

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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October 2, 2014

Mr. Edward S. Kreins, Interim City Manager  
City of Morro Bay  
595 Harbor St.  
Morro Bay, CA 93442

Dear Mr. Kreins:

**RE: Morro Bay's 5<sup>th</sup> Cycle (2014-2019) Adopted Housing Element**

Thank you for submitting the City of Morro Bay's housing element adopted June 24, 2014 which was received for review on July 7, 2014. Pursuant to Government Code (GC) Section 65585(h), the Department is reporting the results of its review.

The Department is pleased to find the adopted housing element in full compliance with State housing element law (GC, Article 10.6). The adopted housing element was found to be substantially the same as the revised draft housing element the Department's May 28, 2014 review determined met statutory requirements.

Please note, the City of Morro Bay now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks and Local Housing Trust Fund Programs both include housing element compliance either as a threshold or competitive factor in rating and ranking applications. Specific information about these and other funding programs is available on the Department's website at [http://www.hcd.ca.gov/hpd/hrc/plan/he/loan\\_grant\\_hecompl011708.pdf](http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011708.pdf)

The Department appreciates the hard work and dedication of Ms. Amy Sinsheimer of PMC in preparation of the housing element. The Department wishes the City of Morro Bay success in implementing its element and looks forward to following its progress through the General Plan annual progress reports pursuant to GC Section 65400. If the Department can provide assistance in implementing the housing element, please contact Paul McDougall, of our staff, at (916) 263-7420.

Sincerely,

A handwritten signature in blue ink that reads "Glen A. Campora".

Glen A. Campora  
Assistant Deputy Director

RECEIVED  
City of Morro Bay

OCT 06 2014

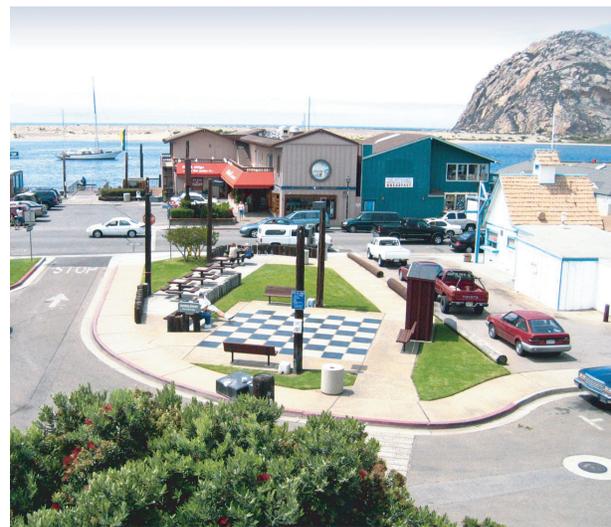
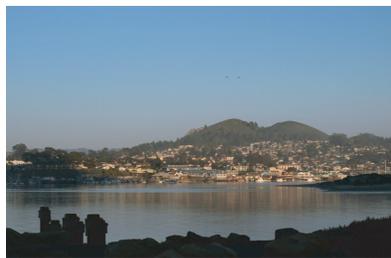
Administration



CITY OF  
**MORRO BAY**

2014-2019 HOUSING ELEMENT UPDATE

JUNE 24, 2014, RESOLUTION NO.41-14



PREPARED BY:



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July 3, 2014

Mr. Brett Arriaga, Analyst  
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
Division of Housing Policy Development  
2020 W. El Camino, Suite 500  
Sacramento, CA 95833

**RE: CITY OF MORRO BAY HOUSING ELEMENT**

Dear Mr. Arriaga:

The City of Morro Bay is pleased to submit the adopted 2014–2019 Housing Element for its final 90-day review. This document embodies the City's plan for addressing the housing needs of its residents through 2019.

As stated in your letter dated May 28, 2014, with the revisions submitted on May 23, 2014, the draft Housing Element would comply with state law once adopted and submitted. Please find the adopted element attached. In addition, changes approved by the City Council at their hearing to adopt the Housing Element on June 24, 2014 have also been incorporated into the adopted element. An electronic version showing these revisions in tracked changes will be emailed to you along with a clean electronic copy.

We have appreciated the Department's assistance throughout the process. If you have any questions regarding the final draft, please do not hesitate to contact me at (805) 250-7981.

Sincerely,

A handwritten signature in black ink that reads "Amy Sinsheimer". The signature is written in a cursive, flowing style.

Amy Sinsheimer  
PMC

Attached: Adopted 2014–2019 Housing Element  
Resolution Number 41-14



**RESOLUTION NO. 41-14**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
ADOPTING THE NEGATIVE DECLARATION AND  
APPROVING AN UPDATE TO THE HOUSING ELEMENT OF THE  
GENERAL PLAN FOR THE 2014-2019 PLANNING PERIOD  
(APPLICANT: CITY OF MORRO BAY; CASE NO. A00-021)**

**WHEREAS**, pursuant to the applicable provisions of the planning and land use law (California Government Code sections 65300 *et. seq.*), studies were commenced for the purpose of considering the City's need for amending the Housing Element of the General Plan; and

**WHEREAS**, a draft Housing Element, attached as Exhibit 'A' and which has been incorporated by reference, has been prepared for the planning period 2014-2019 and submitted to the City Council for review and approval; and

**WHEREAS**, the draft Housing Element consists of an extensive analysis with supporting appendix, and comprehensively addresses the statutory requirements of Government Code section 65583 relating to housing element requirements; and

**WHEREAS**, City staff has been in consultation with the State of California Department of Housing and Community Development (HCD) regarding compliance with Government Code section 65583, including City consideration of HCD guidelines; and

**WHEREAS**, the San Luis Obispo Council of Governments (SLOCOG) adopted and released a Final Report on its Regional Housing Needs Assessment establishing regional fair share housing allocations for each City in San Luis Obispo County; and

**WHEREAS**, the City submitted drafts of the City's proposed Housing Element to HCD for comment and revision; and

**WHEREAS**, HCD suggested revisions to the draft Housing Element that have been incorporated into the draft Housing Element as submitted to the City Council; and

**WHEREAS**, HCD has made findings pursuant to Government Code subsection 65585(b) stating the draft Housing Element as attached hereto is in substantial compliance with housing element statutory requirements; and

**WHEREAS**, the draft Housing Element has been subject to environmental review under the California Environmental Quality Act (CEQA); and

**WHEREAS**, the Planning Commission held a noticed public hearing at the Morro Bay Veteran's Hall on June 17, 2014, after which the Planning Commission recommended the City Council adopt the Negative Declaration and proposed Housing Element; and

**WHEREAS**, the City Council has conducted a noticed public hearing on June 24, 2014 to receive comments and consider the proposed amendment to the Housing Element, Case No. A00-021 on file with the Planning Division of the City.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Morro Bay, California, as follows:

SECTION 1. The City Council relied upon the evidence presented at the public hearing in making the determinations set forth in this Resolution and in reaching the conclusions set forth in Sections 2 and 3.

SECTION 2. The City Council at the time of the public hearing on the above matter reviewed and considered the proposed Initial Study and Negative Declaration, relating to the Housing Element Amendment (SCH #2014051053) and based on that review finds and determines the following:

- a) The public review period for the Negative Declaration began on May 14, 2014 and ended on June 13, 2014; and
- b) No comments were received from the State Clearinghouse on the proposed Negative Declaration; and
- c) There is no substantial evidence the proposed project (Housing Element Update) will have a significant effect on the environment; and
- d) Based upon its public review, the City Council has determined there is no substantial evidence the amendment will have a significant impact on the environment; and.
- e) Based on the foregoing, adopts the Negative Declaration.

SECTION 3. The City Council does hereby find, determine and declare as follows:

- a) The City Council has conducted a noticed public hearing on the proposed amendment to the Housing Element, Case No. A00-021 on file with the Planning Division of the Public Services Department of the City, and an environmental analysis, as hereinabove described; and
- b) The proposed Housing Element Update is consistent with the goals, policies, and objectives of the City's General Plan/Local Coastal Program in that it encourages a balanced approach to achieving a range of housing opportunities and designates sites noted for residential purposes at densities consistent with the goals of providing housing to households within the full range of incomes. Further, the Housing Element Update is internally consistent with other land use goals and policies of the General Plan and Local Coastal Program; and

c) The proposed amendment will not conflict with the provision of the City's Local Coastal Program, Zoning Ordinance, subdivision regulations or any applicable specific plan. The proposed Housing Element Update contains goals, policies, and implementation programs related to the development and rehabilitation of housing throughout the City and serves the goals and purposes of the Local Coastal Program, Zoning Ordinance, subdivision regulations and existing specific plans. The proposed Housing Element Update does not conflict with the City's Local Coastal Program, Zoning Ordinance or State Housing Law.

SECTION 4. Based on all the foregoing, the City Council hereby approves and adopts the Housing Element Update, Case No. A00-021, to delete the existing Housing Element and replace the same in its entirety with the attached Housing Element of the General Plan for the 2014-2019 Planning Period as amended by City Council on June 24, 2014 with minor non-substantive corrections by the State of California Department of Housing and Community Development.

SECTION 5. Except as expressly amended herein including Exhibit A or as the context otherwise requires, all the terms and provisions of the existing General Plan/Local Coastal Program shall remain in full force and effect.

SECTION 6. The City Clerk shall certify to the adoption of the Resolution and shall forward a copy hereof to the Secretary of the Planning Commission. The Planning Division shall file the Notice of Determination and the Fish and Game Paperwork with the San Luis Obispo County Clerk.

**PASSED, APPROVED AND ADOPTED** by the City of Morro Bay City Council at a regular meeting held on this 24<sup>th</sup> day of June, 2014 by the following vote:

AYES: Irons, C. Johnson, N. Johnson, Leage, Smukler  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
JAMIE L. IRONS, MAYOR

ATTEST:

  
\_\_\_\_\_  
JAMIE BOUCHER, CITY CLERK





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## **1. INTRODUCTION**

The Housing Element is one of the seven State-mandated elements of the City’s General Plan. The Housing Element is updated every five years to identify recent demographic and employment trends that may affect existing and future housing demand and supply. The Housing Element serves as a tool to identify and provide for the housing needs of the community. The Housing Element addresses the City’s ability to meet the regional housing needs as determined by the State of California. The City has developed a set of objectives and specific policies and programs for the production of housing to meet the needs of all Morro Bay citizens.

A Housing Element is required by California law to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels. The intent of state law is to ensure that all jurisdictions in the state provide adequate housing to all members of the community. While the State reviews the Housing Element to ensure compliance with housing law, each jurisdiction must identify its particular issues to successfully address its housing needs.

This document provides a detailed assessment of the existing housing stock in Morro Bay, including data on housing types, physical condition, cost, and availability. The report also examines special housing needs populations such as the elderly, persons with disabilities, farmworkers, and the homeless. It also identifies opportunities for energy conservation when housing is constructed or remodeled. The report assesses the effectiveness of past housing programs. The availability and capacity of land and public services for housing development are examined along with factors that may constrain the production of affordable housing

An understanding of existing housing conditions in the city is necessary as a basis for new Housing Element policies to guide the use and development of housing that will be adequate and affordable. In addition to this focused information, throughout the document, comparisons to San Luis Obispo County demographics and statistics will be used to identify possible issues or pertinent relationships. This assessment is representative of the larger area and informative of the trends the entire county is experiencing, helping to gain a better understanding of the city in a regional context.

State law is more specific about the content of the Housing Element than any other portion of the General Plan. That specificity is reflected in the detailed demographics and other data contained herein. The Housing Element is also the only part of the General Plan that is subject to mandatory deadlines for periodic updates. Except for the Local Coastal Plan, it is the only element that is subject to review and “certification” by the State.

### **CONTENT OF THE HOUSING ELEMENT**

The Housing Element contains the following information as required by state law:

- Analysis of population and employment trends and documentation of projections and a quantification of the locality’s existing and projected housing needs for all income levels.



- Analysis of any special housing needs populations, such as those with disabilities, the elderly, large families, farmworkers, homeless persons, and single-parent households.
- Analysis and documentation of household characteristics including level of payment compared to ability to pay, and housing characteristics including the extent of overcrowding and an estimate of housing stock conditions.
- Analysis of potential and actual governmental constraints on the maintenance, improvement, or development of housing for all income levels. These constraints include land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.
- Analysis of potential and actual non-governmental constraints on the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.
- Site-specific inventory of land suitable for residential development, including vacant and underutilized sites, and an analysis of the relationship of zoning, public facilities, and City services to these sites.
- Analysis of opportunities for energy conservation with respect to residential development.
- Analysis of the existing and projected needs including the locality's share of the regional housing need in accordance with Government Code Section 65584.

### DATA SOURCES

The California Department of Housing and Community Development (HCD) developed a data packet for jurisdictions in San Luis Obispo County that contains much of the information required for the Housing Needs Assessment of this Housing Element and is the primary source of data for this document. Where additional information is required, the US Census, which is completed every 10 years, is the preferred data source, as it provides the most reliable and in-depth data for demographic characteristics of a locality. This report uses the 2010 US Census for current information and the 2000 US Census to assess changes since the year 2000. The California Department of Finance (DOF) is another source of data that is more current than the Census. However, the DOF does not provide the depth of information that can be found in the 2010 US Census. Whenever possible, the San Luis Obispo County data packet, DOF data, and other local sources were used in the Housing Needs Assessment in order to provide the most current profile of the community.

The 2010 US Census did not collect information in several categories that are required for the Housing Needs Assessment. Where this is the case, historical DOF data is used. Where DOF data is not available, information from the 2000 US Census is retained. In cases where this is not feasible or



useful, this assessment references US Census Bureau American Community Survey (ACS) data. The ACS provides estimates of numerous housing-related indicators based on samples averaged over a five-year period. Whereas the US Census provides complete counts of various demographic indicators, the ACS provides estimates based on statistically significant samples. Due to the small size of the sample taken in Morro Bay, the estimates reported by the ACS have large margins of error. Where ACS data is used, the numbers should not be interpreted as absolute fact, but rather as a tool to illustrate general proportion or scale.

Information on available sites and services for housing comes from numerous public agencies. Information on constraints on housing production and past and current housing efforts in Morro Bay comes from City staff, other public agencies, and some private sources.

## **GENERAL PLAN/LOCAL COASTAL PLAN CONSISTENCY**

The City's Land Use Element and Local Coastal Plan currently designate the sites noted in this Housing Element for residential purposes at densities consistent with the goals of providing housing to households within the full range of incomes. The policies in this Housing Element will guide that process, ensuring internal consistency among the elements. Due to the passage of Assembly Bill (AB) 162 relating to flood protection in 2007, the City may be required to amend the Safety and Conservation elements of the General Plan. If amendments are needed, the Housing Element will be amended to be consistent with the Safety and Conservation elements.

## **PUBLIC PARTICIPATION**

State law requires that "the local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element . . ." (Government Code Section 65583).

In order to satisfy this requirement, the City conducted a series of community meetings and public hearings to receive community input concerning Morro Bay's housing goals, policies, and programs. (Descriptions of these meetings are listed below.) In addition, the Housing Element was posted on the City's website during the element's 60-day public review period to ensure it was available to all community members.

The public workshop on March 12, 2014 was noticed in the newspaper as well as on the City's website. In an effort to reach all segments of the community, the City mailed public hearing notices and the Notice of Availability (NOA) to the agencies and groups listed below. Additionally, all public meeting and hearing were broadcast on the City's governmental access channel. Recordings of meetings were broadcast at several times after the initial meeting for those who weren't available to watch live.

- SLO Green Build
- US Green Building Council – C4 Chapter



- Northern Chumash Tribal Council
- San Luis Obispo Housing Trust Fund
- Salinan Tribe of Monterey & San Luis Obispo Counties
- SLO County Chumash Council
- People's Self-Help Housing Corporation
- Habitat for Humanity
- City of Morro Bay Planning Commission and City Council

### **Public Workshop, March 12, 2014**

The City held a public workshop with the Planning Commission to solicit input from city residents on March 12, 2014. The format for this meeting was a presentation with an overview of the 5<sup>th</sup> cycle Housing Element update process and solicited input from the Planning Commissioners and meeting attendees on housing needs in Morro Bay.

The following is a listing of the comments received from public input:

- There are many older residents and they can be picky. This can make younger people and families feel unwelcome.
- Let people know about housing opportunities in the city
- More young people would contribute to the vitality of the city.
- The rehabilitation program that the City used to administer didn't work for many households because they didn't have equity in their home and that was needed to qualify for the program.
- Challenging for employers to recruit and retain the workforce they need.
- Economic Vitality Corporation's Building and Designing Cluster put out countywide workforce housing survey. The purpose was to hear from employers and employees about housing needs and preferences.
- 87 percent of employers say workforce housing is needed.
- 88 percent of employees said it was very difficult to find housing.



- City should define workforce housing. Suggest using the County’s definition of 120 to 160 percent of area median income (AMI).
- Infrastructure costs are a significant constraint to building housing affordable to the workforce categories. City could pursue options for infrastructure financing.

The following is a list of the comments received from the Planning Commission:

- Seems Morro Bay fell short on accommodating the units the City committed to in the previous Housing Element. It would be good to know what the results were.
- The city definitely needs housing. We have homeless and older folks that need additional care.
- There would be of a demographic shift looking back 20 or more years as opposed to 2000 to 2010.
- The indices on the percentages of people in the various age groups in the city didn’t change in those 10 years, but the people involved and replacement populations have changed quite a bit.
- As a demographically stable community, how do we find the resources to be able to push along or get some of these programs to completion, especially with the state cutting back?
- Morro Bay’s demographics are atypical. Any indication why that’s the case and why that continues to be the case? If one of the main factors that keeps Morro Bay’s population older is retirement, then housing needs are different than in other places.
- The price of land here puts the city out of affordability range.
- Do we get credit for granny or secondary units?
- There are many interesting issues that have led Morro Bay to where it is today; the fishing collapse and power plant changes removed middle-income family incomes. On the other hand, there is the significant group of retirees.
- The amount of agriculture in the Morro Creek area is changing drastically. There is more land in irrigation. Are there migrant farmworker issues that we need to address?
- It should also be noted that because of Morro Bay’s hotels and tourist-serving amenities, our 10,000-person resident population is on a relatively small footprint.



- It seems like one of the groups that we aren't reaching is the young families. Although numbers stayed constant from 2000 to 2010, we're not seeing kids up and down streets like they used to. How can the problem be addressed? Can telecommuting or other options be employed to make Morro Bay more attractive to that type of population?
- Should consider what the community wants looking forward for, instead of just looking back.
- Consider city broadband ordinance for telecommuting. Would that be a goal that could be in the Housing Element?
- There is little opportunity for young families to purchase for-sale housing.
- According to the 2009 Housing Element, 83 percent of housing stock is 25 years or older, and more of it is 50 years or older. How do we address that in the Housing Element? How do we allow for upgrades/remodeling? The City has had a rehabilitation program in the past; there have also been some countywide efforts.
- Can we start to look at where existing zoning precludes housing? One area only allows houses by themselves, other areas allow multi-family. It would be helpful to allow residential uses on upper floors in the Embarcadero area. It could make that area livelier at night and provide options for renters.
- The idea of transitional and emergency shelters is good. The City should support it. People who are in need don't necessarily have mobility. The City doesn't need a large facility, but it is a need in our community. We see homeless people on the street. Resources for people in crisis need to be in the community and not elsewhere.
- All of these issues are related. How we look at zoning inhibits certain groups/makes things economically viable. The city doesn't have many parcels. We have to be creative to make things work. To accommodate more housing and more types of housing, the City either needs to increase density or find other opportunities where residential uses aren't currently allowed.
- The City should also look at the needs of recruited businesses.
- Addressing workforce housing would address a lot of the topics that have been brought up.
- Rehabilitation is a great idea. It fits well into the greenhouse gas reduction program that the City has talked about. On the other hand, older houses are often the most affordable. It is important not to reduce affordable housing stock due to rehabilitation efforts.



### **Stakeholder Roundtable Discussion, March 18, 2014**

The City held a roundtable discussion with stakeholders on March 18, 2014. Over 30 housing stakeholders were invited to attend via email. The format for this meeting was a small informal group discussion with a set of questions to elicit discussion. Five stakeholders, one City staff person and two members of the consultant team attended the meeting. The five attendees included real estate agents, a for-profit developer, a representative of People's Self-Help Housing (PSHH), a nonprofit affordable housing developer; and a Morro Bay resident. The following input was received from the stakeholders:

- Most seniors live independently as long as they can.
- Many of the remaining vacant residential lots have significant environmental constraints including slopes and being located in or partially in environmentally sensitive habitat (ESH) areas.
- People's Self-Help Housing builds affordable sweat equity ownership affordable rental housing on the Central Coast.
  - They usually require a local funding match of approximately 20 percent.
  - Many of their projects are funded through tax credit financing.
  - Funds from a community's inclusionary housing in-lieu fee fund can be used towards the 20 percent match.
  - PSHH looks for opportunities to build on surplus land owned by local jurisdictions as the up front costs for the land can be much less under this scenario.
  - The recently passed Farm Bill did not alter Morro Bay's USDA status in terms of the opportunity to pursue USDA funding and Morro Bay remains in the rural category.
- It is important to keep lenders informed of funding opportunities. For example the County's first-time homebuyer program.
- Parking exceptions can be granted in Morro Bay.
- Compact development and infill should be promoted in Morro Bay



### **Online Survey**

The City prepared and hosted an online survey on its website. The survey was designed to be accessible to stakeholders and members of the general public and was available between March 18, 2014, and April 1, 2014. The survey was advertised to the general public via the City's website and distributed to key stakeholders via e-mail.

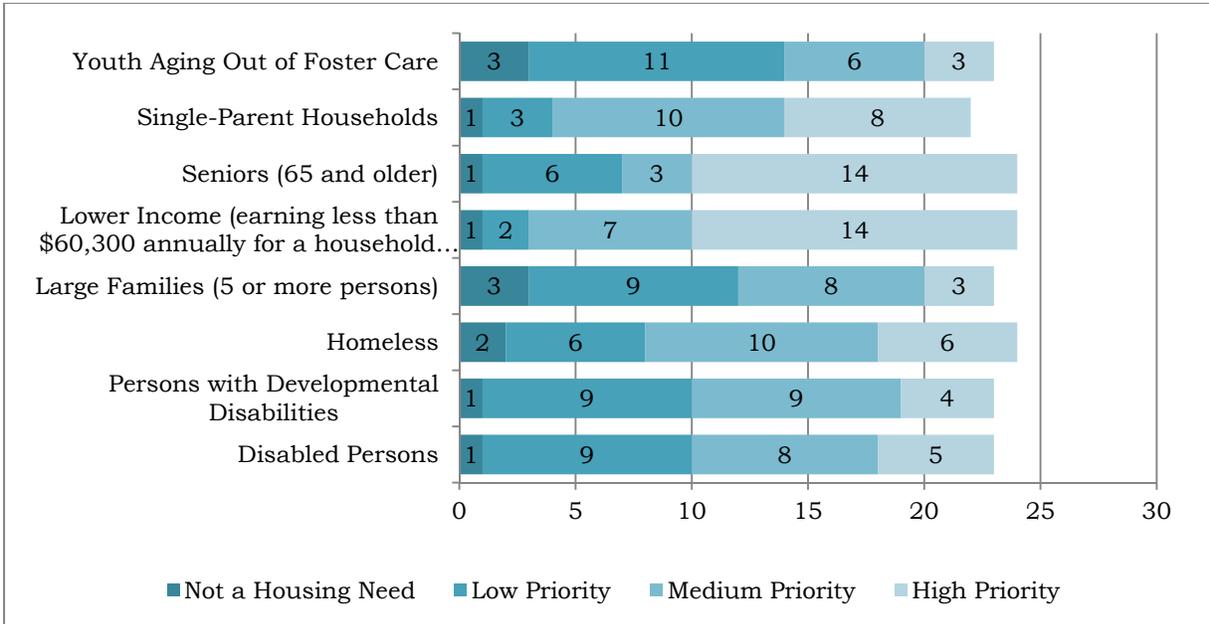
Thirty one Morro Bay residents completed the survey, providing feedback on the availability of housing, factors that influence housing decisions, and the perceived level of importance of special needs groups in the City. Approximately 90 percent of survey participants own their own home (compared with the city's 53 percent homeownership rate, see Table 11), which suggests that responses may be skewed to reflect the views of homeowners. The survey results are presented here for informational purposes and provide the best available information about the respondents' housing related opinions.

Over 60 percent of participants reported that renting and purchasing safe, decent, and affordable housing in Morro Bay is either somewhat difficult or very difficult for the average person or family. Nearly 75 percent of respondents identified land and construction costs as severe constraints to accessing quality housing. Other constraints include insufficient income, which was identified as a severe constraint by 67 percent of respondents, and development fees, which were identified as a severe constraint by 40 percent of respondents.

As illustrated in Figure 1, respondents identified seniors and lower-income families as the highest priority special needs groups in the City. The City's current housing may become more accessible to these special needs groups through Housing Element policies such as Policy H-18 (Senior Housing), Policy H-6.a (General Affordability), and Policy H-5 (Housing Costs). Respondents also identified single-parent households, the homeless, disabled persons, and persons with developmental disabilities as general priorities.



**FIGURE 1. SURVEY PARTICIPANT PRIORITIZATION OF HOUSING NEEDS BY SPECIAL NEEDS GROUP**



**Public Hearing, April 15, 2014**

The City presented the public review draft Housing Element at the Planning Commission meeting on April 15, 2014. The Planning Commission recommended that the draft be amended to include seven additional programs and submitted to HCD for review. The additional programs are listed below.

- Program H-1.4 call for the City to inventory vacant and underutilized lots in and adjacent to the downtown business district and identify areas to consider for rezoning to high density residential or mixed use and modify the City’s zoning map as appropriate.
- Program H-1.5 states that the City will consider establishing minimum densities in the R-3, R-4 and MCR zoning districts.
- Program H-1.6 calls for the City to explore the option of expanding the number of liveboard slips in the City.
- Program H-6.6 calls for the City to consider amending the Community Housing Ordinance to require that housing units developed under the ordinance be restricted for those with moderate or lower incomes.



- Program H-22.4 states that the City will consider adopting an ordinance requiring active or passive solar features or other renewable energy generating systems in all new residential construction.
- Program H-22.5 directs the City to consider establishing a rotating fund providing low-interest loans for energy upgrades.
- Program H-22.6 call on the City to consider adopting an ordinance that requires as a condition of approval for a permit to expand or modify a residential dwelling, that the entire residence be brought into compliance with Title 24 of the California Code of Regulations.

Everyone on the mailing list received notice of these meetings to encourage participation in the hearings and to provide input on the draft Housing Element. No members of the public provided comments.

### **Planning Commission Hearing, June 17, 2014**

#### *Commission Comment*

- Concerned regarding growth caps in water, should gray water be mandatory?
- Confused about overpayment, does this mean that working class and adults later in life need more housing options?
- Should the 2500 square foot housing rule be in the Housing Element?
- Morro Bay did not meet previous low-income requirements because of developers backing out.
- Very concerned about water supply. What is the current update on desalinization plant? If we can't pump in the Chorro Basin and the Morro Basin may be contaminated, isn't our water supply worse than this document makes it sound? Would like more clarity on water supply sources for development.
- Why is there a reduction in the amount of water each household uses?
- New construction actually increases water efficiency. We don't want to see reduction of development due to water.
- If we can make new development require solar, can we require gray water and rainwater collection in new development? Would like program H-22.4 to state "Consider requiring solar, gray water systems, and rain water collection systems in new development."



- Worried about program H-22.6 which requires homes to come into to compliance before receiving permit for home renovation. Worried that this will increase illegal development? Can the language be changed? It is too expensive to ask people to bring the whole house into compliance when making minor modifications? Would like to change the program to state “significantly remodel or modify residential home.”
- Supportive of conservation and rehabilitation of affordable housing while preserving community character. Should also look beyond square footage to see if a project adds value to community character.
- All new program language (recommended Planning Commission programs) is very soft, would want City Council to have right to amend language.
- The document states that plant has adequate capacity to accommodate daily sewage flow to year 2014 with population estimates. The plant is currently operating under waiver so saying plant has capacity is a misleading assumption. This section needs more clarity and must include a discussion of the planned new water treatment plant to reflect where the City is currently.

### **City Council Hearing, June 24, 2014**

#### *Public Comment*

- Quite a few commenters were concerned about neighborhood compatibility and would like it addressed in the Housing Element
  - Both in terms of housing upgrades and new construction.
  - The Housing Element is the heart and soul of how we define our community in Morro Bay
  - Need definitive standards in the building code (commenter may mean Zoning Ordinance) regarding neighborhood compatibility (commenter referenced the project on Ridgeway).
  - There is a lot of existing information to pull from and build on from the 2007 workshop on neighborhood compatibility
  - Glad the City is working on this issue
  - Need to include neighborhood compatibility in the new General Plan. Lots of time and money was spent on the project on Ridgeway. Several commenters noted that antipathy between neighbors has been created due to that project.



- Make neighborhood compatibility rules clear
- *City staff response: The City will start on the neighborhood compatibility ordinance once the new Planning Manager starts in July*
- Water supply description in the draft Housing Element is too optimistic. The Regional Water Quality Control Board has directed Morro Bay to start testing for sewage in the Morro Basin aquifer.
- What happened to the “Big House” ordinance?
  - *City staff response: it was an urgency ordinance and it expired in 2009 and was not renewed.*
- Program H-1.6 calling for the City to explore the possibility of expanding the number of liveaboards in the City could be a big problem due to sewage. This program should be more defined and liveaboards should be defined.
  - *City staff response: Liveaboards are already defined by the City in Muni Code 15.40. They are not the same as houseboats and must be navigable, used 4+ days to live on.*
    - *Since early 1990s the rule has been a maximum of 10 percent of total boats in the harbor for liveaboards which is currently set at 50 by City and State Lands Commission.*
    - *There are currently between 25 and 30 liveboard slips in use.*
    - *Generally, there aren't strong historic trends towards the liveboard demand increasing dramatically*

### *Council Comment*

- Clarify language regarding Mixed Commercial (MCR) zoning on page 44 to clarify it allows 50 percent residential and 50 percent commercial. Are these changes considered substantive to HCD?
  - *PMC response: Language will be clarified. Yes, the changes are considered substantive to HCD.*
- Could workforce housing be defined in the Housing Element?
  - *PMC response: Yes*
- Regarding changing the terminology to “significant remodel” in Program H-22.6 – is that term defined?
  - *City staff response: Yes, it is defined in City code.*



- Is it okay to remove the liveboards program? (Program H-1.6).
  - *PMC response: It would be fine from an HCD perspective*
  - *Staff response/note: Coastal Commission has received the draft Housing Element and has not commented.*
- Would like to remove Program H-1.6
- Would it be okay to add a workforce housing program?
  - Would it be a useful effort?
  - Will it take away from the needs of other income groups/special needs groups?
  - *PMC response: It wouldn't have to take away from others*
  - *Staff response: could be a useful effort, wouldn't need to take away from other groups*
- One Council member attended workforce housing summit on May 28th with the Housing Trust Fund.
- The Council is participating on two boards related to homelessness issues
  - SLO Housing Trust Fund Commission
  - SLO County Housing Oversight Commission

### **Other Input Received**

The City received a comment letter from the Homeless Services Oversight Council (HSOC) on March 11, 2014. The letter included information about the homeless needs in San Luis Obispo County and formal recommendations for the Morro Bay Housing Element update. The following needs and statistics were mentioned:

- San Luis Obispo County's has a severe need for extremely low, very low and low income rental housing. Overpayment is a serious issue for these income categories.
- San Luis Obispo County has a higher rate of homelessness than San Francisco, New York City and Los Angeles County.
- 90 percent of the homeless population in San Luis Obispo is unsheltered which is the fourth highest percentage of unsheltered homeless of the 415 areas surveyed.



The following specific recommendations were provided:

- Adjust development impact fees to be lower for smaller units and higher for larger units.
- Allow and encourage SROs (studio apartments as small as 150 square feet), boarding houses and rooming houses in all areas that allow multi-family housing.
- Allow and encourage manufactured homes and park models to be used as second units.
- Consider floor area ratios, rather than number of dwelling units, when setting density limits for affordable housing.
- Allow more and larger group homes and residential care facilities to be built and operated in all zones where residential uses are allowed.
- Encourage more apartments by allowing higher densities, removing barriers that limit achieving maximum densities and streamlining the approval process.

A resident of North Morro Bay and realtor provided comments via phone. The resident stated that the vacant properties zoned R-4 should be used or encouraged to be used for affordable housing. They also referenced a City owned lot at the corner of San Jacinto and Coral.

### **Response to Input Received**

All comments received as a result of the City's efforts to encourage public participation in development of the 2014–2019 Housing Element have been taken into consideration and, where appropriate, additional analysis, programs and policies have been incorporated into the Housing Element. The remainder of the comments received were reviewed and no changes were made either due to limited City resources to include additional programs, the comment addressed an issue that is not within the City's purview or the scope of the Housing Element, or because they were already sufficiently addressed in the Draft Housing Element. In response to input received on the April Draft Housing Element submitted to HCD, revisions were made to the draft Housing Element as described below. Note that page numbers referenced are pages in the April Draft.

- A sentence was added to page 41 noting that the City participates on the boards of the SLO County Housing Trust Fund Commission and the SLO County Homeless Services Oversight Council (HSOC).
- Language on page 44 was clarified regarding Mixed Commercial (MCR) zoning to explain that it allows 50 percent residential and 50 percent commercial development. Related edits were made on pages 45 through 48 including in Tables 37 and 38



- Additional information was added to pages 51 and 52 about water supply in the City and City efforts to secure long-term supply as well as additional information about plans for the City’s wastewater reclamation plant.
- Text was added on page 62 to explain the water equivalency allocation (WEU) process and to conclude that the growth management ordinance is not a constraint to residential development.
- Program H-1.6 related to liveaboards in the City was removed because the City has not exceeded its existing liveboard capacity and pursuing expansion of that capacity is not seen as needed at this time.
- Policy H-4 was revised to include workforce housing.
- Program H-4.3 was added to implement City efforts to address workforce housing needs.
- Program H-13.1 was revised to strengthen the City’s commitment to working on neighborhood compatibility standards.
- Program H-22.4 was revised to include gray water systems or rainwater collection as additional options to satisfy program requirements.
- Program H-22.6 was revised to replace the terms “expansion or modification” with the more specifically defined terms “significant remodel or addition.”
- The status of implementation of Previous Housing Element Program H-17.2 was updated on page 101 as it has changed since submittal of the Draft Housing Element.

## **COASTAL ZONE REQUIREMENT**

Communities located within coastal zones are required to review coastal zone affordable housing obligations including the preservation of existing occupied units affordable to low- or moderate-income households and where feasible include low- and moderate-income housing in new developments.

To assist a locality’s determination of whether the affordable housing stock in the coastal zone is being protected and provided as required by Section 65590, the element must contain data on the new construction, demolition, conversion, and replacement of housing units for low- and moderate-income households within the coastal zone, including the following:

1. The number of new housing units approved for construction within the coastal zone (after January 1982).



2. The number of housing units for persons and families of low and moderate income required to be provided in new housing developments either within or within 3 miles of the coastal zone.
3. The number of existing residential dwelling units occupied by low- and moderate-income households required either within or within 3 miles of the coastal zone that have been authorized to be demolished or converted.
4. The number of residential dwelling units for low- and moderate-income persons and families that have been required for replacement (of those units being demolished or converted) within or within 3 miles of the coastal zone, and designate the location of the replacement units in the housing element review for coastal zones.

