



# CITY OF MORRO BAY PLANNING COMMISSION AGENDA

*The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.*

**Regular Meeting -Tuesday, July 21, 2020 - 6:00 P.M.  
Held Via Teleconference**

Vice-Chairperson Jesse Barron  
Commissioner Michael Lucas

Chairperson Gerald Luhr

Commissioner Joseph Ingraffia  
Commissioner Susan Stewart

ESTABLISH QUORUM AND CALL TO ORDER

PLANNING COMMISSIONER ANNOUNCEMENTS

**Public Participation:**

*In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:*

- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the Community Development office at [planningcommission@morrobayca.gov](mailto:planningcommission@morrobayca.gov) prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*
- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the “**raise hand**” feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.*

*Please click the link below to join the webinar:*

➤ <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRWFUQT09>

*Password: 135692*

*Or Telephone Attendee: (408) 638-0968 or (669) 900 6833 or (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press \* 9 to “**Raise Hand**” for Public Comment*

PRESENTATIONS

A. CONSENT CALENDAR

- A-1** Current and Advanced Planning Processing List  
**Staff Recommendation:** Receive and file.
- A-2** Approval of minutes from the Planning Commission meeting of May 19, 2020.  
**Staff Recommendation:** Approve minutes as submitted.

**B. PUBLIC HEARINGS**

- B-1 Case No.:** Housing Element Update 2020-2028  
**Site Location:** Citywide  
**Request:** A Continued Public Hearing from July 7, 2020 for consideration of the 2020-2028 Housing Element Update and associated Negative Declaration to forward a recommendation to the City Council. The Housing Element is one of seven required Elements in the General Plan and serves as the framework for providing housing within the city limits. The Housing Element identifies housing needs, including responsibility to meet the local housing allocation determined by Regional Housing Needs Assessment. This Housing Element will cover an 8 year planning period vs. the previously required 5 year period. The City invites public participation in the creation of the Housing Element Update in order to (1) educate the public about the housing needs, the requirements of the Housing Element Update and (2) engage the public to get their opinions on the Housing Element Update document.  
**CEQA Determination:** An Initial Study was prepared that resulted in a Negative Declaration which was circulated for public review from May 21, 2020 to June 21, 2020.  
**Staff Recommendation:** Forward a favorable recommendation to City Council to adopt the Negative Declaration and to approve the 2020-2028 Housing Element Update as conditionally certified by the State Department of Housing and Community Development.  
**Staff Contact:** Nancy Hubbard, Contract planner (805) 772-6211, nhubbard@morrobayca.gov

**C. NEW BUSINESS**

**D. UNFINISHED BUSINESS**

**E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS**

**F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS**

**G. ADJOURNMENT**

Adjourn to the next regular Planning Commission meeting on August 4, 2020 at 6:00 p.m. via teleconference.

**PLANNING COMMISSION MEETING PROCEDURES**

This Agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the Agenda posted at the Community Development Department, 955 Shasta Avenue, for any revisions, or call the Department at 805-772-6264 for further information.

Written testimony is encouraged so it can be distributed in the Agenda packet to the Commission. Material submitted by the public for Commission review prior to a scheduled hearing should be received by the

Planning Division at the Community Development Department, 955 Shasta Avenue, no later than 5:00 P.M. the Tuesday (eight days) prior to the scheduled public hearing. Written testimony provided after the Agenda packet is published will be distributed to the Commission but there may not be enough time to fully consider the information. Mail should be directed to the Community Development Department, Planning Division.

This Agenda may be found on the Internet at: [www.morrobayca.gov/planningcommission](http://www.morrobayca.gov/planningcommission) or you can subscribe to Notify Me for email notification when the Agenda is posted on the City's website. To subscribe, go to [www.morrobayca.gov/notifyme](http://www.morrobayca.gov/notifyme) and follow the instructions.

The Brown Act forbids the Commission from taking action or discussing any item not appearing on the agenda, including those items raised at Public Comment. In response to Public Comment, the Commission is limited to:

1. Responding to statements made or questions posed by members of the public; or
2. Requesting staff to report back on a matter at a subsequent meeting; or
3. Directing staff to place the item on a future agenda. (Government Code Section 54954.2(a))

Commission meetings are conducted under the authority of the Chair who may modify the procedures outlined below. The Chair will announce each item. Thereafter, the hearing will be conducted as follows:

1. The Planning Division staff will present the staff report and recommendation on the proposal being heard and respond to questions from Commissioners.
2. The Chair will open the public hearing by first asking the project applicant/agent to present any points necessary for the Commission, as well as the public, to fully understand the proposal.
3. The Chair will then ask other interested persons to present testimony either in support of or in opposition to the proposal.
4. Finally, the Chair may invite the applicant/agent to respond to the public testimony. Thereafter, the Chair will close the public testimony portion of the hearing and limit further discussion to the Commission and staff prior to the Commission taking action on a decision.

## **APPEALS**

If you are dissatisfied with an approval or denial of a project, you have the right to appeal this decision to the City Council up to 10 calendar days after the date of action. Pursuant to Government Code §65009, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Commission, at, or prior to, the public hearing. The appeal form is available at the Community Development Department and on the City's web site. If legitimate coastal resource issues related to our Local Coastal Program are raised in the appeal, there is no fee if the subject property is located within the Coastal Appeal Area. If the property is located outside the Coastal Appeal Area, the fee is a \$277 flat fee. If a fee is required, the appeal will not be considered complete if the fee is not paid. If the City decides in the appellant's favor then the fee will be refunded.

City Council decisions may also be appealed to the California Coastal Commission pursuant to the Coastal Act Section 30603 for those projects that are in their appeals jurisdiction. Exhaustion of appeals at the City is required prior to appealing the matter to the California Coastal Commission. The appeal to the City Council must be made to the City and the appeal to the California Coastal Commission must be made directly to the California Coastal Commission Office. These regulations provide the California Coastal Commission 10 working days following the expiration of the City appeal period to appeal the decision. This means that no construction permit shall be issued until both the City and Coastal Commission appeal period have expired without an appeal being filed. The Coastal Commission's Santa Cruz Office at (831) 427-4863 may be contacted for further information on appeal procedures.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development Department at (805) 772-6264. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



City of Morro Bay  
 Community Development Department  
 Current & Advanced Project Tracking Sheet  
 This tracking sheet shows the status of the work being processed by the Planning & Building Divisions  
 New Planning items or items recently updated are highlighted in yellow.  
 Approved projects are deleted on next version of log.

Agenda No: A-1  
 Meeting Date July 21, 2020

#	Applicant/ Property Owner	Project Address	Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
<b>Hearing or Action Ready Projects:</b>										
<b>30 -Day Review, Incomplete or Additional Submittal Review Projects:</b>										
1	Krull	2575 - A Greenwood	6/17/20	MIN20-006	Minor Modification to HDL permits UPO-521 and CPO-575 - Deletion of planned parking space, driveway, and sidewalk on greenwood side of property. Original project was appealed to PC and CC for parking.	Submittal under review. No plans were submitted to show proposed scope of work. Planning incomplete letter sent 7/13/20				nh
2	Singh	940 Morro Bay Blvd	5/28/20	MIN20-004	Minor Modification to existing CDP/CUP to allow installation of an ATM to the exterior side of the existing gas station service building. Application includes lighting and minor changes to the parking spaces.	Application received and under review. Incomplete letter sent June 23, 2020, waiting for resubmittal.				nh
3	Loe	2605 Nutmeg Ave	2/13/20	CDP20-003	CDP to formalize a change in use from a guesthouse (2016 construction) to an Accessory Dwelling Unit. No physical changes to the building, just a change in use.	Application received. Deemed complete July 7, 2020 - admin public notification period from 7/14 to 7/24 with decision on or about 7/27/20.				nh
	Pappas	475 Radcliff	5/11/20	CUP20-04/CDP20-008	AT&T applicatoin for installation of new wireless telecommunication facilities mounted on a new tower pole.	Incomplete letter sent 5/20/20. Resubmittal received and under review.				cj
4	Hurlless	2290 Greenwood Ave	5/7/20	CDP20-007	Legalize ADU from prior construction. Was a previous Code Enforcement issue. Plans difficult to understand.	Correction letter sent 5/18/20. Resubmittal received June 16, 2020 under review.				nh
5	Bean	Unaddressed Main Street (AKA 199 Sandpiper Court)	12/19/19	CUP19-20, CDP19-047	CUP/CDP for new home on triangular small parcel on the bluff. Proposed home is 526 sf 2-stories with access easement to Main Street	Project deemed incomplete, comment letter sent January 7, 2020. Waiting for resubmittal.				nh
6	Brebes	495 Driftwood	6/14/19	CDP19-022/PKG19-07	New duplex residential units - attached 2 story buildings with 2 car garages.	Project deemed incomplete 12/31/19. Applicant changing project density, waiting for resubmittal. Correction letter sent 5/25/20. Waiting for resubmittal. Applicant is considering revisions to the density back to a new duplex and existing home. Resubmittal expected on or about 7/15/20.				nh
7	Lawrence	2590 Hemlock Ave	10/25/19	CDP19-040	Admin CDP for Demo of existing residence, rebuild new with ADU.	Correction letter sent 11/25/19. Resubmittal reviewed and disapproved 6/3/20. Resubmitted on or about 7/15/20, under review.				nh

