted values, that there were applicants that would be ideal to live in

Solana Beach, that the same 3rd party process that the Pearl project would be used to ensure applicants were given background checks, that public services referenced and needed for affordable housing would reference local roads and utilities, that landscaping might provide some curve in the perimeter of the curved road corners, and that any complaints would be addressed by the City regarding regulations of affordable housing.

Council thanked everyone for their comments and to the applicant for sharing their history and their commitment to their neighborhood and well vetted a developer to consider the community's interests,

Motion: Moved by Councilmember Nichols and second by Deputy Mayor Zahn to close the public hearing. **Approved 5/0. Motion carried unanimously.**

Council and Staffed discussed that the resolution would reflect the affordable housing that would be subject to the provisions of the code and consider Mr. Carmen's concern about a 31 ft. width in the street, as part of the City Engineer's all street review.

Motion: Moved by Councilmember Nichols and second by Deputy Mayor Zahn to approve with modifications additional conditions: 1. 18 feet driveway widths and one cut per property 2. Onsite construction parking 3. Equitable tree replacement based on the value and the size of the tree 4. Landscaping perimeter in the adjacent right of ways buffering for the longevity of the project 5. Decomposed granite paving path review and potential alternatives for best solution, provided by the City Engineer. **Approved 5/0. Motion carried unanimously.**

B.3. Public Hearing: Development Review Permit (DRP) and an administrative Structure Development Permit (SDP), and A Variance (VAR) at 525 San Julio Rd., Applicant: Szekeres, Case No: 17-15-22. (File 0600-40)

The proposed project meets the minimum objective requirements under the SBMC, with the exception of the front yard setback variance request; it is consistent with the goals and policies of the General Plan and LCP LUP; and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve the requested front yard setback variance (VAR) and the Development Review Permit (DRP). Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, Close the Public Hearing;
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite DRP and VAR findings and approves the project, adopt **Resolution 2016-060** conditionally approving a Development Review Permit (DRP), an administrative Structure Development Permit (SDP) and Variance (VAR) to construct a 5,988 square foot (including garage) two-story single family residence on a 13,871 square foot vacant site located at 525 San Julio Road.

Mayor Zito opened the public hearing.

Greg Wade, City Manager, introduced the item.

Bill Chopyk, Community Development Dir., presented a PowerPoint (on file).

Council and Staff discussed that the prior height condition was issued in 1990 when set back requirements did not exist, that property owners should obtain information on setbacks when purchasing property to ensure they are clear on current regulations for any modifications, and they originally planned for the current setback but the unexpected ESHA (Environmentally Sensitive Habitat Area) causing the need for a variance request

Council disclosed their familiarity with the project and applicant.

Applicant

Amy and Jeff Szekeres, said that they were married 10 years and had three small children, that this property was going to be their home forever, that they had collaborated with the Solana Beach community, that this land had been idle for 30 years, and thanked Staff for their assistance in working through the project.

Gary Cohn, architect, stated that they engaged with Solana Beach Staff to consider options, they later discovered after the land was bought that the ESHA buffer was more restrictive, that they troubleshot the issues with Staff, the 10 member HOA approval from the HOA first, they conducted a face to face with all neighbors and shared their full set of plans, that the two main points of feedback were 1) the front wall in landscape design was not wanted by a neighbor and 2) the neighbors did not want a home smaller than the others in the area concerned about the effects of the value of surrounding homes, that the HOA voted unanimously August 2015 to approve their project, that during the VAC (View Assessment Commission) process the story poles caused some concern so they further collaborated with neighbors for ocean view concerns, met with the HOA about the issue and met with individual neighbors to negotiate a compromise so a VAC was never filed, storm water will be maintained and filtered and will require a large retention basin which will act to protect the ESHA.

Public Speakers

Gordon Sinkoff stated he was familiar with the project and supported it as it was proposed.

David Korp stated that he supported the project, that it was consistent with the other homes in the area, and that the applicants accommodated requests from neighbors.

Motion: Moved by Councilmember Heebner and second by Councilmember Marshall to close the public hearing. **Motion carried unanimously.**

Councilmember Heebner stated that the variance was a big issue however, the applicants made a good case with the issues faced, including compatibility HOA and ESHA issue.

Deputy Mayor Zahn stated that he had trouble with the finding but the circumstances were

extraordinary, and that it was crucial to look at the legal regiment prior to purchasing a property.

Motion: **Moved by Councilmember Heebner and second by Councilmember Marshall. Approved 5/0** to include the maximum 25 feet height limit. **Motion carried unanimously.**

C. STAFF REPORTS: (C.1. - C.3.)
Submit speaker slips to the City Clerk.

C.1. City Council Discussion on the “City of Solana Beach: Community Choice Aggregation Technical Analysis Report.” (File 0220-30)

Recommendation: That the City Council

1. Receive and discuss the “City of Solana Beach: Community Choice Aggregation Technical Analysis” report and provide direction to Staff on how to proceed.

Greg Wade, City Manager, introduced the item.

Peter Rumble, California Clean Power, presented a PowerPoint (on file).