The entirety of the city’s housing stock is located within three miles of its coastal zone and includes a total of 126 affordable housing units; all of these units were constructed after 1982. These units provide housing for low- and moderate-income households. No units have been demolished and therefore none have needed replacement. Table 1 presents coastal zone affordable housing documentation.

**TABLE 1: COASTAL ZONE AFFORDABLE HOUSING DOCUMENTATION**

New housing units approved for construction within the coastal zone since January 1982 <sup>1</sup>	Approximately 2,000
Housing units for persons and families of low- or moderate-income required to be provided in new housing developments within the coastal zone, or within 3 miles <sup>2</sup>	126
Existing residential dwelling units occupied by low- and moderate-income households required either within the coastal zone or within 3 miles of the coastal zone that have been authorized to be demolished or converted since January 1982 <sup>3</sup>	0
Residential dwelling units for low- and moderate-income households that have been required for replacement <sup>4</sup>	0

<sup>1</sup>Estimate based on 2000 Census and City building permits issued between 2009 and 2014.

<sup>2</sup>Total affordable housing units already built or approved based on affordable housing within 3 miles of the Morro Bay coastal zone.

<sup>3</sup>No required affordable housing has been demolished or converted.

<sup>4</sup>Since 2009, no low- and/or moderate-income units in the coastal zone have been required for replacement.



## 2. HOUSING NEEDS ASSESSMENT

The Housing Needs Assessment is the section of the Housing Element that presents the characteristics of the city's population and housing stock as a means of better understanding the nature and extent of unmet housing needs.

### POPULATION CHARACTERISTICS

The type and amount of housing needed in a community is largely determined by population growth and demographic characteristics such as age, household size, occupation, and income.

#### Population Trends

According to the DOF, the population of Morro Bay decreased slightly from 10,350 in 2000 to 10,234 in 2010 (Table 2). The DOF estimated the city's 2013 population to be 10,317 persons, which represents an annual growth rate of less than 1 percent since 2010. The city's growth rate is consistent with other coastal communities in the county; Grover Beach and Pismo Beach each had stagnant or declining populations from 2000 to 2013.

**TABLE 2: SAN LUIS OBISPO COUNTY POPULATION CHANGE, 2000–2013**

Jurisdiction	2000 Population	2010 Population	Percentage Change 2000–2010	2013 Population	Percentage Change 2010–2013
Morro Bay	10,350	10,234	-1%	10,317	1%
Arroyo Grande	15,851	17,252	9%	17,395	1%
Atascadero	26,411	28,310	7%	28,687	1%
El Paso de Robles	24,297	29,793	23%	30,504	2%
Grover Beach	13,067	13,156	1%	13,211	<1%
Pismo Beach	8,551	7,655	-10%	7,717	1%
San Luis Obispo	44,179	45,119	2%	45,541	1%
Unincorporated	103,975	118,118	14%	118,805	1%

Source: DOF 2012: E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 2000–2010; DOF 2013 (San Luis Obispo County Housing Element Data Profiles 2013)



The San Luis Obispo Council of Governments (SLOCOG) published a Long Range Socio-Economic Projections Report in August 2011, updating the 2009 projections. Population, households, and jobs were projected through 2040 for low, mid, and high scenarios. Table 3 reports the “mid” growth scenario of a 13 percent increase in population from 10,073 residents in 2000 to 11,831 residents in 2040.

**TABLE 3: POPULATION GROWTH**

Year	Jurisdiction	
	Morro Bay	Unincorporated San Luis Obispo County
2010	10,073	104,324
2015	10,152	107,452
2020	10,244	113,789
2025	10,482	118,982
2030	10,778	125,467
2035	11,078	132,023
2040	11,381	138,644
Percentage Change 2010–2040	13%	33%

Source: SLOCOG projections, August 2011

### Age Characteristics

Each age group has distinct lifestyles, family type and size, income levels, and housing preferences. As people move through each stage of life, housing needs and preferences also change. As a result, evaluating the age characteristics and trends of a community is important in determining existing and future housing needs. Table 4 provides the age characteristics of Morro Bay’s residents according to the 2000 and 2010 US Census. There was little change between 2000 and 2010, with the exception of a small decrease in persons ages 25–44 and an increase in persons ages 45–64. Despite these changes, the population in Morro Bay remains older than in most cities; over 50 percent of residents are 45 years old or older.

**TABLE 4: AGE CHARACTERISTICS, 2000–2010**

Age Group	2000		2010	
	Number	Percentage	Number	Percentage
Under 5 years	378	4%	447	4%
5–17 years	1,188	12%	1,083	11%
18–24 years	873	8%	815	8%
25–44	2,627	25%	2,264	22%
45–64	2,778	27%	3,200	31%
65+	2,506	24%	2,425	24%
<b>Total</b>	<b>10,350</b>	<b>100%</b>	<b>10,234</b>	<b>100%</b>

Source: US Census 2000, 2010

The age of householder is another way to measure age in the city. As shown in Table 5, owner-occupied households tend to have older householders, while renter-occupied households tend to have younger householders.



**TABLE 5: AGE OF HOUSEHOLDER BY TENURE**

Age of Householder	Number	Percentage
Owner occupied	2,746	55%
Householder 15 to 24 years	0	0%
Householder 25 to 34 years	39	1%
Householder 35 to 44 years	214	4%
Householder 45 to 54 years	477	10%
Householder 55 to 59 years	401	8%
Householder 60 to 64 years	384	8%
Householder 65 to 74 years	656	13%
Householder 75 to 84 years	413	8%
Householder 85 years and over	162	3%
Renter occupied	2,256	45%
Householder 15 to 24 years	266	5%
Householder 25 to 34 years	462	9%
Householder 35 to 44 years	354	7%
Householder 45 to 54 years	344	7%
Householder 55 to 59 years	330	7%
Householder 60 to 64 years	200	4%
Householder 65 to 74 years	204	4%
Householder 75 to 84 years	80	2%
Householder 85 years and over	16	0%
<b>Total</b>	<b>5,002</b>	<b>100%</b>

*Source: ACS 2007–2011 Estimates (HCD SLO County Housing Element Update Data Profile)*

### Employment

Employment has an important impact on housing needs. Different jobs and associated income levels determine the type and size of housing a household can afford. Employment growth in the region typically increases housing demand.

The California Employment Development Department (EDD) estimates that as of January 2014, 5,500 Morro Bay residents were in the labor force, with 4.9 percent unemployment, compared to a countywide unemployment rate of 6.2 percent.



According to the ACS 2007–2011 Five Year Estimates, jobs held by Morro Bay residents were primarily concentrated in the education, health and social services sectors (21 percent). Table 6 identifies employment by industry type for Morro Bay and San Luis Obispo County.

**TABLE 6: EMPLOYMENT BY INDUSTRY TYPE, 2010**

Occupation	Morro Bay		San Luis Obispo County	
	Number	Percentage	Number	Percentage
Agriculture, forestry, fishing and hunting, and mining	96	2%	2,848	6%
Construction	300	6%	4,369	9%
Manufacturing	302	6%	3,118	6%
Wholesale trade	43	1%	1,154	2%
Retail trade	772	15%	5,477	11%
Transportation and warehousing, and utilities	128	3%	2,194	4%
Information	190	4%	744	1%
Finance and insurance, and real estate and rental and leasing	300	6%	2,575	5%
Professional, scientific, and management, and administrative and waste management services	376	8%	5,817	12%
Educational services, and health care and social assistance	1,046	21%	10,835	22%
Arts, entertainment, and recreation, and accommodation and food services	911	18%	5,499	11%
Other services, except public administration	166	3%	2,721	6%
Public administration	371	7%	2,501	5%
Civilian employed population 16 years and over	5,001	100%	49,852	100%

*Source: ACS 2007–2011 Five-Year Estimates (HCD San Luis Obispo County Housing Element Update Profiles)*

The EDD produces an Occupational Employment and Wage Data spreadsheet by metropolitan statistical area (MSA) yearly. Table 7 shows employment projections from 2010 through 2020 as related to job growth for the San Luis Obispo-Paso Robles Metropolitan Statistical Area. During the next seven years, the San Luis Obispo-Paso Robles MSA expects new employment to be concentrated in a variety of occupations. When comparing these annual incomes to the median income in 2014 for a family of four (\$77,000), only two occupational groups are above this median income (electrical power-line installers and repairers and software developers).



Of these ten occupational groups, the highest annual salary falls under the electrical power-line installers and repairers occupation at \$92,435. The lowest annual salary is within the nonfarm animal caretaker occupations at \$21,683.

**TABLE 7: SAN LUIS OBISPO-PASO ROBLES METROPOLITAN STATISTICAL AREA  
PROJECTIONS OF EMPLOYMENT**

Occupation	Median Hourly Wage	Median Annual Salary	Estimated Employment		Percentage Change
			2010	2020	
Electrical Power-Line Installers and Repairers	\$44.44	\$92,435	190	300	58%
Home Health Aides	\$10.49	\$21,819	460	700	52%
Cost Estimators	\$27.72	\$57,657	180	270	50%
Market Research Analysts and Marketing Specialists	\$26.44	\$54,995	180	270	50%
Veterinary Technologists and Technicians	\$14.63	\$30,430	200	300	50%
Nonfarm Animal Caretakers	\$10.43	\$21,694	200	290	45%
Operating Engineers and Other Construction Equipment Operators	\$33.80	\$70,304	300	430	43%
Software Developers, Systems Software	\$34.32	\$71,385	120	170	42%
Insurance Sales Agents	\$31.34	\$65,187	170	240	41%
Construction Laborers	\$23.90	\$49,712	730	1,030	41%

Source: EDD 2014

Note: Annual salary is calculated by multiplying hourly wages by 2,080.

**Commute**

Commute distance is an important factor in housing availability and affordability and is also an indicator of jobs/housing balance. Communities with extended commute distances generally have a poor jobs/housing balance, while those with short average commutes tend to have a strong jobs/housing balance. The burden of the additional costs associated with extended commuting disproportionately affects lower-income households who must spend a larger portion of their overall income on fuel. This in turn affects a household’s ability to occupy decent housing without being overburdened by cost. Table 8 indicates that the vast majority of Morro Bay residents travel less than 30 minutes from home to work. This figure indicates that many of the jobs are within 20 miles of the city and that there is a strong jobs/housing balance, meaning that the available jobs are within relatively close distance to the employees’ places of residence.

**TABLE 8: TRAVEL TIME TO WORK**

Travel Time to Work	Percentage
Less than 30 minutes	75%
30 to 59 minutes	23%
60 or more minutes	2%
<b>Total</b>	<b>100%</b>

Source: ACS 2008–2012 Five-Year Estimates Household Characteristics

## HOUSEHOLD CHARACTERISTICS

According to the Department of Finance and as shown in Table 9, there were 4,844 households in the City of Morro Bay in 2010. This represents a 3 percent decrease, or 142 households, from 4,986 households in 2000.

**TABLE 9: HOUSEHOLDS TRENDS, 2000–2010**

Jurisdiction	2000	2010	Percentage Change
Morro Bay	4,986	4,844	-3%

Source: US Census 2010 (HCD SLO County Housing Element Data Profile)

### Overcrowding

The US Census Bureau defines overcrowding as occurring when a housing unit is occupied by more than the equivalent of one person per room (not including kitchens and bathrooms). A typical home might have three bedrooms, a living room, and a dining room, for a total of five rooms. If more than five people were living in the home, it would be considered by the Census Bureau to be overcrowded. Because some households require less “space” per person, there is some question on whether units with slightly more than one person per room really have an overcrowding problem. In most cases, units with more than 1.01 persons per room are overcrowded. Units with more than 1.50 persons per room are considered highly overcrowded and should be recognized as a significant housing problem.

Morro Bay has a low incidence of overcrowding. Less than 4 percent of all the occupied housing in the city contains more than one person per room. A total of 84 units are considered to be highly overcrowded, having more than 1.50 persons per room. Of these, 10 are owner-occupied units and 74 are renter-occupied units. Table 10 shows the persons per room for homeowners and renters in Morro Bay.



**TABLE 10: TENURE BY PERSONS PER ROOM, 2011**

Persons per Room	Morro Bay	
	Households	Percentage
Owner-Occupied Units		
1.00 or less	2,736	99%
1.01 to 1.50	0	0%
1.51 or more	10	<1%
<b>Total</b>	<b>2,746</b>	<b>100%</b>
Renter-Occupied Units		
1.00 or less	2,109	94%
1.01 to 1.50	73	3%
1.51 or more	74	3%
<b>Total</b>	<b>2,256</b>	<b>100%</b>

Source: ACS 2007–2011 Five-Year Estimates (HCD SLO County Housing Element Update Profiles)

### Tenure of Occupied Units

Tenure refers to whether a unit is owner-occupied or renter-occupied. Table 11 shows that just over half of the housing units in Morro Bay are owner-occupied.

**TABLE 11: TENURE OF OCCUPIED HOUSING UNITS, 2010**

Type of Unit	Units	Percentage
Owner-Occupied	2,583	53%
Renter-Occupied	2,261	47%
<b>Total Occupied Units</b>	<b>4,844</b>	<b>100%</b>

Source: US Census 2010 (HCD SLO County Housing Element Update Data Profile)

### Persons per Household

Household size by tenure is shown in Table 12. In 2011, the majority of owner-occupied households were inhabited by two to four residents. Most renter-occupied households were also inhabited by two to four residents.

**TABLE 12: HOUSEHOLD SIZE BY TENURE, 2011**

	<b>Number</b>	<b>Percentage</b>
Owner	2,746	55%
Householder living alone	946	34%
Households 2–4 persons	1,761	64%
Large households 5+ persons	39	1%
Rental	2,256	45%
Householder living alone	882	39%
Households 2–4 persons	1,300	58%
Large households 5+ persons	74	3%
<b>Total</b>	<b>5,002</b>	
Total householders living alone	1,828	37%
Households 2–4 persons	3,061	61%
Large households 5+ persons	113	2%

Source: 2007–2011 ACS Five-Year Averages (HCD SLO County Housing Element Update Data Profile)

## HOUSING STOCK CHARACTERISTICS

The existing housing stock in Morro Bay can be described by a number of characteristics, including the number of units, type (single-family, mobile home, apartment, etc.), their tenure (owner-occupied vs. rental), the number of people living in the unit (household size), and unit size. Later sections of this chapter discuss cost and the physical condition of homes in the city.

### Number of Housing Units

The 2000 Census reported a total of 6,286 housing units in the City of Morro Bay, and the California Department of Finance reported a total of 6,356 housing units in 2013. Table 13 shows the percentage increase in the number of housing units in Morro Bay between 2000 and 2013.

**TABLE 13: INCREASE IN HOUSING UNITS, 2000 AND 2013**

	<b>2000</b>	<b>2013</b>
<b>Total Housing Units</b>	<b>6,286</b>	<b>6,356</b>
Percentage Increase	—	1%

Source: US Census 2000; DOF 2013 (HCD SLO County Housing Element Update Data Profile)



**Vacant Units**

A vacancy rate measures the overall housing availability in a community and is often a good indicator of how efficiently for-sale and rental housing units are meeting the current demand for housing. A vacancy rate of 5 percent for rental housing and 2 percent for ownership housing is generally considered healthy and suggests that there is a balance between the demand and supply of housing. A lower vacancy rate may indicate that households are having difficulty in finding housing that is affordable, leading to overcrowding or households having to pay more than they can afford.

According to the 2007–2011 ACS Five-Year Estimates, there were a total of 1,476 vacant units recorded in Morro Bay. The vacancy rate for the city was 20 percent in 2000 and slightly higher in 2011 at 23 percent. With the exception of Pismo Beach and Grover Beach, this rate is substantially higher than many other cities in the county, primarily because of the large number of vacation homes in Morro Bay. As noted in Table 14, there were a total of 1,476 vacant units recorded in Morro Bay in 2011. Of this total, 154 were for rent, 88 were for sale, and 1,125 were for seasonal, recreational, or occasional uses.

**TABLE 14: HOUSING UNITS BY OCCUPANCY STATUS, 2011**

	Number	Percentage
<b>Total housing units</b>	<b>6,320</b>	<b>100%</b>
Occupied housing units	4,844	77%
Vacant housing units	1,476	23%
For rent	154	2%
Rented, not occupied	12	0%
For sale only	88	1%
Sold, not occupied	6	0%
For seasonal, recreational, or occasional use	1,125	18%
All other vacant	91	1%
Vacancy rate	23%	
Homeowner vacancy rate	3%	
Rental vacancy rate	6%	

*Source: 2007–2011 ACS Five-Year Estimate (HCD SLO County Housing Element Update Data Profile)*



## Type of Housing Unit

Table 15 shows the different types of housing units in Morro Bay by the number of units in the structure. In Morro Bay, 72 percent of the housing units are single-family detached homes, while attached single-family homes provide another 6 percent of the housing stock. Multi-family units constitute 15 percent and mobile homes make up 8 percent of the housing stock in the city.

**TABLE 15: OCCUPIED HOUSING UNITS BY TYPE, 2013**

Housing Unit Type	Morro Bay	
	Units	Percentage
Single-Family Detached	4,558	72%
Single-Family Attached	359	6%
2 to 4 Units	446	7%
5 or More Units	507	8%
Mobile Homes	486	8%
<b>Total Housing Units</b>	<b>6,356</b>	<b>100%</b>

Source: DOF 2013

## Age of Housing Stock

An indication of the quality of the housing stock is its general age. Typically housing over 30 years old is likely to have rehabilitation needs that may include plumbing, roof repairs, foundation work, and other repairs. Table 16 displays the age of Morro Bay's housing stock as of 2008. Note that 2008 data is retained because only ACS data with large margins of error is currently available; since this data has not been vetted by HCD, the slightly dated but more accurate US Census and HCD numbers below are preferred. Among these units, approximately 18 percent of the housing units in Morro Bay have been built since 1990 and approximately 46 percent, almost one-half of the housing stock, is more than about 40 years old.



**TABLE 16: HOUSING UNITS BY AGE, 2000–2008**

<b>Structure Built</b>	<b>Units</b>	<b>Percentage</b>
2009 to 2014**	75	1%
2000 to 2008*	350	5%
1990 to 2000	858	13%
1980 to 1989	882	13%
1970 to 1979	1,551	23%
1960 to 1969	1,186	18%
1950 to 1959	1,034	15%
Prior to 1950	775	12%
<b>Total Units</b>	<b>6,711</b>	<b>100%</b>

*Source: US Census, \*Department of Finance numbers, 2000–2008; \*\*City of Morro Bay, 2009-2014.*

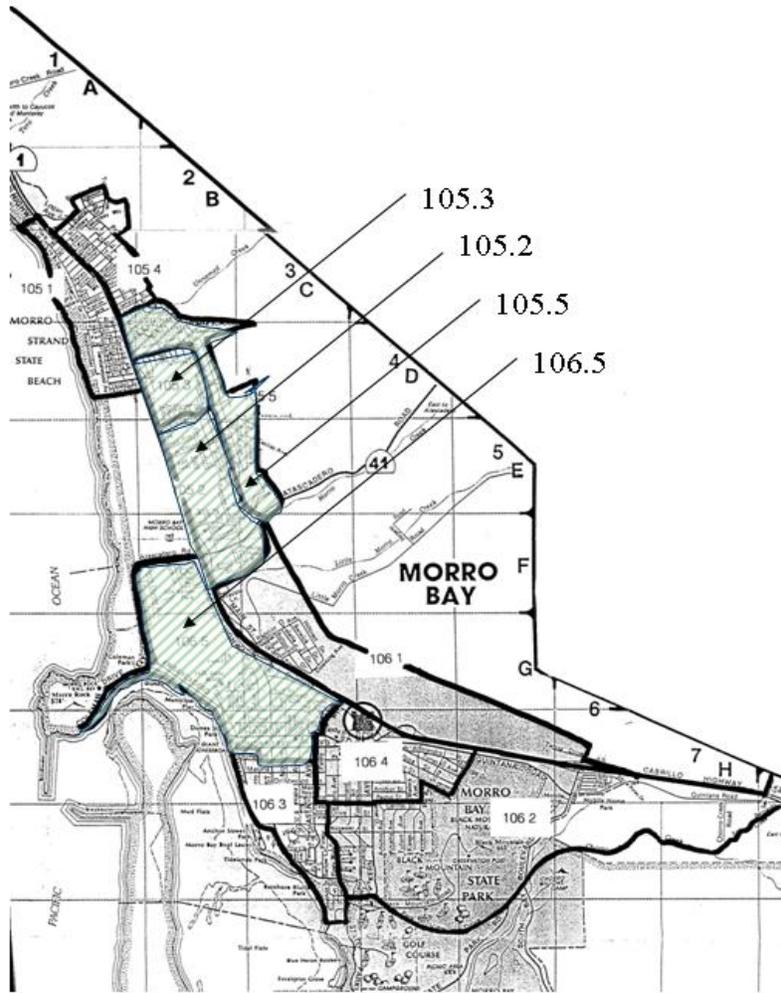
### **Housing Conditions**

As of May 2009, according to the City’s building inspector, approximately 20 to 25 percent of the housing stock was in need of rehabilitation. In 2004, City staff conducted a house-by-house survey (100 percent of housing units) in four identified Target Income Census Block Groups (TIG) (see Figure 2).



FIGURE 2. CENSUS BLOCK GROUPS

# Census Block Groups





Using the survey and point rating system prescribed by HCD, each unit was catalogued by condition of the roof, siding, foundation, windows, and electrical components. The figures were tabulated to establish a total score and identify each structure as sound, needs minor repair, needs moderate repair, needs substantial repair, or is dilapidated. Table 17 outlines the criteria used to determine the condition of the homes. Table 18 shows the breakdown of homes in each TIG area surveyed. Of the 1,502 homes surveyed, 403 were deemed to be in sound condition, 25 were dilapidated, and 1,074 were in need of some degree of repair. The survey did not differentiate between owner-occupied and renter-occupied properties.

Mobile homes were also evaluated by City staff in 2004. That survey found that a lesser percentage of these residences were categorized in the “Excellent” and “Sound 1” ratings, but that in general, approximately one-quarter of the mobile homes were in need of major rehabilitation or replacement.

In 2014, City staff confirmed that the assessment in this section was still current. The rehabilitation need in the city has not changed significantly since 2009 though conditions will deteriorate over time as housing stock ages. During the previous 2009–2014 planning period, approximately 10 code enforcement cases related to substandard housing were opened. All cases have since been resolved.

**TABLE 17: HOUSING CONDITION SURVEY CRITERIA**

Rating	Criteria
Sound	Units that appear structurally sound and well maintained.
Minor Repair	Units that appear structurally sound but show signs of deferred maintenance or upkeep. The house may need a roof replacement or new windows and a paint job.
Moderate Repair	Involves repair or replacement of more than one rated system. This category varies widely and may include, for example, a unit that needs replacement of the roof, electrical system, windows and doors.
Substantial Repair	Replacement of several major systems, including complete or major foundation work, replacement or repair of exterior siding, reconstruction of the roof system and complete re-plumbing.
Dilapidated	All the rated systems need repair and making those repairs to bring the structure into compliance with the current Uniform Building Code would not be cost-effective.

*Source: City of Morro Bay Staff, 2004*

**TABLE 18: HOUSING CONDITIONS IN TARGET INCOME GROUPS, MORRO BAY, 2004**

Census Block Group	Number of Units Sampled	Condition of Housing Units		
		Sound	Minor	Moderate
105.2	605	Sound	168	28%
		Minor	292	48%
		Moderate	109	18%
		Substantial	30	5%
		Dilapidated	6	1%
105.3	301	Sound	66	22%
		Minor	117	39%
		Moderate	72	24%
		Substantial	27	9%
		Dilapidated	19	6%
105.5	351	Sound	124	35%
		Minor	161	46%
		Moderate	64	18%
		Substantial	2	1%
		Dilapidated	0	0%
106.5	245	Sound	45	18%
		Minor	135	55%
		Moderate	51	21%
		Substantial	14	6%
		Dilapidated	0	0%

Source: City of Morro Bay Staff, 2004



## HOUSEHOLD INCOME

For the purpose of evaluating housing affordability, housing need, and eligibility for housing assistance, income levels are defined by guidelines adopted each year by the California Department of Housing and Community Development. For San Luis Obispo County, the applicable median income for a family of four in 2014 is \$77,000.

HCD has defined the following income categories for San Luis Obispo County, based on the median income for a household of four persons:

- Extremely low income: 30 percent and below (\$0 to \$22,600)
- Very low income: 31 to 50 percent of median income (\$22,601 to \$37,700)
- Low income: 51 to 80 percent of median income (\$37,701 to \$60,300)
- Moderate income: 81 to 120 percent of median income (\$60,301 to \$92,400)
- Above moderate income: 120 percent or more of median income (\$92,401 or more)

Table 19 shows the maximum annual income level for each income group adjusted for household size for San Luis Obispo County. The maximum annual income data is then used to calculate the maximum affordable housing payments for different households (varying by income level) and their eligibility for federal housing assistance.

**TABLE 19: MAXIMUM HOUSEHOLD INCOME LEVEL BY HOUSEHOLD SIZE, 2014**

Household Size	Maximum Income Level				
	Median	Extremely Low	Very Low	Low	Moderate
1-Person	\$53,900	\$15,850	\$26,400	\$42,250	\$64,700
2-Person	\$61,600	\$18,100	\$30,200	\$48,250	\$73,900
3-Person	\$69,300	\$20,350	\$33,950	\$54,300	\$83,150
4-Person	\$77,000	\$22,600	\$37,700	\$60,300	\$92,400
5-Person	\$83,150	\$24,450	\$40,750	\$65,150	\$99,800
6-Person	\$89,300	\$26,250	\$43,750	\$69,950	\$107,200
7-Person	\$95,500	\$28,050	\$46,750	\$74,800	\$114,600
8-Person	\$101,650	\$29,850	\$49,800	\$79,600	\$121,950

Source: HCD 2014



Table 20 provides a summary of household income in Morro Bay according to the ACS 2008–2012 Five-Year Estimates. Table 20 also provides the HCD income category for households in 2012. However, HCD income categories and the Census Bureau’s income categories do not correlate directly, and the comparison between HCD and Census categories is for informational purposes only.

**TABLE 20: HOUSEHOLD INCOME, 2012**

HCD Income Category	Household Income	Number	Percentage
Extremely Low	Less than \$10,000	144	3%
	\$10,000 to \$14,999	322	6%
	\$15,000 to \$24,999	555	11%
Very Low	\$25,000 to \$34,999	525	11%
Low	\$35,000 to \$49,999	689	14%
	\$50,000 to \$74,999	937	19%
Moderate	\$75,000 to \$99,999	664	13%
Above Moderate	\$100,000 to \$149,999	654	13%
	\$150,000 to \$199,999	283	6%
	\$200,000 or more	188	4%
<b>Total</b>		<b>4,961</b>	<b>100%</b>

Source: ACS 2008–2012 Five-Year Estimates

## HOUSING COSTS AND AFFORDABILITY

The cost of housing is directly related to the extent of housing problems faced by lower- and moderate-income households in a community. If housing costs are high relative to household income, correspondingly the incidence of housing cost burden and overcrowding will be high. This section summarizes the cost and affordability of housing to Morro Bay residents.

### Sales Cost

According to DataQuick, the median home sale price in Morro Bay was \$429,500 in 2013, an increase of approximately 14 percent from the 2012 median of \$376,000. Median prices in Morro Bay tend to be in the middle to low range when compared to other San Luis Obispo communities, and are just above the county average. Table 21 shows median home sales prices in Morro Bay and nearby communities for 2012 and 2013. Assuming a 5.75 percent interest rate and 10 percent down payment, a family of four would need to make approximately \$115,000 to afford a \$376,000 house. A median priced home in Morro Bay is only affordable to families with “above moderate” income levels.



**TABLE 21: ANNUAL MEDIAN SALES PRICE, 2012–2013**

Community/City	2013 Median Price	2012 Median Price	Percentage Increase
San Luis Obispo County	\$415,000	\$360,000	15%
Cambria	\$500,000	\$452,500	11%
Cayucos	\$650,000	\$575,000	13%
Los Osos	\$371,500	\$325,000	14%
Morro Bay	\$429,500	\$376,000	14%
San Luis Obispo (City)	\$525,000	\$485,000	8%

Source: DataQuick 2014 ([www.DQNews.com](http://www.DQNews.com))

### Rental Housing Cost

Examining the rental housing market is a direct means to identifying rental price information. Rents are ultimately determined by the interaction of supply and demand within the housing market. The two most significant factors contributing to rental prices are location and amenities. Morro Bay’s close proximity to the ocean makes it a high-demand location in which to reside, causing rental costs to increase as the demand increases. Table 22 provides samples of “typical” rental housing in the Morro Bay area as identified through a point-in-time survey conducted in March 2014.

**TABLE 22: RESIDENTIAL RENTAL PRICES, MORRO BAY, 2014**

Type	Number of Units Surveyed	Low	High
Studio	5	\$725	\$1,350
1 bedroom	9	\$850	\$1,450
2 bedrooms	5	\$1,200	\$1,850
3 bedrooms	5	\$1,900	\$2,150
4+ bedrooms	3	\$2,000	\$2,300

Source: Rental Survey, March 2014

Although the monthly cost of rental housing is important, most landlords require the first and last month rental payment plus a security deposit prior to moving in. Many landlords require a minimum monthly income of up to three times the monthly rent. There may also be requirements for deposits to connect to services such as water and electricity and possibly extra charges for additional people or pets. Due to these factors, often the actual cost of moving into a rental unit is a greater burden.



According to the 2014 HCD income limits (Table 23), a very low-income household of four could afford up to \$943 a month for rent. If this household lived in a three-bedroom unit in Morro Bay, according to the rental survey, this household would be paying between \$1,900 and \$2,150. A household earning 50 percent of the area median income would need to allocate nearly 60 percent of their gross income to be able to afford the rent for the least expensive three-bedroom unit in Morro Bay. This indicates a need for more affordable housing for households in the extremely low-, very low-, and low-income ranges in the city.

### **Housing Affordability by Income Level**

Housing affordability can be inferred by comparing the cost of renting or owning a home with the maximum affordable housing cost to households at different income levels. The area median income provides a benchmark for estimating the affordability of housing and the ability of newcomers to move into the community. Taken together, this information can generally demonstrate who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding or a burden on housing cost.

In evaluating affordability, the maximum affordable price refers to the maximum amount that could be afforded by households in the upper range of their respective income category. Households in the lower end of each category can afford less in comparison. The maximum affordable home and rental prices for residents of San Luis Obispo County are shown in Table 23. The affordability of the county's housing stock for each income group is discussed below. HCD has identified the 2014 county area median income to be \$77,000 for a family of four.

Table 23 shows the maximum rents and sales prices, respectively, that are affordable to extremely low-, very low-, low-, moderate-, and above moderate-income households. Affordability is based on the following assumptions: a household spending 30 percent or less of their total household income for shelter; the maximum household income levels established by the US Department of Housing and Urban Development (HUD) and HCD; and maximum affordable sales prices based on 10 percent down with a 30-year fixed rate mortgage at a 5.75 percent annual interest rate.



**TABLE 23: HOUSING AFFORDABILITY BY INCOME LEVEL**

Household Size	1	2	3	4	5	6
<b>Extremely Low Income (Households at 30% of Median Income)</b>						
Annual Income	\$15,850	\$18,100	\$20,350	\$22,600	\$24,450	\$26,250
Maximum Monthly Gross Rent <sup>1</sup>	\$396	\$453	\$509	\$565	\$611	\$656
Maximum Purchase Price <sup>2</sup>	\$48,880	\$59,141	\$67,000	\$74,460	\$80,630	\$86,460
<b>Very Low Income (Households at 50% of Median Income)</b>						
Annual Income	\$26,400	\$30,200	\$33,950	\$37,700	\$40,750	\$43,750
Maximum Monthly Gross Rent <sup>1</sup>	\$660	\$755	\$849	\$943	\$1,019	\$1,094
Maximum Purchase Price <sup>2</sup>	\$86,400	\$99,750	\$111,230	\$123,120	\$133,340	\$143,830
<b>Low Income (Households at 80% of Median Income)</b>						
Annual Income	\$42,250	\$48,250	\$54,300	\$60,300	\$65,150	\$69,950
Maximum Monthly Gross Rent <sup>1</sup>	\$1,056	\$1,206	\$1,358	\$1,508	\$1,629	\$1,749
Maximum Purchase Price <sup>2</sup>	\$138,200	\$157,930	\$179,050	\$198,390	\$215,160	\$230,960
<b>Moderate Income (Households at 120% of Median Income)</b>						
Annual Income	\$64,700	\$73,900	\$83,150	\$92,400	\$99,800	\$107,200
Maximum Monthly Gross Rent <sup>1</sup>	\$1,618	\$1,848	\$2,079	\$2,310	\$2,495	\$2,680
Maximum Purchase Price <sup>2</sup>	\$210,120	\$242,620	\$251,780	\$274,000	\$327,230	\$345,900

Source: 2014 Income Limits: Department of Housing and Community Development. Monthly mortgage calculation: <http://www.realtor.com/home-finance/financial-calculators/home-affordability-calculator.aspx?source=web>

<sup>1</sup> Affordable housing cost for renter-occupied households assumes 30% of gross household income, not including utility cost.

<sup>2</sup> Affordable housing sales prices are based on the following assumed variables: approximately 10% down payment, 30-year fixed rate mortgage at 5.75% annual interest rate.



## Overpayment

Overpayment compares the total shelter cost for a household to the ability of that household to pay. Specifically, overpayment is defined as monthly shelter costs in excess of 30 percent of a household's income. Shelter cost is defined as the monthly owner costs (mortgages, deed of trust, contracts to purchase or similar debts on the property and taxes, insurance on the property, and utilities) or the gross rent (contract rent plus the estimated average monthly cost of utilities).

Table 24 shows to what extent occupied housing units (households) are overpaying for housing cost by their income category and whether or not they were overpaying. As of 2011, 43 percent of all households were overpaying based on their income categories. More than half of these overpaying households are in the low-, very low-, or extremely low-income category.

**TABLE 24: TOTAL HOUSEHOLDS OVERPAYING BY INCOME, 2011**

Household	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total	Lower Income
<b>Ownership Households</b>	<b>42</b>	<b>307</b>	<b>456</b>	<b>390</b>	<b>1,359</b>	<b>2,854</b>	<b>1,105</b>
Overpaying owner households	248	131	88	260	225	952	467
Percentage of overpaying owners	73%	43%	19%	67%	17%	33%	42%
<b>Renter Households</b>	<b>556</b>	<b>381</b>	<b>553</b>	<b>332</b>	<b>276</b>	<b>2,098</b>	<b>1,490</b>
Overpaying renter households	528	248	227	154	0	1,157	1,003
Percentage of overpaying renters	95%	65%	41%	46%	0%	55%	67%
<b>Total Households</b>	<b>897</b>	<b>689</b>	<b>1,009</b>	<b>722</b>	<b>1,635</b>	<b>4,952</b>	<b>2,595</b>
Overpaying households	775	380	315	414	225	2,109	1,470
Percentage of overpaying households	86%	55%	31%	57%	14%	43%	57%

Source: ACS 2007–2011 Five-Year Estimates (HCD SLO County Housing Element Data Profile)

The Comprehensive Housing Affordability Strategy (CHAS) was developed by HUD to assist jurisdictions in writing their consolidated plans. According to this data (Table 25), there were 395 owner households and 770 renter households earning less than 50 percent of the median family income (MFI) in the city in 2010. Approximately 76 percent of these lower-income renter-occupied households were identified as having at least one of four housing problems (which include incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, and a



cost burden greater than 30%). Conversely, approximately 55 percent of lower-income owner-occupied households experienced at least one of those four housing problems. It is important to note that, similar to ACS data, the CHAS dataset uses small samples and is subject to large margins of error and therefore may have totals and percentages that are slightly different than other data sources used in this document.