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8	Gambriel	571 Embarcadero	10/14/19	MAJ19-006	<b>Major Modification to CUP Amendment for proposed public access improvements, dock and gangway realignment, conversion of 2nd floor to hotel units and request for 1st floor ADA accessible hotel unit</b>	Correction letter sent 11/13/2019. Awaiting resubmittal.		PN-Conditionally Approved 10/16/2019		cj
9	Rhine LP/Morro 94	3300 Panorama	8/20/19	MAJ 19-005	<b>After the fact permit application for removal of 3 sheds and possible siding treatment for transformer building.</b>	Submittal is under review. Deemed incomplete 8-29-19. Resubmitted information received, applicant to complete all close out requirements prior to scheduling PC hearing.				nh
10	Cleary	1282 and 1290 Embarcadero Road	5/23/19	CDP19-016	<b>CDP for removal of major vegetation.</b>	Submittal is under review. Correction letter sent 6/10. Awaiting resubmittal.				cj
11	Eisemann	535 Atascadero Road	3/7/19	PAR19-01	<b>Final Parcel map</b>	Submittal is under review. Planning disapproved 3/14/19. Resubmittal disapproved on May 14, 2019. Resubmittal received, review comments provided 6-5-19. Disapproved 11-5-19. Waiting for revised submittal to remove improvements not requested by CalTrans. Applicant is requesting an extension of the timeline to finalize the final parcel map. (June 2, 2020)		PN- Disapproved 11-6-2019		nh
12	Najarian	1339 Berwick	11/30/18	CDP 18-014	<b>Admin CDP for new construction of SFR and ADU with attached garage</b>	Application deemed incomplete, comments sent to applicant on 12/27/18. Followed up with application 2/3/20, applicant is planning on a resubmittal.				nh
13	Angelucci	953 Pacific	6/18/20	MIN20-005	<b>Minor Modification to original CUP: Addition of 470 sf to existing 968 sf residence with 470 sf garage &amp; 275 sf deck.</b>  <b>Original project went to PC for a 2-car garage lift, that idea has been abandoned.</b>	Submittal under review.				cj
14	T-Mobiile	1478 Quintana	2/26/18	A00-056	<b>Modification to UP0-052/CP0-073 for upgrade to existing wireless site</b>	Under initial review. Correction Letter sent 3/30. Unauthorized work completed by owner. Spoke with the agent 11/5 about process moving forward. Spoke with agent again 2/7. Resubmittal 2/26. Correction letter sent 3/13. Awaiting resubmittal. Update: Project determined to only require building permit.		JW approved		cj
<b>Projects Appealed to Planning Commission or PC Continued projects:</b>										
15	State Parks - Mike Walgren	11 State Park Road	8/20/18	CDP 18-004, CUP18-04	<b>Coastal Development Permit &amp; Conditional Use Permit to install modular building for office space, parking and landscape improvements at Morro Bay State Park</b>	Submitted on 8-20-18. Deemed incomplete 9.10.18. Applicant to resubmit plans. Plans resubmitted with additional information on 10-26-18. Project deemed complete. Scheduled for PC on December 18, 2018. Continued to date uncertain by PC on 12/18/18. Applicant to provide additional information. Followed up with applicant 2/3/20 - they are waiting for reports prior to resubmittal.		PN- Approved 9/4/2018		nh

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16	City of Morro Bay	End of Nutmeg	1/18/12	UP0-344	<b>Environmental documents for Nutmeg Tanks.</b> Permit number for tracking purposes only County issuing permit. Demo existing and replace with two larger reservoirs. City handling environmental review	KW--Environmental contracted out to SWCA estimated to be complete on 4/27/2012. SWCA submitted draft I.S. to City on May 1, 2012. MR-Reviewed MND and met with SWCA to make corrections. In contact with County Environmental Division for their review. MND received by SWCA on 10/7/12. MND out for public notice and 30 day review as of 11/19/12. 30 day review ends on 12/25/12. No comments received. Scheduled for 1/16/13 Planning Commission meeting and then to be referred back to SLO County. Planning Commission continued this item to address concerns regarding traffic generated from the removal of soil. In applicant's court, they are addressing issues brought up by neighbors during initial P.C. meeting. Project has been redesigned and will be going forward with concrete tanks. Modifications to the MND are in process. Neighborhood meeting conducted with Engineering on 9/27/2013. Revising project description and MND.	No review performed.	BCR- Needs new MND for concrete tank, less truck trips.Neighborhood mtg held 9/27. Neighbors generally support new design that reduces truck trips by 80%. Concrete batch plant set up on site will further reduce impact. 5/5/14 - Cannon contract signed to finish permit phase. Construction will be delayed to FY15/16		cj
<b>Projects Appealed or Forwarded to City Council:</b>										
17	HASLO	405 Atascadero Road	9/24/19	CUP19-12/ PKG19-05/ CDP	<b>CUP, CDP and PKG approval and adoption of the MND for of a proposed 35 unit affordable housing project</b>	Planning Commission unanimously approved the projec on June 2, 2020. Project was appealed to City council on June 12, 2020. CC hearing on July 14, 2020.		PN-Conditionally Approved 10/10/2019		NH
18	City of Morro Bay	Citywide	6/19/13	A00-015	<b>Sign Ordinance Update.</b> Text Amendment Modifying Section 17.68 "Signs"	Text Amendment Modifying Section 17.68 "Signs". Planning Commission reviewed 5/17/2010. Item heard at 5/24/11 City Council Meeting. Interim Urgency Ordinance approved to allow projecting signs. PC reviewed 2/7/2011. Workshops scheduled 9/29/11 & 10/6/11 .City Council 12/13/11. Continued to 1/10/12 CC meeting. PC reviewed 5/2/2012. Update due to City Council in June 2013. Draft Sign Ordinance reviewed by PC on 6/19/13 & 7/3/13. PC has reviewed Downtown, Embarcadero, and Quintana Districts as well as the Tourist-Oriented Directional Sign Plan. 8/21/13 Final Draft of Sign Ordinance approved at 9/4/13 PC meeting with recommendation to forward to City Council. Council directed staff to do further research with local businesses. Business workshops held fall/winter 13/14. Result of sign workshops discussed at 11-3-15 PC mtg. Revised Public Draft of Sign Ordinance posted to City website on July 6, 2017	No review performed.	N/R		sg
<b>Environmental Review</b>										

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19	City of Morro Bay	N/A		UP0-423	<b>MND for Chorro Creek Stream Gauges</b>	Applicant requesting meeting for week of 9/9/13. SWCA performing the environmental review. Received completed MND from Water Systems Consulting (WSC) on 4/1/15. Routed to State Clearinghouse for required 30 day review period. Tentative hearing 8/4/15. No recent activity.	No review performed.	MND complete. Cut permit checks to RWQCB and CDFW on 2/27/15		cj
<b>Final Map Under Review Projects</b>										
<b>Projects requiring coordination with another jurisdiction:</b>										
20	City of Morro Bay	Outfall			<b>Original jurisdiction CDP for the outfall and for the associated wells</b>	Coastal staff is working with staff. Coastal letter received 4/29/2013. Discussed project with Coastal staff in meeting 11-18-14.	No review performed.	City provided response to CCC on 7/12/13. Per Qtrly Conference Call CCC will take 30days to respond		
21	City of Morro Bay Desal Plant	170 Atascadero			<b>Project requires a Coastal Development Permit for upgrades at the Plant. Final action taken Sent to CCC but pursuant to their request the City has rescinded the action.</b>	Waiting for outcome from the CDP application for the outfall. Discussed project with Coastal staff in meeting 11-18-14.	No review performed.	BCR- Phase 1 Maint and Repair project is underway. Desal plant start-up scheduled for 10/15/13. Phase 1 complete and finaled. Phase 2 on hold as of 7/22/14.		
<b>Projects going forward to Coastal Commission for review (Pending LCP Amendments) / or State Department of Housing:</b>										
22	City of Morro Bay	Citywide			<b>Plan Morro Bay: General Plan / Local Coastal Program / Zoning Code Update project</b>	Comprehensive overall update to the City's 1988 General Plan, 1984 Local Coastal Program, and 1997 Zoning Code. General Plan Advisory Committee meetings ongoing. For more information or to get involved, visit <a href="http://www.morrobayca.gov/planmb">www.morrobayca.gov/planmb</a> . Project to be complete with documents ready for adoption and certification by end of 2019. Public draft of combined General Plan/ LCP released May 2018 for review. Working with Coastal staff on CCC input. Reviewing final Adoption Draft. Admin Draft of EIR received and now under review.				