Public Speakers

Lane Sharman (time donated by Doug Alden) said he founded the San Diego Energy District in 2011 and was excited to be part of the local control movement, that local control would give people the opportunity to have a choice and competition, it would decarbonize the energy supply in the future, and acknowledged many people among Staff for the Report and Council for entertaining it. He thanked Peter Rumble and his organization for conducting a great study which could be used as a road map and said there was a deep desire within the San Diego Energy District to be supportive of the City of Solana Beach in making tough decisions which included many issues to consider on whether to establish JPA or not, local verses remote renewable energy, etc. He said he was excited that the City could move forward economically with moderate risk, provided that it developed a Public Private Partnership and thanked everyone involved.

Jason Keyes said he would like to make himself available to help as they were considering a CCA, that he was a renewable energy attorney who lived in San Diego and had a small firm up in Oakland, and was close with the PUC (Public Utilities Commission). He said that his firm focused only on roof top solar energy and representing clients at the California PUC and other State utility commissions. He said that they represented a variety of clients, including Sonoma Clean Power (2nd community choice aggregator), and their 13 attorneys were at the PUC every week, and that he and his partners formed a small company of 10 energy analysts that tracked legislation and PUC regulation related to renewable energy and CCAs.

Nicole Capretz stated that she was with the Climate Action Campaign, that their simple mission was to reduce climate change and to achieve a 100% clean energy future, that she was a proud member of the Climate Action Citizen Commission in Solana Beach, agreed that it was a watershed moment in history for them, it would give other cities the

confidence to move forward as well, that she supported Staff recommendations, and was happy to move forward and celebrate the moment in the community.

Jim Wang said he was from Encinitas and helped with the CCA there, thanked Solana Beach for pioneering the CCA efforts, for using a comprehensive and detailed report, whether PCIA rate, which was a fixed fee per kilo watt hour, would impact the \$325,000 on the community benefit, and how was that justified since there were no CCIs currently in San Diego County, and that on page 54 regarding pricing he did not believe that it should be a PCIA fee.

Caesar Rios stated that he was in the process of reviewing the report, that he was a 30 year energy expert in the California energy markets, that he was also a consultant for Direct Access, and for very large government agencies in San Diego County and Northern California as well. He said that he was concerned that the load base that Solana Beach had would be greatly impacted by the pending rate changes, that residential customers would be charged by time of use, and the time of use would change drastically, that the PUC would place a time of use from 2PM to 9PM by 2018, which was when most residents use their power. He said that he calculated the PCU curve for himself and his customers and saw tremendous risk, that he was not a proponent of SDGE, he was concerned that the models indicated savings from the standard base case, however, his numbers did not indicate such, but that he still needed to continue his examination of the draft.

Deputy Mayor Zahn said that it was good work by Peter Rumble, that it is an monumental time, that even though they did not have all the details yet that there were choices, requested that Staff do an RFP for offers for a CCA, to participate in regional meetings to explore whether this was a good choice for the City, to find out more about how a JPA would work, what the role of the City would be, and that there would be more control if the City went on its own but that there could be other benefits if it went with others.

Councilmember Heebner stated that they had been looking at this for a long time, that there were some concerns such as the PCIA fee, that there were many professionals in the business, that rates may show they would be more than SDG&E, to explore a JPA and send these issues to the Climate Action Commission to review to dig into the details, that it did appear to help the City meet greenhouse emission goals, and that she was positive but cautious.

Councilmember Marshall have some concerns that nothing about it downsized risk, whether other cities of similar size had been successful and had savings, that SDG&E did provide 33% renewable energy, to find out how to procure more renewable using existing infrastructure, and that she was not sure it was getting another company without more costs.

Greg Wade, City Manager, stated that SDG&E was under a gag order and were not allowed to comment on CCA's right now but could respond to questions in writing.

Council, Staff, and Mr. Rumble discussed that the startup costs would be incurred by the company which it would plan to recover through fees paid through a partnership, that it was estimated based on Solana Beach usage to come to approximately \$370,000, a

statement in the report that CCP was the only organization that could do that for the City and referred to their organization being the only one that had all services vertically aligned, and that there were other teams that respond to an RFP that bring multiple companies together to provides all of the services.

Motion: Moved by Deputy Mayor Zahn and second by Councilmember Heebner to send the item to the Climate Action Commission for input, have Staff prepare a draft RFP (Request for Proposal) to source a CCA partner, have Staff provide options with how the a JPA model and a private partnership model would work, including potential regional collative efforts, how a potential transition from a private partnership to a JPA would work, have Staff draft a plan to prepare for community outreach to inform residents, perform due diligence on the presenting organization, and show how a startup scenario would look like.
Approved 5/0. Motion carried unanimously.

C.2. Del Mar Fairgrounds Economic Impact Study. (File 0150-85)

This Item was pulled from the Agenda.

C.3. Stevens-Valley Avenues Complete Street Design. (File 0820-75)

Adjourned to the next meeting. This item was not heard.

ADJOURN:

Mayor Zito adjourned the meeting at 10:45 p.m.

Angela Ivey, City Clerk

Approved: June 8, 2016