**TABLE 25: HOUSING PROBLEMS FOR ALL HOUSEHOLDS, 2010**

	<b>Total Renters</b>	<b>Total Owners</b>	<b>Total Households</b>
Household Income $\leq$ 30% MFI	385	185	570
Household Income $>$ 30% to $\leq$ 50% MFI	385	210	595
% Households ( $\leq$ 50% MFI) with any housing problems	76%	55%	68%

Source: CHAS 2006–2010

### SPECIAL NEEDS GROUPS

Certain groups have greater difficulty in finding acceptable, affordable housing due to special circumstances relating to employment and income, household characteristics, and disabilities, among others. These “special needs” groups include seniors, persons with disabilities, large households, single-parent households (female-headed households with children, in particular), homeless persons, and agricultural workers. This section discusses the housing needs facing each group, as well as programs and services available to address the housing needs.

#### **Persons with Disabilities**

Table 26 shows the 2000 Census information regarding non-institutionalized people in Morro Bay who have disabilities that either prevent them from working or make self-care or mobility difficult. Generally, disabled persons constitute 10 percent of any given population; in Morro Bay, the percentage is slightly higher at 20 percent (2,162 persons). Since there is no DOF, 2010 US Census, or reliable ACS data, 2000 US Census information is used for this analysis.

**TABLE 26: PERSONS WITH A DISABILITY BY DISABILITY TYPE, 2000**

	<b>Number</b>	<b>Percentage</b>
<b>Total Disabilities Tallied</b>	<b>3,816</b>	<b>100%</b>
<b>Total Disabilities for Ages 5–64</b>	<b>2,268</b>	<b>59%</b>
Sensory disability	197	5%
Physical disability	469	12%
Mental disability	358	9%
Self-care disability	135	4%
Go-outside-home disability	302	8%
Employment disability	807	21%
<b>Total Disabilities for Ages 65 and Over</b>	<b>1,548</b>	<b>41%</b>
Sensory disability	369	10%
Physical disability	577	15%
Mental disability	179	5%
Self-care disability	105	3%
Go-outside-home disability	318	8%

Source: US Census 2000 (HCD SLO County Housing Element Update Data Profile)

There are two major housing problems facing disabled persons: (1) the need for housing that meets particular physical needs (wheelchair accessible, etc.) and (2) monetary needs. Because of limited job opportunities for the handicapped and disabled, their incomes are often below the median income. Table 27 identifies the employment status of disabled persons in the city.

**TABLE 27: PERSONS WITH A DISABILITY BY EMPLOYMENT STATUS**

<b>Employment Status</b>	<b>Number</b>	<b>Percentage</b>
Age 16–64, Employed Persons with a Disability	164	16%
Age 16–64, Not Employed Persons with a Disability	305	29%
Persons Age 65 Plus with a Disability	577	55%
<b>Total Persons with a Disability</b>	<b>1,046</b>	<b>100%</b>

Source: US Census 2000 (HCD SLO County Housing Element Update Data Profile)

The disabled or handicapped residents of Morro Bay have varying housing needs depending on the nature and severity of the disability. Physically disabled persons generally require modifications to their housing units such as wheelchair ramps, elevators or lifts, wide doorways, accessible cabinets, and modified fixtures and appliances. If the disability prevents the person from operating a vehicle,



then proximity to services and access to public transportation are important. Severely physically disabled persons may also require nursing or care facilities.

If the physical disability prevents the individual from working or limits income, the cost of housing and needed modification can be significant. Because physical handicaps vary, this group rarely congregates toward a single service organization and makes estimating the number of individuals and specific needs difficult.

The physical modification of housing is not generally necessary to accommodate mentally disabled persons, but they will generally require special services and monetary support. Since jobs and incomes are often limited for such individuals, affordable housing is important. Many mentally disabled persons would prefer to live independently, but because of monetary circumstances they are forced to live with other family members or with roommates. This may cause additional stress and problems. In some instances, the need for a resident assistant to help deal with crisis or challenging situations may also create special housing demands. This would suggest that there is a need for some apartment or condominium complexes which are reserved exclusively for persons requiring extra assistance in dealing with their daily routines. Many mentally handicapped persons are unable to drive, so access to public transportation is also important.

Disabled elderly often fall into one or both of the above categories. Many elderly have some minor physical handicap. For instance, climbing stairs may be difficult, especially when carrying groceries or other bulky items. Other elderly persons may have difficulty cooking, cleaning, performing daily chores, or remembering to take medication. Congregate care facilities and retirement homes help meet the needs of many of these individuals.

### **Persons with Developmental Disabilities**

Senate Bill (SB) 812 requires the City to include the needs of individuals with a developmental disability within the community in the special housing needs analysis. According to Section 4512 of the Welfare and Institutions Code, a “developmental disability” means a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism.

Many developmentally disabled persons can live and work independently in a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based



facilities. The Tri-Counties Regional Center is one of 21 regional centers in California that provides point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. Table 28 provides information about Morro Bay's population of developmentally disabled persons; Table 29 provides information about those persons' place of residence.

**TABLE 28: DEVELOPMENTALLY DISABLED RESIDENTS BY AGE**

Zip Code	0–13 Years	14–21 Years	22–51 Years	52–61 Years	62+ Years	Total
93442	16	9	39	6	4	74

Source: HCD SLO County Housing Element Updated Data Profile 2014

**TABLE 29: DEVELOPMENTALLY DISABLED RESIDENTS BY RESIDENCE TYPE**

Zip Code	Community Care	Home Parent/Guardian	Independent Living	Other	Total
93442	3	36	24	11	74

Source: HCD SLO County Housing Element Updated Data Profile 2014

A number of housing types are appropriate for people living with a development disability: rent-subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this special needs group. Incorporating “barrier-free” design in all new multi-family housing (as required by California and federal fair housing laws) is especially important to provide the widest range of choices for disabled residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

In order to assist in the housing needs for persons with developmental disabilities, the City will implement programs to coordinate housing activities and outreach with the Tri-Counties Regional Center and encourage housing providers to designate a portion of new affordable housing developments for persons with disabilities, especially persons with developmental disabilities, and pursue funding sources designated for persons with special needs and disabilities. **Program H-19.1** is proposed to specifically address the needs of the developmentally disabled.



### Elderly

Analysis of the housing needs of the elderly is important for three reasons: (1) many elderly have fixed, limited incomes, (2) many elderly persons are “over-housed” (living alone in a three- or four-bedroom house), and (3) because some elderly have mobility and health problems, these needs can create special housing requirements.

Table 30 illustrates the population of residents aged 65 and older in Morro Bay in 2000 and 2010. Table 31 illustrates the tenure of senior households in the city. Approximately 80 percent of senior-headed households own the home they live in. The senior population numbers and the percentage they make up of the city’s overall population changed very little between 2000 and 2010.

**TABLE 30: SENIOR RESIDENTS, 2000–2010**

Age Group	2000		2010	
	Number	Percentage	Number	Percentage
65+	2,506	24%	2,425	24%
<b>Total Population</b>	<b>10,350</b>	<b>100%</b>	<b>10,234</b>	<b>100%</b>

Source: US Census 2000, 2010 (HCD SLO County Housing Element Update Data Profile)

**TABLE 31: SENIOR-HEADED HOUSEHOLDS BY TENURE, 2011**

Age of Householder	Number	Percentage
Owner-occupied senior household	1,231	80%
Householder 65 to 74 years	656	43%
Householder 75 to 84 years	413	27%
Householder 85 years and over	162	11%
Renter-occupied senior household	300	20%
Householder 65 to 74 years	204	13%
Householder 75 to 84 years	80	5%
Householder 85 years and over	16	1%
<b>Total</b>	<b>1,531</b>	<b>100%</b>

Source: ACS 2007–2011 Estimates (HCD SLO County Housing Element Update Data Profile)

To address the needs of seniors in the community, the City will implement **Program H-18.1** to utilize CDBG and other state or federal monies to assist in the development of lower-income senior rentals.



### **Farmworkers**

The ACS 2007–2011 Five-Year Estimates identified 96 residents of Morro Bay employed in agriculture, forestry, fishing and hunting, or mining operations. Because of Morro Bay’s role as a significant commercial fishing center, this information is not surprising. This number, however, probably underestimates migrant farmworkers who move with the seasons according to the availability of work. There are still several large tracts of productive agricultural land within and near the Morro Bay city limits that periodically employ such workers. It is not clear where migrant workers live while employed in the Morro Bay area.

According to information provided by the Employment Development Department for the San Luis Obispo-Paso Robles Metropolitan Statistical Area, there were 3,600 people employed within the agriculture industry in January 2014, a decrease of 100 people since January 2013.

### **Large Households**

Large families present special housing needs if they cannot find affordable and adequate housing units. The result may be overcrowding. As identified in Table 12 above, 113 households (approximately 2 percent of all households) in Morro Bay were occupied by five or more persons (considered a large household) of which 39 were owner-occupied households and 74 were renter-occupied households. This proportion is substantially lower than in the county as a whole and is very low when compared to other cities and counties. Thus, housing for large families does not appear to be a significant need in Morro Bay.

### **Female-Headed Households**

Female-headed single-parent households experience numerous housing problems, including affordability (the individuals are often on public assistance), overcrowding (the individuals often cannot afford units large enough to accommodate their families), insufficient housing choices, and discrimination. The City of Morro Bay recognizes these problems and has included policies and programs in this document to address affordability, overcrowding, and discrimination for all segments of the population.

Table 32 illustrates the number of family households that are headed by a female with no husband present. Female-headed households with no husband present account for 14 percent of all households in the city. The table also reports the presence of children in female-headed households, as well as poverty indicators for female-headed households. Female-headed householders with their own children make up approximately five percent of all householders in the city (as shown in the table below) and 37 percent of the female-headed householders.



**TABLE 32: FEMALE-HEADED HOUSEHOLDS**

	Number	Percentage of Householders
Female-Headed Householders	398	14%
Female Heads with Own Children	147	5%
Female Heads without Children	251	9%
Total Householders	2,746	100%
Female-Headed Householders Under the Poverty Level	18	1%
<b>Total Families Under the Poverty Level</b>	<b>189</b>	<b>7%</b>

Source: ACS 2007–2011 Five-Year Estimates (HCD SLO County Housing Element Update Data Profile)

**Homeless**

According to HUD’s 2012 Continuum of Care Homeless Assistance Programs (as provided by the HCD SLO County Housing Element Update Data Profile), the County of San Luis Obispo has approximately 2,057 homeless persons (Table 33). Of these homeless persons, approximately 343 are in families with at least one child. The homeless population is mostly unsheltered, with only 8 percent of the 2,057 identified as sheltered. The Community Action Partnership of San Luis Obispo County (CAPSLO) provided 2013 estimates of the Maxine Lewis Memorial Shelter and Prado Day center population by home community. At these two shelters, approximately 54 people call Morro Bay home.

**TABLE 33: HOMELESSNESS, SAN LUIS OBISPO COUNTY**

	Sheltered	Unsheltered	Total
Person in household without children	100	1,614	1,714
Person in household with at least one adult and one child	56	287	343
<b>Total Homeless Persons</b>			<b>2,057</b>

Source: HUD 2012 (HCD SLO County Housing Element Update Data Profile)

**TABLE 34: HOME CITY BY SHELTER POPULATION, 2013**

Community	Maxine Lewis Memorial Shelter	Prado Day Center
Morro Bay	21	33
Los Osos	21	40
Other North Coast Communities	9	13

Source: CAPSLO 2014



Regional services for the homeless include Chorro Creek Ranch, which serves the South County area that includes Morro Bay and provides a range of services such as emergency shelter, counseling services, and rental assistance. The Estero Bay Alliance for Care is an all-volunteer network of organizations and individuals dedicated to enhancing the quality of life for local homeless and in-need citizens through outreach, education, and liaison with appropriate agencies and organizations. The CAPSLO emergency shelter and services center, located near the intersection of Broad Street and Orcutt Road in San Luis Obispo, provides emergency shelter, on-site information and referral services, and assistance in finding permanent housing. The People's Kitchen, the Salvation Army Homeless Outreach program, the Senior Nutrition program, which provides meals to seniors over the age of 60 up to five times a week, and other programs offered by local churches are also available. The City also participates with two county wide boards, the SLO County Housing Trust Fund Commission and the SLO County Homeless Services Oversight Council (HSOC). The City of San Luis Obispo is centrally located and it is appropriate that services for homeless individuals be located there. San Luis Obispo is the county seat; many governmental social services can be received there. Additional service providers include the El Camino Homeless Coalition in Atascadero, Loaves and Fishes in Paso Robles, the 5 Cities Coalition in Arroyo Grande, and Transitional Food and Shelter in the North County.

To further assist with providing homelessness services, Morro Bay's City Council has approved a temporary fee waiver for a local group serving a free weekly meal at the city's Veterans Memorial Building. The decision covers an estimated \$2,000 in city rental fees for the building through June 30, 2014.

### **Assisted Units**

As shown in Table 35, Morro Bay contains four assisted housing developments owned by People's Self-Help Housing (PSHH) that provide 95 affordable housing units. The City has utilized various funding sources to provide affordable housing to residents, including Section 8, Section 202, Section 515, and tax credits. PSHH is currently in negotiations with the tax credit investors for both Oceanside Gardens and Sequoia Street Apartments to facilitate maintaining their role as general partner. PSHH is also currently applying to HUD for approving a plan to refinance Ocean View Manor using tax credit syndication and a renewed HUD contract, through which PSHH plans to rehabilitate and continue to operate the property as affordable. If these negotiations are successful the length of the deed restriction would be extended on this property. These three properties continue to operate as affordable, and PSHH communicated that they do not plan to experience any interruption in offering affordable rents to the tenants.

The Housing Authority of San Luis Obispo (HASLO) reported that as of March 2014, the City of Morro Bay had 79 Section 8 vouchers being used in the city. HASLO also reported that due to too much interest, the waitlist for Section 8 vouchers has been closed since 2010.



**TABLE 35: INVENTORY OF ASSISTED UNITS**

Projects	Total Units	Assisted Units	Type	Funding Source	Earliest Date of Conversion
Ocean View Manor	40	39	Senior	Section 202	12/1/2030
Pacific View Apartments	26	25	Family	Section 515	2/25/2041
Oceanside Garden Apartments	21	21	Senior	Tax Credits	2/26/2049
Sequoia Street Apartments	11	10	Large Family	Tax Credits	7/30/2054
<b>Total</b>	<b>98</b>	<b>95</b>	—	—	—

Source: HCD SLO Housing Element Update Data Profile 2014; personal communication with People’s Self-Help Housing 2014

**At-Risk Units**

California housing element law requires all jurisdictions to include a study of all low-income housing units which may at some future time be lost to the affordable inventory by the expiration of some type of affordability restrictions. The law requires that the analysis and study cover a 10-year period beginning at the start of the Housing Element planning period, so June 30, 2014 through June 30, 2024.

At-risk units are subsidized low-income housing projects that may be convertible to market-rate units as they are nearing the end of their subsidized contract. Such units are deemed “at risk” of being lost as affordable housing. Currently there are not any subsidized housing units considered at risk of converting to market-rate units within 10 years of the beginning of this Housing Element planning period. However, **Program H-15.1** states that the City will maintain a list of all dwellings within the city that are subsidized by government funding or low-income housing developed through local regulations or incentives and that the City will contact all property owners and ask them to provide at least two years’ notice prior to the conversion of any units for lower-income households to market-rate units.



### 3. ADEQUATE SITES INVENTORY

The San Luis Obispo Council of Governments (SLOCOG) is responsible for developing the Regional Housing Needs Allocation (RHNA), which assigns a share of the region’s future housing need to each jurisdiction in the region. State law requires jurisdictions to demonstrate that “adequate sites” will be made available over the planning period (2014–2019) to facilitate and encourage a sufficient level of new housing production. Jurisdictions must also demonstrate that appropriate zoning and development standards, as well as services and facilities, will be in place to facilitate and encourage housing. The Housing Element must inventory land suitable for residential development, including vacant and underutilized sites, and analyzes the relationship of zoning and public facilities and services to these sites.

In complying with the adequate site requirement, jurisdictions can take credit for the number of new units built during the planning period of 2014–2019 toward the RHNA. This includes new housing units either built or issued a certificate of occupancy since January 1, 2014.

#### Regional Housing Needs Allocation

An important component of the Housing Element is the identification of sites for future housing development and evaluation of the adequacy of these sites in fulfilling Morro Bay’s share of the Regional Housing Needs Allocation, as determined by SLOCOG. The intent of the RHNA is to ensure that local jurisdictions address their fair share of the housing needs for the entire region. Additionally, a major goal of the RHNA is to ensure that every community provides an opportunity for a mix of affordable housing to all economic segments of its population. The RHNA jurisdictional allocations are made to ensure that adequate sites and zoning are provided to address existing and anticipated housing demands during the planning period and that market forces are not inhibited in addressing the housing needs for all facets of a particular community. Table 36 provides the RHNA target for the planning period 2014 to 2019.

**TABLE 36: MORRO BAY REGIONAL HOUSING NEEDS ALLOCATION PROGRESS**

Income Level	RHNA	Units Built Since January 2014	Remaining RHNA
Extremely Low	19	0	19
Very Low	20	0	20
Low	24	0	24
Moderate	27	0	27
Above Moderate	65	6 <sup>1</sup>	59
<b>Total</b>	<b>155<sup>2</sup></b>	<b>6</b>	<b>149</b>

Source: SLOCOG 2013

Notes:

1. Single-family building permits

2. The total RHNA number of 154 in the SLOCOG Regional Housing Needs Plan is off by one unit due to a rounding error. Per HCD direction, the numbers in the income categories were totaled and the total RHNA number used for analysis in the Housing Element update is 155.



Based on the above projections, the City of Morro Bay will need to allow for 63 housing units affordable to lower-income households to comply with the City's regional allocation targets for these income levels. In addition, the City will allow for 27 housing units available to moderate-income households. A total of 155 new housing units have been allocated by HCD for the City of Morro Bay from 2014 through 2019.

As of March 2014, there have not been any housing units constructed, but six single-family units have been approved. As a result, the City will need an additional 149 housing units to meet Morro Bay's 2014–2019 RHNA. However, the City currently has the vacant land capacity to accommodate all of the RHNA need. See Table 38 for a complete list of available sites to meet the City's 2014–2019 RHNA.

### **Land Availability**

This section provides the inventory of vacant land that is available in Morro Bay for both multi-family and single-family residential development. Table 38 provides the number of acres, zoning, unit potential, and availability of infrastructure for all vacant acreage not earmarked for pending projects in Morro Bay. All sites listed in Table 38 have no known constraints related to infrastructure or environmental conditions.

### Realistic Capacity

The zoning districts and General Plan land use designations are shown for each site and are used to determine the realistic unit capacity of each site. Realistic capacity was determined by multiplying the number of acres by the maximum density for the site, and then 80 percent of that result was used as the final realistic unit number to account for site and regulatory constraints. The capacity for the 10 mixed-use sites included in the inventory was determined by taking 80 percent of the total site acreage, multiplying the acreage by the maximum density for the site, and then taking 80 percent of that number to determine the realistic unit number.

The Mixed Commercial/Residential (MCR) zoned sites require a ratio of fifty percent commercial and fifty percent residential development. However, a conservative approach is taken to realistic capacity on the sites zoned MCD/R-4 in the land inventory and 80 percent of the allowed density on 50 percent of the site was used to estimate realistic units. In limited cases the City Council may make findings to approve a greater percentage of residential development in this zone. The City approved an affordable project at Main at Bonita, which proposed 23 units be developed on 1.14 acres in the Mixed Commercial/Residential (MCR)/Multi-family Residential-Hotel-Professional (R-4) district. This project was developed with 100 percent residential units at 20 units to the acre.

### Small Sites

A majority of the vacant parcels that allow up to 27 units per acre are less than a half acre in size, and it can be difficult to build multi-family, lower-income housing on smaller sites. However, recent trends show that multi-family housing development is occurring on sites of less than one-half acre.



For the high-density sites listed in Table 38, each of the site groups 4–6, 21-22, 24-25, and 28-30, contiguous. Of the total units the City assumes can be developed on high-density land (260 units), 86 units or 33 percent of the units are being accommodated on sites that have potential for lot consolidation into larger sites more feasible for development of affordable housing. To help facilitate the development of affordable housing on smaller lots, the City has included **Program H-1.2** to assist in the consolidation of small lots.

Table 37 compares the City of Morro Bay's RHNA to the site inventory capacity. Including the credit of six building permits and the site inventory capacity, the City has a surplus of 151 units available to extremely low-, very low-, low, and moderate-income households, and 300 units available to above moderate-income households, a total surplus of 451 units. Table 38 provides the characteristics of the available sites for the development of single-family homes and multi-family units, and Figure 3, the Land Inventory Map, shows the location of each site.

**TABLE 37: COMPARISON OF REGIONAL GROWTH NEED AND RESIDENTIAL SITES**

Income Group	Total RHNA	Building Permits	Remaining RHNA	Site Inventory Capacity	RHNA Surplus
Extremely Low	19	0	19	241 <sup>1</sup>	151
Very Low	20	0	20		
Low	24	0	24		
Moderate	27	0	27		
Above Moderate	65	6	59	359	300
<b>Total</b>	<b>155</b>	<b>6</b>	<b>149</b>	<b>603</b>	<b>451</b>

Source: SLOCOG 2013; City of Morro Bay 2014

Notes:

*1 Sites allowing up to 27 dwellings per acre and those allowing up to 15 dwellings per acre have been combined to address lower- and moderate-income RHNA.*



**TABLE 38: LAND INVENTORY**

APN	Acres	Property Address	Use Status from Aerial	Map ID #	Zoning	GP Designation	Allowed Density	Units at 80% Capacity	Infrastructure	Constraints
066-176-006	0.27	416 MAIN ST	Vacant	41	R-3	High Density	15-27	6	Yes	None
066-075-017	0.37	KERN AVE	Vacant	38	R-4	High Density	15-27	3	Yes	None
068-231-016	0.61	HWY 41	Vacant	25	R-4 (PD)	High Density	15-27	13	Yes	None
068-231-043	0.49	HWY 41	Vacant	24	R-4 (PD)	High Density	15-27	9	Yes	None
068-323-028	0.32	ROCKVIEW ST	Vacant	31	R-4 (PD)	High Density	15-27	10	Yes	None
068-323-035	0.08		Vacant	30	MCR/R-4	High Density	15-27	1	Yes	None
068-323-036	0.17		Vacant	29	MCR/R-4	High Density	15-27	1	Yes	None
068-323-034	0.73		Vacant	28	MCR/R-4	High Density	15-27	7	Yes	None
068-381-014	0.15	2930 JUNIPER AVE	Vacant	14	R-1	Low-Medium Density	4-7	1	Yes	None
068-381-008	0.15	JUNIPER AVE	Vacant	15	R-1	Low-Medium Density	4-7	1	Yes	None
068-381-015	0.15	2960 JUNIPER AVE	Vacant	13	R-1	Low-Medium Density	4-7	1	Yes	None
068-383-006	0.15	IRONWOOD AVE	Vacant	12	R-1	Low-Medium Density	4-7	1	Yes	None
068-391-001	0.16	JUNIPER AVE	Vacant	16	R-1	Low-Medium Density	4-7	1	Yes	None
068-391-002	0.15	JUNIPER AVE	Vacant	17	R-1	Low-Medium Density	4-7	1	Yes	None
066-273-001	0.23	DANA WAY	Vacant	42	R-1	Low-Medium Density	4-7	1	Yes	None



APN	Acres	Property Address	Use Status from Aerial	Map ID #	Zoning	GP Designation	Allowed Density	Units at 80% Capacity	Infrastructure	Constraints
065-113-064	0.12	MINDORO ST	Vacant	3	R-1/S.2A	Low-Medium Density	4-7	1	Yes	None
068-257-004	0.17	ELENA ST	Vacant	18	R-1/S.2	Low-Medium Density	4-7	1	Yes	None
066-134-015	0.22		Vacant	39	R-2	Low-Medium Density	8-15	1	Yes	None
065-150-015	0.49	SEQUOIA ST	Vacant	8	R-A	Low Density	0-4	1	Yes	None
065-150-008	0.51	IRONWOOD AVE	Vacant	9	R-A	Low Density	0-4	2	Yes	None
068-192-001	0.12	ALDER AVE	Vacant	10	R-A	Low Density	0-4	1	Yes	None
068-192-011	0.15	2900 ALDER AVE	Vacant	11	R-A	Low Density	0-4	1	Yes	None
068-350-061	0.52		Vacant	23	R-A (PD)	Low Density	0-4	2	Yes	None
068-401-011	16.27	LITTLE MORRO CREEK RD	Vacant	34	R-A (PD)	Low Density	0-4	53	Yes	None
068-401-007	13.49	LITTLE MORRO CREEK RD	Vacant	33	R-A (PD)	Low Density	0-4	43	Yes	None
068-401-001	17.26		Vacant	32	R-A (PD)	Low Density	0-4	55	Yes	None
068-411-007	44.07		Vacant	37	R-A (PD)	Low Density	0-4	141	Yes	None
<b>Low Density Subtotals</b>	<b>97.56</b>							<b>359</b>		
066-134-016	0.22		Vacant	40	R-2	Low-Medium Density	8-15	1	Yes	None
066-034-002	0.19	WEST ST	Vacant	35	R-2	Low-Medium	8-15	1	Yes	None



# HOUSING ELEMENT UPDATE

APN	Acres	Property Address	Use Status from Aerial	Map ID #	Zoning	GP Designation	Allowed Density	Units at 80% Capacity	Infrastructure	Constraints
						Density				
068-321-007	0.21	SUNSET CT	Vacant	26	R-2	Low-Medium Density	8-15	1	Yes	None
<b>Medium Density Subtotals</b>	<b>0.62</b>							<b>3</b>		
065-149-001	9.95	3072 MAIN ST	Vacant	7	R-3 (PD)	High Density	15 to 27	215	Yes	
065-044-030	0.17		Vacant	1	MCR/R-4	High Density	15 to 27	1	Yes	
065-044-030	0.05		Vacant	2	MCR/R-4	High Density	15 to 27	1	Yes	
065-064-001	0.06	300 MINDORO ST	Vacant	4	MCR/R-4	High Density	15 to 27	1	Yes	
065-064-002	0.05	310 MINDORO ST	Vacant	5	MCR/R-4	High Density	15 to 27	1	Yes	
065-064-003	0.06	320 MINDORO ST	Vacant	6	MCR/R-4	High Density	15 to 27	1	Yes	
066-061-007	0.10	DUNES ST	Vacant	36	R-4	High Density	15 to 27	2	Yes	
068-021-007	0.52		Vacant	21	MCR/R-4	High Density	15 to 27	5	Yes	
068-021-008	0.59		Vacant	22	MCR/R-4	High Density	15 to 27	6	Yes	
068-324-019	0.64	1840 MAIN ST	Vacant	27	MCR/R-4	High Density	15 to 27	6	Yes	
068-332-045	0.10	MAIN ST	Vacant	20	MCR/R-4	High Density	15 to 27	1	Yes	
068-332-047	0.10	MAIN ST	Vacant	19	MCR/R-4	High Density	15 to 27	1	Yes	
<b>High Density Subtotals</b>	<b>12.38</b>							<b>241</b>		
<b>Grand Totals</b>	<b>110.56</b>							<b>603</b>		



FIGURE 3. LAND INVENTORY

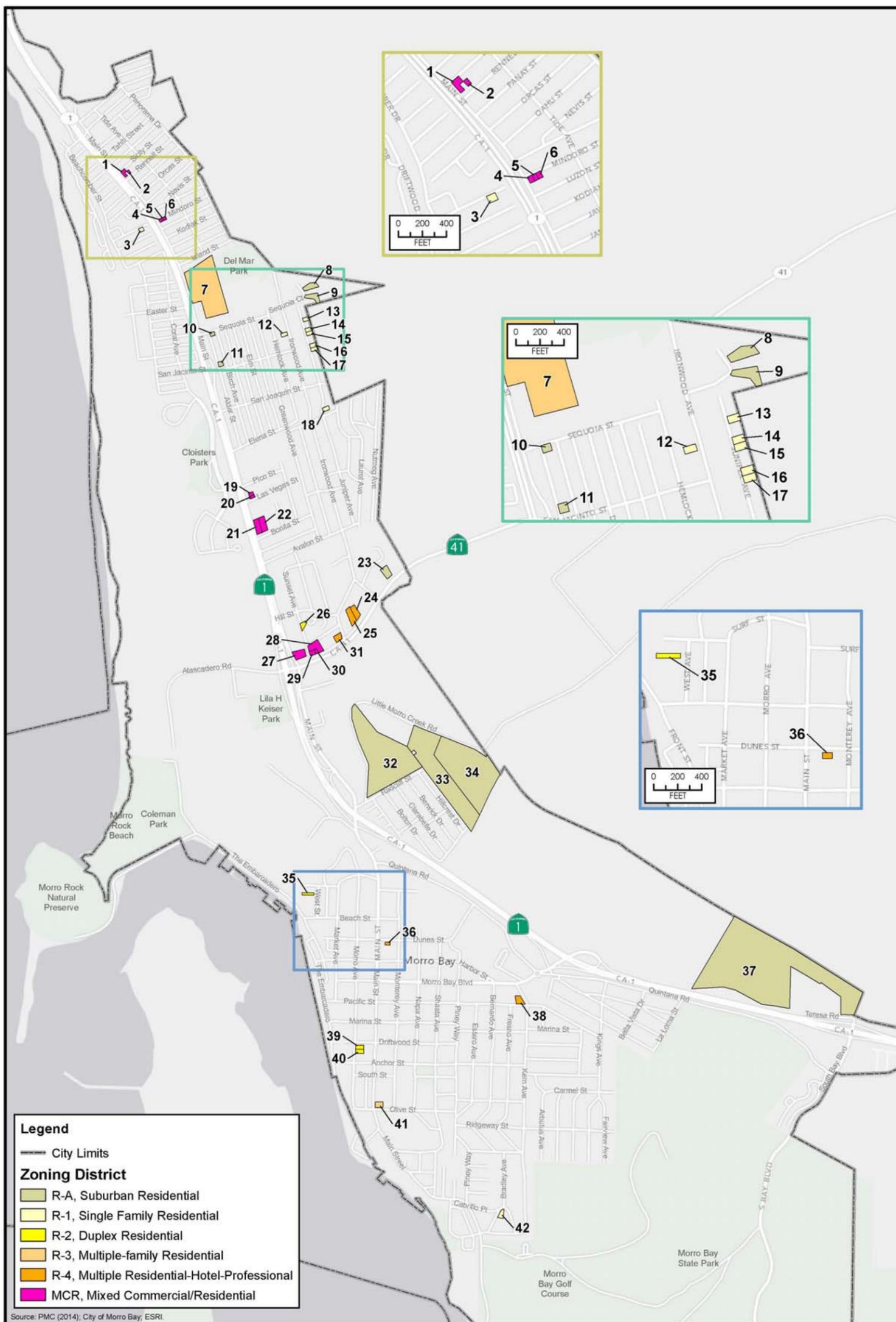


Figure 3  
Land Inventory  
PMC



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## INFRASTRUCTURE

### **Water**

The City's Annual Water Report, dated 2013, reports that the City relies on three sources of water: groundwater pumped from the Chorro and Morro basins, the reverse osmosis/desalinization plant, and the primary source since 1997, the State Water Project, to meet its current and future needs. The historic statewide drought of 2014 has stressed these water sources. For example, on January 31, 2014, San Luis Obispo County staff informed the State Water Project subcontractors that the allocation for 2014 is at 0 percent, and only stored water is available to meet delivery requests, the delivery amount was subsequently increased to a five percent delivery, by DWR. The City of Morro Bay has approximately 3,073 acre-feet of water stored in San Luis Reservoir. Prolonged severe drought conditions could constrain development, although the constraint would not be specific to Morro Bay.

The water production trend has actually decreased as population increased over the past 20 years because of an aggressive water conservation program enacted by the City. In 1985, the City initiated a retrofit program that requires all new development to replace old water fixtures such as toilets and sinks with newer models that use less water. The program required that for every gallon of water needed by new development, two gallons must be saved through retrofitting. The City Council terminated the mandatory program in 2001 and replaced it with a voluntary rebate program that promotes water conservation by reimbursing owners for purchasing water-saving fixtures. The retrofit program has resulted in a decrease in the average consumption to about 117 gallons per person per day. This use rate is quite low compared to San Luis Obispo County as a whole.

The City of Morro Bay updated its Water Management Plan, which identifies resources and establishes priorities for long-term water supply, and obtained certification from the California Coastal Commission. In December 2008, the City Council reviewed the conditions of the community's long-term potable water supply and as a result approved the Water Management Plan Status Report. This report looked at "any changes in climatic, hydrological, technological, or political conditions that could affect the City's long-term water supply whether negatively or positively." It was determined that there is adequate water for the buildout of the city under the current General Plan. The City has sufficient rights to water supply from a variety of sources to meet its buildout goals, including the State Water Project, local groundwater sources, and the City's desalinization plant. There are times, such as when State Water Project water delivery is restricted, that the City has operational difficulty meeting its short term water demands and requires water conservation and other means such as building limitations in order to bridge these temporary water shortages. At their May 13, 2014 meeting the City did modify the Water Allocations by adopting Resolution No.32-14, which requires either a two to one offset for new water allocations or the payment of an in-lieu fee.

Additionally, while the City does have sufficient legal rights to the groundwater in the Morro and Chorro aquifers, the water quality has been severely degraded by nitrate contamination from primarily upstream agricultural operations. The City is currently working with the Regional Water Quality Control Board to determine if there are any other potential sources that significantly



contribute to the Nitrate pollution. In order to use the high nitrate groundwater treatment by reverse osmosis or blending is required. Furthermore, while the City's desalinization plant is permitted, the City is working the California Coastal Commission to permit the salt water feed wells and the plant's outfall which had its five year permit expire in the late 1999. From 2003 to 2013, water production has decreased from 1,421 acre-feet to 1, 271 acre-feet. The City is committed to providing affordable and sustainable water to Morro Bay, and the Water Management Plan outlined steps to be taken to ensure the acquisition of such resources. Of the 13 measures required by the plan, six represented specific projects to be completed (such as permit acquisition) and seven are ongoing tasks (such as implementation of conservation programs). Since the adoption of the plan, the six projects have been completed and the seven programs successfully implemented to fulfill the plan's goals.

To comply with Senate Bill 1087, the City will immediately forward its adopted Housing Element to its water and wastewater providers so they can grant priority for service allocations to proposed developments that include units affordable to lower-income households.