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23	City of Morro Bay	Citywide	10/16/13	A00-013. A00-029: Ordinance 601	<b>Zoning Text Amendment - Second Unit</b>	Secondary Unit Ordinance Amendment. Ordinance 576 passed by City Council in 2012. 6-11-13 City Council direction to staff to bring back to Planning Commission for review of ordinance. At 10-16-13 PC meeting, Commission recommended changes to maximum unit size and tandem parking design where units over 900 sf and/or tandem parking design of second unit triggers a CUP process. Council accepted PC recommendation at 2-11-14 meeting and directed staff to bring back revised ordinance for a first reading and introduction. Item continued to 4/22/14 Council meeting to allow time for Coastal staff comment regarding proposed changes. Council approved Into and First Reading on 4/22/14. Final Adoption of Ord. 585 at 5/13/14 Council meeting. Ordinance to be sent as an LCP Amendment for certification by Coastal Commission. <b>New language for PC and Council review. Second reading going to council on April 12, 2016. PC reviewed change 5-3-16. CC second First Reading 6-28-16.. Application submitted to Coastal Commission August 2016. Coastal objected to ban on use as vacation rentals. New State legislation will force additional changes.</b>	No review performed.			wm
<b>Projects Continued Indefinitely, No Response to Date on Incomplete Letter or inactive:</b>										
24	Verizon / Knight	484 Main new location, Corner of Main and Cabrillo	11/19/14	UP0-394 and CP0-512	<b>Coastal Development Permit and Conditional Use Permit for installation of new Wireless Facility/Verizon antennas on existing pole.</b>	Under Review. JG. Incomplete. Waiting on response from Tricia Knight. Wants to keep project open and figure out the parking situation or move location. 1/26. JG. Applicant looking to move location to pole across the street. resubmittal rcv'd 5/26. Deemed Complete, waiting for Applicant to confirm PC meeting date. PC hearing held on 9/6/16 and continued for further review to 11-1-16 PC hearing. Continuance requested. Continued to a date uncertain		PN- Conditionally approved 6/14/16		jg
<b>Grants</b>										
25	California Coastal Commission, California Ocean Protection Council	City-wide	4/6/16		<b>\$400,000 Grant for LCP update to address sea-level rise and climate change impacts. Round 3 Grant award of \$200,000 for Lateral Access Plan, and ESHA delineation. Round 6 funding of \$60,000 received Mar 2020.</b>	Grant agreements for both the grants are in place and grant administration has been turned over to Michael Baker International, per terms of the GP/LCP update contract. Received signed grant agreement for \$200,000 LCP Planning grant by CCC for Round 3 awards 2-27-17. Additional LCP grant funding received in 2020 under Round 6 for \$60,000 to complete LCP update.	No review performed.	N/A		sg

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26	City of Morro Bay	City-wide				<b>Community Development Block Grant/HOME Program - Urban County Consortium</b>	Staff has ongoing responsibilities for contract management in coordination with County staff administration. Final 2016 funding recommendations reviewed by Council on 3-8-16. 2016 Subrecipient Agreement executed and Council approved 2018-2020 Cooperation Agreement with County on 6-13-17. City Council approved Cooperation Agreement for 2021-2023 CDBG Program Years at 5/26/20 Council meeting.	No review performed.	N/R		ci
27	City of Morro Bay	City-wide				<b>Climate Action Plan - Implementation</b>	Staff has ongoing responsibilities for implementation of Climate Action Plan as adopted by City Council January 2014. Staff coordinating activities with other Cities and County of SLO via APCD.				ci

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<b>Projects in Building Plan Check:</b>										
28	Gulley	679	Atascadero	2/27/20	B20-0042	Add 135 sq. ft. bathroom addition.	Ready to issue			sg
29	LaPlante	3093	Beachcomber	4/29/17	B-31487	New SFR: 3,495 sf w/ 500 sf garage on vacant land. No activity on this project. Remains in plan check.	Approved 8-9-18. Requested permit extension.	PN - Approved 6/21/2018	Emailed comments on 10-20-17.	cj
30	Auerbach	3200	Beachcomber Dr.	12/30/19	B19-0277	Convert 100 sf of enclosed sun-room area to living space and add 67 sq ft of new living area. Demo kitchens and add 3 beams, new windows, siding, update electrical, water heater and forced air unit, misc, clean up.	Disapproved Jan 14, 2020, additional information provided and Planning approved building permit 4/7/20	Ready to issue		nh
31	Lloyd	921	Carmel St	6/24/20	B20-0097	Remove existing 5'0"x4'0" & window & replace w/7'6"x6'8" slide door, remove existing 5'0"x4'0" window & replace with 7'6"x5'0" window, remove existing 5'0"x4'0" window, replace w/5'0"x5'0" window.		Bldg - Approved 7/14/20		co
32	Diaz	365	Driftwood	1/6/20	B19-0280	328 sq ft addition to master bedroom and bath on second flr. Convert covered patio to living space 50 sq ft enclosed covered porch 30 sq ft interior remodel.	Under review. Planning disapproved 1/31/20. Waiting for resubmittal	Bldg - Disapproved 1/15/20		nh
33	Brebes	495	Driftwood	12/20/19	B19-0269	New 3778 sf duplex homes including garages on lot with existing SFH	Pending approval of planning permits, applicant changing potential density on the site in CDP permit process.	Bldg - Disapproved 2/7/20		nh
34	Lew	660	Elena St.	7/2/20	B20-0105	New structural details. Addendum to #B19-0085		Bldg -Approved 7/6/20		sg
35	City of Morro Bay	595	Embarcadero	12/31/19	B19-0278	Commercial T.I. to former Aquarium building to meet accessibility requirements, remove asbestos from 1st floor, update electrical, mechanical and plumbing, new structural shear wall, repair concrete columns, new raised deck, stairs & railing for tasking room & brewery (Three stacks & A Rock Brewing Company.	Approved.	Bldg - Plancheck		sg
36	City of Morro Bay	1279	Embarcadero	5/4/20	B20-0076	Construct 800 sq ft single story addition to USCG Motor Life Boat Station at Morro Bay.	Disapproved 5/13/20 - Plan check corrections memo sent to Building. Cj.	Bldg - Disapproved 5/28/20		cj
37	Wilkie	476-A	Hill	3/26/20	B20-0057	ATTACHED ADU - Convert existing attached garage to 344 sf Accessory Dwelling Unit.	Correction letter sent 4/30/20. Awaiting resubmittal.	Bldg. - Approved 4/8/20		nh
38	Soares	2400	Ironwood Ave.	4/27/20	B20-0074	2400 IRONWOOD AVE, Morro Bay, CA, 93442		Bldg - Approved 6/16/20		
	Bailey	2565	Ironwood Ave.	7/2/20	B20-0104	Converting rear covered porch into 225 sf addition creating laundry room, bathroom, and expansion of bedroom.		Bldg - Plancheck		cj
39	Friesen	2390	Juniper	3/5/20	B20-0043	Build new observation deck over existing roof top.	Applicate revising submittal to deck extension at front of existing home (as of 7/10/20). Awaiting resubmittal.	Bldg - Diapproved 3/12/20		nh
40	Peter	890	Main St.	2/13/19	B19-0026	ADA and parking lot improvements. ADA stall to be relocated closer to street and make van accessible.	Approved on 3/1/19 - sg	Bldg - Approved 2/27/19 Fire - Approved 2/26/19	Disapproved on 4/15/19	sg

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41	Sonic	1840	Main St.	10/17/17	B-31730	Sonic Drive-in Restaurant, 1395 sf building, 1020 sf covered patio, 2646 sf covered parking	Corrections sent 12-8-17. Resubmitted 3-2-18. Application incomplete and corrections sent 4-5-18. Resubmittal received and unaddressed corrections sent back 7-19-18. Project required to underground utilities. Utility plan and coordination with public utilities in process. cj. Requested permit extension. Awaiting resubmittal. Requested Permit Extension. Planning permit extension requested and granted to allow new permit expiration of April 2021.	BLDG - Disapproved by California Code Check (contract building inspection services (see memo) on 7-23-18. PB	Disapproved by jb on 11-21-17.	1-2-18 - Emailed BLDG (code ck) comments to architect. PB	
42	Cleath	2790	Main St.	7/2/20	B20-0106	Remove 736 sf existing building and construct new 4996 sf 8 room hotel.		Bldg - Plancheck			cj
43	Shorey	1110	Marengo Dr	12/20/19	B19-0270	450 sq ft addition to guesthouse.	Disapproved pending approval of CDP19-048. CDP approved and permit issued 5/2020. Building Permit conditionally approved 6/23/20	Bldg - Approved 6/22/20			nh
44	LifePoint Church	615	Monterey	1/6/20	B19-0279	Remodel/upgrade current building	Planning disapproved 1/27/20. Awaiting resubmittal.	Bldg - Diapproved 1/30/20			nh
45	Singh	940	Morro Bay Blvd	5/28/20	B20-0085	Installation of an ATM machine on the exterior of the existing gas station building. Includes lighting and minor parking modifications	Under review, pending approval of Minor Modification to existing CUP/CDP	Bldg -Disapproved 6/4/20			nh
46	Loe	2605	Nutmeg Ave.	7/14/20	B20-0110	Repair Driveway		Bldg - Plancheck			sg
47	Shaban	2621	Nutmeg Ave.	7/9/20	B20-0109	Retrofit windows & sliding glass doors. No modification to structure.		Bldg - Plancheck			sg
48	Erb	2630	Nutmeg Ave	2/14/19	B19-0029	Demo 195 sf third story deck at front of home and rebuild with 80 sf extension to allow for deck beam and column support. Remove 152 sf deck on south side of home, misc. construction to repair water damage.	Dissapproved 3/6/19. Disapproved 4/9. Variance application approved. Awaiting building permit resubmittal.	Bldg - Approved 3/27/19			wu
49	Vallely	460	Olive St	6/18/20	B20-0092	Addendum to B00-030-273 - Revise entry stairs from concrete to wood construction		Bldg - Approved 6/22/20			co
50	Cohen	331	Orcas St	6/25/20	B20-0099	Demolish a 386 sf cottage and installation of a 990 sf manufactured home, a 336 sf (16' x 21') semi attached site built garage with rooftop deck, exterior landing and stairs to garage and exterior stairs to rooftop deck.	Planning approved 7/3/20	Bldg - Disapproved 7/15/20			nh
51	Scharin Family Trust Johan C. Scharin Trustee	710	Quintana	5/21/20	B20-0082	Remodel of former Dollar Tree into a new O'Reilly Auto Parts for the retail sale of automotive parts and accessories.		Bldg - Disapproved 6/11/20			wu
52	Reyneveld	1060	Quintana	6/22/20	B20-0093	Convert existing floor space in commercial building to new accessible restroom, install accessible entry ramp to restroom and building		Ready to issue			sg
53	Giannini	750	Radcliff Ave.	7/22/19	B19-0156	Remove three existing panel antennas, three radio and replace with three radio intergrated antennas and assoicated cabling. Install equipment expansions to the top of existing cabinets (approx 12') with associated electrical wiring.	Approved 9/26/19.	Ready to issue			cj
54	Kennedy	1130	Scott Street	12/20/19	B19-0271	New commercial project with residential security unit above	Conditionally approved 1/3/20	Bldg - Disapproved 1/7/20			nh

#	Applicant/ Property Owner	Project Address		Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
55	Anouck Ce Bris	516-A	Shasta	12/9/19	B19-0261	520 sf st ADU with studio below; addition to SFR	Planning permits issued. Waiting for resubmittal. Planning approved 5/10/20	Ready to issue			nh
56	Stanton	351	Trinidad	3/26/19	B19-0054	Repairs to existing 200 sf rooftop deck. Replace all dry-rot structural members, install new waterproof membrane,, new copper drip edge flashing, replace plaster, replace guardrail if needed.	Disapproved 4/11/19. Awaiting resubmittal.	Bldg - Approved 3/27/19			wu
57	Davis	1149	West Ave	7/8/19	B19-0145	Construct lower level 360 sf enclosed patio (12' x 30') at rear of existing SFR.	Disapproved, proposed enclosed patio extended into the 25 foot bluff setback.	Bldg - Approved 7/10/19			nh
58	Weaver	448	Yerba Buena	1/10/20	B20-0007	Rebuild existing deck & add 48 sq ft existing deck-85 sq ft. New deck 48 sq ft. Total 133 sq ft.		Ready to issue			sg
<b>Planning Projects &amp; Permits with Final Action:</b>											
<u>Staff Directory:</u> Scot Graham - sg                      Chad Ouimet - co                      Cindy Jacinth - cj                      Pam Newman - pn                      Nancy Hubbard - nh											

AGENDA ITEM: <u>    A-2    </u>
DATE: <u>    JULY 21, 2020    </u>
ACTION: <u>    DRAFT    </u>

ACTION MINUTES – MORRO BAY PLANNING COMMISSION  
REGULAR MEETING – MAY 19, 2020  
VETERANS MEMORIAL BUILDING – 6:00 PM

PRESENT:	Gerald Luhr Jesse Barron Michael Lucas Susan Stewart Joe Ingraffia	Chairperson Vice-Chairperson Commissioner Commissioner Commissioner
STAFF:	Scot Graham	Community Development Director

ESTABLISH QUORUM AND CALL TO ORDER

PLANNING COMMISSIONER ANNOUNCEMENTS – NONE

PUBLIC COMMENT PERIOD

<https://youtu.be/G5uQgR53iJ4?t=157>

Chuck Harkins, Morro Bay, voiced his concerns regarding the parking for the project on 405 Atascadero Road.

Chairperson Luhr closed the Public Comment period.

<https://youtu.be/G5uQgR53iJ4?t=426>

**Public Participation:**

*In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:*

- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the Community Development office at [planningcommission@morrobayca.gov](mailto:planningcommission@morrobayca.gov) prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*
- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*

- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the “raise hand” feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.*

*Please click the link below to join the webinar:*

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>  
Password: 135692

*Or Telephone Attendee: (408) 638-0968 or (669) 900 6833 or (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press \* 9 to “Raise Hand” for Public Comment*

Chairperson Luhr closed the Public Comment period.

<https://youtu.be/G5uQgR53iJ4?t=426>

## PRESENTATIONS - NONE

### A. CONSENT CALENDAR

<https://youtu.be/G5uQgR53iJ4?t=467>

**A-1** Current and Advanced Planning Processing List.

**Staff Recommendation:** Receive and file.

**A-2** Approval of minutes from the Planning Commission meeting of February 18, 2020.

**Staff Recommendation:** Approve minutes as submitted.

**MOTION:** Commissioner Stewart moved to approve items A-1 and A-2 on the Consent Calendar. Commissioner Lucas seconded, and the motion passes 5-0, with Stewart, Lucas, Barron, Ingraffia, & Luhr voting yes.

<https://youtu.be/G5uQgR53iJ4?t=500>

### B. PUBLIC HEARING - NONE

### C. NEW BUSINESS

<https://youtu.be/G5uQgR53iJ4?t=570>

**C-1** **Project Description:** Planning Commission review of General Plan conformity for purchase of two vacant lots located on the West side of Highway 1 at the north edge of the City, also known as Dog Beach. The southern most lot is located within City limits (Lot 6SW, 8.96 acre portion of APN: 065-022-008) and a second 6.27 acre lot is located in the unincorporated County of San Luis Obispo, but within the City’s Sphere of Influence (Lot 6NW, APN: 073-075-016)

**CEQA Determination:** Categorically Exempt, per section 15601(b)(3)

**Staff Recommendation:** Adopt Resolution 12-20, finding acquisition of the subject property consistent with the City of Morro Bay adopted General Plan  
**Staff Contact:** Scot Graham, Community Development Director: (805) 772-6291

Graham presented the staff report.

The Commissioners presented their questions to staff.

Chairperson Luhr opened the Public Comment period and seeing none, closed the Public Comment period.

<https://youtu.be/G5uQgR53iJ4?t=1508>

Comments and discussion between the Commissioners and staff.

**MOTION:** Commissioner Lucas moved to approve PC Resolution 12-20 finding the acquisition of the two lots proposed for purchase by the City of Morro Bay is consistent with the Morro Bay General Plan and including additional language as a whereas it has historic and continued use as a place for dogs and their owners that part of our endorsement include that it be a consideration in its future uses. Commissioner Stewart seconded, and the motion passes 5-0, with Lucas, Stewart, Barron, Ingraffia and Luhr voting yes.

<https://youtu.be/G5uQgR53iJ4?t=2352>

D. UNFINISHED BUSINESS

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS

<https://youtu.be/G5uQgR53iJ4?t=2460>

Commissioner Barron announced he would be missing the two meeting in June due to being assigned as the disaster worker for the County.

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS

<https://youtu.be/G5uQgR53iJ4?t=2507>

Graham updated the Commission with the status on Phase two (2) of the County re-opening. Graham also updated the Commission on the boat launch ramp.

G. ADJOURNMENT

The meeting adjourned at 6:45 p.m. to the next scheduled Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on June 2, 2020 at 6:00 p.m.

\_\_\_\_\_  
Gerald Luhr, Chairperson

ATTEST:

\_\_\_\_\_  
Scot Graham, Secretary



AGENDA NO: B-1  
MEETING DATE: July 21, 2020

# Staff Report

**TO:** Planning Commissioners **DATE:** July 15, 2020  
**FROM:** Nancy Hubbard, Contract Planner  
**SUBJECT:** Housing Element 2020-2028: Continued Hearing to receive input on Adoption Draft Housing Element

## **RECOMMENDATION:**

1. Provide any relevant input and comments to update the Housing Element, and
2. Forward a recommendation to City Council for approval of the 2020-2028 Housing Element Update and adoption of the Negative Declaration.

*The City Council will consider the Planning Commission's recommendation in the adoption of the Housing Element at a future public hearing.*

## **PROJECT DESCRIPTION:**

The Planning Commission began review of the Draft Housing Element at the July 7, 2020 Planning Commission meeting. The Commission completed review of a majority of the document leaving only the Goals, Policies, and Implementation Actions section for review. The Planning Commission also created a subcommittee at the July 7<sup>th</sup> meeting to develop a Vision Statement as an introduction to the Housing Element. To this end, Commissioner's Stewart and Lucas reviewed the vision statement for the draft General Plan/Local Coastal Program, information contained in the draft Housing Element, and comments from the Morro Bay Chamber of Commerce to develop both a draft Vision Statement (Exhibit G) and revised introduction (Exhibit H) for consideration by the full Commission.

The Housing Element is one of eight mandatory elements of the local general plan. Housing Element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, in order for the private market to adequately address housing needs and demands, local governments must adopt land use plans and regulatory systems which provide *opportunities and incentives to encourage, not constrain* the development of new housing, especially providing housing opportunities for low-income and special needs populations. Previous updates of the Housing Element

were on a 5-year cycle, the most recent update was the 2014-2019 Housing Element. The City of Morro Bay is now on an 8-year cycle for updates, and the subject Housing Element Update is for the period of 2020-2028.

The consequences for a City without a certified Housing Element include:

- Ineligibility for various types of State funding (e.g. transportation and other infrastructure, affordable housing, etc.); and
- If the Housing Element Update is not adopted by the deadline, the jurisdiction may be required to file on a 4-year cycle vs. the 8-year cycle that this Housing Element represents.

**PURPOSE OF PLANNING COMMISSION MEETING**

This meeting is intended to:

- Provide information on the Housing Element update process, and briefly review state law requirements and key issues of focus and related changes included in this update.
- Answer questions about the Housing Element update; and
- Solicit input from the Commission, interested parties and general public.