### **Sewer**

The City of Morro Bay currently jointly owns and operates the wastewater treatment plant (WWTP) with the unincorporated community of Cayucos. According to the Wastewater Treatment Plant Master Plan (2007), the WTTP is rated for an average dry weather flow of 2.06 million gallons per day (mgd), a peak seasonal dry weather flow of 2.36 mgd, and a peak hour flow of 6.6 mgd. During the development of the facilities master plan for the proposed upgrade project that was previously under consideration it was determined that the flows were overestimated and therefore the average daily flow was reduced to approximately 1.6 mgd, but still was to be designed with a peak wet weather capacity of 8.1 mgd. Should the community of Cayucos and the City of Morro Bay continue to rely on the same facility, these will be the flows that the new facility is designed to treat. Otherwise Morro Bay will operate a facility designed to treat the flows contributed by the incorporated City.

According to the annual daily flow average over five years, Morro Bay contributes approximately 75 percent of the flow, while Cayucos accounts for the remainder. The plant has adequate capacity through the year 2021 based on population estimates outlined in the Facility Master Plan Report and therefore currently has capacity to meet the regional housing need. The plant currently treats approximately 1 million gallons per day. The City is currently proposing to relocate and upgrade its WWTP to a water reclamation facility (WRF). With this upgrade there is the potential to add additional (recycled) water into the City's water supply portfolio, either in the form of offsetting use of potable water for irrigation with reclaimed water, ground water recharge or perhaps direct potable reuse of water once there has been a change in the regulatory environment and public perception. The WRF is expected to be online and operating in late 2019.



## 4. CONSTRAINTS

Various interrelated factors can constrain the ability of the private and public sectors to provide adequate housing and meet the housing needs for all economic segments of the community. These factors can be divided into two categories: (1) governmental and (2) non-governmental constraints. Governmental constraints consist of land use controls, development standards, processing fees, development impact fees, code enforcement, site improvement costs, development permit and approval processing, and provision for a variety of housing. Non-governmental constraints consist of land availability, the environment, vacancy rates, land cost, construction costs, and availability of financing.

### GOVERNMENTAL CONSTRAINTS

Governmental constraints include local land use controls, on- and off-site development standards, building and housing codes, permit processing times, permit processing fees, residential development fees, and delays in permit processing that can cause increases in financing cost.

#### Local Land Use Controls

The city's location in the coastal zone has resulted in unique land and use regulations. The California Coastal Act attempts to balance landowners' rights to develop against the public's right to enjoy the coastline. In some areas of Morro Bay, height restrictions have been enacted to protect public views and large setback requirements have been established to protect bluff areas near the beach. Generally the minimum parcel size, allowed density, setback requirements, and height limits for residential uses are not unusually strict and therefore are not considered a constraint to the development of affordable housing.

#### General Plan Designations

To provide for a wide range of existing land uses and to guide future development, the City has established a series of land use classifications or categories. These classifications describe the type and intensity of various land uses that make up the city's fabric and are the basis for the zoning districts established in the Municipal Code. The land use classifications represent the integration of the Land Use Element of the General Plan and the Local Coastal Program Land Use Plan.

#### Residential Land Uses

The City has five residential land use categories that provide for a wide range of densities. The purpose is to ensure that residential land is developed to a density suitable to its location and physical characteristics.



Density ranges are as follows:

- Limited Density: up to 2 units per acre
- Low Density: up to 4 units per acre
- Low-Medium Density: 4 to 7 units per acre
- Medium Density: 7 to 15 units per acre
- High Density: 15 to 27 units per acre

**Zoning Ordinance**

The Zoning Ordinance provisions allow development on a wide variety of lot sizes in the city and do not constrain the development of affordable units. Table 39 describes the zoning districts that allow residential uses in the city.

**TABLE 39: ZONING DISTRICTS THAT ALLOW RESIDENTIAL USES**

District		Description
AG	Agricultural	The purpose of this district is to provide for the continuation of agricultural uses in suitable areas and for supplemental commercial uses which may be necessary to support such continued agricultural activities. It is the intent of the City that it will maintain the maximum amount of prime agricultural land in agricultural production to ensure the protection of the area’s agricultural economy. This district allows one single-family house per parcel.
R-A	Suburban Residential	The purpose of this district is to permit estate lot homes and small-scale agricultural uses; to provide an area for people to have parcels of land larger than more typical single-family residential lots, where livestock, poultry, and small animals may be raised in limited number for home use or for pleasure.
R-1	Single-Family Residential	This district is intended to be applied to existing single-family residential areas of the city to provide for housing which is consistent and harmonious with existing development and to underdeveloped areas of the city in which topography, access, services, utilities, and general conditions make the area suitable and desirable for single-family home development.
R-2	Duplex Residential	This district is intended to be applied in areas of the city where moderate densities can be physically accommodated, where consistent with the surrounding are of development, and where needed utilities and services can be provided.



District		Description
R-3	Multiple-Family Residential	This district is intended to apply in the areas of the city where it is reasonable to permit varying intensities of residential development. The purpose of the R-3 district is to provide a wide range of housing types and to ensure that the R-3 district will be free of excessive traffic and other uses causing congestion, noise, confusion, and interference in the pattern of higher-density family living.
R-4	Multifamily Residential-Hotel-Professional	This district is intended to apply in those areas of the city where it is reasonable to permit a mixture of hotels and motels along with apartments, condominiums, and other similar uses. the purpose of the R-4 district is to allow higher-density apartment projects and, where appropriate, hotel, motel, community housing developments, and professional offices, ensuring that the R-4 district will be free of excessive traffic and other uses causing congestion, noise, confusion, and interference in the pattern of higher-density family living and visitor-serving uses.
CRR	Coastal Resource Residential	The purpose of this district is to provide for residential uses that are environmentally compatible with protection of coastal resources of local and statewide significance by limiting densities and intensity of residential development and restricting the range of ancillary uses. Large minimum lot sizes are required in order to minimize overall levels of activity that could adversely impact sensitive coastal resources. Clustered development is encouraged where it will result in lesser levels of impact.
C-1	Central Business District	The purpose of this district is to designate and promote the orderly development of the business district as a central retail shopping facility for the primary market area. Mixed commercial/residential uses are encouraged in the central business district.
MCR	Mixed Commercial/ Residential	The purpose of this district is to allow and regulate a mix of compatible commercial uses with residential uses in districts where a strip commercial area is in close proximity to a residential neighborhood, to broaden the range of commercial market opportunities, and to provide a review procedure to protect the residential neighborhood from unsafe or unhealthy conditions.
G-O	General Office	The purpose of the this district is to accommodate public, general business, and professional offices and commercial uses which complement and support office development along with residential uses which are compatible with office and commercial uses.

Source: Morro Bay Zoning Ordinance, Accessed March 2014



### Development Standards

Development standards within the city should not pose any constraints to the development of affordable housing. Minimum lot area required per unit decreases with the higher-density zoning districts and will provide opportunities for lower-income housing. Morro Bay has established special standards to accommodate for smaller lots formed before the city's incorporation. Morro Bay's Zoning Ordinance poses no extraordinary constraints on any form of residential development. The City can demonstrate that its development standards are not a constraint to the development of housing based on a few recent multi-family projects, in which four of the five projects have an affordable component to them:

- A 21-unit rental senior affordable housing project at 555 Main Street was approved by the City Council in 2010 in the C-1/R-4 (Mixed Use Commercial) district. The project will provide very low- and low-income units. The density will be 53 units per acre based on two different density bonuses granted.
- A project at 600 Morro Bay Boulevard was developed on 0.39 acres and contained 16 units (13 residential and 3 commercial units). This project was developed in the Central Business (C-1) district, which allows mixed-use or solely development. Since there was an affordable component to this project, the City was flexible with development standards. This project was built at 41 units per acre. The project included one affordable (moderate) unit.
- A project at Main at Bonita contains 23 units to be developed on 1.14 acres in the Mixed Commercial Residential (MCR)/Multi-family Residential-Hotel-Professional (R-4) district. This project also has an affordable component, showing that the developers are able to meet sufficient densities to develop affordable units. This project was developed with 100 percent residential units at 20 units to the acre.
- A project at Main and South developed in the Duplex Residential (R-2) zone was developed on 3 acres and contained 30 units. The density was 10 units per acre. Three affordable units were provided offsite on Sunset.
- A project built at 476 Rockview Street contained two units and was built on 0.11 acres in the Multi-Family Residential-Hotel-Professional (R-4) district, resulting in a density of 17.4 units per acre.

In conclusion, after evaluating the projects that have been approved/proposed in Morro Bay, the City's development standards do not pose a constraint to development or affordable development.



The greatest constraint to development in Morro Bay is the cost of land, which is market driven. The City of Morro Bay has attempted to adopt development standards that provide modest control over development as well as providing opportunities for projects to reduce standards via planned developments, compact development, or variable density projects. By providing flexibility in the development standards, the City allows greater opportunities for projects to achieve maximum density yet still provides for development projects to meet the City's overall adopted goals. The City provides incentives for projects that meet maximum densities.

The City's height limitation is primarily utilized to control the size and bulk of single-family units. As stated above, single-family units are the bulk of the residential units constructed. A trend developed in recent years where larger and taller single-family homes were proposed, which would have resulted in units that were not consistent with existing neighborhoods. To address this issue, the City adopted an emergency ordinance (Ordinance No. 543), requiring that any single-family unit proposed over 2,500 square feet in size would require a conditional use permit. However the City does not utilize the height limit in an attempt to restrict projects from achieving maximum density. Multi-family structures as well as mixed-use structures utilizing the City's planned development permitting process can request that the height standard be modified. This development standard is specifically identified in the Zoning Ordinance as being eligible to be waived.

Although the City does not see the current development standards as a constraint to the development of housing, to ensure that multi-family projects are able to meet maximum densities and generally to ensure that development standards do not constrain the development of multi-family housing, the City has included **Program H-1.3** which states that the City will continue to allow flexibility in development standards such as height, parking, and setbacks for multi-family projects.

### Parking Standards

The City requires off-street parking for all new housing projects. These parking regulations do not impact the ability to construct housing. In order to reduce development costs for low-income projects, reductions in parking standards are allowed. Parking reductions may include allowing tandem parking, paying an in-lieu fee, and shared parking between commercial and residential uses. Further standards reductions are permitted for senior housing and housing for the disabled to promote these types of housing. Therefore, parking standards tend to encourage the construction of low-income and elderly housing by reducing the development costs and land area necessary to construct off-street parking.



**TABLE 40: RESIDENTIAL ZONING CRITERIA**

	AG	R-A	R-1	R-2	R-3	R-4	CRR	C-1	MCR	G-O
Allowed Density	1 per parcel	0-4	4-7	8-15	15-27	15-27	—	—	—	8-15
Min. Front Yard Setback	25'	20'	20'	20'	15'	15'	20'	0'	5' <sup>4</sup>	20'
Min. Interior Yard Setback	25'	10%/10' *	10% of avg. (3'-5')	10% of avg. (3'-5')	5'	5'	10% of avg. 6' min	0'	5'	10% of avg. (3'-5')
Min. Exterior Yard Setback	25'	10'	20% of avg. (5'-10')	20% of avg. (5'-10')	20% of avg. (10'-15')	20% of avg. (10'-15')	10'	0'	5'	20% of avg. (5'-10')
Min. Rear Yard Setback	25'	20%/20'	10% of avg. (6'-10')	5'	5' <sup>2</sup>	5'	10'	0'	5'	5'
On-Site Parking Requirements	—	—	2 covered spaces	1.5 covered spaces per bedroom to a maximum of 2 spaces per unit						
Minimum Site Sq. Ft.	20 acres	1 lot	1 lot	2,900 per unit	2,175 per unit	1,800 per unit	1 lot		Refer to Sub. Div. regs.	2,900 per unit
Minimum Lot Width	None									
Maximum Lot Coverage	5%	45%	45%	50%	60%	60%	30%	90%	80%	50%
Maximum Height	25'	25'	25'	25'	25'	30'	14'/25'	3'	25'	25'

Source: Morro Bay Zoning Ordinance, Accessed March 2014

Notes: Properties adjacent to bluffs and ESH zones are subject to additional height and setback requirements. The standards in this table present the most strict requirements for each category for each zone; however, some of the standards may be lower depending on certain property characteristics including lot size, building size, and proximity to other zoning designations. For a complete description of residential zoning criteria, see Title 17 (Zoning) of the Morro Bay Municipal Code.



## **Planned Development Overlay Zone**

The purpose of the Planned Development (PD) overlay zone is to provide detailed and substantial analysis of development on parcels which, because of location, size, or public ownership, warrant special review. This overlay zone is also intended to allow the modification of or exemption from the development standards of the primary zone that would otherwise apply if such action would result in better design or other public benefit.

The requirements and procedures apply to all properties that have, in addition to a primary or base zone district, the Planned Development (PD) overlay zone, unless otherwise provided in the Zoning Ordinance.

Below are the permitted uses subject to the granting of a conditional use permit for a conceptual and/or a precise plan of development:

- Any principal or conditional use which is allowed by the primary zoning district is a permitted use.
- Community housing projects as defined in Chapter 17.49 of the Zoning Ordinance may be permitted in PD overlay residential zones. The provisions of that chapter also apply to the review of such PD overlay zone projects.

The standards for development within a PD overlay zone are those of the base zoning district, provided, however, that standards may be modified by the Planning Commission or City Council as they relate to building heights, yard requirements, and minimum lot area for dwelling units in the density range provided that any specific design criteria of the General Plan and coastal Land Use Plan, applicable to the property, is not exceeded. For those areas of the city that are covered by the Waterfront Master Plan, all new development projects requiring discretionary permits (conditional use permits, etc.) must be consistent with the design guidelines contained in Chapter 5 of the Waterfront Master Plan. Modifications of standards will only be approved upon a finding that greater than normal public benefits may be achieved by such deviations. Such benefits may include, but are not limited to, improved or innovative site and architectural design, greater public or private usable open space and provisions of housing for the elderly or low/moderate-income families, provision of extraordinary public access, and provision for protecting ESH areas, but in all cases these provisions must meet the coastal land use policies.

New development and uses may be permitted only if found to be consistent with the applicable policies of the Morro Bay General Plan and Local Coastal Program.

A concept plan must be submitted and approved pursuant to Chapter 17.40 of the Zoning Ordinance prior to submittal of any new development, new use or change in use, or subdivisions of a series of two or more commonly held contiguous parcels of land, on property within a PD overlay zone which is publicly owned, including tidelands, or in its gross or aggregate area exceeds 1 acre.



**Contents of the Conceptual Plan.** The concept plan is to be a general development plan and may not include construction plan drawings such as complete engineering or tentative maps. The following information must be included in the concept plan:

- **Plot Plan.** A proposed plot plan for the development, including project boundary designation, perimeter of the ownership, location and dimensions of any existing property lines and easements within the site, tentative location of buildings, roads, parking and open areas.
- **Streets.** The width and location of surrounding and adjoining streets and proposed street alignments within the site, and connections to existing streets.
- **Adjoining Properties.** The use of adjoining properties, any building within 15 feet of the property line must be precisely located.
- **Topography.** The existing and proposed changes in topography of the site, including the degree of land disturbance, the location of drainage channels or watercourses, and the direction of drainage flow.
- **Utilities.** The locations and capacities of existing utilities in the vicinity of the site and tentative extensions to the site.
- **Structures and Existing Trees.** The location of any structures and existing trees in excess of 6 inches in diameter on the site designated for retention or removal.
- **Phased Development.** The approximate timetable and priorities of any phased development;
- **Architectural Concepts.** Sketches showing architectural concepts of the proposed building, including heights, design, exterior materials of proposed buildings, other structures, fencing, and signing.
- **Open Space Plan.** Proposed open space plan including landscape concept and type of plant materials, recreation area, parking, service, and other public area used in common on the property; a description of intended improvements to the open area of the property.
- **Other Information.** The Planning Commission and City Council may require such other information as deemed necessary, which may include but not be limited to, economic analysis, habitat analysis, archaeological analysis, visual quality analysis, public access analysis, thoroughfare plans, public services and facilities plans, utilities service plans, and conceptual method of land subdivision or ownership arrangement described by a preliminary parcel or tract map, pursuant to the provisions of Title 14 of the Zoning Ordinance.



**Concept Plan Approval.** In addition to the review provisions of Chapter 17.60 of the Zoning Ordinance describing the processing of conditional use permits, concept plans for PD overlay zone properties must receive final approval from the City Council at a duly noticed public hearing. The Planning Commission first reviews the concept plan by conducting a public hearing. If the commission consideration is to approve the plan, it reports such findings and recommendation to the City Council. If the commission determines to deny the plan, it need not be forwarded to the council, and the commission decision is final unless appealed.

**Precise Plans Required.** Upon approval by the City Council of a concept plan, or where no conceptual approval is required, a precise plan of development must be submitted to the Planning Commission showing the details of property improvement and uses or activities to be conducted on the site and any subdivision proposals. Precise plans are processed in accordance with procedures for a conditional use permit as contained in Chapter 17.60 of the Zoning Ordinance.

**Precise Plan Content.** Plans are to be prepared containing all the general information required of concept plans, which has been further developed to a precise level of detail. Any data or calculations necessary to evaluate the precise plan proposal must accompany such plans. A precise plan is required to contain the following minimum information:

- **Total Development Plan.** The total development plan showing the precise dimensions and locations of proposed structures, buildings, streets, parking, yards, pathways, open spaces, and other public or private facilities.
- **Architectural Elevations.** Fully developed architectural elevations of all buildings, structures, signs, and fencing, showing colors and materials of construction.
- **Landscaping Plan.** A landscaping plan showing plant materials, type and size of plants at the time of planting, and method of maintenance.
- **Engineering Plans.** Engineering plans showing site grading and the amount of cut and fill, including finished grades and proposed drainage facilities.
- **Proposed Site Uses or Activities.** Listing all of proposed site uses or activities to be conducted on the site, with related floor area depicted or calculations of site area to be devoted to such uses.
- **Miscellaneous Plans.** Miscellaneous plans (as appropriate) showing any exterior lighting, roof plans, site cross sections, view sight lines, ESH mitigation plans, archaeological mitigation plans, visual quality plans, public access mitigation plans, or other features necessary to evaluate the specific proposal including the information required of community housing projects.
- **Tentative Tract or Parcel Map.** Tentative tract or parcel map, where lands involved in the proposal are to be divided or joined together.



**Precise Plan Approval.** The Planning Commission, in granting a conditional use permit for PD overlay zone precise plans, must make the findings required by Section 17.60.030 of the Zoning Ordinance and further find that precise plans are in substantial conformance with any conceptual plan approval granted by the City Council.

### **Growth Management**

In 1984, the City adopted a growth management ordinance (Ordinance No. 266) to allow fair distribution of scarce water resources and protect the city's small-town character and surrounding open space. Ordinance No. 266 mandates that building permits will be limited to a number permitting an annual increase in population that would achieve the 12,200-person goal by the year 2000. No further residential building will be permitted after a population of 12,200 has been reached unless an increase has been approved by a majority vote at a regular or special election. The City has not yet reached a population of 12,200. As noted in Section 2. Housing Needs Assessment, the City's population in 2013 was 10,317. Annually, the City Council allocates a number of "water equivalency units" (WEUs), some for single-family and some for multifamily development. The annual number is the maximum number of permits (residential and commercial) that may be approved. The annual number has varied over time but has never been reached or exceeded during a single year, even during the years of greatest growth (2005-2007). The number of WEUs available per year is based on water availability. Partially in response to the current drought, the number of WEUs allocated for 2014 is 50, a relatively low number compared to overall trends since adoption of the ordinance. The City Council has the authority to roll over unused WEUs to the subsequent year. If the number of WEUs allocated annually from 2014 to 2019 is conservatively estimated as 50, which would allow the approval of a maximum of 250 residential units during the planning period, more than enough to accommodate the City's RHNA of 155 units.

### **Density Bonus**

On March 11, 2014, the Morro Bay City Council adopted Ordinance No. 584, which amends the revoked Zoning Ordinance Chapter 17.50 (Affordable Housing, Density Bonuses and Incentives) and replaced it in its entirety with density bonus provisions that are consistent with current state law. Key provisions of the new density bonus regulations include:

- New construction of five or more units may receive a density bonus provided they satisfy one or more of the following criteria:
  - At least 10 percent of the units are designated for low-income households.
  - At least 5 percent of the units are designated for very low-income households.
  - At least 10 percent of the units are designated for moderate-income households, provided that all units in the development are offered to the public for purchase.



- 100 percent of the units are designated for senior citizens as defined in Section 51.3 and 51.12 of the Civil Code or mobile home park that limits residency based on age requirements for housing for older persons pursuant to Government Code Section 798.76 or 799.5.
- Donation of land to the City consisting of at least 1 acre, or of sufficient developable acreage and zoning classification to permit construction of at least 40 units, and not less than 10 percent of the residential units in the proposed development, that are affordable to very low-income households
- The density bonus will be calculated as follows:
  - A 20 percent density bonus, increasing by an additional 1.5 percent for each additional 1 percent increase in low-income units above the initial 10 percent threshold.
  - A 20 percent density bonus, increasing by an additional 2.5 percent for each additional 1 percent increase in very low-income units above the initial 5 percent threshold.
  - A 20 percent density bonus for senior citizen housing developments.
  - A 5 percent density bonus, increasing by an additional 1 percent for each additional 1 percent increase in moderate-income units above the initial 10 percent threshold.
  - When an applicant proposes to construct a housing development that is eligible for a density bonus and includes a child-care facility that will be located on the premises of, or adjacent to, the housing development, the City will grant either an additional density bonus that is an amount of square feet of residential space that is equal to or greater than the square footage of the child-care facility or an additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child-care facility.
  - The maximum density bonus is 35 percent when a project provides either 11 percent very low-income units, 20 percent low-income units, or 40 percent moderate-income units. All density bonus calculations resulting in fractional units are rounded up to the next whole number of housing units.
- Upon request of a developer eligible to receive a density bonus, the City will grant the following parking standards, inclusive of handicapped and guest parking, for the entire project:
  - Zero- to one-bedroom units – 1 on-site parking space per unit
  - Two-bedroom units or more – 2 on-site parking spaces per unit



- The City may also provide other incentives for the development of affordable housing including reduced site development standards, deferred or waived fees, direct financial aid, and other regulatory developer incentives.
- Where affordable housing units have been provided per the requirements of Chapter 17.50, the developer must ensure both the continued availability of affordable units for a minimum of 30 years and project phasing, including timing of completion, and rental or sale of affordable housing units is required to occur concurrently with nonrestricted units.

### **Provisions for a Variety of Housing**

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. This includes single-family housing, multi-family housing, manufactured housing, mobile homes, emergency shelters, and transitional housing, among others. Table 41 summarizes those housing types.

**TABLE 41: HOUSING TYPES PERMITTED BY ZONE**

Housing Types Permitted	Zone Districts								
	AG	RA	R-1	R-2	R-3	R-4	CCR	C-1	MCR
Single-Family Dwellings	P	P	P	P	P	P	P		MUP
Duplexes				P	P	P			MUP
Multi-Family Dwellings				CUP	P	P			MUP
Second Units/Granny Flats	P	P	P	P	P	P			
Manufactured Homes	P	P	P	P					MUP
Elderly Housing Units								P <sup>1</sup>	
Community Housing Project			CUP	CUP	CUP	CUP			
Mobile Home Parks				CUP	CUP	CUP			
Rooming and Boarding House					CUP	CUP			
Residential Care Facilities <sup>2</sup>			P	P	P	P			
Employee Housing (6 or fewer)			P	P			P	P	P
Employee Housing (36 or fewer)	P	P							
Transitional and Supportive Housing	P	P	P	P	P	P			P
Emergency Shelters								P	
Single-Room Occupancy Units								P	P

Source: Morro Bay Zoning Ordinance, Accessed March 2014

P – Permitted by right

CUP – Conditional use permit required

MUP – Minor use permit required

Notes:

1. Permitted only when affordable to low- and/or moderate-income families.

2. Residential care facilities serving 6 or fewer persons are permitted in all residential districts by right, larger group homes of more than 6 and up to 12 persons requires a minor use permit, and facilities serving more than 12 persons require a conditional use permit.

### Emergency Shelters

The California Health and Safety Code (Section 50801) defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay.”

Legislation (Senate Bill 2 (Cedillo, 2007)) requires jurisdictions to allow emergency shelters and supportive and transitional housing without a conditional use permit. The City’s Zoning Ordinance currently allows emergency shelters pursuant to a conditional use permit. The City must identify a



zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The zone or zones identified must have land available to accommodate an emergency shelter.

On March 11, 2014, the Morro Bay City Council adopted Ordinance No. 584, which amends the Zoning Ordinance to allow emergency shelters by right in the Central Business (C-1) district. The C-1 district is close to services (shopping and public services) and transit stops. Within this zone, the City has identified 3 acres on two parcels of land located next to each other that will allow adequate capacity for the provision of an emergency shelter.

### Supportive and Transitional Housing

Supportive housing is defined by Section 50675.14 of the Health and Safety Code as housing with linked on-site or off-site services with no limit on the length of stay and that is occupied by a target population as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse or chronic health conditions, or persons whose disabilities originated before the age of 18). Services linked to supportive housing usually focuses on retaining housing, living and working in the community, and/or health improvement.

Transitional housing is defined in Health and Safety Code Section 50675.2 as rental housing for stays of at least six months but where the units are recirculated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms such as group housing and multi-family units and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Pursuant to Senate Bill (SB) 2, transitional and supportive housing types are required to be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. On March 11, 2014, the Morro Bay City Council adopted Ordinance No. 584, which amends the Zoning Ordinance to add the current definition of transitional housing and supportive housing, as stated in this document, and lists these as permitted uses in all zoning districts allowing residential uses.

### Extremely Low-Income Households

Extremely low-income households typically comprise persons with special housing needs, including but not limited to persons experiencing homelessness or at risk of homelessness, persons with substance abuse problems, and farmworkers. Assembly Bill 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Housing elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs).

On March 11, 2014, the Morro Bay City Council adopted Ordinance No. 584, which amends the Zoning Ordinance to explicitly define and allow single-room occupancy units in the Central



Business (C-1) and Mixed Commercial/Residential (MCR) districts. In addition, **Program H-3.1** states that the City will continue to work with the private sector, nonprofit agencies, and to secure funds through state and federal programs for development of new lower-income housing and rehabilitation of existing lower-income households. As funding becomes available, the City will prioritize a portion of the funds to encourage the development of housing for extremely low-income households.

### Housing for Farmworkers

On March 11, 2014, the Morro Bay City Council adopted Ordinance No. 584, which amends the Zoning Ordinance to remove constraints to housing for farmworkers. The Zoning Ordinance now defines “employee housing” as housing that includes but is not limited to farmworker housing. Employee housing for six or fewer workers will be deemed to be a single-family structure with a residential land use and will be treated the same as a single-family dwelling of the same type in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses will include agricultural employees who do not work on the property where the employee housing is located, and may consist of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household on land zoned for agricultural uses. Such employee housing is considered to be an activity that in no way differs from an agricultural use. Ordinance No. 584 also amended Chapter 17.24 of the Zoning Ordinance to allow employee housing with a maximum of 36 beds in a group quarters or 12 units or spaces in the Agricultural (AG) and Suburban Residential (R-A) districts.

### Housing for Persons with Disabilities

#### *Housing for Disabled Persons*

Housing element law requires localities to include the following in the preparation and adoption of the housing element: (1) an analysis of potential and actual constraints on housing for persons with disabilities; (2) demonstration of efforts to remove governmental constraints; and (3) inclusion of various programs or a means of reasonable accommodations for housing designed for persons with disabilities. As part of the Housing Element process, the City analyzed its Land Use and Zoning Ordinance, permitting process (conditional use permit process and variance), development standards, and building codes to identify potential constraints for the development of housing. Where impediments are found, the Objectives, Policies, and Programs section of the Housing Element proposes specific actions and implementation schedules to remove such impediments. The following section summarizes findings from the constraint analysis and proposed programs.

#### *Zoning and Land Use*

State and federal housing laws encourage an inclusive living environment, where persons of all walks of life have the opportunity to find housing suited to their needs. The Zoning Ordinance allows a range of housing types and prices for special needs groups, and allows foster homes and rest homes pursuant to a conditional use permit. The Zoning Ordinance does not have geographical



spacing/siting requirements for nursing homes, shelters, or foster care homes. Although these classifications allow special needs housing, the City currently provides housing opportunity for disabled persons. The City complies with state laws under the Community Care Facilities Act. Residential care facilities serving 6 or fewer persons are permitted in all residential districts by right, larger group homes of more than 6 and up to 12 persons require a minor use permit, and facilities serving more than 12 persons require a conditional use permit. To further comply with SB 520, the City defines family as one or more persons occupying premises and living as a single housekeeping unit who not need be related by blood as distinguished from a group occupying a hotel, club, or fraternity or sorority house.

### *Building Codes and Development Standards*

The City enforces Title 24 of the California Code of Regulations, which are regulations on access and adaptability of buildings to accommodate persons with disabilities. The City inspects plans to ensure compliance with Americans with Disabilities Act (ADA) standards. The City's building code requires new residential construction to comply with the ADA, which requires design standards for "qualified" buildings consisting of three or more units. These requirements include the incorporation of (1) adaptive design features for the interior of the unit; (2) accessible public use and common use portions; and (3) sufficiently wider doors to allow wheelchair access. Currently, Morro Bay uses the 2010 edition of the California Building Code (updated every three years). The City has not adopted unique restrictions for disabled housing, such as minimum distances between housing for persons with disabilities, or other regulations that could constrain the development, maintenance, or alteration of housing for disabled persons. The City does not require new housing projects to incorporate universal design standards, which are beyond the standards required by state and federal law. In addition, the Zoning Ordinance does not have occupancy limitations, which are preempted by state law. The Zoning Ordinance also does not define a family in a way that would limit the number of persons per household or limit the relationship of the household members. The Zoning Ordinance does not specify the types of development standards for special needs housing or unique performance standards. However, convalescent homes and senior housing are allowed a reduced parking requirement of only one space for every three beds plus employee parking and half a space for seniors, respectively.

### *Permitting Procedures*

To rehabilitate housing for disabled access, requests for modifications (e.g., ramps up to 30 inches in height) do not require a building permit and are processed over the counter. However, Section 17.48.120 of the Morro Bay Municipal Code states that open, uncovered, raised porches, landing places, or outside stairways may project not closer than 3 feet to any side or rear lot line, and not exceeding 5 feet into any required front or street yard. City staff and the City Council have administratively allowed ramps to allow persons with disabilities access to housing. The City accommodates such requests by expediting the processing time for issuing a permit so a private homeowner can build a ramp. Many requests are reasonable and can be handled administratively over the counter; the City may wish to modify this code to exempt housing for persons with disabilities. The City utilizes a standard conditional use permit process (approval by the Planning



Commission) to ensure that facilities are sited and operated in a manner compatible with surrounding land uses.

### **Building and Housing Codes**

The Morro Bay Building Code is based on the California Building Code (CBC), which determines the minimum residential construction requirements for all of California. The CBC ensures safe housing and is not considered a significant constraint to housing production.

Like most cities, Morro Bay responds to code enforcement problems largely on a complaint basis. The usual process is to conduct a field investigation after a complaint has been submitted. If the complaint is found to be valid, the seriousness of the problem is assessed. The more serious the violation, the more urgent the City's action. The City encourages voluntary compliance through letters and phone calls and/or site visits. If compliance cannot be attained in this manner, the City may take more aggressive action through the legal process.

The City's philosophy has been to mitigate serious health or safety problems, but to allow the property owners reasonable time and flexibility to comply. The City seeks to balance the need to ensure safe housing against the potential loss of affordable housing that might result from overly strict enforcement. There is no indication that code enforcement actions have unnecessarily restricted the use of older buildings or inhibited rehabilitation.

### **Permit Processing Times**

While permit processing times in Morro Bay do not appear excessive, this element does include a policy stating the City's intent to expedite the processing of all development proposals that include affordable housing. **Program H-6.5** states that the City will continue to expedite the permit processing procedure as an additional incentive for the development of affordable housing.

Assuming a full planning staff of two planners, coastal development permits and use permits would take between 2 to 3 months for both single- and multi-family projects, including notice periods for coastal development permits. One method to reduce this time significantly is to combine the 10-day notice of intent to issue a permit with the 10-day appeal period. Environmental review or CEQA review can add months to the timeframe. This part of the process is out of the City's control. Also, because of the City's coastal location, there are many sites within proximity to environmentally sensitive habitat that will require CEQA review that can add additional time to the process outside of the City's control.

2014 processing times were not excessive and don't significantly impact the cost of construction or the ability to build. Table 42 provides a summary of typical processing times by household type.



**TABLE 42: TYPICAL PROCESSING PROCEDURES BY PROJECT TYPE**

	Single-Family Unit	Multi-Family Unit	Subdivision
Typical Approval Requirements	Coastal Development Permit	Coastal Development Permit	Tentative and Parcel Map (division of a property into four or fewer parcels)
		Use Permit	Tentative and Final Map (division of property into five or more parcels)
	Building Permit	Building Permit	
<b>Total Est. Time</b>	<b>2-3 months</b>	<b>4-5 months</b>	<b>8-18 months</b>

Source: City of Morro Bay, 2014

Development Review

The following is a description of the development review process for single- and multi-family developments in Morro Bay. Because the entire city is within the coastal zone, no proposals for construction of a new single-family or multi-family unit can be ministerial.

First it must be determined whether the project is within the City’s or the Coastal Commission’s jurisdiction and whether it is within the California Coastal Commission appeal jurisdiction.

New Residences

East of Main Street

Administrative coastal permits will be required for construction of all new single- or multi-family residences until the City obtains the approval of the Coastal Commission to exempt the area east of Main Street to the Local Coastal Program Urban/Rural Boundary except those areas within a Coastal Commission appeal jurisdiction, an ESH overlay zone, or on properties of 10 percent of greater slopes from the requirement of obtaining a coastal development permit for the purpose of construction of new, one-story single-family residences and two-story residences when the second floor is less than 40 percent of the lot area. The Public Services Director is authorized to take whatever steps are necessary to obtain Coastal Commission approval.

West of Main Street

- Outside appeal jurisdiction

Administrative coastal permits are required for properties located west of Main Street and not within the appeal jurisdiction or ESH zone.

- Within appeal jurisdiction



Regular coastal permits are required for properties located west of Main Street and within the appeal jurisdiction or ESH zone.

### Administrative Coastal Development Permits

Developments and/or uses requiring an administrative coastal development permit

The Public Services Director may process as an administrative permit any coastal development permit application specifically for the following developments and/or uses and provided that the development and/or use is not located in the coastal development permit appeal area.

- Improvements to any existing structure including minor additions to existing commercial, industrial, or multi-family structures that do not result in an intensification of use or require a conditional use permit, or add any additional units or create any environmental impacts and which do not require a subdivision map.
- Any single-family dwelling.
- Development of four dwelling units or less on a residential lot that is not located within the coastal appeal jurisdiction and/or ESH overlay zone and that does not require demolition of more than two units or a conditional use permit.

### Outside the Coastal Appeal Jurisdiction

A final decision on an application for a coastal development permit for projects outside the coastal development permit appeal area becomes effective after the City's 10-day appeal period has expired unless an appeal of the Public Services Director and/or Planning Commission's decision is filed, or the notice of final action is inadequate as described under Section 17.58.080.B of the Zoning Ordinance.