**UPDATED PROCESS AND TIMELINE**

<b>July 7, 2020</b>	Planning Commission hearing to review and consider recommendation to City Council for adoption of the 2020-2028 Housing Element Update. PC provided review and comments for HE Pages 3-1 through 3-122.
<b>July 21, 2020</b>	PC continuance to complete review and comments – HE pages 3-123 through 3-144. Forward recommendation to City Council.
<b>August 2020</b>	City Council Review of Housing Element
<b>Sept 1 – Oct 30, 2020</b>	If authorized by CC – Submit changes from PC/CC review to HCD- to review changes for statutory compliance ( <i>possible 60-day review period</i> )
<b>November 2020</b>	Upon receipt of HCD compliance letter, Schedule City Council Hearing for Adoption ( <b><i>Adoption Deadline is 12/31/20</i></b> )
<b>December 2020</b>	Following CC adoption, submit to HCD for final Certification

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT REVIEW:**

Housing element law also requires that the State of California Department of Housing and Community Development (HCD) review local Housing Element Updates for compliance with State law. This 2020-2028 Housing Element Update has been reviewed by HCD and on June 12, 2020, and they determined that the document meets the statutory requirements of the State Housing Element Law (See June 12, 2020 HCD letter attached as Exhibit B).

**HOUSING ELEMENT – PC Review Comments from July 7, 2020:**

Vacation Rentals/Second Homes: Discussion about detriment to the community and businesses resulting from the large number of homes that are not permanent residents. Suggested that vacation rental permits be non-transferable.

*Staff Response: Confirmed that effective January 1, 2020, ADU must be longer term rentals (i.e. not vacation rentals). Vacation Rental Ordinance will take into consideration non-transferability.*

Provide City Mission Statement in HE Update: PC to provide comments for staff to draft opening statement. Statement should include focus on local preference, incentives for permanent residency, encourage balance in age of residents (encourage families with small children).

Homeless population: PC wanted to add a goal that would assist in an emergency plan for a 'safe place' for the homeless population, focusing on those who are recently homeless not by choice to assist them to get back into the community.

Inclusionary Housing: PC wanted to be sure that the inclusionary housing provisions included more requirements to provide lower income affordable housing, allow fewer developers to pay in-lieu fees vs. provide the lower income units, have the inclusionary housing requirements apply to a larger spectrum of developments, including single family homes, etc.

Attached as Exhibit E for a summary of changes resulting from PC comments on July 7, 2020.

### **ENVIRONMENTAL DETERMINATION**

An Initial Study resulting in a Negative Declaration has been prepared for this Housing Element update and circulated for public review from May 21, 2020 to June 22, 2020. The City received no comments on the Initial Study. The Initial Study concludes that the Housing Element update will not significantly and adversely impact the environment and therefore a finding of a Negative Declaration has been prepared for Planning Commission review and to provide a recommendation to City Council for adoption.

### **PUBLIC NOTICE:**

Notice of this item was published in the San Luis Obispo Tribune newspaper on June 26, 2020 and other interested parties were notified of this evening's public hearing and invited to voice any concerns on this application. Continuance hearings do not require additional public notification.

### **CONCLUSION:**

Staff recommends that the Planning Commission adopt Resolution 12-20 forwarding a recommendation to City Council for approval of the 2020-2028 Housing Element Update and adoption of the Negative Declaration.

### **EXHIBITS:**

- A. Resolution 12-20 Updated for Continuance hearing**
- B. HCD June 12, 2020 Housing Element Compliance letter**
- C. Public comment Letters Updated**

- D. Public comment summary with responses *Updated***
- E. *Summary of changes to HE Update from July 7, 2020 PC comments***
- F. Adoption Draft of the Housing Element (full text) and Adoption draft of the Initial Study/Negative Declaration document, both are available at [www.morrobayca.gov/housingelement](http://www.morrobayca.gov/housingelement)**
- G. Draft Vision Statement**
- H. Draft Revision to Introduction**

RESOLUTION NO. PC 12-20

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION  
RECOMMENDING THE CITY COUNCIL APPROVE THE “2020-2028 HOUSING  
ELEMENT UPDATE” AND ADOPT NEGATIVE DECLARATION (SCH#  
2020050448)

**WHEREAS**, the Planning Commission of the City of Morro Bay (the “City”) conducted a public hearing on July 7, 2020 for the purpose of considering a Housing Element update and Planning Commission reviewed a public review draft for purposes of providing review and program recommendations to staff; and

**WHEREAS**, the Planning Commission continued the hearing to July 21, 2020 for the purpose of considering additional comments and time for public review of the draft document; and

**WHEREAS**, the draft 2020-2028 Housing Element was submitted to the State of California Department of Housing and Community Development (HCD) on April 28, 2020; and certified by HCD in a letter dated June 12, 2020; and

**WHEREAS**, notices of the public hearings were provided at the time and in the manner required by law; and

**WHEREAS**, public outreach was conducted in the form of a public workshop held on December 12, 2020; and in compliance with the SLO County Shelter at Home Executive Order, was not able to hold a second public workshop, but created a Housing Element Webpage, and posted an online survey to solicit public comment; and

**WHEREAS**, the Planning Commission has duly considered all evidence, including the testimony of the City’s consultant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

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

**Section 1: Findings.** Based upon all the evidence, the Commission makes the following findings:

**California Environmental Quality Act (CEQA) Finding**

1. Pursuant to the California Environmental Quality Act, an initial study was prepared for the proposed project and routed to the State Clearinghouse for the required 30-day public comment period (SCH#2020050448). The initial study resulted in a Negative Declaration which concluded that:
  - a) There is no substantial evidence, in light of the whole record, that the project may have a significant effect on the environment.

- b) The Planning Commission has independently reviewed and analyzed the Initial Study/Negative Declaration and other information in the record and has considered the information contained therein, prior to acting upon or approving the Project.
- c) The Initial Study/Negative Declaration prepared for the Project has been completed in compliance with CEQA and consistent with state and local guidelines implementing CEQA.
- d) The Initial Study/Negative Declaration represents the independent judgment and analysis of the City as lead agency for the Project. The City Council designates the Director of Public Services at 955 Shasta Avenue, Morro Bay, California 93442, as the custodian of documents and records of proceedings on which this decision is based.

**Local Coastal Plan Consistency**

- 1. The Housing Element as updated will continue to satisfy the requirements of State law and that the Goals, Policies and Objectives provide programs relative to maintenance, improvement and development of housing for all income groups.
- 2. The Housing Element as updated is internally consistent with the City's General Plan and Local Coastal Program; meaning that goals, polices, and programs contained within each element support and not conflict with each other.

**Section 2. Action.** The Planning Commission does hereby recommend the City Council approve the 2020-2028 Housing Element Update and adopt Negative Declaration (SCH# 2020050448).

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 21st day of July, 2020 on the following vote:

AYES:  
 NOES:  
 ABSENT:  
 ABSTAIN:

\_\_\_\_\_  
 Chairperson

ATTEST

\_\_\_\_\_  
 Scot Graham, Community Development Director

The foregoing resolution was passed and adopted this 21st day of July 2020

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

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



June 12, 2020

Scot Graham, Community Development Director  
City of Morro Bay  
955 Shasta Avenue  
Morro Bay, CA 93442

Dear Scot Graham:

**RE: Review of the City of Morro Bay's 6<sup>th</sup> Cycle (2020-2028) Draft Housing Element**

Thank you for submitting Morro Bay's (City) draft housing element received for review on April 28, 2020, along with revisions received on May 28, 2020 and June 9, 2020. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a telephone conversation on May 19, 2020 with Amy Sinsheimer and Jennifer Gastelum, the City's consultants, as well as you and Nancy Hubbard, Contract Planner. In addition, HCD considered comments from Betty Winholtz, a community member, and the Morro Bay Action Team pursuant to Government Code section 65585, subdivision (c).

The draft element, incorporating the revisions submitted, meets the statutory requirements of State Housing Element Law. The housing element will comply with State Housing Element Law (Article 10.6 of the Gov. Code) when it is adopted, submitted to and approved by HCD, in accordance with Government Code section 65585, subdivision (g).

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of December 31, 2020. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: [http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375\\_final100413.pdf](http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf).

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly

available and considering and incorporating comments where appropriate. For your information, some general plan element updates are triggered by housing element adoption HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: [http://opr.ca.gov/docs/OPR\\_Appendix\\_C\\_final.pdf](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [http://opr.ca.gov/docs/Final\\_6.26.15.pdf](http://opr.ca.gov/docs/Final_6.26.15.pdf).

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program; SB 2 Planning Grants, as well as ongoing SB 2 funding (Permanent Local Housing Allocation), consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these funding sources.

HCD appreciates the efforts Amy Sinsheimer from PlaceWorks provided during the course of our review. We are committed to assisting Morro Bay in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Jamillah Williams, of our staff, at (916) 263-4849.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannan West". The signature is fluid and cursive, with the first name being more prominent.

Shannan West  
Land Use & Planning Unit Chief

# EXHIBIT C

**From:** Meredith Bates <mlbates111@gmail.com>

**Sent:** Saturday, June 27, 2020 8:48 AM

**To:** Dana Swanson <dswanson@morrobayca.gov>; Nancy Hubbard <nhubbard@morrobayca.gov>; Scot Graham <sgraham@morrobayca.gov>; Scott Collins <scollins@morrobayca.gov>

**Subject:** Question about PC public hearing

I'm confused about public participation. The attached letter says ""However, all interested persons are invited to email, mail or leave the staff contact a voicemail to express their views and opinions regarding the proposed project. Staff contact information is provided below each project. Written comments prepared prior to the hearing should be mailed to the Community Development Department, C/O City Hall at 595 Harbor Street, Morro Bay, California, 93442".

The city website says zoom meeting and callers may call in. Please clarify.

Question? Could the PC meeting be projected on a large outdoor large screen, like other events? This way some members of the public could sit outside, socially distant, wearing masks to have improved engagement in the process. We could self-police the safety protocol.

Thank you,

Meredith Bates

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**From:** Rob Kitzman <[rob@kitzmanwater.com](mailto:rob@kitzmanwater.com)>

**Sent:** Sunday, July 05, 2020 1:15 PM

**To:** Dana Swanson <[dswanson@morrobayca.gov](mailto:dswanson@morrobayca.gov)>; PlanningCommission <[PlanningCommission@morrobayca.gov](mailto:PlanningCommission@morrobayca.gov)>; Erica Crawford <[erica@morrochamber.org](mailto:erica@morrochamber.org)>

**Subject:** Housing element comment

Morro Bay City Planning Commission:

I want to echo the Morro Bay Chamber of Commerce of Commerce message, "we need more houses to support businesses and the economy, and now more than ever!"

As the 2018 Business of the Year recipient and current member of the Government Affairs Committee, I can tell you the greatest threat to my family's 61 year, essential service business is finding and retaining quality employees. Cost of local housing is a huge roadblock to long-term employee acquisition and retention. Out of my 13 full-time employees, only one lives in the City of Morro Bay in addition to me. ONE! And I do pay at and above market labor rates and compensation packages.

The City must have a clearer, more reasonable approach and process to allow housing units to be built or retrofitted that hourly workers can afford. The City of Morro Bay government as a whole and specifically the Planning Commission must play its part to lower the current unreasonable and unpredictable barriers to local building projects.

Housing is good business. In the GAC's work, we noted that fewer than 20 new housing units have been built every year, and that we need two to three times that number to move the job-housing imbalance

# EXHIBIT C

needle, reduce vehicle miles traveled (VMT) and greenhouse gas emissions, and increase the sustainability and resiliency of the economy.

Please stop the excuses and allow more good quality, affordable housing to be built.

Respectfully,

Rob Kitzman

Kitzman's Culligan  
355 Quintana Place  
Morro Bay, CA 93442  
805.772.8164 Reception  
805.772.2579 Direct  
805.471.5799 Cell  
[www.kitzmanwater.com](http://www.kitzmanwater.com)

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**From:** Meredith Bates <[mlbates111@gmail.com](mailto:mlbates111@gmail.com)>

**Sent:** Sunday, July 05, 2020 5:32 PM

**To:** Susan Stewart <[sstew49815@aol.com](mailto:sstew49815@aol.com)>; Jesse Barron <[jbarron@morrobayca.gov](mailto:jbarron@morrobayca.gov)>; Michael Lucas <[mlucas@morrobayca.gov](mailto:mlucas@morrobayca.gov)>; Gerald Luhr <[gluhr@morrobayca.gov](mailto:gluhr@morrobayca.gov)>; jingratta@morrobayca.gov; Scot Graham <[sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)>; Dana Swanson <[dswanson@morrobayca.gov](mailto:dswanson@morrobayca.gov)>

**Subject:** July 7 PC Meeting

Dear Planning Commission,

Thank you for studying the Housing Element. I like your attention to detail in your decisions and reviews. Some of my comments below are reflected in others' public statements. I appreciate the opportunity to provide input.

I am concerned about the very low and low-income residents of Morro Bay and the abundance of NIMBYism that discriminates against the poor in our town. I agree with SLOCOG about the Adequate Sites Inventory which "only lists one site available for the low-income category with a realistic density of 215 units. This inventory concentrates the income ranges of extremely low, very-low and low to this one site".

I'm also in agreement with the Chamber of Commerce when they noted "Further, we should ensure that our housing policy (or lack thereof) does not drive us to the same fate as other coastal communities by becoming a community of only wealthy retirees and visitors. That is not a good model to achieve economic and fiscal sustainability, one of the City's major goals".

Regarding Goal H-3: "Special Needs: Address unique housing needs for special needs individuals in new or adapted existing homes", I'd like to see assurance that new low-income housing projects with any government funding are ADA accessible.

# EXHIBIT C

Many of our low and very low income residents are seniors and/or people with disabilities.

Thank you for your kind attention.

Respectfully,

Meredith Bates, Morro Bay Resident

---

**From:** betty winholtz <[winholtz@sbcglobal.net](mailto:winholtz@sbcglobal.net)>

**Sent:** Monday, July 06, 2020 2:53 AM

**To:** Gerald Luhr <[gluhr@morrobayca.gov](mailto:gluhr@morrobayca.gov)>; Michael Lucas <[mlucas@morrobayca.gov](mailto:mlucas@morrobayca.gov)>; Joseph Ingraffia <[jingraffia@morrobayca.gov](mailto:jingraffia@morrobayca.gov)>; Jesse Barron <[jbarron@morrobayca.gov](mailto:jbarron@morrobayca.gov)>; Susan Stewart <[ssewart@morrobayca.gov](mailto:ssewart@morrobayca.gov)>

**Cc:** Scot Graham <[sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)>

**Subject:** draft housing element

Dear Planning Commission:

Comments #1-10 are my responses to Staff/Consultant addressing previous input. Following #1-10 are new comments referencing pages 3-53 through 3-98.

Thank you for your consideration,  
Betty Winholtz

## Page 3-10 "How Input Received on Public Draft Has Been Addressed in the Housing Element"

1.) When questions were asked, rather than answer them, this statement was made: "No revisions were made in response to this comment." This statement is appropriate sometimes, but not when a specific question is asked. For example, "Does the draft include an index to aid in review?"

2.) Will the consultant or city staff not comment on suggested changes, or make suggested changes, unless directed to do so by the Planning Commission or City Council?

3.) Concern that the "City has not offered adequate opportunities for public participation" is not addressed by adding more text to the section as stated. Summer workshops would address the concern, but they were not held in June and the Planning Commission hearing is now. So is the intent to inform the public about a completed document rather than to receive input as to

## EXHIBIT C

whether the document reflects the public's goals? Would the workshops be held through Zoom?

4.) The "grammatical error on page 3-9" is stated as "has been corrected", but it has not.

5.) The response that the date "is not currently available" when asked about including "data on conversion of long-term rentals to short-term rentals" should not stop the collection of such data, particularly as the residents and the city address the Housing Element and struggle with writing a vacation rental ordinance. It's pertinent information.

6.) I continue to be concerned that dated data is being used upon which current decisions are being made, some of which is more than 15 years old, before the 2010 census. This should not be allowed. Time should be allotted to collect current data; the Element is not due until December.

7.) Long term RVs should be counted as part of the mobile home stock, otherwise it is under-reported.

8.) The comment regarding Table H-12 is not addressed (my comment #4) because I left the Table number off. In Table H-12, the percentages do not add up to 100%.

9.) I agree with the suggested language change that weak words like "encourage" and qualifying words like "when feasible" should be replaced with stronger language.

10.) I press the point regarding the "color bar" for 3 reasons. First, this document will be printed; color cost more. Second, this document is a law; laws don't need to look attractive. Third, the color causes the page number to be difficult to read.

Regarding the page number location: put the number either in the middle of the bottom of the page, or consistently on the left or the right (this document will be used online; pages aren't "flipped" online so the number should consistently be in the same location for efficiency.

Page 3-53. In our anxiousness to provide the number of housing units as State mandated, it is important for the City to not settle for what is brought to it by whomever. The Atascadero/Seaview project brought to the Planning Commission last month is a perfect example. Low income person should not be condemned to a living situation that makes living difficult, just to get a roof over their head. For example, no elevator in a 3-story building: climbing

## EXHIBIT C

stairs carrying bags of groceries up and hoping not to slip carrying a basket of laundry down. Picture paramedics and their equipment turning the landing corners. I believe it is the Planning Commissions job to require a project to fit the needs of those whom it is suppose to serve.

Page 3-56 to 62, Figures and Tables: ID's without street addresses are difficult to identify. Before approving these maps and tables please have the sites clarified. For example, are ID#1 and 2 a bank and a gas station?

I don't understand why the zoning is not maxed out if increasing housing units is the goal, i.e. ID#1-4 could be duplexes; ID#5-7 could double their projected number of units. Also, why allow "above moderate" when we need "low" to extremely low"? The word "affordable" is not listed in Table H-35. It is a confusing term and should be replaced with more exact wording.

Page 3-64. Table H-37, footnote #2: one year, 2019, does not make a trend.

Page 3-65. Delete "affordable and" in the second line of the next to last paragraph.

Page 3-66. In the first paragraph, should "to 0.99 mgd" actually be "by 0.99mgd"? Otherwise the flow is decreasing.

Page 3-69. Punctuation error on line 4 of "Analysis" and line 6 of "Local Land Use".

Page 3-70. Delete the word "affordable" in line 2 of bottom paragraph unless specifically defined.

Page 3-71. This section appears to answer the directive on Page 3-2, "Analysis of potential and actual governmental constraints on the maintenance, improvement, or development of housing for all income levels." I am at a loss to see how highlighting 5 of 6 projects, all of which are market rate (\$700,000-\$1,000,000) demonstrates how the City doesn't constrain "housing for all income levels." Certainly, "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" (Page 3-72), but those goals have not included low to very low housing.