### Within The Coastal Appeal Jurisdiction

A final decision on an application for a coastal development permit for projects in the coastal development permit appeal area is effective after the appeal period of 10 working days to the Coastal Commission has expired unless either of the following occur:

- An appeal is filed; or
- Notice of final City action does not meet the requirements set forth in Section 17.58.080.B of the Zoning Ordinance.

The effective date of the City's action may be suspended if either of the above circumstances occurs.



### City Permits for Development within the Coastal Commission Permit Jurisdiction

The City will not issue a building permit where a coastal development permit from the Coastal Commission is required until:

- The applicant has provided the City with a copy of the approved coastal development permit and, if applicable, signed plans by the Coastal Commission; and
- The applicant ensures the building plans that the City intends to approve are consistent with the plans signed off by the Coastal Commission staff or reflect any plan changes described in written form; or
- The applicant provides the City with written verification from the Coastal Commission that a coastal development permit is not required.

In addition to these requirements, a conditional use permit is required for any addition that adds more than 25 percent to an existing nonconforming single-family home, or where the site is located within a PD overlay area or where a property is subject to bluff development standards.

### **Residential Development Fees**

The City collects various fees from applicants to cover the costs of processing permits, including fees for planning approvals, subdivision map act approvals, environmental review, public works and plan check services, and building permits. In addition to these service fees associated with development processing, the City and the regional transportation agency charge several impact fees to offset the future impact of development on regional traffic and circulation, parks, and libraries. For a detailed list of all fees, see **Appendix A**. The City's Green Building Incentive Program provides eligible projects with building and plan check fee rebates (see the Energy Conservation Opportunities section of the Housing Element).

As a means of assessing the cost that fees contribute to development in Morro Bay, the City has calculated the total fees associated with development of a single-family and multi-family development. As indicated in Table 43, development fees for a 1,500-square-foot residential project run approximately \$25,000 per unit, and development fees for a multi-family project are approximately \$29,000 per unit for the same unit square footage. The fees for a single-family unit make up about five percent of the total construction costs, and for a multifamily unit fees constitute eight percent of total construction costs. These fees are consistent with other cities in San Luis Obispo County and do not represent a significant financial constraint to new housing development.



**TABLE 43: PROPORTION OF FEE IN OVERALL DEVELOPMENT COST FOR A TYPICAL RESIDENTIAL DEVELOPMENT**

Development Cost for a Typical Unit	Single-Family	Multi-Family
Total estimated fees per unit	\$25,466 <sup>1</sup>	\$29,543 <sup>2</sup>
Typical estimated cost of development per unit	\$469,695 <sup>3</sup>	\$393,143 <sup>3</sup>
Estimated proportion of fee cost to overall development cost per unit	5%	8%

Source: City of Morro Bay 2014; City of Grover Beach Development Permit, 2013

Notes:

<sup>1</sup> Cost is for a 1,500-square-foot house with a two-car garage

<sup>2</sup> Cost is for a 1,500-square-foot unit

<sup>3</sup> Cost for vacant lot included in these numbers and assumed as \$300,000 based on search of listings on Trulia.com for Morro Bay on March 27, 2014.

### Site Improvements

Site improvement costs include the cost of providing access to the site, clearing the site, and grading the pad area. In the case of a subdivision, such costs may also include major improvements such as building roads and installing sewer, water, and other utilities. As with land costs, several variables affect costs, including site topography and proximity to established roads, sewers, and water lines. Engineering and other technical assistance costs are usually included with site improvements, as these services are required to ensure that development is constructed according to established codes and standards.

The City requires that curbs, gutters, and sidewalks be placed along the frontage of every multi-family lot (R-3 or above) on which new construction or significant alteration is done. These improvements may be required for single-family lots under specific circumstances. These and other site improvement costs are typical of all cities in California and do not impose a significant constraint on the development of housing in Morro Bay. The City does not impose any unusual requirements as conditions of approval for new development. City regulations are intended to generally encourage high-quality private development and new construction. Traffic fees are calculated by square footage: single-family (including garage square footage) is \$1.86 per square foot and multi-family (does not include garage square footage) is \$2.90 per square foot.



### **Inclusionary Housing Program**

On March 11, 2014, the Morro Bay City Council adopted Ordinance No. 584, which revoked Chapter 17.50 (Affordable Housing, Density Bonuses and Incentives) of the Municipal Code and replaced it in its entirety with inclusionary housing provisions that are consistent with current state law. Provisions in the new section include:

- All new residential developments of five or more for-sale units must provide a minimum of one inclusionary unit or 10 percent of the total number of units, whichever is greater, to be affordable to families with incomes in the very low-, low-, or moderate-income ranges, depending on the needs of the City at the time of approval.
- The City requires the developer to provide affordable housing on-site where feasible. If the City determines that this is not feasible based on a detailed economic analysis prepared by a City-contracted consultant at the cost of the applicant, the City requires the developer to provide such housing at another location in Morro Bay. If the City determines that it is not feasible for the developer to provide such affordable housing off-site, the developer is required to pay a fee in lieu of providing such housing
- Fees accepted for affordable housing are used by the City to construct or assist in the construction of housing for rent or sale to very low-, low-, and moderate-income families or to purchase land for the purpose of affordable housing or to assist very low-, low-, and moderate-income families to afford adequate housing or for other measures to provide housing for low- and moderate-income families.

### **NON-GOVERNMENTAL CONSTRAINTS**

Non-governmental constraints consist of land costs, the environment, vacancy rates, construction costs, and availability of financing.

#### **Land Costs**

Land costs vary substantially based on a number of factors. The main determinants to land value are location and zoning, though the size of a parcel will also affect price. Land that is conveniently located in a desirable area zoned for residential uses will likely be more valuable and more expensive than a remote piece of land zoned for agricultural uses.

Based on DataQuick, the median home sale price in Morro Bay was approximately \$429,500 in 2013. Of this cost, more than half could be attributed to the land cost. Land costs present a significant constraint to the production of affordable housing in the city.



The price of land in Morro Bay varies considerably depending on a number of factors, including location and availability of City services. The city's location adjacent to the ocean makes Morro Bay an extremely desirable place to live. This creates a large demand for land which, when coupled with voter-imposed growth controls, can significantly increase the cost of developable land.

In 2014, according to a land cost survey done by PMC, undeveloped residential lots ranged from \$249,000 to \$1,750,000. There were a total of 15 vacant lots for sale as of March 2014.

### **Construction Costs**

Construction costs are those incurred in actually constructing a dwelling unit. As with other land development costs, construction costs vary. Important determinants of construction costs include the amenities built into the unit, materials used, the prevailing labor rate, and the difficulty of building on the site. In Morro Bay, expansive soils may necessitate more extensive footings for houses, which can increase construction costs. Multiple-family residences such as apartments can generally be constructed for slightly less than single-family residences. According to Building-cost.net, a housing construction cost resource that calculates the total estimated cost of building a new home (land costs not included), single-family home construction costs in 2014 were estimated at approximately \$105 per square foot for average quality construction.

The estimated total construction cost of a 1,500-square-foot home with four walls, an attached garage, central heating and air, and average building materials was \$169,695.

The only recent multi-family units constructed in the city have been high-end units and therefore may not reflect the true cost of developing units for lower-income residents. However, units were constructed in Grover Beach in 2013 that better reflect that cost. Although Grover Beach land costs may be different from those in Morro Bay, given the proximity of the cities, construction costs are comparable. The four-unit building constructed in Grover Beach has a building value of \$372,573, or \$93,143 per unit.

### **Availability of Financing**

The cost of borrowing money to finance the construction of housing or to purchase a house affects the amount of affordably priced housing in Morro Bay. Fluctuating interest rates can eliminate many potential homebuyers from the housing market or render a housing project that could have been developed at lower interest rates infeasible. When interest rates decline, sales increase. The reverse has been true when interest rates increase. Over the past decade, there has been a dramatic growth in alternative mortgage products, including graduated mortgages and variable rate mortgages. These types of loans allow homeowners to take advantage of lower initial interest rates and to qualify for larger home loans. However, variable rate mortgages are not ideal for low- and moderate-income households that live on tight budgets. In addition, the availability of variable rate mortgages has declined in the last few years due to greater regulation of housing lending markets. Variable rate mortgages may allow lower-income households to enter into homeownership, but there is a definite risk of monthly housing costs rising above the financial means of that household. Therefore, the



fixed interest rate mortgage remains the preferred type of loan, especially during periods of low, stable interest rates. Table 44 illustrates interest rates as of March 2014. The table presents both the interest rate and the annual percentage rate (APR) for different types of home loans. The interest rate is the percentage of an amount of money which is paid for its use for a specified time, and the APR is the yearly percentage rate that expresses the total finance charge on a loan over its entire term. The APR includes the interest rate, fees, points, and mortgage insurance and is therefore a more complete measure of a loan's cost than the interest rate alone. However, the loan's interest rate, not its APR, is used to calculate the monthly principal and interest payment.

**TABLE 44: INTEREST RATES**

	<b>Interest</b>	<b>APR</b>
<b>Conforming</b>		
30-year fixed	4.500%	4.586%
15-year fixed	3.625%	3.772%
5-year adjustable rate	3.250%	3.968%

Source: *www.wellsfargo.com, March 2014*

Notes: *Conforming loan is for no more than \$417,000. A jumbo loan is greater than \$417,000.*



## 5. ENERGY CONSERVATION OPPORTUNITIES

This section describes opportunities for conserving energy in existing homes as well as in new residential construction. The factors affecting energy use, conservation programs currently available in Morro Bay, and examples of effective programs used by other jurisdictions are discussed.

### Factors Affecting Energy Use

The factors that affect residential energy use must be understood in order to identify opportunities for conservation. One such factor is the size of the population. At any given time, the larger the population, the more electricity is consumed. But over time, new conservation mandates and technological advances decrease the per capita consumption of energy. This means that the total energy use increases at a slower rate than population. The price of energy also has a significant effect; the more expensive it becomes, the more incentive people have to conserve.

The local climate has a large effect on residential energy use. In general, Morro Bay has a mild climate typical of many coastal communities. Summers are warm with early morning fog, and winters are only moderately cold. Prolonged periods of cold weather cause increased energy use for space and water heating. This situation is particularly true if homes are not well insulated.

The efficiency of household appliances also affects energy use. Older appliances may not operate as efficiently as when they were new, and many older appliances were built when energy conservation was not considered important. Significant energy-efficient design advances have been made in refrigerators, stoves, and furnaces.

### Existing Conservation Programs

The following energy conservation programs are implemented in Morro Bay:

- The California State Building Standards Code (specifically Title 24) requires that all new residential development comply with several energy conservation standards. The standards require ceiling, wall, and concrete slab insulation, vapor barriers, weatherstripping on doors and windows, closeable doors on fireplaces, no continuous burning gas pilot lights, insulated heating and cooling ducts, water heater insulation blankets, swimming pool covers and timers, certified energy-efficient appliances, etc. All new construction in Morro Bay must comply with Title 24.
- The California Energy Commission (CEC) has developed a set of energy efficiency guidelines for local planning agencies. As part of those guidelines, the CEC addresses building efficiency beyond the Title 24 standards. The City of Morro Bay may wish to include these guidelines in its building code.
- The City “Green Building Incentive Program” provides incentives for green and energy-conserving projects. The City has a green building kiosk at the public services counter, maintained by SLO Green Build, that provides educational materials relating to green building



and energy conservation. The City encourages residents to participate in energy efficiency retrofit programs by providing information, maintained by San Luis Obispo County Energy Watch, containing rebates and incentives relating to energy efficiency retrofits, at the public services counter.

- On January 14, 2014, the Morro Bay City Council adopted the City's Climate Action Plan. The Climate Action Plan identifies strategies to reduce GHG emissions and focuses, in part, on reducing energy use from the built environment. The Climate Action Plan includes measures to encourage energy efficiency outreach and incentive programs, energy audit and retrofit programs, income-qualified energy efficient weatherization, incentives for exceeding Title 24 building energy efficiency standards, small scale on-site solar photovoltaic, and income-qualified solar photovoltaic.
- Income-qualified Morro Bay homeowners are also eligible for no-cost solar installations through the nonprofit group Grid Alternatives.

### **Examples of Programs from Other Jurisdictions**

Land use planning and zoning practices can conserve energy. For example, if the general plan and zoning ordinance encourage residential subdivision in a relatively isolated area, far from commercial facilities such as grocery stores, residents must travel longer distances to take care of their daily shopping and service needs. Keeping housing and jobs in balance and near each other helps to reduce energy use for commuting. Longer trips usually necessitate using an automobile rather than walking or cycling. Changing the land use pattern can also change energy use patterns. The intent of land use planning measures is to reduce the distances of automobile travel, reduce the costs of construction, and increase the potential for residents to complete shopping and other chores without driving or by driving shorter distances.

One example of a land use planning technique for energy conservation is to encourage infill (development on vacant or underused lots) and compact, contiguous development. Morro Bay has a few existing vacant lots for development. As property is annexed to the city to meet the demand for housing, the city boundaries should expand concentrically rather than allowing dispersed development in outlying areas. Mixed-use development should be allowed, particularly in the core areas and along collector roads.

Compact development results in the secondary energy savings of embodied energy. Embodied energy is the term used for the energy spent producing the materials and finished products, such as sewer pipes, electrical lines, and paving materials. Minimizing the length of necessary water, sewer, and electricity lines consumes less of those products and decreases the total energy consumption.

Compact development also means there can be more convenient and accessible public transit. Efficient intracity transit service requires a minimum of 12 housing units per acre (Calthorpe 1990). The Regional Transit Authority (RTA) provides daily fixed-route service from the Morro Bay area



into Los Osos and San Luis Obispo, where transit riders can connect with other countywide transit services. The City also provides a dial-a-ride service within the city limits.

### **Efficiency in Individual Homes**

A variety of public and quasi-public programs could be made available in Morro Bay to assist homeowners and renters in retrofitting to improve energy efficiency. The City currently provides the following programs:

- Home Investment Partnership Program, which includes energy and water efficiency upgrades as eligible activities.
- Toilet Retrofit Program Rebates
- Water Efficient Washing Machine Rebate Program

The City should encourage energy efficiency in residential construction by offering incentives and negotiating with developers to emphasize energy-efficient construction practices. Developers and consumers often discard long-term savings potential in favor of immediate cost savings. The City currently provides the following incentives:

- Green Building Incentive Program, which provides eligible projects with building and plan check fee rebates for achieving third-party green building certification, exceeding 20 percent of Title 24 requirements, renewable energy systems, and green roofs.

Energy-efficient, new residential construction can cut energy consumption in the home by up to 50 percent. Energy-efficient home construction and retrofits should contain some or all of the following:

- Double-pane windows (two panes of glass enclose a vacuum-tight space that does not allow heat and cold to transfer as quickly as it does in a window with a single pane of glass)
- Attic insulation greater than R-19 (soft, fiberglass insulation is given an “R” rating based on its capacity to insulate an area; a higher R value indicates greater insulation capability)
- Rigid attic insulation (generally a compressed Styrofoam insulation with an R-30 value)
- Additional wall insulation (older homes may not have insulated walls)
- Fluorescent indoor lighting (a standard, incandescent light bulb uses more energy)
- Dimmer switches and task lighting (dimmer switches allow lower lighting levels and less electricity use, while task lighting directs light to necessary areas without wastefully lighting a larger area)



- Halogen outdoor lighting (halogen, like fluorescent, is more efficient than incandescent light)
- Lighting motion detectors that turn on lights only when they detect a person in the room or area
- Shade trees along southern and western exposures, and glazing to reduce the heat from windows on hot summer days
- Solar screens that reduce the amount of heat from solar radiation coming through windows
- Evaporative cooler, which uses less energy than air conditioner
- Microwave oven, which uses less energy than an electric or gas oven
- Gas (rather than electric or propane) water heater and range/oven
- Weatherized windows and doors that do not have cracks to cause drafts
- Pools and/or hot tubs with integrated cleaning and heating systems (including pool covers, active solar heating, and efficient filters, pumps, and motors)
- Energy use automatic timers that provide energy use only when it is necessary
- Drip irrigation system that conserves water and reduces the energy needed for pumping water
- Drought-tolerant landscaping
- Active solar elements and passive solar design
- Energy-efficient appliances (in new construction and replacing older appliances in existing homes)
- Storm windows to cut back on heat loss through windows during the winter
- Reflective film on south-facing windows to minimize heat gain during the summer
- Individual meters for gas, electricity, and water (to encourage conservation) in multi-family units

The City can also employ policies that encourage solar energy technology in both retrofits and new construction. There are two distinct approaches to solar heating: active and passive. Active systems use mechanical equipment to collect and transport heat—the relatively common roof plate collector system used in solar water and space heaters. Collectors can contain water or air that is pumped through conduits and heated, then piped to the spaces to be heated or to a water heater tank.



Conversely, passive solar systems collect and transport heat through non-mechanical means. Essentially, the structure itself becomes part of the collection and transmission system. Certain types of building materials absorb solar energy and can transmit that energy later. Passive systems often employ skylight windows to allow sunlight to enter the room and masonry walls or walls with water pipes inside to store the solar heat. This heat is then generated back into the room when the room cools in the evening.

The best method to encourage use of active solar systems for heating and cooling is to not restrict their use in the zoning and building ordinances and to require subdivision layouts that facilitate solar use. Programs H-22.1 through H-22.6 are proposed to address energy conservation and efficiency in the City.



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## 6. REVIEW OF PREVIOUS HOUSING ELEMENT

In an effort to ensure the policies and implementation programs included in the Housing Element are relevant to addressing the current problems of Morro Bay, an evaluation of achievements under the previous Housing Element was undertaken. This evaluation provided the basis for recommended modifications and the establishment of new objectives in the Housing Element.

**TABLE 45: REVIEW OF 2009 HOUSING ELEMENT**

2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<b>1. Housing Supply</b>		
<b>Policy H-1 (Fair Share)</b>		
Maintain land use policies that allow residential growth consistent with the availability of adequate infrastructure and public services.		
<p><b>Program H-1.1</b> The City shall continue to implement the housing element policies, programs and procedures to achieve its fair share of the regional housing allocation, including the number of units for each income classification, given its resource constraints and the voter-approved limits of Ordinance 197 and Ordinance 266 as amended. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Annually <b>Funding:</b> General Fund</p>	<p>Program H-1.1 is implemented through normal practices and procedures. There is no need to continue the program.</p>	<p>Delete</p>
<p><b>Program H-1.2</b> The City will give the highest priority for residential development to affordable housing projects. Said projects shall automatically be allowed first priority for the allocation of new residential growth in each year. Said priority for affordable units shall also include the allocation of water and other resources as consistent with the Local Coastal Plan. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Annually <b>Funding:</b> General Fund</p>	<p>A project to develop low-income senior housing has been approved at 555 Main Street. The project is 100 percent affordable and consists of primarily one-bedroom units and will provide 21 units of very low- and low-income senior rentals. Another project at 600 Morro Bay Boulevard provided one moderate-income unit. This program has been effective and will be continued.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-1.3</b></p> <p>To ensure that there is a sufficient supply of multifamily zoned land to meet the City’s regional housing needs allocation (RHNA), the City will help facilitate lot consolidations to combine small residential lots into larger developable lots by annually meeting with local developers to discuss development opportunities and incentives for lot consolidation to accommodate affordable housing units. As developers/owners approach the City interested in lot consolidation for the development of affordable housing, the City will offer the following incentives on a project by project basis:</p> <ul style="list-style-type: none"> <li>• allow affordable projects to exceed the maximum height limits,</li> <li>• lessen set-backs, and/or</li> <li>• reduce parking requirements.</li> </ul> <p>The City will also consider offsetting fees (when financially feasible) and concurrent/fast tracking of project application reviews to developers who provide affordable housing.</p> <p><b>Responsible Agency/Department:</b> Public Services Department</p> <p><b>Time Frame:</b> Ongoing, as projects are processed through the Planning Division. Annually meet with local developers to discuss development opportunities and incentives for lot consolidation.</p> <p><b>Funding:</b> General Fund</p>	<p>The City has not processed any affordable housing projects that used lot consolidation incentives identified in this program. However, the City has met with developers who have inquired on a lot-by-lot basis about the lot consolidation incentives offered by the City.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-1.4</b>                      To ensure that affordable multifamily projects meet maximum densities the City will establish procedures with objective standards to promote flexibility in development standards to provide flexibility in development standards (height, parking, and set backs) and promote the use of density bonuses to increase densities. The City will bi-annually review the multifamily development standards in the Zoning Ordinance and revise as necessary to ensure that they don't act as a constraint to the development of affordable housing in the City. The City will give priority to projects that provide extremely low-, very low- and low-income housing.</p> <p><b>Responsible Agency/Department:</b> Public Services Department</p> <p><b>Time Frame:</b> Work with developers on a case by case basis to provide flexibility in development standards and promote density bonuses to increase densities as projects are processed through the Planning Division and Bi-annually review the multifamily development standards in the Zoning Ordinance. The City will establish procedures by December 2010</p> <p><b>Funding:</b> General Fund</p>	<p>The City has flexible development standards in its Planned Development (PD) overlay, which applies to certain zones. The City has not reviewed multi-family development standards in the Zoning Ordinance. The City recently completed updates to Section 17.50 of the Municipal Code that codified the City's density bonus ordinance in compliance with Government Code Section 65915 et seq. The ordinance amending Section 17.50 was approved by the City Council on March 11, 2014, and Coastal Commission approval is pending. The City has not yet promoted the density bonus ordinance. The City has not seen a lot of interest in the options offered by this program. However, some of these programs are required by state law (density bonus) and the other options provided flexibility and options should developers be interested. This program will be continued.</p>	<p>Modify to clean up wording of program and continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-2 (Water Resources)</b> The City shall continue to peruse additional water resources identified in our Water Management Plan.</p>		
<p><b>Program H-2.1</b> The City will, to the extent feasible, allocate said water resources to allow maximum growth to full buildout consistent with limitations contained in the Certified Local Coastal Plan, General Plan and Ordinance 266 as amended. At least annually, the Public Services Department will provide an update to the City Council on available water supplies, projected demand under the General Plan and the status of projects to ensure adequate supply to meet the needs of the community in accordance with the Water Management Plan, the General Plan and this element. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Annually <b>Funding:</b> Water Fund</p>	<p>The City’s annual water report is provided to the City Council annually. This year it was provided to the City Council on March 7, 2014.</p>	<p>Continue</p>
<p><b>Policy H-3 (Funding)</b> The City shall, to the extent feasible, solicit housing assistance funds from the state and federal governments in conjunction with nonprofit and for-profit developers to be used in the construction of new and rehabilitation of existing secondary units and very low- and low-income housing units.</p>		
<p><b>Program H-3.1</b> The City shall continue to work with the private sector, nonprofit agencies, and to secure funds through state and federal programs for development of new lower-income housing and rehabilitation of existing lower-income households. As funding becomes available, the City will prioritize a portion of the funds to encourage the development of housing for extremely low- income households. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing <b>Funding:</b> CDBG, HOME, others</p>	<p>The City’s single-family rehabilitation program has not been active since 2010 due to limited City staff resources and lack of interest in the program due to conditions in the national housing economy such as limited home equity. However, some funds continue to accumulate at the City when older rehabilitation loans are paid off. These funds could be used for future single-family</p>	<p>Modify to eliminate discussion of regular allocation and continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
	<p>rehabilitation projects or other eligible activities guided by the City’s Program Income Reuse Plan. The City has not secured funds for rehabilitation since 2010, but does refer people to the County for services. Also, CAPSLO has some programs for relatively minor homes repairs, including water heater efficiency upgrades. The City is currently an entitlement jurisdiction for HUD, HOME, and CDBG funding rather than its previous status as an HCD “small city.” The City has secured CDBG entitlement funding since 2012 as well as an award of County HOME funds to construct the 21-unit low- and very low-income senior housing rental project at 555 Main Street.</p>	
<p><b>Policy H-4 (Methods)</b>                      The City shall continue to explore alternative methods for increasing its affordable housing stock with the goal of providing adequate extremely low-, very low-, low-, senior and ADA accessible housing.</p>		
<p><b>Program H-4.1</b>                      The City will contact HCD, housing advocates, affordable housing providers and other appropriate information resources on an annual basis in order to stay current with the latest options for providing affordable housing.  <b>Responsible Agency/Department:</b> Planning Division  <b>Time Frame:</b> Annually  <b>Funding:</b> General Fund</p>	<p>The City informally contacts HCD, housing advocates, and affordable housing providers as the occasion arises (at least once annually).</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-4.2</b></p> <p>Most recent housing developments in Morro Bay have not been constructed to the maximum densities allowed by zoning. Market conditions, bank financing and insurance requirements have favored the construction of single-family detached houses. To increase housing supply and obtain densities closer to those envisioned by zoning policies, the City will do the following:</p> <p>Implement Section 17.21.70 of the City Zoning Code (Additional Incentives) that offers incentives for developing greater than the minimum densities in the multiple-family zones. The City is sensitive to the loss of multi-family-zoned land to less intensive uses, particularly given the limited number of vacant multi-family sites remaining in Morro Bay and their potential contribution toward meeting the City’s housing needs.</p> <p>Currently the City’s Zoning Code allows for the development of single-family homes in the high density zoning districts (R-3 and R-4). The City will consider amending the Zoning Code to prohibit single-family homes in the R-3 and R-4 zoning districts so that these remaining sites can be used to accommodate multi-family housing.</p> <p><b>Responsible Agency/Department:</b> City Council/Planning Division  <b>Time Frame:</b> Consider amending Zoning Code by August 2010  <b>Funding:</b> General Fund</p>	<p>The City implements Section 17.21.70 of the Zoning Ordinance through normal standards and procedures. The amendment to the Zoning Ordinance to prohibit single-family homes in the R-3 and R-4 zoning districts was approved by the City Council on March 11, 2014. The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. This program has been successfully implemented.</p>	<p>Modify to remove amendments to R-3 and R-4 allowed uses and continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-5 (Minimize Cost)</b>                      The City shall ensure that its adopted policies, regulations and procedures do not add unnecessarily to the cost of housing, while still attaining other important City objectives.</p>		
<p><b>Program H-5.1</b>                      The City will review development-related processes and procedures and report on ways to eliminate unnecessary delays or other costs that affect the production of housing. Said report shall be submitted to the Planning Commission who shall forward a recommendation to the City Council.  <b>Responsible Agency/Department:</b> Public Services Department, Planning Commission  <b>Time Frame:</b> Starting 2010, every three years  <b>Funding:</b> General Fund</p>	<p>A subcommittee reviewed the development process in 2012 to help identify and determine reasons for delays in the development process and submitted a report to the Planning Commission and City Council. The committee recommended that forms and handouts be redone in an attempt to more clearly explain the process. A report was made as part of Planning Commission minutes from their meeting on June 6, 2012.</p>	<p>Delete</p>
<p><b>Program H-5.2</b>                      The City will review its user charges for public services and facilities to ensure that the charges are consistent with the costs of improvements and maintenance.  <b>Responsible Agency/Department:</b> Public Services Department/ Finance Department  <b>Time Frame:</b> Starting 2010, every three years  <b>Funding:</b> General Fund</p>	<p>The City has not reviewed its user charges for public services and facilities since adoption of the 2009 Housing Element. This program will be continued.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-6 (General Affordability)</b>            The City will continue to require a percentage of new housing units built in the City be affordable to very low-, low- and moderate-income households.</p>		
<p><b>Program H-6.1</b>            The City will continue to require that all new residential development projects of 5 or more for-sale units to provide a minimum of one unit or 10 percent of the total number of units, whichever is greater, to be affordable to families with incomes in the very low-, low- or moderate-income ranges, depending on the needs of the City at the time of approval.</p> <p>In cases where the City is requested to amend the General Plan and/or zoning to increase the allowed density on a particular private property, where 5 or more units are allowed, at least 10 percent of the units developed on such property shall be affordable to very low- and low- and moderate-income households.</p> <p>The lower-income units may be either for rent or for sale, but shall remain affordable for at least 30 years or such other term approved by the City, consistent with state law. Lower-income units shall be made available concurrently with market-rate units.</p> <p>In accordance with Government Section 65590, the City shall require the developer to provide affordable housing on-site where feasible. If the City determines that this is not feasible based on a detailed economic analysis prepared by a City-contracted consultant at the cost of the applicant, the City shall require the developer to provide such housing at another location in Morro Bay. If the City determines that it is not feasible for the developer to provide such affordable housing off-site, the developer shall pay a fee in lieu of providing such housing.</p> <p>Sites on which fewer than 5 units are allowed after the General Plan amendment or rezone shall be exempted. In some cases the City may require the payment of a fee in lieu of actual construction of lower-income housing. Paying an in-lieu fee requires City Council</p>	<p>The City has amended Section 17.50 of the Municipal Code to require that all projects with five or more for-sale units provide affordable units or pay into the City's in-lieu fee fund. The updates to Section 17.50 also codified the City's density bonus ordinance in compliance with Government Code Section 65915 et seq. The ordinance amending Section 17.50 was approved by the City Council on March 11, 2014, and Coastal Commission approval is pending. This program has been successfully implemented.</p>	<p>Modify to reflect amendments to the ordinance and continue to implement ordinance.</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element																								
<p>approval, and to date, no one has paid the fee in-lieu of building affordable units.</p> <p>When the provisions for the required affordable housing are not being met on-site or off-site, the applicant may contribute in-lieu fees. Fees shall be established on a project basis using the following method (Program 6.2 will determine if the current fees are appropriate).</p> <p>(Construction Cost X % of Fee based on Project Size)</p> <table border="1" data-bbox="296 623 961 1235"> <thead> <tr> <th>Project Size</th> <th>% of each 1 unit cost or fraction there of</th> </tr> </thead> <tbody> <tr><td>8 Units</td><td>10%</td></tr> <tr><td>9 Units</td><td>15%</td></tr> <tr><td>10 Units</td><td>20%</td></tr> <tr><td>11 Units</td><td>30%</td></tr> <tr><td>12 Units</td><td>40%</td></tr> <tr><td>13 Units</td><td>50%</td></tr> <tr><td>14 Units</td><td>60%</td></tr> <tr><td>15 Units</td><td>70%</td></tr> <tr><td>16 Units</td><td>80%</td></tr> <tr><td>17 Units</td><td>90%</td></tr> <tr><td>18 Units</td><td>100%</td></tr> </tbody> </table> <p>Possible incentives that may be included but are not limited to the following:</p> <ul style="list-style-type: none"> <li>Assistance with accessing and apply for funding (based on availability of federal, state, local foundations, and private funds);</li> <li>Mortgage-subsidy or down payment assistance programs to assist</li> </ul>	Project Size	% of each 1 unit cost or fraction there of	8 Units	10%	9 Units	15%	10 Units	20%	11 Units	30%	12 Units	40%	13 Units	50%	14 Units	60%	15 Units	70%	16 Units	80%	17 Units	90%	18 Units	100%		
Project Size	% of each 1 unit cost or fraction there of																									
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17 Units	90%																									
18 Units	100%																									