Page 3-73. What are the "specific parking standards for affordable projects" other than parking reductions as used in this paragraph?

## EXHIBIT C

Page 3-81. Table H-40. change so lower density is not allowed in higher density, i.e. single family not allowed in R-3 or R-4.

Page 3-82. Remove the "moderate" category when calculating density bonus. That is what is traditionally chosen by developers (see list on Page 3-71), so the City isn't getting low or very low inclusionary housing.

Page 3-83. Typos in lines 6 and 7 from the top.

Page 3-89. There should be parameters to this administrative approval: "Any single-family dwelling."

3-90. Second bullet should quote the Zoning Ordinance so it doesn't have to be looked up.

3-97. Include the bolded words, "reduces the housing supply for local residents by **eliminating housing and** driving up home values and average rents." As referenced on Page 3-98, last paragraph.

3-98. Delete the words "the Coastal Commission" from the first paragraph.

3-98. Should "landslides" be added to Environmental Constraints?

3-98. "Higher" than what? under Seasonal Vacancies.

---

**From:** Tim Cowan <[theportmb@gmail.com](mailto:theportmb@gmail.com)>

**Sent:** Monday, July 06, 2020 12:05 PM

**To:** PlanningCommission <[PlanningCommission@morrobayca.gov](mailto:PlanningCommission@morrobayca.gov)>; Dana Swanson <[dswanson@morrobayca.gov](mailto:dswanson@morrobayca.gov)>

**Subject:** Housing Element

7/7/2020

Tim Cowan

805 459-3818

[tim@bhgrehaven.com](mailto:tim@bhgrehaven.com)

Morro Bay Planning Commission,  
Housing Element of the General Plan

Hello Planning Commission,

# EXHIBIT C

As a lifetime resident and business owner of Morro Bay, I just would like to take a moment to express my my view on the importance of the Housing element of the General plan.

As a young boy growing up in Morro Bay, my parents were part of the blue-collar workforce that builds our houses, works in our retail stores and serves us all at restaurants. Unfortunately My parents were never in a position to buy a home and we moved around Morro Bay often from rental to rental.

As a young man I too started working in retail, living in town, renting a room then an apartment And working my way to renting a house.

Our amazing community and hard work have given me the opportunity to own and sell multiple homes and businesses.

This is an opportunity I believe we take away from our young people and families if we do not take this housing element seriously

As the owner of Pizza Port for the past 15 years and a Realtor for Haven Properties , I experience every day the seriousness of our housing crisis.

Young families that are doing everything they can to find a rental to work in our amazing town that they grew up in, without the ability to commute just to work in MB.

I constantly lose good qualified employees from entry to manager level due to no housing.

I ask that the planning commission take its time to review and consider the long view effects housing has and will have on our communities families and businesses.

Thank you so much,

Tim Cowan  
805.459.3818  
Pizza Port  
[theportmb@gmail.com](mailto:theportmb@gmail.com)

---

**From:** betty winholtz <[winholtz@sbcglobal.net](mailto:winholtz@sbcglobal.net)>

**Sent:** Tuesday, July 07, 2020 5:16 PM

**To:** Gerald Luhr <[gluhr@morrobayca.gov](mailto:gluhr@morrobayca.gov)>; Michael Lucas <[mlucas@morrobayca.gov](mailto:mlucas@morrobayca.gov)>; Joseph Ingrassia <[jingraffia@morrobayca.gov](mailto:jingraffia@morrobayca.gov)>; Jesse Barron <[jbarron@morrobayca.gov](mailto:jbarron@morrobayca.gov)>; Susan Stewart <[sstewart@morrobayca.gov](mailto:ssewart@morrobayca.gov)>

**Cc:** Scot Graham <[sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)>

**Subject:** draft housing element comments

Dear Planning Commission:

I recognize these comments are being sent beyond the 11th hour. They will be my public comment this evening. I wanted you to have them in writing for reference. They refer to pages 3-102 through 3-136, if you get that far.

I truly hope you will take appropriate time going through this draft document since it will affect the next decade of our City.

## EXHIBIT C

Sincerely,  
Betty Winholtz

Page 3-102. Next to last paragraph. If reference is being made to annexation, it should be noted that annexation is a decision made by the voters of Morro Bay.

Page 3-104. The verbs are passive and uncommitted, i.e. could, should.

3-123. Second paragraph. Moderate should be separated for the "lower-income groups" because historically moderate has been the go-to category for satisfying income requirements. The other 3 categories need to be stressed now.

3-125. These are noble goals. Regarding R-1, this may be where Morro Bay needs to work the hardest. As an active participant in community affairs, if I didn't know this collaborative effort was in process, few other people in the community know. My concern regarding the overall tenor of the Compact is whether lax enforcement of standards and laws will be the rule because jurisdictions are collaborating, i.e. the WRF is receiving no grading oversight even though the development is in County jurisdiction.

Policy H-1.1. I would delete this phrase: "including specifically designed live/work developments." It has been unsuccessfully attempted twice over the last 10-15 years on Main St. and apartments built in the Beach St Specific Plan Area where "caretaker units" have ultimately become common rentals. Do you know of a successful project in Morro Bay?

Policy H-1.2. and Implementation Action H-1.1.2. The use of exceeding current height limits is always objected to by residents across the board and particularly those whose neighborhoods are violated. This is a staff goal; not a residents' goal. Eliminate this as an option.

Policy H-1.3. Change "strongly encourage" to "require."

Policy H-1.4. This is very difficult. Will you set a consistent percentage?

Policy H-1.7. See comment under Policy H-1.1. What has happened historically is that housing overtakes the commercial zones. Even with restrictive policies that housing must be on the second floor, in the back, or smaller than the commercial use, commercial loses. I would delete this.

## EXHIBIT C

There is no policy on vacation rentals, a constraint to providing and maintaining low income housing in Morro Bay.

Implementation Action H-1.1.3. This item addresses "multifamily projects meet maximum densities." It does not speak to maximizing the zoning, i.e. R-4 should not allow R-1. The "City will considered enforcing" the latter idea in bullet 5 under Implementation Action H-1.1.5, but it is neither recommended nor mandatory.

Implementation Action H-1.1.4. I do not see a nexus between "a vibrant pedestrian- and bicycle-friendly small-town urban atmosphere" and "high-density housing."

I do not see how one depends on another. I believe we currently have "a vibrant pedestrian- and bicycle-friendly small-town urban atmosphere" without "high-density housing." If housing is going to be increased downtown, then the same noise ordinance that is found in neighborhoods should be accorded residents in the downtown area after 10pm.

Implementation Action H-1.1.5. One of the bullets in this section should be to first educate the public about the State requirements. Bullets 5 and 10 should both include R-2 as well.

Implementation Action H-1.1.7. At the least Block Grants and other such sources should be actively used for low income housing over other types of projects.

Implementation Action H-1.1.11. Delete "at or" from the phrase "at or below the moderate-income range", so it reflects low income or lower.

Implementation Action H-1.1.12. Remove in-lieu fees as an option.

Implementation Action H-1.1.13. Replace "should" with "shall."

Implementation Action H-1.1.17. Define what "subject to discretionary review" means, i.e. administrative review, planning commission review.

Implementation Action H-1.1.18. What zoning is this relevant to?

Implementation Action H-1.1.19. Why "less strict?" Less strict in what manner?

## EXHIBIT C

Implementation Action H-1.1.20. Since lot sizes and configurations vary so much in Morro Bay, I'm not sure a prototype would save staff time and City money to develop.

Implementation Action H-1.1.22. It is quite unfair to the public to list a parcel by number and not address or at least a cross street, so we know what property is being considered. In this particular case, is it the property that the Planning Commission considered during their last meeting?



# EXHIBIT C

Date: 7/7/2020  
To: Planning Commissioners and Planning Department Director  
Subject: Review of Housing Element-North Morro Bay

Hello Commissioners and Staff,

I would like to thank you for all of your time and attention in reviewing the Housing Element component that will impact the residents of Morro Bay.

I have lived in North Morro Bay for over thirty years. I'm concerned about residential development that could impact my neighborhood as the City staff moves forward with updating the General Plan/Local Coastal Plan.

There are two ten-acre parcels in North Morro Bay. One is located at 3300 Panorama Drive, zoned R-1/Single Family Residential and the second one is located at 3072 North Main Street, zoned R-3/Multiple-Family Residential. I have attached property information for your review.

These two parcels are noted in the General Plan and I have some concerns. There is an undue imbalance being placed on North Morro Bay to absorb the consequences of the two largest pieces of real estate to grow Morro Bay.

While the Chamber claims that hundreds of houses will bring in more property taxes for the benefit of the City's General Fund, it does not mention established knowledge that adding hundreds of housing units requires initial capital investment and ongoing maintenance costs by the City for expanding sewer/water pipelines, rebuilding streets with no foundations, addressing traffic congestion at already impacted intersections, as well as magnifying competition for street parking. These are real fiscal and social costs that new property taxes may not sufficiently cover.

In addition, the kind of housing chosen gives different consequences. Moderate to upper income housing ownership may bring in more property tax, as well as multiple cars per household, and potentially second homeowners. Low and very low income rental housing will bring the City the kind of housing it desperately needs for singles and seniors, may bring fewer cars, provide less property tax, but potentially more in sales tax as year-round shoppers.