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p>first time homebuyers and other qualifying households, when such funds are available;            Expedited/streamlined application processing and development review;            Modification of development requirements, such as reduced set backs and parking standards on a case-by-case basis; and Density Bonuses.  <b>Responsible Agency/Department:</b> City Council/Planning Division  <b>Time Frame:</b> Ongoing, as projects are processed through the Planning Department  <b>Funding:</b> General Fund</p>		
<p><b>Program H-6.2</b>            As an alternative to building inclusionary units, the City shall allow a development to pay an in-lieu fee. Currently the fee amount is determined with the following method: (Construction Cost X % of Fee based on Project Size, see fee table in program H-6.1). The City will do an analysis on the current method to determine if the current fees are appropriate. If they are found to not be appropriate the City will conduct a nexus study. Once established, the in-lieu fees will be collected and held in an affordable housing trust fund  <b>Responsible Agency/Department:</b> Public Services Department/ Finance Department  <b>Time Frame:</b> Determine if fees are appropriate by June 2011  <b>Funding:</b> General Fund</p>	<p>The City amended Section 17.50 of the Municipal Code as described under review of the previous program. The in-lieu fee calculation has not changed in the updated Section 17.50. The City plans to conduct the analysis of the calculation. This program will be continued.</p>	<p>Modify to incorporate Program H-6.3 and continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-6.3</b>                      To ensure the City’s Inclusionary Program (Program H-6.1) does not adversely impact market rate housing the City will conduct a study to determine if the Inclusionary Program is a constraint. If the study determines the Inclusionary Housing Program does pose a constraint to the development of housing, the City will revise the program to ensure it is not a constraint to development.  <b>Responsible Agency/Department:</b> Public Services Department/ Finance Department  <b>Time Frame:</b> Conduct a study by June 2011  <b>Funding:</b> General Fund</p>	<p>The City has not conducted a study to determine whether the Inclusionary Program is a constraint. This program will be implemented when the City conducts the analysis of the in-lieu fee calculation.</p>	<p>Combine into Program H-6.2 and delete</p>
<p><b>Program H-6.4</b>                      The City will require affordable housing developments to be designed consistent with the surrounding neighborhood, in order to enhance the sense of belonging to the community. Forms, materials and proportions should be utilized which are compatible with the character of the surroundings.  <b>Responsible Agency/Department:</b> City Council/Planning Division  <b>Time Frame:</b> August 2010  <b>Funding:</b> General Fund</p>	<p>All affordable projects that were approved were required to be consistent with the surrounding neighborhood, including affordable projects.</p>	<p>Continue</p>
<p><b>Program H-6.5</b>                      The City shall codify neighborhood preservation guidelines for affordable units in section 17.28.200 of the Morro Bay Municipal Code when the zoning ordinance is amended.  <b>Responsible Agency/Department:</b> City Council/Planning Division  <b>Time Frame:</b> August 2010  <b>Funding:</b> General Fund</p>	<p>The City has not codified neighborhood preservation guidelines in Section 17.28.200. This program will be continued.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-6.6</b></p> <p>The City may, on a case-by-case basis, allow for modifications/incentives to development standards, such as common access driveways, building height restrictions, parking, distance between buildings, setbacks, lot coverage, screening, varying lot sizes, open space requirements, fast-track permitting, transfer of development credits, fee assistance and any other modifications/incentives or combination of modifications/incentives, which are jointly agreed upon by the applicant and the decision-maker, as an incentive for constructing specific affordable housing projects. This is not intended to be an exhaustive list of modifications/incentives available to the applicant and/or decision-maker. The City shall prepare public outreach including adding information to the City’s website to inform the public of a variety of types of modifications or incentives offered.</p> <p><b>Responsible Agency/Department:</b> Public Services Department</p> <p><b>Time Frame:</b> Ongoing, as projects are processed through the Planning Department</p> <p><b>Funding:</b> General Fund</p>	<p>A density bonus was granted for the 555 Main Street project increasing the number of units from the number allowed by right on the parcel to 21. Outreach on modifications and incentives has not happened. This program will be continued.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-7 (Housing Trust Fund)</b> The City will develop a Housing Trust Fund to be used for the development of affordable housing projects.</p>		
<p><b>Program H-7.1</b> The City will modify its affordable housing fund to accept all housing assistance fees. This fund will be used to assist nonprofit and for-profit developers to construct lower-income housing, purchase land, write down land or financing costs, rehabilitate or preserve existing units, prepare other implementation measures consistent with this element and/or monitor housing policies and programs on an ongoing basis. Assuming that the current market conditions will continue to exist during the 5-year Housing Element timeframe, the City estimates that they will assist 5 to 10 units. <b>Responsible Agency/Department:</b> Public Services Department/ Finance Department <b>Time Frame:</b> Modify by 2012 <b>Funding:</b> General Fund</p>	<p>The fund has not been modified. The fund as it exists was used in 2011 to provide a 0 percent residual receipts loan to the affordable housing developer of the 555 Main Street project (21 units of affordable senior housing). This program will be continued.</p>	<p>Modify number of units expected to be assisted to reflect current market conditions and continue</p>
<p><b>Policy H-8 (Density Bonus)</b> The City shall grant density bonuses to encourage the development of affordable housing.</p>		
<p><b>Program H-8.1</b> The City shall grant a density bonus and incentives to developers of residential projects of five or more units who agree to provide very low- or low-income or senior housing units on-site pursuant to Government Code 65915. The City shall prepare public outreach including adding information to the City’s website to inform the public of the density bonus incentive. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, 2009–2014 <b>Funding:</b> General Fund</p>	<p>The City has codified its density bonus procedures in Section 17.50 of the Municipal Code in compliance with Government Code 65915 et seq. The ordinance amending Section 17.50 was approved by the City Council on March 11, 2014. The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. The City has not yet prepared public outreach information.</p>	<p>Combine into Program H-6.6 and delete.</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-9 (Variable Density)</b>            In order to encourage development of small units, development of a greater number of residential units than otherwise allowed under the existing land use and/or zoning designation may be permitted, provided that (1) at least 65 percent of the units are developed as studio or one-bedroom units; (2) the population density at full buildout of the project does not exceed the population density that corresponds with the existing land use designation and/or zoning or 1 person for every 500 square feet, whichever is less; and (3) the proposed project complies with all applicable zoning regulations, except as modified by the decision-maker through discretionary review.</p>		
<p><b>Program H-9.1</b>            The City shall continue to allow variable density on all multi-family zoned property. The City shall prepare public outreach including adding information to the City’s website to inform the public of the variable density incentive.  <b>Responsible Agency/Department:</b> City Council/Planning Division  <b>Time Frame:</b> Ongoing, 2009–2014  <b>Funding:</b> General Fund</p>	<p>The City implements Program H-9.1 through standard practices and procedures and the Zoning Ordinance is available on the City’s website. The City has not prepared public outreach materials. The program will be continued.</p>	<p>Combine into Program H-6.6 and delete.</p>
<p><b>Policy H-10 (Mixed Types)</b>            The City will encourage the mixing of affordable housing throughout the community rather than concentrating affordable units in a few locations.</p>		
<p><b>Program H-10.1</b>            The City will allow the conversion of older motels to residential use, subject to discretionary review, outside the C-VS and WF zones. Criteria for approving residential uses shall be stated in the Zoning Ordinance. Said conversions will also receive a priority in the unit allocation list.  <b>Responsible Agency/Department:</b> City Council/Planning Division  <b>Time Frame:</b> Ongoing, 2009–2014  <b>Funding:</b> General Fund</p>	<p>The City has not yet codified approval criteria for converting older motels to residential use in the Zoning Ordinance. Since 2009, no older motels have converted to residential use outside the C-VS and WF zones.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-10.2</b>                      The City will continue to allow manufactured housing (modular and mobile homes) to be sited in residential zones consistent with state and local laws.  <b>Responsible Agency/Department:</b> Planning Division  <b>Time Frame:</b> Ongoing, as projects are processed through the Planning Department  <b>Funding:</b> General Fund</p>	<p>The City continues to allow manufactured housing consistent with state and local laws. (See Section 17.48.350 of the Zoning Ordinance.) This program does not need to be continued.</p>	<p>Delete.</p>
<p><b>Policy H-11 (Mixed-Use)</b>                      The City shall continue to promote a policy of mixed uses by allowing housing in conjunction with compatible commercial uses in appropriate mixed-use designations located throughout the City. The allowance of these mixed-use designations shall require additional findings to ensure new projects do not change the character of the neighborhood.</p>		
<p><b>Program H-11.1</b>                      The City shall develop criteria for determining the appropriate compatible mix of residential and commercial development to ensure neighborhood consistency.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> June 2012  <b>Funding:</b> General Fund</p>	<p>The City has not developed official criteria for determining the appropriate compatible mix of residential and commercial development. When residential and commercial are developed together on a site as part of a mixed-use development, there is no set ratio of residential to commercial that is required. Because the Zoning Ordinance calls for residential to occur in the rear or above the commercial uses, a 50:50 ratio is sometimes used as a rule of thumb during project review. The City will continue to consider codifying criteria for determining the appropriate compatible mix.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-12 (Fast-Track Permitting)</b> The City shall give high priority for permit processing to lower-income residential projects.</p>		
<p><b>Program H-12.1</b> The City will continue to expedite the permit processing procedure as an additional incentive for the development of affordable housing. <b>Responsible Agency/Department:</b> Planning Division <b>Time Frame:</b> Ongoing, as projects are processed through the Planning Department <b>Funding:</b> General Fund</p>	<p>Permit processing was expedited for the project at 555 Main Street. When that applicant went to City Council in 2011 to modify their permit from mixed use to 100 percent affordable, the City expedited the process to allow the developer to obtain entitlement approvals because the developer needed them secured in order to apply for state and federal affordable housing grants. This program is addressed by Program H-6.6 and will not be continued.</p>	<p>Delete.</p>
<p><b>Policy H-13 (Secondary Unit)</b> Allow for the development of secondary housing units as an affordable housing option throughout the City.</p>		
<p><b>Program H-13.1</b> To comply with AB 1866 the City will continue to permit secondary dwelling units ministerially (by right) in all residential zones. A coastal Development Permit, which requires public notice and Planning Commission Approval is required for new secondary units and additions (of more than 10 percent of the main structure’s original square footage) with the Coastal Appeal Jurisdiction, and new secondary units outside the Coastal Appeal jurisdiction. <b>Responsible Agency/Department:</b> Planning Department <b>Time Frame:</b> Ongoing, as projects are processed through the Planning Department <b>Funding:</b> General Fund</p>	<p>Seven total second units have been permitted since 2009. Five of those were permitted ministerially and two were permitted with a conditional use permit.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<b>2. Conservation and Rehabilitation</b>		
<b>Policy H-14 (Section 8 Subsidies)</b> The City shall continue to maintain Section 8 rent subsidies.		
<b>Program H-14.1</b> The City will coordinate its efforts with the appropriate agencies to continue receiving Section 8 subsidy monies. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, 2009–2014 <b>Funding:</b> General Plan	Currently there are 79 Housing Choice Vouchers in use in the city. The Housing Authority’s waitlist for vouchers is currently closed. The City coordinates with the Housing Authority on income verification for affordable projects.	Continue
<b>Policy H-15 (CDBG Grants)</b> The City shall continue to apply for grants for the purpose of rehabilitating low-cost owner-occupied and rental housing.		
<b>Program H-15.1</b> The City will apply for grant funds to enable rehabilitation of housing for lower-income households. <b>Responsible Agency/Department:</b> Planning Division <b>Time Frame:</b> Annually, 2009–2014 <b>Funding:</b> CDBG, HOME, other funding sources to be determined	The City’s single-family rehabilitation program has not been active since 2010 due to limited City staff resources. However, some funds continue to accumulate at the City when older rehabilitation loans are paid off. These funds could be used for future single-family rehabilitation projects or other eligible activities guided by the City’s Program Income Reuse Plan. The City is currently an entitlement jurisdiction for HUD, HOME, and CDBG funding rather than its previous status as an HCD “small city.” The City has secured CDBG entitlement funding since 2012. This program is redundant with Program H-3.1 and will be removed.	Delete



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-16 (Special needs groups)</b> Provide financial assistance for rehabilitation of homes for elderly, disabled and disadvantaged persons.</p>		
<p><b>Program H-16.1</b> The City shall encourage local private organizations to assist elderly, disabled and disadvantaged persons in the repair and rehabilitation of their housing. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, 2009–2014 <b>Funding:</b> CDBG, HOME, other funding sources to be determined</p>	<p>The City has referred individuals to CAPSLO for funding options for repair and rehabilitation of their housing.</p>	<p>Continue</p>
<p><b>Policy H-17 (Minimizing Impact)</b> The City shall ensure that public projects are planned to minimize their impact on the quality and stability of residential neighborhoods.</p>		
<p><b>Program H-17.1</b> To comply with Senate Bill 1087, the City will immediately forward its adopted Housing Element to its water and wastewater providers so they can grant priority for service allocations to proposed developments that include units affordable to lower-income households. In addition, the City will continue to maintain streets, parks and other public facilities and services essential to the quality of residential neighborhoods. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, forward Housing Element immediately after adoption <b>Funding:</b> General Fund</p>	<p>The City continues to provide the adopted Housing Element to water and wastewater providers and maintains infrastructure per state law. This program is implemented as a matter of standard City procedure and will not be continued.</p>	<p>Delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b><u>Program H-17.2</u></b>                      The City is considering adopting neighborhood compatibility standards for new developments in existing neighborhoods. The City will consider developing a standard set of criteria to use in determining whether proposed projects are compatible with the existing neighborhoods in which they are proposed, the purpose of which is to give project proponents clear direction for project design and to provide staff and the Planning Commission with clear guidelines for decision-making. These criteria could include a pre-application process to provide clear direction for the project.</p> <p><b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> The City will consider developing standards by June 2012  <b>Funding:</b> General Fund</p>	<p>The City has not yet adopted neighborhood compatibility standards for new development in existing neighborhoods. At the Planning Commission meeting on March 19, 2014, the commissioners began the discussion of adopting FAR/neighborhood compatibility standards in order to give applications clear direction. At the June 10, 2014 City Council meeting, Council directed staff and Planning Commission to review the history of neighborhood compatibility with the potential of returning with Ordinance language to address neighborhood compatibility. This program will be modified and continued.</p>	<p>Modify to strengthen the commitment to adopt neighborhood compatibility standards and continue</p>
<p><b><u>Policy H-18 (Mobile Home Park Upkeep)</u></b>                      Maintain the City’s mobile home parks.</p>		
<p><b><u>Program H-18.1</u></b>                      The City shall promote the continued upkeep of existing economically viable mobile home parks.</p> <p><b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Ongoing  <b>Funding:</b> General Fund</p>	<p>The City does not have jurisdiction over upkeep of mobile home parks. The City keeps owners of mobile home parks informed of HCD’s oversight of upkeep of mobile home parks. This program will be continued.</p>	<p>Modify to specify that the City will keep owners informed of opportunities through HCD to maintain mobile home parks through energy retrofits, housing rehabilitation, and weatherization programs and continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-18.2</b>            The City shall continue to include mobile home units in active owner-occupied rehabilitation programs, conserving existing mobile home units.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Ongoing  <b>Funding:</b> CDBG, HOME, other funding sources to be determined</p>	<p>The City’s single-family rehabilitation program has not been active since 2010 due to limited City staff resources. However, some funds continue to accumulate at the City when older rehabilitation loans are paid off. These funds could be used for future single-family rehabilitation projects or other eligible activities guided by the City’s Program Income Reuse Plan. Mobile homes will be addressed by Program H-3.1 and this program will be removed.</p>	<p>Delete</p>
<p><b>Program H-18.3</b>            The City will when feasible apply for a grant to conduct a feasibility study to determine the possibility of a mobile home park conversion program. The study will include an inventorying of the number of units that are RVs, trailers or mobile homes on a chassis (not on permanent foundation), the condition of the units and the identification if there are opportunities to replace with new permanent affordable housing units.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> As funding sources become available the City will consider applying for funds by October 2011  <b>Funding:</b> CDBG, HOME, other funding sources to be determined</p>	<p>The City has not applied for or received grant funding to conduct a feasibility study to determine the possibility of a mobile home park conversion program.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014-2019 Housing Element
<b>3. Protect and conserve existing affordable housing stock in Morro Bay.</b>		
<p><b>Policy H-19 (At Risk)</b>                      The City will cooperate with other governmental, for-profit, and nonprofit entities to ensure that no lower-income residents are adversely impacted by the conversion of existing affordable housing projects to market-rate rents.</p>		
<p><b>Program H-19.1</b>                      The City shall maintain a list of all dwellings within the city that are subsidized by government funding or low-income housing developed through local regulations or incentives. The list shall include at least: the number of units, the type of government program, and the date on which the units may convert to market-rate dwellings.                      The City will require all property owners to provide at least 2 years notice prior to the conversion of any units for lower-income households to market-rate units in any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• the units were constructed with the aid of government funding</li> <li>• the units were required by the City’s Affordable Housing Program</li> <li>• the project was granted a density bonus</li> <li>• the project received other incentives</li> </ul> <p>Such notice shall be given at least to the following:</p> <ul style="list-style-type: none"> <li>• The City</li> <li>• HCD</li> <li>• Housing Authority of the City of San Luis Obispo</li> <li>• Residents of at-risk units</li> <li>• Any others deemed appropriate</li> </ul> <p><b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Ongoing  <b>Funding:</b> General Fund</p>	<p>The City tracks the subsidized units in the city. No subsidized units have converted to market rate during the planning period. There are no units at-risk of conversion to market-rate within 10 years of the beginning of the 2014-2019 planning period.</p>	<p>Continue.</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<b>Policy H-20 (Conversion to condominiums)</b> The City shall continue to protect existing lower-income apartment units from loss through conversion to condominiums.		
<b>Program H-20.1</b> The City will continue to comply with Government Code Section 65590 et seq. that sets forth the requirements for conversions, demolition and replacement housing in the Coastal Zone. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, 2009–2014 <b>Funding:</b> General Fund	No low-income apartments have converted to condominiums or been demolished in the coastal zone since 2009.	Continue
<b>Policy H-21 (Demolished Units)</b> The City shall require the replacement of very low-, low- and moderate-income housing that is demolished with similar affordable housing.		
<b>Program H-21.1</b> The City shall require the abatement of unsafe structures, while giving property owners ample time to correct deficiencies. Residents displaced by such abatement should provide relocation assistance. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, 2009–2014 <b>Funding:</b> General Fund	The City has not demolished any unsafe affordable housing units since 2009.	Continue
<b>4. Special Needs</b>		
<b>Policy H-22 (Senior Housing)</b> Provide more senior housing opportunities throughout the City.		
<b>Program H-22.1</b> The City shall utilize CDBG and other state or federal monies to assist in the development of lower-income senior rentals. <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Apply for funding as Notices of Funding Availability (NOFA) are released. <b>Funding:</b> CDBG/federal monies	The City provided HOME funds and City in-lieu fee funds to the low-income senior rental project at 555 Main Street. When constructed, the project will provide 21 units of very low- and low-income senior rental housing.	Continue



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b><u>Program H-22.2</u></b>                      The City shall continue to permit larger group housing for seniors (such as "life care" or similar combinations of residences with various levels of nursing care) in appropriate locations, subject to discretionary review.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Ongoing  <b>Funding:</b> CDBG/federal monies</p>	<p>The City has not permitted any larger group housing for seniors since 2009. Implementation of this program is no longer feasible due to limited City staff resources. This program will not be continued.</p>	<p>Delete</p>
<p><b>Policy H-23 (Promote special housing needs)</b>                      The City shall promote the development of special housing needs, such as transitional housing, housing for seniors, housing for persons with physical, developmental or mental disabilities, farmworker housing and housing for extremely low-income persons.</p>		
<p><b><u>Program H-23.1</u></b>                      Pursuant to SB 2, the City must explicitly allow both supportive and transitional housing types in all residential zones. The City shall update its Zoning Ordinance to include separate definitions of transitional and supportive housing as defined in Health and Safety Code Sections 50675.2 and 50675.14. Both transitional and supportive housing types will be allowed as a permitted use subject to only the same restrictions on residential uses contained in the same type of structure.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Amend the Zoning Code by June 2010  <b>Funding:</b> Affordable Housing Fund</p>	<p>The City Council approved Ordinance 584 amending the Zoning Ordinance on March 11, 2014, to explicitly allow supportive and transitional housing types in all zones allowing residential uses. Transitional and supportive housing are allowed in the same way other residential uses are allowed in all of these zones. Definitions of transitional and supportive housing were also codified, pursuant to SB 2. The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. This program has been successfully implemented.</p>	<p>Delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b><u>Program H-23.2</u></b>            The City shall allow farmworker housing in the Agricultural and Multi-family Zones as prescribed by state law. Farmworker housing for 12 or fewer workers shall not require a conditional use permit but shall be required to obtain a Coastal Development Permit consistent with the Local Coastal Plan. Farmworker housing in the Agricultural Zone for 6 or fewer workers shall be deemed to be a single-family structure.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Amend the Zoning Code by June 2010  <b>Funding:</b> General Fund</p>	<p>The City Council approved an ordinance amending the Zoning Ordinance on March 11, 2014, to allow employee housing (including farmworker housing) as required by the state Employee Housing Act (Health and Safety Code Sections 17021.5 and 17021.6). The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. This program has been successfully implemented.</p>	<p>Delete</p>
<p><b><u>Program H-23.3</u></b>            As required by both the Federal Fair Housing Act and the California Fair Employment and Housing Act, the City will establish a reasonable accommodation procedure to ensure a fair and efficient process for persons with disabilities to make necessary accessibility adjustments to their homes. The City will include a reasonable accommodation procedure in its upcoming Zoning Ordinance update which will allow housing retrofits for disabled persons without discretionary review.            Responsible Agency/Department: Public Services Department  <b>Time Frame:</b> Implement a reasonable accommodations procedure by August 2010  <b>Funding:</b> General Fund</p>	<p>The City Council approved an ordinance amending the Zoning Ordinance on March 11, 2014, to establish a reasonable accommodation procedure in Section 17.48.400 of the Municipal Code consistent with state law. The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. This program has been successfully implemented.</p>	<p>Delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Program H-23.4</b>                      Assembly Bill 2634 requires the quantification and analysis of existing and projected housing needs of extremely low-income households and requires the City to identify zoning to encourage and facilitate supportive housing and single-room occupancy units (SROs). To ensure zoning flexibility that allows for the development of SROs, the City will update its Zoning Ordinance to explicitly allow for SROs in the Central Business (C-1) and mixed commercial residential (MCR) districts. In addition, to help meet the needs of extremely low- income households, the City will prioritize funding and/or offer financial incentives or regulatory concessions to encourage the development of SROs.</p> <p><b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Amend the Zoning Code by June 2010  <b>Funding:</b> Biannually and as NOFAs are released</p>	<p>The City Council approved an ordinance amending the Zoning Ordinance on March 11, 2014, to allow SROs by right in the C-1 district and with a minor use permit in the MCR district. Performance standards for SROs were codified in Section 17.48.370 of the Municipal Code. The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. This program has been successfully implemented.</p>	<p>Delete</p>
<p><b>Policy H-24 (Support family housing)</b>                      The City shall support family housing that addresses resident needs for childcare, youth services, recreation opportunities and access to transit.</p>		
<p><b>Program H-24.1</b>                      As part of the process of assessing a proposed residential development, evaluate the potential to incorporate other uses within the project or in conjunction with the project, including, but not limited to, project-serving retail, job centers or services such as child care.</p> <p><b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> As projects are processed through the Planning Department  <b>Funding:</b> Affordable Housing Fund</p>	<p>The City has evaluated proposed residential developments for the potential to incorporate other uses within the project or in conjunction with the project. However, most new applications have been for single-family homes. As projects come in, the potential has been evaluated through an informal process.</p>	<p>Continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<b>5. The Homeless</b>		
<p><b>Policy H-25 (Regional Homeless Shelters)</b>            The City shall participate in the operations and maintenance of the regional homeless shelter facility. The City will continue to provide information about housing opportunities and services for homeless persons through the Police Department as well as at City Hall.</p>		
<p><b>Program H-25.1</b>            The City shall cooperate with the other cities, the County and other agencies in the development of programs aimed at providing homeless shelters and related services, including medical service for walk-in cases  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Ongoing  <b>Funding:</b> General Fund</p>	<p>In 2012, the City provided \$8,600 in CDBG funds to CAPSLO for homeless services (Prado Day Center and Maxine Lewis Memorial Shelter) to support their clients who are Morro Bay homeless. CAPSLO has submitted performance reports quantifying the Morro Bay residents helped versus countywide homeless helped.</p>	<p>Modify to incorporate Program H-25.2 and continue</p>
<p><b>Program H-25.2</b>            Continue to implement the regional plan to end homelessness entitled “Housing For All: A Plan to End Homelessness”.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> Ongoing  <b>Funding:</b> General Fund</p>	<p>Councilmember Christine Johnson is on the Homeless Services Oversight Council (HSOC), and the City funded CAPSLO in 2012 with CDBG funding for homeless services at the Maxine Lewis Shelter and Prado Day Center.</p>	<p>Combine into Program H-25.1 and delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-26 ( Emergency/Homeless Shelters)</b>                      The City shall allow emergency/homeless shelters in appropriate zoning districts such as multi-family, light commercial and mixed-use zones.</p>		
<p><b>Program H-26.1</b>                      Pursuant to Senate Bill 2, the City will amend the Zoning Ordinance to allow emergency shelters as a permitted use in a newly created overlay zone in the City’s Central business (C-1) district without a conditional use permit or other discretionary review. The C-1 overlay zoning district is close to transit corridors and services. The City will create this overlay zone with specific development standards for emergency shelters. In addition, the City will evaluate adopting development and managerial standards that will be consistent with Government Code Section 65583(a) (4). These standards may include such items as:                      Lighting                      On-site management                      Maximum number of beds or persons to be served nightly by the facility                      Off-street parking based on demonstrated need                      Security during hours that the emergency shelter is in operation  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> The City will amend the Zoning Ordinance to allow emergency shelters as a permitted use in a C-1 overlay zone by August 2010.  <b>Funding:</b> General Fund</p>	<p>The City Council approved an ordinance amending the Zoning Ordinance on March 11, 2014, to explicitly allow emergency shelters by right in the city’s Central Business (C-1) district and to provide specific development and managerial standards for emergency shelters (see Municipal Code Section 17.48.360). The ordinance was reviewed by the Coastal Commission prior to City Council approval and is currently pending Coastal Commission approval. This program has been successfully implemented.</p>	<p>Delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<b>6. Energy Conservation</b>		
<p><b>Policy H-27 (Energy efficiency requirements)</b>            All new dwelling units shall be required to meet current state requirements for energy efficiency. The retrofiting of existing units shall be encouraged.</p>		
<p><b>Program H-27.1</b>            The City will continue to implement Title 24 of the California Code of Regulations on all new development. The City will also continue to encourage the use of additional innovative energy conservation techniques such as active and passive solar systems, orientation and project layout in an endeavor to further reduce dependence upon outside energy sources. The City will make handouts and literature available to the public outlining measures that they can take to reduce energy use.</p> <p><b>Responsible Agency/Department:</b> Building Division  <b>Time Frame:</b> Ongoing  <b>Funding:</b> Plan check fees</p>	<p>The City implements Title 24 through standard practices and procedures. The City's Buildings and Construction Ordinance is updated on a triennial basis in coordination with the California Building Standards Code; consistency with State-mandated green building standards is ensured at that time. The City "Green Building Incentive Program" provides incentives for green/energy-conserving projects. The City has a green building kiosk at the public services counter, maintained by SLO Green Build, that provides educational materials relating to green building and energy conservation. The City provides express permit processing for photovoltaic (PV) rooftop solar projects.</p>	<p>Modify to incorporate Program H-27.3 and continue</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b><u>Program H-27.2</u></b> The City will work with PG&amp;E and Southern California Gas Company to encourage existing residents to participate in energy efficiency retrofit programs. The City will consider sponsoring an energy awareness program in conjunction with PG&amp;E and Southern California Gas Company to educate residents about the benefits of various retrofit programs.</p> <p><b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing, as projects are processed through the Planning Department <b>Funding:</b> General Fund/PG&amp;E</p>	<p>The City encourages residents to participate in energy efficiency retrofit programs by providing information, maintained by San Luis Obispo County Energy Watch, containing rebates and incentives relating to energy efficiency retrofits, at the public services counter.</p>	<p>Modify to incorporate Program H-27.4 and continue</p>
<p><b><u>Program H-27.3</u></b> The City will annually ensure that local building codes are consistent with state mandated or recommended green building standards.</p> <p><b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Annually <b>Funding:</b> General Fund</p>	<p>The City's Buildings and Construction Ordinance is updated on a triennial basis in coordination with the California Building Standards Code; consistency with State-mandated green building standards is ensured at that time. This program will be incorporated into Program H-27.1.</p>	<p>Incorporate into Program H-27.1 and delete</p>
<p><b><u>Program H-27.4</u></b> The City will continue to partner with PG&amp;E to promote energy saving programs such as, the California Alternate Rates for Energy (CARE), the Relief for Energy Assistance through Community Help (REACH) and the Family Electric Rate Assistance (FERA).</p> <p><b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing <b>Funding:</b> General Fund</p>	<p>See response on status/effectiveness under Program H-27.2. This program will be combined into Program H-27.2.</p>	<p>Combine into Program H-27.2 and delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-28 (Energy-Efficient Land Use)</b>            New land use patterns shall encourage energy efficiency, to the extent feasible.</p>		
<p><b>Program H-28.1</b>            The City will continue to implement the subdivision ordinance that requires new subdivisions to incorporate design features that reduce vehicle dependence and encourage pedestrian and bicycle circulation through the development of transit stops and bicycle and pedestrian routes, where feasible and appropriate.  <b>Responsible Agency/Department:</b> Public Services Department  <b>Time Frame:</b> As projects are processed through the Planning Department  <b>Funding:</b> General Fund</p>	<p>The approvals for the subdivision at 2400 Main at Bonita included a requirement for bicycle racks. The approvals for the developments at 555 Main also propose bicycle racks.</p>	<p>Continue</p>
<p><b>7. Equal Opportunity</b></p>		
<p><b>Policy H-29 (Equal Access to Housing)</b>            The City declares that all persons, regardless of race, creed, age or sex, shall have equal access to sound and affordable housing.</p>		
<p><b>Program H-29.1</b>            The City will refer persons experiencing discrimination in housing to California Rural Legal Assistance, display posters in the City library, City Hall, and Public Services Department and post information on the City’s website.  <b>Responsible Agency/Department:</b> All City departments that receive complaints  <b>Time Frame:</b> Ongoing  <b>Funding:</b> General Fund</p>	<p>The City refers persons with fair housing complaints to CRLA. The City does not document when referrals to CRLA are made. The City also designates April as Fair Housing Month every year.</p>	<p>Combine into Program H-30.1 and delete</p>



2009 Housing Element Program	Status/Effectiveness	Appropriateness for 2014–2019 Housing Element
<p><b>Policy H-30 (State Fair Employment and Housing)</b> The City will promote the enforcement of the policies of the State Fair Employment and Housing Commission.</p>		
<p><b>Program H-30.1</b> The City will continue to provide information from the Department of Equal Housing and Employment regarding housing and tenant rights at City Hall and other prominent locations in the City, including the Public Services Department. Responsible Agency/Department: Planning Department Time Frame: Ongoing Funding: General Fund</p>	<p>Information from the Department of Equal Housing and Employment regarding housing and tenant rights is displayed at City Hall, the Public Services Department, and other prominent locations in the city.</p>	<p>Modify to incorporate Program H-29.1 and continue</p>
<p><b>8. Public Participation</b></p>		
<p><b>Policy H-31 (Public Participation)</b> The City shall encourage the participation of all citizens of Morro Bay in the development of housing policies for the City.</p>		
<p><b>Program H-31.1</b> Prior to any public hearing where the City is considering amending or updating the housing element, the City will directly notify People's Self Help Housing Corporation, the Housing Authority of the City of San Luis Obispo, California Rural Legal Assistance and local churches, as well as post notices on the City's website and at significant public locations . <b>Responsible Agency/Department:</b> Public Services Department <b>Time Frame:</b> Ongoing <b>Funding:</b> General Fund</p>	<p>The City included the entities identified in Program H-31.1 and posted notices to the City's website and at significant public locations during the 2014 Housing Element update process.</p>	<p>Continue</p>
<p><b>Program H-31.2</b> The City will advocate for affordable housing by educating the Planning Commission, the City Council and the public on the benefits of affordable housing. <b>Responsible Agency/Department:</b> Public Services Department, City Manager, Community Groups <b>Time Frame:</b> Ongoing <b>Funding:</b> CDBG/General Fund</p>	<p>The City advocated for affordable housing through educational presentations to the Planning Commission, City Council, and the public during the 2014 Housing Element update process.</p>	<p>Continue</p>



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## 7. OBJECTIVES, POLICIES, AND PROGRAMS

State law requires that the Housing Element contain a “statement of the community’s goals, quantified objectives and policies relative to the maintenance, improvement and development of housing.” This chapter describes the proposed goals, objectives, policies, and implementation programs of the Housing Element for the City of Morro Bay.

Dates shown in the “Time frame” indicate the scheduled implementation of the program, which will be in effect from that time through the duration of the planning period. For the Housing Element, the term “second unit” is interchangeable with “granny unit” and “accessory unit.” The term “lower-income groups” is interchangeable with the extremely low-, very low-, low-, and moderate-income categories.

### 1. Housing Supply

**Objective:** Provide a continuing supply of affordable housing to meet the needs of existing and future Morro Bay residents in all income categories.

#### ***Policy H-1 (Fair Share)***

Maintain land use policies that allow residential growth consistent with the availability of adequate infrastructure and public services.

#### **Program H-1.1**

The City will give the highest priority for residential development to affordable housing projects. These projects will automatically be allowed first priority for the allocation of new residential growth in each year. The priority for affordable units will also include the allocation of water and other resources as consistent with the Local Coastal Plan.

*Responsible Agency/Department:*      *Public Services Department*  
*Time Frame:*                                      *Annually*  
*Funding:*    *General Fund*

#### **Program H-1.2**

To ensure there is a sufficient supply of multi-family zoned land to meet the City’s Regional Housing Needs Allocation (RHNA), the City will help facilitate lot consolidations to combine small residential lots into larger developable lots by annually meeting with local developers to discuss development opportunities and incentives for lot consolidation to accommodate affordable housing units. As developers/owners approach the City interested in lot consolidation for the development of affordable housing, the City will offer the following incentives on a project-by-project basis:



- Allow affordable projects to exceed the maximum height limits,
- Decrease setbacks, and/or
- Reduce parking requirements.

The City will also consider offsetting fees (when financially feasible) and concurrent/fast tracking of project application reviews to developers who provide affordable housing.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Ongoing, as projects are processed through the Planning Division. Annually meet with local developers to discuss development opportunities and incentives for lot consolidation.**

*Funding:* **General Fund**

### **Program H-1.3**

To ensure affordable multi-family projects meet maximum densities, the City will continue to implement procedures with objective standards to promote flexibility in development standards (height, parking, and setbacks) and promote the use of density bonuses to increase densities. The City will biannually review the multi-family development standards in the Zoning Ordinance and revise as necessary to ensure they don't act as a constraint to the development of affordable housing in the city. The City will give priority to projects that provide extremely low-, very low-, and low-income housing.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Work with developers on a case-by-case basis to provide flexibility in development standards and promote density bonuses to increase densities as projects are processed through the Planning Division and Bi-annually review the multifamily development standards in the Zoning Ordinance.**

*Funding:* **General Fund**

### **Program H-1.4**

In order to create a vibrant, pedestrian- and bicycle-friendly small urban atmosphere in the downtown area and ensure optimal access to services and public transportation, the City will encourage the development of new high-density housing in and adjacent to the downtown commercial district. To facilitate this goal, the City will inventory vacant and underutilized lots in and adjacent to the downtown



business district, identify sites or areas where re-zoning to high-density residential or mixed use categories might be desirable and modify the City's zoning map as appropriate.

***Responsible Agency/Department:*** *City Council, Public Services Department*  
***Time Frame:*** *Conduct inventory by July 2018. If decision is made to revise Zoning Ordinance, revise by December 2018.*  
***Funding:*** *General Fund*

### **Program H-1.5**

The City will consider establishing minimum residential density requirements for the R-3, R-4, and MCR zoning districts.

***Responsible Agency/Department:*** *City Council, Public Services Department*  
***Time Frame:*** *Prepare recommendation on whether to revise zoning by July 2018. If decision is made to require minimum densities, revise Zoning Ordinance by December 2018.*  
***Funding:*** *General Fund*

## ***Policy H-2 (Water Resources)***

Continue to pursue additional water resources identified in the Water Management Plan.

### **Program H-2.1**

The City will, to the extent feasible, allocate water resources to allow maximum growth to full buildout consistent with limitations contained in the certified Local Coastal Plan, General Plan, and Ordinance 266 as amended. At least annually, the Public Services Department will provide an update to the City Council on available water supplies, projected demand under the General Plan, and the status of projects to ensure adequate supply to meet the needs of the community in accordance with the Water Management Plan, the General Plan, and this element.

***Responsible Agency/Department:*** *Public Services Department*  
***Time Frame:*** *Annually*  
***Funding:*** *Water Fund*

## ***Policy H-3 (Funding)***

To the extent feasible, solicit housing assistance funds from the state and federal governments in conjunction with nonprofit and for-profit developers to be used in the construction of new and rehabilitation of existing secondary units and very low- and low-income housing units.



### **Program H-3.1**

The City will continue to work with the private sector, nonprofit agencies and to secure funds and be supportive of others pursuing funds through state and federal programs for development of new lower-income housing and rehabilitation of existing lower-income households (including mobile homes). As funding becomes available, the City will prioritize a portion of the funds to encourage the development of housing for extremely low-income households.

In addition, in light of budget constraints and reduced staffing levels, it is unlikely that the City will pursue grant funds for affordable housing acquisition or new construction projects. Housing grant funds will be pursued for energy efficiency audits and retrofits and infrastructure repairs. Pursuit of funds for rehabilitation will occur when it is determined there is a sufficient level of interest in this type of program.

*Responsible Agency/Department:*      **Public Services Department**  
*Time Frame:*                                      **Apply for funding annually**  
*Funding:*    **CDBG, HOME, others**

### **Policy H-4 (Methods)**

Continue to explore alternative methods for increasing its affordable housing stock with the goal of providing adequate extremely low-, very low-, and low-income, senior, ADA accessible, and workforce housing.

### **Program H-4.1**

The City will contact HCD, housing advocates, affordable housing providers, and other appropriate information resources on an annual basis in order to stay current with the latest options for providing affordable housing.

*Responsible Agency/Department:*      **Planning Division**  
*Time Frame:*                                      **Annually**  
*Funding:*    **General Fund**

### **Program H-4.2**

Most recent housing developments in Morro Bay have not been constructed to the maximum densities allowed by zoning. Market conditions, bank financing, and insurance requirements have favored the construction of single-family detached houses. To increase housing supply and obtain densities closer to those envisioned by zoning policies, the City will do the following:

- Implement Section 17.21.70 of the City Zoning Code (Additional Incentives) that offers incentives for developing greater than the minimum densities in the multiple-family zones. The City is sensitive to the loss of multi-family-



zoned land to less intensive uses, particularly given the limited number of vacant multi-family sites remaining in Morro Bay and their potential contribution toward meeting the City's housing needs.

***Responsible Agency/Department:*** *City Council, Planning Division*  
***Time Frame:*** *Ongoing*  
***Funding:*** *General Fund*

### **Program H-4.3**

The City will continue to partner with Countywide organizations to encourage workforce housing, as defined by the County of San Luis Obispo.<sup>1</sup> The City will additionally encourage workforce housing by prioritizing a variety of incentives, including but not limited to expedited permit processing for workforce housing, where feasible. The City will also review the Zoning Ordinance for potential constraints to workforce housing and review the master fee schedule for potential constraints to building workforce housing.

***Responsible Agency/Department:*** *Planning Division*  
***Time Frame:*** *Meet with organizations annually; consider expedited permitting on a project by project basis; review the Zoning Ordinance and master fee schedule every two years beginning in 2015.*  
***Funding:*** *General Fund*

### **Policy H-5 (Housing Costs)**

Ensure that the City's adopted policies, regulations, and procedures do not add unnecessarily to the cost of housing, while still attaining other important City objectives.

### **Program H-5.1**

The City will review its user charges for public services and facilities to ensure the charges are consistent with the costs of improvements and maintenance.

***Responsible Agency/Department:*** *Public Services Department, Finance Department*  
***Time Frame:*** *Starting in 2015, then every three years*  
***Funding:*** *General Fund*

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<sup>1</sup> Workforce is defined by Title 22 of the San Luis Obispo County Code as 160% of county median income.



***Policy H-6.a (General Affordability)***

Continue to require a percentage of new housing units built in the city be affordable to very low-, low-, and moderate-income households.

***Policy H-6.b (Variable Density)***

In order to encourage development of small units, development of a greater number of residential units than otherwise allowed under the existing land use and/or zoning designation may be permitted, provided that (1) at least 65 percent of the units are developed as studio or one-bedroom units; (2) the population density at full buildout of the project does not exceed the population density that corresponds with the existing land use designation and/or zoning or 1 person for every 500 square feet, whichever is less; and (3) the proposed project complies with all applicable zoning regulations, except as modified by the decision-maker through discretionary review.

**Program H-6.1**

The City will continue to implement the inclusionary requirements of Section 17.50 of the Municipal code which requires that all new residential development projects of 5 or more for-sale units provide a minimum of one unit or 10 percent of the total number of units, whichever is greater, to be affordable to families with incomes in the very low-, low- or moderate-income ranges, depending on the needs of the City at the time of approval. The lower-income units may be either for rent or for sale, but shall remain affordable for at least 30 years, or such other term approved by the City, consistent with state law.

***Responsible Agency/Department:***      *City Council/Planning Division*  
***Time Frame:***                                      *Ongoing, as projects are processed through the Planning Department*  
***Funding:***    *General Fund*

**Program H-6.2**

As an alternative to building inclusionary units, the City will allow a development to pay an in-lieu fee. Currently, the fee amount is determined with the following method: (construction cost x percentage of fee based on project size, where construction costs include all expenses related to the development of housing units, including land, construction, on- and off-site infrastructure, and associated soft costs). The City will conduct an analysis on the current method to determine whether the current fees are appropriate. If they are found to not be appropriate, the City will conduct a nexus study. Once established, the in-lieu fees will be collected and held in an affordable housing trust fund. To ensure any modifications to the City's Inclusionary Program as a result of the nexus study do not adversely impact market-rate housing, the City will also evaluate whether the Inclusionary Program poses a constraint to the development of housing. If this is found to be the case, the City will revise the program to ensure it is not a constraint to development.



*Responsible Agency/Department:* **Public Services Department, Finance Department**

*Time Frame:* **Determine whether fees are appropriate and identify constraints (if needed) by June 2016; make any recommended revisions to the fee calculations and Inclusionary Program by December 2016**

*Funding:* **General Fund**

### **Program H-6.3**

The City will continue to require affordable housing developments to be designed consistent with the surrounding neighborhood in order to enhance the sense of belonging to the community. Forms, materials, and proportions should be utilized that are compatible with the character of the surroundings.

*Responsible Agency/Department:* **City Council, Planning Division**

*Time Frame:* **Ongoing, as projects are processed through the Planning Division**

*Funding:* **General Fund**

### **Program H-6.4**

The City will codify neighborhood preservation guidelines for affordable units in Section 17.28.200 of the Morro Bay Municipal Code when the Zoning Ordinance is amended.

*Responsible Agency/Department:* **City Council, Planning Division**

*Time Frame:* **August 2015**

*Funding:* **General Fund**

### **Program H-6.5**

The City may, on a case-by-case basis, allow for modifications/incentives to development standards, such as common access driveways, building height restrictions, parking, distance between buildings, setbacks, lot coverage, screening, varying lot sizes, open space requirements, fast-track permitting, density bonuses, variable densities on multi-family zones property, transfer of development credits, fee assistance, and any other modifications/incentives or combination of modifications/incentives, which are jointly agreed upon by the applicant and the decision-maker, as an incentive for constructing specific affordable housing projects. This is not intended to be an exhaustive list of modifications/incentives available to the applicant and/or decision-maker. The City will prepare public outreach materials, including adding information to the City's website to inform the public of a variety of types of modifications or incentives offered.



*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Ongoing, as projects are processed through the Planning Division**  
*Funding:* **General Fund**

**Program H-6.6**

The City will consider amending the Community Housing Ordinance to require that housing units developed under the terms of this code section be priced for sale or rental to persons of moderate or lower income.

*Responsible Agency/Department:* **City Council, Public Services Department**  
*Time Frame:* **Prepare recommendation on whether to adopt an ordinance by July 2018. If decision is made to adopt an ordinance, adopt by December 2018.**  
*Funding:* **General Fund**

***Policy H-7 (Housing Trust Fund)***

Develop a Housing Trust Fund to be used for the development of affordable housing projects.

**Program H-7.1**

This fund will be used to assist nonprofit and for-profit developers to construct lower-income housing, purchase land, write down land or financing costs, rehabilitate or preserve existing units, prepare other implementation measures consistent with this element, and/or monitor housing policies and programs on an ongoing basis.

Assuming that the current market conditions will continue to exist during the 5-year Housing Element time frame, the City estimates that it will assist two to seven units.

*Responsible Agency/Department:* **Public Services Department, Finance Department**  
*Time Frame:* **Modify by 2012**  
*Funding:* **General Fund**

***Policy H-8 (Mixed Housing Types)***

Encourage the mixing of affordable housing throughout the community rather than concentrating affordable units in a few locations.



### **Program H-8.1**

The City will allow the conversion of older motels to residential use, subject to discretionary review, outside the Visitor-Serving Commercial (C-VS) and Waterfront (WF) zones. Criteria for approving residential uses will be stated in the Zoning Ordinance. These conversions will also receive a priority in the unit allocation list.

*Responsible Agency/Department:* **City Council, Planning Division**  
*Time Frame:* **Ongoing; codify criteria by August 2015**  
*Funding:* **General Fund**

### **Policy H-9 (Mixed Use)**

Continue to promote a policy of mixed uses by allowing housing in conjunction with compatible commercial uses in appropriate mixed-use designations located throughout the city. The allowance of these mixed-use designations will require additional findings to ensure new projects do not change the character of the neighborhood.

### **Program H-9.1**

The City will develop criteria for determining the appropriate compatible mix of residential and commercial development to ensure neighborhood consistency.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Codify criteria by June 2016**  
*Funding:* **General Fund**

### **Policy H-10 (Secondary Units)**

Allow for the development of secondary housing units as an affordable housing option throughout the city.

### **Program H-10.1**

To comply with AB 1866, the City will continue to permit secondary dwelling units ministerially (by right) in all residential zones. An administrative coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, is required for new secondary units in or outside the coastal appeals jurisdiction.

*Responsible Agency/Department:* **Planning Division**  
*Time Frame:* **Ongoing, as projects are processed through the Planning Division**  
*Funding:* **General Fund**



## 2. Conservation and Rehabilitation

**Objective:** Conserve and rehabilitate the city's current stock of affordable housing.

### ***Policy H-11 (Section 8 Subsidies)***

Continue to maintain Section 8 rent subsidies.

#### **Program H-11.1**

The City will coordinate its efforts with the appropriate agencies to continue receiving Section 8 subsidy monies.

*Responsible Agency/Department:* **Public Services Department**

*Time Frame:* **Ongoing, 2014–2019**

*Funding:* **General Plan**

### ***Policy H-12 (Special Needs Groups)***

Provide financial assistance for rehabilitation of homes for elderly, disabled, and disadvantaged persons.

#### **Program H-12.1**

The City will encourage local private organizations to assist elderly, disabled, and disadvantaged persons in the repair and rehabilitation of their housing.

*Responsible Agency/Department:* **Public Services Department**

*Time Frame:* **Meet with organizations annually**

*Funding:* **CDBG, HOME, other funding sources to be determined**

### ***Policy H-13 (Minimizing Impact)***

Ensure that public projects are planned to minimize their impact on the quality and stability of residential neighborhoods.

#### **Program H-13.1**

The City will adopt neighborhood compatibility standards for new developments in existing neighborhoods including development of a definition of neighborhood compatibility. The City will develop a standard set of criteria to use in determining whether proposed projects are compatible with the existing neighborhoods in which they are proposed, the purpose of which is to give project proponents clear direction for project design and to provide staff and the Planning Commission with clear guidelines for decision-making. These criteria could include a pre-application process to provide clear direction for the project.



*Responsible Agency/Department:* *Public Services Department*  
*Time Frame:* *Consider developing standards and adopt standards if determined they are needed by June 2015*  
*Funding:* *General Fund*

### ***Policy H-14 (Mobile Home Park Upkeep)***

Maintain the city's mobile home parks.

#### **Program H-14.1**

The City will promote the continued upkeep of existing economically viable mobile home parks by keeping park owners informed of opportunities through HCD to maintain mobile home parks through energy retrofits, housing rehabilitation, and weatherization programs.

*Responsible Agency/Department:* *Public Services Department*  
*Time Frame:* *Inform owners every two years beginning in 2015*  
*Funding:* *General Fund*

#### **Program H-14.2**

The City will when feasible apply for a grant to conduct a feasibility study to determine the possibility of a mobile home park conversion program. The study will include an inventory of the number of units that are RVs, trailers, or mobile homes on a chassis (not on permanent foundation), the condition of the units, and the identification of opportunities to replace them with new permanent affordable housing units.

*Responsible Agency/Department:* *Public Services Department*  
*Time Frame:* *As funding sources become available; consider applying for funds by October 2014*  
*Funding:* *CDBG, HOME, other funding sources to be determined*

### **3. Protect and conserve existing affordable housing stock in Morro Bay.**

**Objective:** Preserve all affordable housing units in the city.

#### ***Policy H-15 (At-Risk Units)***

Cooperate with other governmental, for-profit, and nonprofit entities to ensure no lower-income residents are adversely impacted by the conversion of existing affordable housing projects to market-rate rents.



### **Program H-15.1**

The City will maintain a list of all dwellings in the city that are subsidized by government funding or low-income housing developed through local regulations or incentives. The list will include, at least, the number of units, the type of government program, and the date on which the units may convert to market-rate dwellings. No units have been identified as at-risk of converting to market rate within 10 years of the beginning of the 5<sup>th</sup> cycle Housing Element planning period.

The City will require all property owners to provide at least 2 years' notice prior to the conversion of any units for lower-income households to market-rate units in any of the following circumstances:

- The units were constructed with the aid of government funding.
- The units were required by the City's Affordable Housing Program.
- The project was granted a density bonus.
- The project received other incentives.

Such notice will be given at least to the following:

- The City
- HCD
- Housing Authority of the City of San Luis Obispo
- Residents of at-risk units
- Any others deemed appropriate

*Responsible Agency/Department:*      *Public Services Department*  
*Time Frame:*                                      *Ongoing*  
*Funding:*    *General Fund*

### ***Policy H-16 (Conversion to Condominiums)***

Continue to protect existing lower-income apartment units from loss through conversion to condominiums.



### **Program H-16.1**

The City will continue to comply with Government Code Section 65590 et seq. that sets forth the requirements for conversions, demolitions, and replacement housing in the coastal zone.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Ongoing, 2014–2019**  
*Funding:* **General Fund**

### ***Policy H-17 (Demolished Units)***

Require the replacement of very low-, low-, and moderate-income housing that is demolished with similar affordable housing.

### **Program H-17.1**

The City will require the abatement of unsafe structures, while giving property owners ample time to correct deficiencies. Residents displaced by such abatement should be provided relocation assistance.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Ongoing, 2014–2019**  
*Funding:* **General Fund**

## **4. Special Needs**

**Objective:** Meet the housing needs of special groups of Morro Bay residents, including seniors, disabled persons, and single parents.

### ***Policy H-18 (Senior Housing)***

Provide more senior housing opportunities throughout the city.

### **Program H-18.1**

The City will utilize CDBG and other state or federal monies to assist in the development of lower-income senior rentals.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **Apply for funding as Notices of Funding Availability (NOFA) are released**  
*Funding:* **CDBG/federal monies**



***Policy H-19 (Special Housing Needs)***

Promote the development of special housing needs, such as transitional housing, housing for seniors, housing for persons with physical, developmental, or mental disabilities, farmworker housing, and housing for extremely low-income persons.

**Program H-19.1 (Developmental Disability Needs)**

The City will work with housing providers to ensure that special housing needs and the needs of lower-income households are addressed for seniors, large families, female-headed households with children, persons with disabilities and developmental disabilities, extremely low-income households, and homeless individuals and families. The City will seek to meet these special housing needs through a combination of regulatory incentives, zoning standards, new housing construction programs, and supportive services programs. The City will promote market-rate and affordable housing sites, housing programs, and financial assistance available from the City, county, state, and federal governments. In addition, as appropriate, the City will apply for or support others' applications for funding under state and federal programs designated specifically for special needs groups.

***Responsible Agency/Department:*** *Public Services Department, City Council*  
***Time Frame:*** *Seek funding opportunities beginning in 2014–2015 and annually thereafter; all program components are ongoing*  
***Funding:*** *Federal Housing Opportunities for Persons with AIDS, California Child Care Facility Financing Program, and other state and federal programs designated specifically for special needs groups*

***Policy H-20 (Family Housing)***

Support family housing that addresses resident needs for child care, youth services, recreation opportunities, and access to transit.

**Program H-20.1**

As part of the process of assessing a proposed residential development, the City will evaluate the potential to incorporate other uses within the project or in conjunction with the project, including, but not limited to, project-serving retail, job centers, or services such as child care.

***Responsible Agency/Department:*** *Public Services Department*  
***Time Frame:*** *As projects are processed through the Planning Division*  
***Funding:*** *Affordable Housing Fund*



## 5. The Homeless

**Objective:** Reduce the incidence of homeless persons in the community, work with other cities, the County, and various nonprofits to continue to operate a convenient homeless shelter for the region.

### ***Policy H-21 (Regional Homeless Shelters)***

Participate in the operations and maintenance of the regional homeless shelter facility. The City will continue to provide information about housing opportunities and services for homeless persons through the Police Department as well as at City Hall.

#### **Program H-21.1**

The City will cooperate with other cities, the County, and other agencies in the development of programs aimed at providing homeless shelters and related services, including medical service for walk-in cases. The City will continue to implement the regional plan to end homelessness entitled “Housing for All: A Plan to End Homelessness.”

<i>Responsible Agency/Department:</i>	<i>Public Services Department</i>
<i>Time Frame:</i>	<i>Ongoing; meet with homeless service providers and other county jurisdictions annually</i>
<i>Funding:</i>	<i>General Fund</i>

## 6. Energy Conservation

**Objective:** Increase the efficiency of energy use in new and existing homes, with a concurrent reduction in housing costs to Morro Bay residents.

### ***Policy H-22 (Energy Efficiency Requirements)***

Require all new dwelling units to meet current state requirements for energy efficiency. The retrofitting of existing units will be encouraged.

#### **Program H-22.1**

The City will continue to implement Title 24 of the California Code of Regulations on all new development and will continue to ensure that local building codes are consistent with state mandated or recommended green building standards. The City will also continue to encourage the use of additional innovative energy conservation techniques such as active and passive solar systems, orientation, and project layout in an endeavor to further reduce dependence on outside energy sources. The City will make handouts and literature available to the public outlining measures that they can take to reduce energy use.



*Responsible Agency/Department:* **Building Division, Public Services Department**

*Time Frame:* **Ongoing; ensure consistency with state green building standards triennially when the California Building Code is adopted**

*Funding:* **Plan check fees and General Fund**

### **Program H-22.2**

The City will work with the Pacific Gas and Electric Company (PG&E) and the Southern California Gas Company to encourage existing residents to participate in energy efficiency retrofit programs. The City will consider sponsoring an energy awareness program in conjunction with PG&E and the Southern California Gas Company to educate residents about the benefits of various retrofit programs.

*Responsible Agency/Department:* **Public Services Department**

*Time Frame:* **Ongoing, as projects are processed through the Planning Division**

*Funding:* **General Fund/PG&E**

### **Program H-22.3**

To promote residential energy efficiency retrofits, the City will pursue membership in a property assessed clean energy (PACE) program. PACE programs allow property owners to install water and energy efficiency and renewable energy projects with low interest financing that rides with the property instead of the homeowner. The City will coordinate with the County or statewide PACE program providers to identify and enroll in an appropriate program.

*Responsible Agency/Department:* **Public Services Department**

*Time Frame:* **Enroll in a PACE program by 2015**

*Funding:* **General Fund**

### **Program H-22.4**

The City will consider adopting an ordinance to require all new residential construction to incorporate active or passive solar energy features, gray water systems or rain water collection systems, or other renewable energy generating systems.

*Responsible Agency/Department:* **City Council, Public Services Department**

*Time Frame:* **Prepare recommendation on whether to adopt an ordinance by December 2016. If decision is made to adopt an ordinance, adopt by August 2017.**

*Funding:* **General Fund**



### **Program H-22.5**

The City will consider establishing a rotating fund to provide low-interest loans to Morro Bay residents for the purpose of:

- Installing solar or other renewable energy generating systems on existing residential structures, or
- Retrofitting existing residential structures with insulation, double pane windows, passive solar features, or other features that will materially reduce energy consumption.

Initial capitalization of the fund might be provided by a local tax on the sale of electricity, natural gas, propane, automotive fuels, or other traditional energy industries, or by an environmental mitigation fee charge levied on parcels occupied by facilities for electrical generation or transmission, natural gas extraction or transportation, or production or distribution of liquefied propane.

***Responsible Agency/Department:*** *City Council, Public Services Department, Finance Department*

***Time Frame:*** *Research program by December 2015*

***Funding:*** *General Fund or County of San Luis Obispo funding sources*

### **Program H-22.6**

The City will consider adopting an ordinance that would require, as a condition for approval of any permit for a significant remodel or addition to a residential dwelling within the City of Morro Bay, that the entire residence, including both the existing structure and the proposed addition or modification be brought into compliance with the currently-enacted requirements of Title 24 of the California Code of Regulations to the greatest degree feasible. In the event that full compliance with the requirements of Title 24 is asserted to be less than feasible by the applicant for such permit or by the Planning Department of the City of Morro Bay, approval of the requested permit should be granted only by action, in a duly-noticed public hearing, of the Planning Commission or City Council of the City of Morro Bay.

***Responsible Agency/Department:*** *City Council, Public Services Department*

***Time Frame:*** *Prepare recommendation on whether to adopt an ordinance by December 2016. If decision is made to adopt an ordinance, adopt by August 2017.*

***Funding:*** *General Fund*



***Policy H-23 (Energy-Efficient Land Use)***

Encourage energy efficiency in new land use patterns, to the extent feasible.

**Program H-23.1**

The City will continue to implement the subdivision ordinance which requires that new subdivisions incorporate design features reducing vehicle dependence and encouraging pedestrian and bicycle circulation through the development of transit stops and bicycle and pedestrian routes, where feasible and appropriate.

*Responsible Agency/Department:* **Public Services Department**  
*Time Frame:* **As projects are processed through the Planning Division**  
*Funding:* **General Fund**

**7. Equal Opportunity**

**Objective:** Ensure equal access to sound, affordable housing for all persons regardless of race, creed, age, or sex.

***Policy H-24 (Fair Employment and Housing)***

Promote the enforcement of the policies of the California Department of Fair Employment and Housing. The City declares that all persons, regardless of race, creed, age, or sex, will have equal access to sound and affordable housing.

**Program H-24.1**

The City will continue to provide information from the California Department of Fair Employment and Housing regarding housing and tenant rights at City Hall and other prominent locations in the city, including the Public Services Department. The City will refer persons experiencing discrimination in housing to California Rural Legal Assistance (CRLA).

*Responsible Agency/Department:* **Planning Division and all City departments that receive complaints**  
*Time Frame:* **Ongoing**  
*Funding:* **General Fund**



## 8. Public Participation

**Objective:** Ensure participation of all economic segments of the community in the development of housing policy for Morro Bay.

### ***Policy H-25 (Public Participation)***

Encourage the participation of all citizens of Morro Bay in the development of housing policies for the city.

#### **Program H-25.1**

Prior to any public hearing where the City is considering amending or updating the housing element, the City will directly notify People's Self-Help Housing Corporation, the Housing Authority of the City of San Luis Obispo, California Rural Legal Assistance, the Chamber of Commerce and Business Bureau, and local churches, as well as post notices on the City's website and at significant public locations.

***Responsible Agency/Department:*** *Public Services Department*

***Time Frame:*** *Ongoing*

***Funding:*** *General Fund*

#### **Program H-25.2**

The City will advocate for affordable housing by educating the Planning Commission, the City Council, and the public on the benefits of affordable housing.

***Responsible Agency/Department:*** *Public Services Department, City Manager, Community Groups*

***Time Frame:*** *Ongoing*

***Funding:*** *CDBG/General Fund*



QUANTIFIED OBJECTIVES SUMMARY

Based on the policies and actions outlined in Table 46, the following objectives represent a reasonable expectation of the maximum number of new housing units that will be developed, rehabilitated, or conserved and the number of households that will be assisted over the next five years. The City should be able to facilitate the development of 149 new units and assist with the rehabilitation of 35 units between 2014 and 2019.

**TABLE 46: QUANTIFIED OBJECTIVES SUMMARY (2009–2014)**

Task	Income Level					Total
	Extremely Low	Very Low	Low	Moderate	Above Moderate	
Fair Share Allocation	19	20	24	27	65	155
Residential Permits Issued (1/14–3/14)	0	0	0	0	6	6
New Construction Objectives <sup>1</sup>	19	20	24	27	59	149
Rehabilitation	2	8	15	10	0	35
Preservation <sup>5</sup>	0	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>28</b>	<b>39</b>	<b>37</b>	<b>65</b>	<b>190</b>

Source: SLOCOG 2013; City of Morro Bay 2014

Notes:

<sup>1</sup> These numbers are based on the Regional Housing Needs Allocation.

<sup>2</sup> There are no units currently at risk, but the City will continue to monitor the existing affordable units (Program H-15-1).

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**APPENDIX A-**  
**MASTER FEE SCHEDULE**

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# Adopted Master Fee Schedule For the 2013/14 Fiscal Year

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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Preface

All fees, except for those related to Business License, are subject to increase by either the April Consumer Price Index (CPI) for Los Angeles-Riverside-Orange County, or the Engineering News Record (ENR), unless prevented by law. Business License adjusts based on the March CPI, per Municipal Code Section 5.04.050.

ENR for April 2013 = 2.273%

CPI for April 2013 = 0.9%

CPI for March 2013 = 1.3%

The Master Fee Schedule is updated annually in June/July; therefore, any fees adopted after its publication, and prior to the next annual update, may not be included.

**City of Morro Bay  
Master Fee Schedule  
For the 2013/14 Fiscal Year**

**All Departments & Offices**

<b>Photocopies:</b>		
First page	\$	0.75
Each additional page	\$	0.25
<b>Photocopies mailed:</b>		
Cost of postage		Actual
First page	\$	0.75
Each additional page	\$	0.25
<b>Appeal fee:</b>		
Non-refundable appeal fee for non-land use administrative decisions	\$	250.00

**Notes:**

Unless specifically identified elsewhere (e.g., Public Safety), all departments and offices shall use these rates.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Elections

### Filing fee:

Notice of intention to circulate petition - this amount is refundable under Elections Code Section 9202(b), with conditions

\$ 200.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Finance Department

### Copies:

Budget document, per copy	\$	25.00
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Basic Financial Statements (City Audit), per copy	\$	25.00
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Master Fee Schedule document, per copy	\$	25.00
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Returned check charge (CA Civil Code Section 1719):

First time	\$	25.00
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Each subsequent	\$	35.00
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### Utility Billing:

Water service application fee	\$	25.00
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Physical posting of shut-off notice at customer location	\$	54.00
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Refundable Utility deposit - residential tenants only <sup>1</sup>	\$	100.00
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Reconnection (MC 13.04.310)	\$	46.00
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<sup>1</sup> A deposit is required from all residential tenants who sign up for utility service. Existing residential tenants, whose service is terminated due to delinquent non-payment, will be required to pay a deposit, in addition to the service reconnection fee, in order to restore service ONLY IF THE DEPOSIT HAS NOT PREVIOUSLY BEEN COLLECTED.

If the residential tenant moves within the City limits, the deposit will transfer with the residential tenant to his/her new address.

The deposit is applied to the closing bill when the residential tenant moves out; any remaining credit balance is refunded. If the tenant's status changes to an owner, the deposit is refunded.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Building

<b>Building &amp; Construction Permits:</b>		
Valuation of from 0 - \$3,000 (including electrical service less than 600 amp, and minor plumbing alternatives)	\$	83.00
\$3,001 and up - .025 x total valuation as determined by the Building Official (50% upon submittal/50% at issuance)		
Construction Operation After Hours	\$	31.00
Building Re-Address Processing	\$	30.00
Demo w/o Asbestos	\$	66.00
Demo w/ Asbestos	\$	133.00
In-lieu Housing Fee (if unit not affordable housing) - per sq/ft	\$	0.32
General Plan Maintenance - 6% Surcharge on all Building Permits <sup>2</sup>		
SMIP Category I (Residential) - .0001 x valuation		
SMIP Category II (Commercial) - .00021 x valuation		
Unsafe Building repair, demolition or moving structure - charged at cost		
<b>Special Inspection and Plan Review Fees:</b>		
Inspection Fees - outside of normal work hours - per hour, 2 hour minimum	\$	151.00
Re-Inspection Fees - per hour	\$	76.00
Property condition report for Condominium Conversions	\$	18.00
Inspection for which no fee is otherwise indicated - per hour, 1/2 hour minimum	\$	76.00
Additional Plan Review required by changes, additions, revisions to the approved plans - per hour, 1/2 hour minimum	\$	76.00
Use of outside consultants for special plan checking and inspection - charged at actual cost		
Penalty for commencing construction without permit(s). This is in addition to the standard building permit fees.	\$	105.00
		+ 2 times permit fee + \$52.00 per day after notice
Retrofit upon transfer of sale	\$	34.00

<sup>2</sup> General Plan Maintenance surcharge includes 1% for Geographic Information System (GIS) Maintenance

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Building Development Impact Fees <sup>3</sup>

<b>Building fees, per square foot <sup>4</sup>:</b>	
Residential:	
Single Family <sup>5</sup>	\$ 3.89
Multi-Family <sup>5</sup>	\$ 6.21
Non-residential:	
Commercial <sup>5</sup>	\$ 3.90
Office <sup>5</sup>	\$ 2.77
Industrial <sup>5</sup>	\$ 1.44
<b>Park fees for residential in-fill lots, per square foot:</b>	
Single Family	\$ 1.20
Multi-Family	\$ 2.00
<b>Water fee:</b>	
1" meter	\$ 2,422.00
1-1/2" meter	\$ 4,844.00
2" meter	\$ 7,747.00
3" meter	\$ 15,495.00
<b>Wastewater fee:</b>	
1" meter	\$ 4,446.00
1-1/2" meter	\$ 8,893.00
2" meter	\$ 17,783.00
3" meter	\$ 28,452.00

<sup>3</sup> Adjust annually based on change in Engineering News Record (ENR).

<sup>4</sup> Fees are per square foot including garages (enclosed spaces). Single-family residential additions of 500 square feet or less are exempt (this is for a cumulative five (5) year period).

<sup>5</sup> Plus water **and** wastewater fees, which are based on meter size

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Building Development Impact Fees

### Public Facilities Fees (per square foot):

#### Residential:

#### Single Family Residential:

General Government	\$ 1.15
Police	\$ 0.39
Parks	\$ 1.20
Fire	\$ 0.42
Storm Drain	\$ 0.05
Traffic	\$ 1.86
Water <sup>6</sup>	\$ 0.64
Wastewater <sup>6</sup>	\$ 1.79

#### Multi-Family Residential:

General Government	\$ 1.91
Police	\$ 0.63
Parks	\$ 2.00
Fire	\$ 0.70
Storm Drain	\$ 0.06
Traffic	\$ 2.90
Water <sup>6</sup>	\$ 0.97
Wastewater <sup>6</sup>	\$ 2.66

<sup>6</sup> Water and Wastewater actual fees are based on the meter size. Amount shown is estimated based on the fees divided by the estimated building square feet.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Building Development Impact Fees

<b>Public Facilities Fees, per square foot (continued):</b>	
Non-residential:	
Commercial:	
General Government	\$ 0.23
Police	\$ 0.06
Parks	\$ 0.01
Fire	\$ 0.21
Storm Drain	\$ 0.03
Traffic	\$ 3.35
Water <sup>6</sup>	\$ 2.41
Wastewater <sup>6</sup>	\$ 4.45
Office:	
General Government	\$ 0.31
Police	\$ 0.08
Parks	\$ 0.01
Fire	\$ 0.30
Storm Drain	\$ 0.03
Traffic	\$ 2.01
Water <sup>6</sup>	\$ 2.41
Wastewater <sup>6</sup>	\$ 4.45
Industrial:	
General Government	\$ 0.09
Police	\$ 0.03
Parks	\$ 0.01
Fire	\$ 0.08
Storm Drain	\$ 0.03
Traffic	\$ 1.16
Water <sup>6</sup>	\$ 2.41
Wastewater <sup>6</sup>	\$ 4.45

<sup>6</sup> Water and Wastewater actual fees are based on the meter size. Amount shown is estimated based on the fees divided by the estimated building square feet.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Business License<sup>7</sup>

### Business License:

Business License fee - varies by type of license requested	See Subsequent Pages
Business License listing, per list	\$ 15.00
Business License, transfer (MC 5.04.220)	\$ 2.00
Business License, duplicate (MC 5.04.230)	\$ 2.00
Home Occupation Permit Processing Fee (one time fee)	\$ 65.00
Home Occupation Basic (annual)	\$ 135.00
Home Occupation Exception (annual)	\$ 57.00

<sup>7</sup> With the adoption of the 2013/14 Master Fee Schedule, a \$3 software maintenance fee was added to Business License fees.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Business License<sup>7</sup> Exhibit A

### Business License (MC 5.08):

#### Ambulances

License	Annum	\$ 109.00
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Apartments, Motel, Hotel, Multiple Dwellings, Rest Homes, Rooming Houses, Hospitals & Sanitariums	Annum	\$ 135.00
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Plus: Each Unit/Person cared for Over 4		\$ 5.00
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#### Art Hobby or Handicraft Show & Exhibitions

Minimum Per Salesperson	Annum	\$ 3.00
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#### Auctioneers

No Fixed Place of Business	Day	\$ 135.00
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Fixed Place of Business	Annum	\$ 135.00
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Plus: Each Employee	Annum	\$ 32.00
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Bingo		\$ 66.00
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Carnivals and Circuses	Day	\$ 534.00
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3-more sale	Annum	\$ 135.00
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Coin-Operated Vending Machine	Gross Receipts	0.01
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#### Contractors

General	Annum	\$ 266.00
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One Job Only	Job	\$ 135.00
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Specialty	Annum	\$ 135.00
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One Job Only	Job	\$ 35.00
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Delivery By Vehicle For One or More Vehicles	Annum	\$ 135.00
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Exhibiting Animals or Trick Riding, Wire Dancing or other Exhibitions (Exception No Fee or Admission)	Day	\$ 56.00
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Fire Wreck or Bankrupt Sale, Each Sale		\$ 189.00
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Plus: In Excess of 3 Days	Day	\$ 109.00
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<sup>7</sup> With the adoption of the 2013/14 Master Fee Schedule, a \$3 software maintenance fee was added to Business License fees.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Business License<sup>7</sup> Exhibit A (page 2)

Flea Markets	Daily Gross		
Minimum per Salesperson	Day	\$	10.00
Garage Sales			No Fee
ERR			
Merry-Go-Round, Revolving Wheel Chute, Tobaggan, Slide, Mechanical Riding Contrivance or Pony Ride	Day	\$	56.00
Money Lenders & Pawnshops		\$	537.00
Non-Profit Organizations			Exempt
Peddlers, Solicitors, or Itinerant Merchants			
Peddlers	Day	\$	56.00
Solicitors	Day	\$	109.00
Plus: Each Employee	Day	\$	53.00
Itinerant Merchants	Day	\$	56.00
	Week	\$	109.00
	Month	\$	162.00
	Quarter	\$	213.00
	180 days	\$	266.00
Public Utilities	Annum	\$	135.00
Plus: Each Employee	Annum	\$	32.00
Exception: When City Franchise Tax is greater than \$80.00			
Private Patrol	Annum	\$	67.00
Public Dance (Exception No Fee or Admission)	Day	\$	56.00
Real Estate			
Calif. Licensed Broker	Annum	\$	135.00
Each Salesman or Agent	Annum	\$	32.00
Each Employee	Annum	\$	23.00

<sup>7</sup> With the adoption of the 2013/14 Master Fee Schedule, a \$3 software maintenance fee was added to Business License fees.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Business License<sup>7</sup> Exhibit A (page 3)

Secondhand Store or Junkdealer	Annum	\$	135.00
Plus: Each Employee	Annum	\$	32.00
Skating Rink	Annum	\$	135.00
Plus: Employee	Annum	\$	32.00
<b>Taxicabs</b>			
License Per Cab	Annum	\$	73.00
Driver	Annum	\$	10.00
Tent Show or Itinerant Show (Exception No Fee or Admission)	Day	\$	135.00
<b>Trailer House, RV or Mobile Home Park</b>			
Rental Spaces 1-4	Annum	\$	135.00
Plus: Additional Space	Annum	\$	5.00
Undesignated Professionals	Annum	\$	135.00
Plus: Each Employee	Annum	\$	32.00
Wrestling or Boxing Show	Day	\$	56.00

<sup>7</sup> With the adoption of the 2013/14 Master Fee Schedule, a \$3 software maintenance fee was added to Business License fees.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Engineering

### Engineering:

Subdivisions, commercial or multifamily are typically more complex, and require more review.

### Flood Hazard Development Permit (MC 14.72.040):

Permit, minimum fee<sup>8 & 9</sup> \$ 190.00

Flood Plain Letter \$ 95.00

### Subdivisions:

Final Map - Tract, minimum fee (MC 16.24.040J)<sup>8 & 9</sup> \$ 1,222.00

Final Parcel Maps with Improvements, minimum fee<sup>8 & 9</sup> \$ 314.00

Final Maps Amendment Review, minimum fee<sup>8 & 9</sup> \$ 263.00

### Inspections/Plan Review

Inspections	Cost of service
Public/Subdivision Improvement Plan Check, minimum fee <sup>8 &amp; 9</sup>	\$ 450.00

### Abandonment Process

Street/R-O-W Abandonment Process<sup>9</sup> \$ 898.00

### Encroachment Permits<sup>9</sup> (MC 13.16.140):

Regular \$ 129.00

Special - Engineered Structures, minimum fee<sup>8</sup> \$ 282.00

Non-Engineered Structures, minimum fee<sup>8</sup> \$ 129.00

Annual Utility Encroachment Permit \$ 198.00

Wide Load Permit with Traffic Control Plans - Per Year<sup>8</sup> \$ 90.00

Wide Load Permit with Traffic Control Plans - One Time<sup>8</sup> \$ 16.00

### Street & Sidewalks:

Exception Application \$ 160.00

<sup>8</sup> Time and materials costs may be added to minimum, when actual cost exceeds the minimum fee.

<sup>9</sup> With the exception of Wide Load Permits, Encroachment Permits fees adjust annually based on the April Engineering News Record (ENR-CCR)

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Engineering

### Stormwater fees:

#### Single family:

Planning review of preliminary stormwater plan	\$	142.00
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Building permit review of stormwater plan	\$	186.00
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Inspection of stormwater facility/erosion control	\$	99.00
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#### Other (per 6,000 sq ft lot area, or fraction thereof):

Planning review of preliminary stormwater plan	\$	142.00
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Building permit review of stormwater plan	\$	186.00
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Inspection of stormwater facility/erosion control	\$	99.00
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### Trees:

Removal Permit (to trim, brace or remove, MC 12.08.110)	\$	256.00
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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Planning

<b>Affordable Housing In-Lieu Funding Assistance Fee</b>	\$	541.00
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Applicants requesting assistance for affordable housing projects or programs with affordable housing in-lieu fees shall pay a base deposit fee of \$500 to conduct the necessary financial analysis to determine the justification of the fee assistance. All expenses associated with further financial analyses (real estate financial pro forma) shall be paid by the applicant and deposited into this fund to cover all City expenses. These fees will either be reimbursed to the applicant or credited toward other project fees, if the City Council determines that financial assistance from the housing in-lieu fee fund is justified.

### **Coastal Permits:**

Coastal Permit in combination with Conditional Use Permit		No Fee
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Coastal Permit (Administrative)	\$	704.00
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Single Family Dwelling, Multiple Dwelling, Office, Commercial, Convention, Industrial & Institutional	\$	3,044.00
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Additions greater than 10% to Single Family Dwelling in Coastal Appeals area (Planning Commission)	\$	505.00
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Emergency Permit (excluding required regular CDP)	\$	634.00
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#### Other Administrative:

Tree Removal, private	\$	242.00
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### **Environmental:**

Categorical Exemption	\$	86.00
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Negative Declaration	\$	1,047.00
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Mitigated Negative Declaration	\$	3,356.00
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Filing Fee - for environmental document as per County	\$	51.00
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Environmental Impact Report - contract amount plus 25% attorney fees on all discretionary projects - cost	\$	4,556.00
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Department of Fish & Game CEQA document fee (pass through - see <a href="http://www.dfg.ca.gov">www.dfg.ca.gov</a> for fee)		
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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Planning

<b>Miscellaneous:</b>	
Letter regarding land use confirmation or other research - per hour	\$ 86.00
Development Agreement	\$ 4,556.00
Applicant Requested Continuance	\$ 111.00
Street Name/Rename Processing	\$ 403.00
Fine, in addition to permit - \$100.00 plus two times permit fee; plus \$50 per day - after notice. Deposit required.	
Request for Averaging Front Yard Setbacks (sq ft)	\$ 110.00
Appeals of City decisions excluding Coastal Permits in Coastal Appeal Jurisdiction - refundable if applicant prevails	\$ 250.00
Copy of Planning Commission DVD	\$ 12.00
<b>Notification fees:</b>	
Planning Commission hearings	\$ 138.00
Administrative hearings	\$ 87.00
Special Event - based on actual personnel cost	
<b>Planned Development Zone:</b>	
Projects with planned development overlay (for construction of SFR in PD overlay zone) see CUP fees; for all other projects, if within waterfront master plan area, charge time and materials plus a deposit that is to be tiered based on size of the project (Council action 8/23/10).	

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Planning

<b>Sign Permits:</b>	
Sign permit	\$ 86.00
Sign Exception (CUP)	\$ 714.00
Pole Sign (CUP)	\$ 714.00
Fines:	
Temporary, beyond time allowed by Ordinance - per day after notice	\$ 10.00
Permanently attached signs w/o permit - per day after notice	\$ 21.00
<b>Subdivisions:</b>	
<i>Note: all subdivisions may be billed at direct cost</i>	
Tentative Parcel Map Application	\$ 3,245.00
Tentative Tract Map Application up to 10 lots/plus \$100.00 per lot over 10	\$ 4,327.00
Amendments to Existing Tract or Parcel Maps	\$ 2,323.00
Lot Line Adjustment	\$ 762.00
Certificate of Compliance (legal determination) - fee plus a deposit for extensive research as needed	\$ 525.00
Lot Mergers	\$ 211.00
<b>Text Amendments:</b>	
Zone Changes - deposit plus cost	\$ 4,556.00
Specific Plan	\$ 4,683.00
General Plan/Local Coastal Plan Amendment deposit plus cost	\$ 4,683.00
Annexations - deposit plus cost	\$ 4,931.00
<b>Time Extensions:</b>	
Time Extensions for CUP, regular Coastal Permits and Variance (Planning Commission)	\$ 525.00
Time Extensions for Tract Maps and Parcel Maps	\$ 525.00
Time Extensions - Administrative	\$ 44.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Planning

### Use Permits

*Note: All Use Permits may be billed at direct cost at the discretion of the Public Services Director - scheduled fee would then be deemed as a deposit*

*Note: All refund requests must be submitted in writing to the City and must include the permit number.*

Conditional Use Permit	\$ 3,917.00
One SFR in a Planned Developed Zone or Bluff Area	\$ 594.00
Occupancy changes Commercial/Industrial (no construction)	\$ 505.00
Additions to non-conforming uses structures, not adding units or new uses	\$ 505.00
Minor Use Permit	\$ 541.00
Temporary Use Permit - longer than 10 days	\$ 541.00
Outdoor Display and Sales and Outdoor Dining	\$ 863.00
Administrative Temporary Use Permit - 7 consecutive or 10 non-consecutive days per calendar year	\$ 44.00
Amendments to Existing Permits (Planning Commission)	\$ 1,942.00
Major Modification While Processing	\$ 1,459.00
Minor Amendments to Existing Permits (Administrative)	\$ 184.00

### Variations:

Variance	\$ 2,413.00
Variations processed with other permits	\$ 725.00
Minor Variance	\$ 399.00
Parking Exceptions	\$ 123.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Water

### Water Service:

Application (MC 13.04.07)	\$	25.00
Connection - Within City will be charged at cost (MC 13.04.100)		
Connection - Outside City will be charged at 2 x cost (MC 13.04.100)		
Connection - Subdivisions will be charged at owner expense (MC 13.04.100)		
Main Extension Approval will be charged at cost (MC 13.04.120)		
Temporary Service Application will be charged at cost (MC 13.04.150)		

### Meter Installations/Connections:

3/4 inch to 5/8 inch meter (water fee plus wastewater fee)	\$	1,350.00
1 inch to 1-1/2 inch meter	\$	1,811.00
2 inch meter and above	\$	Cost of service
Meter Box Installation	\$	218.00
Temporary Water Meter Rental	\$	87.00
Water Meter Re-Read	\$	26.00
Reconnection (MC 13.04.310)	\$	46.00
After - Hours Water Meter Turn Off/On	\$	117.00
"Drop in" meter fee, up to 2 inches	\$	.75 x regular meter fee
Relocation of water meter for customer convenience	\$	1.5 x regular meter fee
Water meter lock - cost of replacing damaged lock	\$	Lock + \$46

Circuses, Carnivals & Traveling Shows - Fire Hydrant (MC 13.04)

### Fire Hydrants - Contractor Use (MC 13.04.360):

Meter Installation and Removal - per Council Resolution; will be charged at cost

Meter Use - per day	\$	4.00
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### Water Cross Connection (MC 13.08.070B):

Certificate of Compliance	\$	23.00
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### Water Usage (MC 13.04.220, sewer rates not included):

Per Council Resolution

### Water Deposit:

Refundable deposit - residential tenants only	\$	100.00
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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Public Services Department Sewer

### Sewer:

Connection Permit - fee plus staff time for inspection (MC 13.12.010) \$ 76.00

Extension - pro rated - to be charged at cost (MC 13.12.050)

Use of Existing Sewer Permit - per Council Resolution (MC 13.12.090)

Use Charges - per Council Resolution (MC 13.12.210)

Discharge Fee - Recreational Vehicles and Campers (MC 13.12.250A, no charge)

Discharge Fee - Tank Trucks and Commercial per truck, for each 1,000 gallon capacity (MC 13.12.250B) \$ 7.00

Private Facility (MC 13.12.280, no charge)

Minimum and Availability Charge - per Council Resolution (MC 13.12.090)

Raising Manhole to Grade - cost of providing service

Sewage Spill Cleanup - cost of providing service

Spill in Right-of-Way Cleanup - cost of providing service

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Police Department (See Notes)

<b>Permits &amp; Licenses:</b>	
Sex/Narcotic Registrant Fee	\$ 0.00
Tow/Taxi Service Provider Application Fee	\$ 598.00
Taxi Operator Permit Application Fee	\$ 381.00
Taxi Operator Permit Application Renewal Fee	\$ 64.00
Second Hand Dealer Permit - City Application Fee (does not include Department of Justice fee)	\$ 318.00
Second Hand Dealer Permit renewal - City Application Fee (does not include Department of Justice fee)	\$ 158.00
Massage Therapist/Parlor Permit Application Fee	\$ 132.00
<b>Police Copies:</b>	
Report/Document Copies - per page	\$ 1.00
<b>Support Services Manager Activity:</b>	
Digital Photo Reproduction to CD - per hour, 1 hour minimum	\$ 53.00
Audio/Video Tape Reproduction - per hour, 1 hour minimum	\$ 53.00
Record Searches/Reviews/Clearance/Responses - per hour, 1 hour minimum	\$ 53.00
<b>Officer Activity:</b>	
Equipment Citation Sign Off	\$ 15.00
Vehicle Impound Fee Administrative Costs (CVD 22850.5)	\$ 158.00
Abandoned Vehicle Removal (junk vehicles/parts)	\$ 318.00
Juvenile In Custody Service - per hour	\$ 69.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Police Department (See Notes)

<b>Other Police Services:</b>		
Firearms - seizure/storage (PC 12021.3-33880)	\$	53.00
<b>State Mandated Costs</b>		
Concealed Weapons Permit (does not include DOJ or other fees)	\$	106.00
Renewal of Concealed Weapons Permit (does not include cost of ID card)	\$	26.00
Subpoena Duces Tecum (does not include costs of report, etc.)	\$	15.00
Delinquent Parking Citation Copy	\$	2.00
Repossessed Vehicle	\$	15.00
Booking Fees (current cost - cost is dependent on charges by County)	\$	115.00
Live scan Fingerprint Fees (PC 13300(e))	\$	DOJ + \$20
Criminal History Review (PC 13322)	\$	26.00
<b>Cost Recovery</b>		
DUI Emergency Response		Actual Cost
False Alarm Response (after 3rd false alarm in a year)	\$	212.00
<b>No Cost Services:</b>		
Bicycle License	\$	0.00
Voluntary Gun Registration	\$	0.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Police Department (See Notes)

Parking Fines:	<u>MBMC</u>	<u>Vehicle Code</u>		
Parking within a Parkway	10.40.020		\$	53.00
No Parking Areas	10.40.030		\$	53.00
Posted Restricted Parking	10.40.040		\$	53.00
72-Hour Parking	10.40.060		\$	64.00
Vehicle Repair on Public Street	10.40.080		\$	53.00
Parking on Grade without Turning Wheels	10.40.090		\$	53.00
Parking within Space Marking	10.40.110		\$	53.00
Curb Markings (red, yellow, etc.)	10.40.120		\$	53.00
Parking in Passenger Loading Zone	10.40.150		\$	53.00
Parking in Alley	10.40.160		\$	53.00
Limited Time Parking	10.40.170		\$	53.00
Violating Diagonal Parking	10.40.190		\$	53.00
No Stopping in Designated Area	10.40.200		\$	53.00
Failure to Pay Established Fee	10.44.070		\$	53.00
Failure to Display Receipt	10.44.070		\$	53.00
Overnight Camping	08.24.010		\$	112.00
Expired registration		4000(a)	\$	53.00
Parking in Fire Lane		22500.1	\$	169.00
Blocking Driveway		22500e	\$	53.00
Blocking Wheelchair Access		22500L	\$	109.00
Parking within 15' of Fire Hydrant		22514	\$	117.00
Blocking Sidewalk		22500f	\$	53.00
Blocking a Bus Stop		22500i	\$	90.00
Blocking Intersection Gridlock		22526	\$	186.00
Curb Parking 18" or Wrong Way		22502A	\$	53.00
Parking in Bike Lane		21211b	\$	53.00
Vehicle Abandonment on Street		22523	\$	328.00
Handicap		22507.8A	\$	301.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Police Department Notes

### Permits & Licenses:

Tow/Taxi Service Provider application fee is the fee for application by a tow service provider or taxi service applying to do business in the City (does not include a business license fee). The application includes review by police staff, processing of application, inspection of tow/taxi vehicle(s) and in case of two service provider, inspection of impound yard.

Massage Therapist/Parlor permit application fee is an application fee to operate a new massage business (does not include City business license fee or DOJ fee). Includes police staff time to receive and review application, conduct background checks as required, and business inspection.

### Police Copies:

All police copy costs are \$1.00 per page (except citations).

### Support Services Manager Activity:

All record searches, reviews, clearance letters, responses, copies of photos, audio tapes and video tapes - 1 hour minimum charge

### Officer Activity:

Abandoned Vehicle Removal - this is a charge levied against the registered or legal owner of a vehicle who abandons the vehicle or vehicle parts on a public street or place open to the public

Juvenile in Custody - this hourly fee may be charged to parents when a juvenile has been taken into custody, and the officer or employee must "baby-sit" the juvenile until the parent arrives. This hourly fee begins after the juvenile is processed, and the parents, or responsible adult, are called to respond. This fee is intended for parents or responsible adults that have extended response times, which requires an officer or employee to monitor the juvenile.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Police Department Notes

### Other Police Services:

Firearms seizure, storage and release administrative fees - PC 1202.3 (now PC 33880) was enacted in 2005 and requires any person, who claimed title to any firearm that is in police custody and who wishes to have a firearm returned to him/her, must make application for a determination by DOJ (Department of Justice) as to whether he/she is eligible to possess a firearm. PC Section 12021.3(j)(1) allows the City to charge for administrative costs relating to the seizure, impound, storage or release of firearms.

### State Mandated Costs:

Concealed Weapons Permit - PC Section 12054(a)

Subpoena Duces Tecum - EC 1563 (b)(1)

Delinquent Parking Citation Copy - VC Section 40206.5

Repossessed Vehicle - GC Section 41612

Booking Fees - set by County GC 53150 & 29550.1

Livescan Fingerprint Fees - PC 13300(e)

Criminal History Review - PC 13322

### Cost Recovery:

DUI Emergency Response - MBMC 3.40.030

False Alarms Response - MBMC 9.22.020

### Services:

Acceptance of Civil Subpoena/SDT fees are set by statute or other authority - Code #1563(b)(1)EC

Safekeeping Property Storage beyond 30 day written notice does not include outside storage fees

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Fire Department (See Notes)

<b>Permits:</b>	
Permit Inspection Fees:	
Any single permit identified in Title 24 CFC and not specifically addressed in the Master Fee Schedule	\$ 64.00
Any combination of permits shall not exceed	\$ 191.00
Special Occurrence or Use Permit (equipment & personnel charges additional)	\$ 64.00
Special Permits:	
Marine Welding Permit: Vessel, Pier, Wharf, Waterfront	\$ 42.00
Aircraft Landing Permit, per occurrence (required Fire standby equipment & personnel charges additional)	\$ 64.00
Knox Box installation/inspection, first box	\$ 42.00
More than one Knox Box per address, each additional box	\$ 10.00
<b>Equipment &amp; Personnel Charges</b>	
Engine or Truck: per hour, per vehicle (personnel charges additional)	\$ 122.00
Squad/Rescue: per hour, per vehicle (personnel charges additional)	\$ 90.00
Utility/Command Vehicle: per hour, per vehicle (personnel charges additional)	\$ 42.00
Personnel charges: per hour, per person - 2 hour minimum, unless otherwise specified, at current productive hourly rate	
<b>Plan Review Fees:</b>	
Fire Plan Concept Review - personnel charges as specified in Equipment and Personnel Charges	
Plan Review - A charge of 0.3% of total valuation plus use of outside consultant for Plan Review & Inspection is based on actual cost plus fee	\$ 64.00
Additional Plan Review required by changes, additions or revisions to approved plans - personnel charges as specified in Equipment & Personnel Charges on a hourly basis plus actual cost of outside consultant for Plan Review	

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Fire Department (See Notes)

### Fire Protection:

#### System & Equipment Fees:

#### Fire Sprinkler System Installation Inspection - (above ground)

Residential - fee plus \$0.55 per head	\$	64.00
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Commercial - fee plus \$0.55 per head	\$	318.00
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Commercial projects or tenant improvements under 1,000 sq ft - fee plus \$.055 per head	\$	103.00
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Underground water line inspection	\$	64.00
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#### Fire Alarm System Installation Inspection

0 - 15 devices	\$	64.00
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16 - 50 devices	\$	106.00
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51 - 100 devices	\$	201.00
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101 - 500 devices	\$	291.00
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501 and up, fee plus \$130 for each additional 100 devices	\$	291.00
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Specialized Fire Protection System Inspection, e.g., Halon, Dry Chemical Commercial Kitchen Hood System	\$	64.00
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Flammable or Combustible Tank Installation Inspection	\$	64.00
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On-site Hydrant System Installation Inspection	\$	64.00
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Use of Outside Consultants for Plan Review & and/or Inspection - fee plus actual cost	\$	64.00
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Request for Building Fire Flow Calculations	\$	37.00
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Request for Hydrant Flow Information	\$	37.00
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Request for Hydrant Flow Test - fee plus personnel & equipment as specified in Personnel and Equipment Charges, 1 hr min.	\$	37.00
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#### Engine company business inspection:

1st and 2nd inspections	\$	0.00
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3rd and subsequent inspections	\$	79.00
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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Fire Department (See Notes)

### Fire Prevention:

New and annual business/facility inspection fees:

1st and 2nd inspections: no charge	\$	0.00
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3rd and subsequent inspections	\$	79.00
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Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$	106.00
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Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$	212.00
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Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$	530.00
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Annual weed and hazard abatement inspection fees:

1st inspection for compliance: no charge	\$	0.00
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2nd and subsequent inspections	\$	79.00
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Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$	106.00
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Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$	212.00
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Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$	530.00
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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Fire Department (See Notes)

### Incident Response Fees:

Hazardous Material/Chemical Incident:

No charge first half-hour (excluding negligent/intentional acts)

Each additional hour, or fraction thereof, will be charged as specified in the Personnel and Equipment Charges plus the cost of any materials

Negligent Incidents:

Response due to negligent/malicious act (e.g., DUI traffic accident, climber on Morro Rock, incendiary fire, negligent hazardous material incident, negligent confined space incident, etc.)

Two hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs and contract services used.

Excessive or malicious false alarms:

Emergency response due to "Failure to Notify" when working on or testing fire/alarm system

0.5 hours minimum to be charged as specified by Personnel & Equipment Charges.

Malicious False Alarms - .5 hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs.

Alarm system malfunction resulting in 2 in 30 days or 3 in 12 months - charged as specified by Personnel & Equipment Charges plus any material costs.

### Other Fire Services

Copy of response report, per report	\$ 27.00
Additional copies, per page	\$ 1.00
Cause & Origin investigation reports, per report	\$ 112.00
Non-renewal of required annual permit - charge double permit fee rate	
Failure to obtain permit - charge double permit fee rate	
Missed site inspection appointment	\$ 41.00
Failure to meet permit requirements/requiring re-inspection	\$ 41.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Fire Department Notes

### Permits - California Fire Code

See operational and construction permits identified in the California Fire Code, Appendix Chapter 1, Section 105

Special Occurrence or Use Permit includes 1 inspection

### Plan Review Fees

Plan Review Fees are calculated based on total valuation to recover the cost of providing service.

Use of outside consultant for Plan Review and/or Inspection to be \$60 plus actual cost of consultant.

All Plan Review Fees shown are minimum amounts, based on average processing. Large or complex projects may be subject to increased fees based upon time, costs, or equipment costs as shown per Equipment & Personnel Charges.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Harbor Department<sup>10</sup> (See Notes)

<b>Vessel fees:</b>	
Commercial fishing slips - monthly rate (per foot)	\$ 4.10
Commercial fishing slip waiting list deposit	\$ 433.00
Transient slips - monthly rate (per foot)	\$ 8.20
Transient slips - daily rate (per foot)	\$ 1.10
Head Float Berth - monthly	\$ 182.10
Daily T-Pier rate/floating dock - first consecutive 90 days (per foot)	\$ 0.25
City moorings - monthly	\$ 200.00
City moorings private tackle - monthly	\$ 80.00
A1-5 Anchorage Area - 1-5 days (per foot)	\$ 0.00
A1-5 Anchorage Area - after 5 days (per foot)	\$ 0.20
City-owned moorings - daily (per foot)	\$ 0.25
Monthly impound rate (per foot) ( <b>non-impounded vessels</b> )	\$ 7.00
Impound mooring rate - daily (per foot) (impounded vessels)	\$ 0.65
Temporary Moorage - large vessels/equipment (per day)	\$ 162.00
Dry storage - daily	\$ 2.80
Mooring transfer fee (flat rate)	\$ 1,072.00
<b>Service fees:</b>	
T-Pier electrical - daily	\$ 2.30
Electric cord replacement	\$ 155.00
T-Pier hoist - per use	\$ 11.00
T-Pier hoist - per day	\$ 21.00
Fishing unloading - per hour	\$ 72.00
Wharfage - per ton	\$ 0.85

<sup>10</sup> Beginning with the 2013/14 Master Fee Schedule, the Harbor Department will use the Engineering News Record (ENR) factor for increasing fees.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Harbor Department<sup>10</sup> (See Notes)

<b>Liveaboard fees:</b>		
Permit fee - biennial	\$	55.00
Inspection fee - biennial (if done by MB Harbor Patrol)	\$	131.00
Monthly service fee - moorings	\$	15.50
Monthly service fee - slips	\$	32.00
<b>Lease site administration/services fees:</b>		
Master Lease Approval	\$	810.00
Requiring City Council approval	\$	405.00
Departmental approval	\$	84.00
<b>Vessel assistance:</b>		
One Patrol Officer, one boat - per hour	\$	180.00
Each additional Officer - per hour	\$	68.00
<b>Launch Ramp parking fee:</b>		
Per hour	\$	1.00
Maximum per day	\$	5.00
Failure to pay established fee	\$	54.20
Failure to display receipt	\$	54.20
Annual fee	\$	100.00

<sup>10</sup> Beginning with the 2013/14 Master Fee Schedule, the Harbor Department will use the Engineering News Record (ENR) factor for increasing fees.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Harbor Department Notes

Any account past due over 10 days on a monthly basis will be charged a 10% penalty.late fee assessed on the total balance due on the account.

Vessels requiring non-emergency assistance more than once in any six-month period may be charged a minimum of 4.5 hours at the set rate.

All dockage is based on a 36' minimum vessel length or length of the slip, whichever is larger.

Temporary moorage related to marine construction equipment or vessels of unusual size requiring special accommodation - see fees for Temporary Moorage - Large Marine Equip. or Vessel/Equipment.

A 10% discount is available for leased commercial slips and moorings when paid one year in advance. Account must be paid for entire year in advance.

Transient slip users shall be limited to 3 months in any slip as long as there are vessels appropriate to the slip size on the sublease waiting list.

The Harbor Director may waive dockage fees for Tall Ships visiting Morro Bay Harbor for any period less than 30 days with written notice.

Parking fee applies to the boat trailer spaces at the boat launch ramp, and Tidelands Park trailer and towing vehicle spaces. Annual permits may be prorated to the nearest month.

Any liveaboard application, submitted during the period January 1 through June 30, is good only for that fiscal year and the following fiscal year, but will be prorated by reducing the liveaboard application fee, stated herein, by 25%.

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Recreation and Parks Department Facility Rentals

	<u>Non-Profit and Resident Groups</u>	<u>Non-resident Groups</u>	<u>For Profit Groups</u>
<b><u>COMMUNITY CENTER</u></b>			
Auditorium	\$48/hr	\$76/hr	\$111/hr
Auditorium, one-half	\$31/hr	\$46/hr	\$67/hr
Multi-purpose room	\$26/hr	\$41/hr	\$62/hr
Lounge	\$23/hr	\$34/hr	\$50/hr
Studio	\$18/hr	\$26/hr	\$38/hr
Kitchen *	\$12/hr	\$20/hr	\$25/hr
Kitchen, 8 hours *	\$63	\$100	\$125
<b><u>VETERAN'S MEMORIAL BUILDING</u></b>			
Assembly, w/o kitchen	\$25/hr	\$34/hr	\$44/hr
Complete, w/o kitchen	\$28/hr	\$38/hr	\$50/hr
Meeting, w/o kitchen	\$21/hr	\$28/hr	\$37/hr
Kitchen & barbeque <sup>11</sup>	\$12/hr	\$20/hr	\$25/hr
Kitchen & barbeque, 8 hours <sup>11</sup>	\$63	\$100	\$125
<b><u>TEEN CENTER</u></b>			
Up to 20 participants	\$303	\$303	\$303
21 - 30 participants	\$404	\$404	\$404
31 - 40 (maximum = 40) participants	\$454	\$454	\$454

**Note: based on number of participants**

<sup>11</sup> Kitchen only rentals permitted Monday - Friday; weekend rentals must be combined with room rental

### ADDITIONAL FEES

Deposit: \$150, no alcohol or live music	Unscheduled overtime:	\$44/hr
\$500, alcohol and/or live music	Facility attendant(s):	\$10/hr each
\$50, Bounce House	Security guard(s):	\$26/hr each
Janitorial, non-refundable, per event based on group size:	Permit processing fee:	\$8.00, non-refundable
100 - 200 participants: \$54	Insurance:	cost based on event size/type
201 or more participants: \$106	Cancellations:	20% charge of invoiced costs
Building set-up/breakdown: \$23/hr		

Veteran's Memorial Building stage use, set-up and breakdown: \$81 flat rate

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Recreation and Parks Department Public Area Use Permits

	<u>Non-Profit and Resident Groups</u>	<u>Non-resident Groups</u>	<u>For Profit Groups</u>
Del Mar Park Hillside or Meadow	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$136/Day+Permit	\$136/Day+Permit	\$136/Day+Permit
Del Mar Basketball Courts <sup>13</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$136/Day+Permit	\$136/Day+Permit	\$136/Day+Permit
Del Mar Roller Hockey Rink <sup>13</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$136/Day+Permit	\$136/Day+Permit	\$136/Day+Permit
Del Mar Tennis Courts <sup>13</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$136/Day+Permit	\$136/Day+Permit	\$136/Day+Permit
Lila Keiser Park BBQ or Fields <sup>12</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event <sup>12</sup>	\$136/Day+Permit	\$136/Day+Permit	\$136/Day+Permit
Monte Young Tennis Courts <sup>13</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$101/Day+Permit	\$101/Day+Permit	\$101/Day+Permit
Tidelands Open Area	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$101/Day+Permit	\$101/Day+Permit	\$101/Day+Permit
Cloisters Open Area	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$101/Day+Permit	\$101/Day+Permit	\$101/Day+Permit
Bayshore Bluffs Open Area	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$101/Day+Permit	\$101/Day+Permit	\$101/Day+Permit
Morro Rock Open Area	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$101/Day+Permit	\$101/Day+Permit	\$101/Day+Permit
City Park Open Area	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$68/Day+Permit	\$68/Day+Permit	\$68/Day+Permit

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Recreation and Parks Department Public Area Use Permits (page 2)

	<u>Non-Profit and Resident Groups</u>	<u>Non-resident Groups</u>	<u>For Profit Groups</u>
City Park Basketball Courts <sup>13</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$68/Day+Permit	\$68/Day+Permit	\$68/Day+Permit
North Point Overlook	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$68/Day+Permit	\$68/Day+Permit	\$68/Day+Permit
Coleman Park	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$68/Day+Permit	\$68/Day+Permit	\$68/Day+Permit
Coleman Basketball Courts <sup>13</sup>	\$50/Permit	\$87/Permit	\$217/Permit
Multi-Area, Entire Park, Multi Day Event	\$68/Day+Permit	\$68/Day+Permit	\$68/Day+Permit
Deposit - Public Area Use Permit - \$150.00			
Deposit - Organized Sports Facilities - \$500.00			
Hourly and Park Use Fees			
Giant Chessboard - use Wooden Pieces	\$25	\$40	\$107
Giant Chessboard - use Plastic Pieces (June, July, August)	\$9 N/C	\$10 N/C	\$11 N/C
<sup>12</sup> Lila Keiser hourly field rental	\$4 without lights \$15 with lights	\$5 without lights \$17 with lights	\$6 without lights \$19 with lights
<sup>12</sup> Lila Keiser field preparation	\$23	\$28	\$31
<sup>13</sup> Roller Hockey Rink, Basketball Court & Tennis Court Hourly	\$4.00	\$5	\$6

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Recreation and Parks Department Miscellaneous Property Use

	<u>Non-Profit and Resident Groups</u>	<u>Non-resident Groups</u>	<u>For Profit Groups</u>
Recreation equipment rental, per bag <sup>14</sup>	\$9.00	\$10	\$11
Includes one: Horseshoes, Badminton, Volleyball, Bocce Ball			
Soccer goal, hourly rate, 2 hr. min. <sup>14</sup>	\$8.00	\$9	\$10
Skate park rental, 2 hr. min.	\$106	\$106	\$158
Photography/filming, per day <sup>15</sup>	\$112, outdoor	N/A	\$220, outdoor
	\$148, indoor	N/A	\$367, indoor

<sup>14</sup> Equipment rental deposit: \$50

<sup>15</sup> Photography/filming deposit: \$1,000

Insurance cost is dependent on the size/type of event

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Transit (See Notes)

<b>Fixed Route:</b>		
Regular fare, per ride	\$	1.50
Discount fare, per ride	\$	0.75
Regular punch pass (11 rides for the price of 10)	\$	15.00
Discount punch pass (11 rides for the price of 10)	\$	7.50
Regular day pass	\$	4.00
Discount day pass	\$	2.00
<b>Call-A-Ride:</b>		
Fare, per ride	\$	2.50
Call-A-Ride punch pass (11 rides for the price of 10)	\$	25.00
<b>Trolley :</b>		
Fares:		
Per ride	\$	1.25
Per ride, 5-12 years old	\$	0.50
All day pass	\$	3.00
Advertising:		
Exterior Side of Trolley (approx. 36"x20") - with supplied sign	\$	370.00
Exterior Side of Trolley (approx. 36"x20") - MB Community Foundation supplied sign	\$	422.00
Exterior Rear of Trolley (approx. 24"x20") - with supplied sign	\$	318.00
Exterior Rear of Trolley (approx. 24"x20") - MB Community Foundation supplied sign	\$	370.00
Interior (approx. 26"x12") - with supplied sign	\$	158.00
Interior (approx. 26"x12") - MB Community Foundation supplied sign	\$	187.00

# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Transit (See Notes)

### Trolley (continued):

Rental rates:

One day, within City Limits, per hour (2 hour minimum):

Transportation of passengers to and from one location to another	\$	106.00
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Shuttle transportation (continuous loop with multiple stops); hourly plus cost of fuel	\$	106.00
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One day, outside City limits, per hour (3 hour minimum)

Transportation of passengers to and from one location to another	\$	106.00
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Shuttle transportation (continuous loop with multiple stops); hourly plus cost of fuel	\$	106.00
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Multiple days, 2 consecutive days:

Within City limits	\$	1,719.00
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Outside City limits; rate plus cost of fuel	\$	1,719.00
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# City of Morro Bay Master Fee Schedule For the 2013/14 Fiscal Year

## Transit Notes

### Fixed Route:

A child, under 5 years old, may ride free with a fare-paying adult (limit 2 per fare-paying adult).

Senior citizens (65 & over) and mobility-impaired/disabled individuals are eligible for the discount fare. Senior citizens may be required to provide proof of age.

### Call-A-Ride:

Call-A-Ride service is available to all members of the general public.

### Trolley

#### Rides:

The trolley is seasonal, and operates weekends only from Memorial Day weekend through the 1st weekend in October, and on Friday and Monday from Memorial Day through Labor Day.

Children, under 5 years old, ride free (limit 2 per fare-paying adult).

#### Advertising:

The City has entered into a revenue-sharing agreement with the Morro Bay Community Foundation (MBCF). MBCF will sell advertising spaces on the trolleys, to include having signs made, and split the revenue, per the agreement. The agreement term is one year. Advertising rates in this Schedule apply to the May 2012 through October 2012 trolley operating season.

Discounts are available when purchasing more than one advertising space. Buy two exterior or interior signs and get a second sign @ 10% off; buy three exterior or interior signs and get the third sign @ 20% off; buy three exterior signs and get one interior sign @ 50% off.

Cost for space with MBCF sign includes the cost to have the sign made.

#### Rentals:

Hourly rate includes driver, fuel, cleaning, standby mechanic and administration, unless otherwise noted.

Trolley seats 30 passengers.

The trolley is only to be operated on paved roads (no dirt or gravel roads).

The trolley is to be returned to the City in the condition it was received by the renter. The renter shall be held responsible for any damages to the trolley resulting from the rental that is not due to the negligence of the City or its transit contractor.

RESOLUTION NO. 41-13

RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF MORRO BAY, CALIFORNIA,  
ADOPTING 2013/14 MASTER FEE SCHEDULE

THE CITY COUNCIL  
City of Morro Bay, California

WHEREAS, the City Council finds that fees and charges for City services are annually in need of review for possible updating to reflect changes in the cost of providing those services; and

WHEREAS, the California Constitution, in Article 13B Government Spending Limitation Section 8(c), states that proceeds in excess of user charges and user fees that exceed the costs reasonably borne by the City in providing the regulation, product or service are considered proceeds from taxes that are subject to the annual appropriation limit; and

WHEREAS, the City has reviewed these fees, and finds that they do not exceed the actual costs of providing related services; and

WHEREAS, the City's Municipal Code Section 3.34.020 provides for the annual review of the Master Fee Schedule and revision; and

WHEREAS, on August 11, 2008, the City Council adopted Resolution No. 49-08, which stated that "the Master Fee Schedule will be brought back in its entirety for review annually."

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the Master Fee Schedule be revised and published, as amended.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 9<sup>th</sup> day of July 2013, by the following vote:

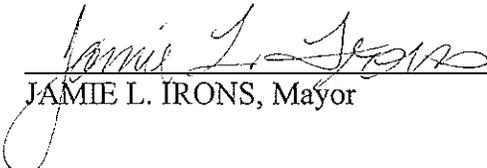
AYES: Irons, C. Johnson, N. Johnson, Leage, Smukler

NOES: None

ABSENT: None

ATTEST:

  
JAMIE BOUCHER, City Clerk

  
JAMIE L. IRONS, Mayor





CITY OF  
**MORRO BAY**

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2014-2019 HOUSING ELEMENT UPDATE