Thank you for taking my comments.

Kristen Headland, Morro Bay Resident

# EXHIBIT C

**From:** [Nancy Hubbard](#)  
**To:** [Amy Sinsheimer](#)  
**Subject:** Fw: Housing Element public draft  
**Date:** Wednesday, April 29, 2020 7:13:47 AM

---

Amy,

Attached is public comment received on the HE. I responded, so doesn't seem like any further action is required.

Just FYI

---

**From:** Meredith Bates <mlbates111@gmail.com>  
**Sent:** Tuesday, April 28, 2020 3:35 PM  
**To:** Nancy Hubbard <nhubbard@morrobayca.gov>  
**Subject:** Re: Housing Element public draft

This is very helpful, Nancy.

Thank you.

On Tue, Apr 28, 2020 at 2:20 PM Nancy Hubbard <[nhubbard@morrobayca.gov](mailto:nhubbard@morrobayca.gov)> wrote:

Meridith,

Thank you for your interest in this document. I have responded to your questions in red below.

1. Is there an index for the Housing Element? I'm having a hard time doing the review without this. **THERE IS NOT AN INDEX, BUT IT IS ORGANIZED THE SAME AS THE PREVIOUS HOUSING ELEMENT, IF YOU ARE DOING A COMPARISON.**
2. How can I compare our previous housing element with this one, to see what has changed? **THERE IS NO EFFECTIVE WAY TO COMPARE ENTIRE DOCUMENTS, BECAUSE WE TRIED TO MAKE SURE THAT THE 2020-2028 VERSION WAS EDITED AND UPDATED OR CHANGED TO REFLECT THE CURRENT CONDITIONS, SO THE CHANGES IN THE DOCUMENT ARE SIGNIFICANT. HOWEVER, IN THE BACK OF THE DOCUMENT, THERE IS A TABLE (3-101) THAT SHOWS THE GOALS AND POLICIES FROM THE 2014-2019 VERSION, FOLLOWED BY A NEW TABLE WITH THE 2020-2028 GOALS AND POLICIES. COMPARING THOSE TABLES MIGHT BE A WAY TO COMPARE THE TWO DOCUMENTS - AT LEAST THE GOALS AND POLICIES COMPARISON.**
3. Does this public draft take the place of a public hearing? **NO, THIS WILL STILL GO THROUGH PUBLIC HEARINGS, BEGINNING WITH THE PLANNING COMMISSION FOR REVIEW AND A RECOMMENDATION (WE DO NOT HAVE A DATE YET, BUT LIKELY IN JUNE OR JULY). BECAUSE OF THE PANDEMIC AND THE EMERGENCY STAY AT HOME REQUIREMENT, WE ARE NOT GOING TO HAVE ANY OTHER PUBLIC WORKSHOPS, BUT HOPE THAT PEOPLE WILL REVIEW THE DOCUMENT AND PROVIDE WRITTEN COMMENTS VIA EMAIL. THE PUBLIC HEARINGS ARE CURRENTLY BEING DONE VIA ZOOM MEETINGS WITH THE PUBLIC CALLING IN WITH THEIR COMMENTS DURING THE PUBLIC COMMENT PERIODS.**

Please let me know if you have any other questions.

# EXHIBIT C

**From:** [Nancy Hubbard](#)  
**To:** [Amy Sinsheimer](#)  
**Subject:** Fwd: housing element  
**Date:** Friday, May 15, 2020 6:09:42 PM

---

See public comment below - it is lengthy and will require your input prior to response.

Thanks

Sent from my iPhone  
Nancy Hubbard

Begin forwarded message:

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**From:** Scot Graham <[sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)>  
**Date:** May 15, 2020 at 4:03:15 PM PDT  
**To:** "Amy Sinsheimer ([asinsheimer@placeworks.com](mailto:asinsheimer@placeworks.com))"  
<[asinsheimer@placeworks.com](mailto:asinsheimer@placeworks.com)>, Nancy Hubbard <[nhubbard@morrobayca.gov](mailto:nhubbard@morrobayca.gov)>  
**Subject:** Fwd: housing element

Comment on housing element from Betty Winholtz.

Scot

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**From:** betty winholtz <[winholtz@sbcglobal.net](mailto:winholtz@sbcglobal.net)>  
**Sent:** Friday, May 15, 2020 3:52:08 PM  
**To:** Scot Graham <[sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)>  
**Subject:** housing element

Mr. Graham:

These are my comments regarding the draft Housing Element up to but not including Adequate Sites Inventory and beyond. Background data is as important as Goals, Policies, and Actions. I understand the deadline was yesterday, May 14, 2020. Would you prefer I wait and submit them during Planning Commission review of the Element? I assume the Planning Commission item will be a Public Hearing providing for Public Comment. Like a draft EIR, will you be responding to comments, including them in your staff report, or what action will be taken with them?

Sincerely,  
Betty Winholtz

# EXHIBIT C

## **Format**

I don't like the colored stripes down the paper. It does not make the text more attractive to read. It is more a waste of space making the document longer than it needs to be. In addition, it makes it more difficult to see page numbers.

## **Public Participation** (pages 3-4 through 3-9)

In order to satisfy the requirement for "shall make a diligent effort to achieve public participation of all economic segments," the "City conducted a series of community meetings and public hearings." This requirement was not fulfilled for these reasons:

1. To date, there have been no public hearings.
2. One workshop is listed, not a series of meetings. It was held between Thanksgiving and Christmas. 12 people attended (12/12/19).
3. 20 people filled out surveys. The survey was advertised at the "public workshop and through the City's website." They were available through the holidays (12/12/19-1/14/20).
4. 2 emails were received.
5. "[T]he Housing Element was posted on the City's website...to ensure it was available to all community members." This was helpful for those who have computers, but as COVID-19 revealed via schools trying to get students online to do their studies, many Morro Bay families don't have internet access, as well as some of the elder population.

How were residents suppose to know there is a Draft Housing Element? There was no ad taken out in the local newspaper. Was it announcement on the local radio station? Was there a notice sent out in the monthly water/sewer bills? If a notice was included with the monthly bill, those bills reach roughly 5,000/7,000 households. The 2,000 excluded are mobile home park residents and apartment building dwellers because only one bill is sent to the park/building owner. Both mobile homes and multi-family buildings are predominantly occupied by low income families.

Grammatically, there is something wrong with this sentence on page 3-9: "In order the let the public know of the availability of the public draft Housing Element the is spreading the word through their online Notify Me application to provides updates on City documents and projects via email to those who have signed up."

## **Coastal Zone** (pages 3-9 through 3-11)

## EXHIBIT C

The list on page 3-10 does not use the word "required." All the answers in the table on page 3-11 use the word "required." This makes me wonder if this is incomplete data. There has been, "new construction, demolition, conversion, and replacement of housing units for low- and moderate-income households" that has not been required by design or inclusionary rules and not listed here. Perhaps the research hasn't been done or records kept. Nor does this data identify the many conversions from long term rental housing to short term/vacation rental housing in the last 5 years. The city has an ordinance that apartment conversions to condos be documented. Long term rentals converted to short term rentals should be documented, too.

### **Housing Needs Assessment** (pages 3-13 through 3-60)

1. The discrepancies between Tables H-2 and H-3 projections is why I would encourage the City to ask HCD to postpone the deadline for the Housing Element until the 2020 Census comes out next year. We need real time data and it's only months away. Should postponement not happen, Table H-2 should be considered the more reliable of the 2 tables. Lower estimates have always been confirmed in the past when real time data arrives.
2. In Table H-5, are we to assumed that mobile home park residents are counted in the Owner category rather than the Renter category?
3. Table H-8 accounts for Morro Bay residents' commutes. What is not reflected here are the commuters into town who work tourist jobs and can no longer afford to live here. The jobs/housing balance category needs to be look at from both angles.
4. The Percentage column does not align with the Number column.
5. Page 3-22 addresses Vacant Units. The first paragraph sets the criteria ("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."). The second paragraph describes the data that meets that criteria but does not articulate the conclusion: finding affordable housing in Morro Bay is difficult and is leading to overcrowding and paying more that is affordable.

Table H-14 shows a large number of vacant units to be seasonal,

## EXHIBIT C

88%. Morro Bay City Council has set a cap of 250 vacation rental permits. It would be instructive to know how many of the 1,194 units beyond the 250 permits are illegally vacation rentals and how many are not.

6. Table H-15 identifies only 488 mobile housing units. Yet, we know there are 1,000 mobile home park residents. Even if there are 2 people per household, and we know many are single person occupied, that doesn't account for the missing numbers. Are permanent RVs not included in this figure?

7. The data introduced on page 3-25 needs to be put into the context for why it was gathered. At the time, the City was deciding whether to form redevelopment district(s). The intent of the surveyors was to find things wrong with the building stock, so it would be profitable to redevelop. Ultimately, the redevelopment idea was voted down. Due to the intent for gathering the data and the age of the data (16 years old), this information should be discarded. Even 2009 and 2014 data is old due to the "discovery" of Morro Bay in the last 5 years. New construction has been 3+bedroom single family houses and upgrades for resale value.

8. Table H-22 may be representative, but a survey sample of 19 units out of a possible 2,000+ is too small sample. Nor does the sample discriminate between single family detached houses, apartments or anything in between.

9. Should Casa de Flores be identified somewhere in the discussion on page 3-42? Should the Alzheimer house be mentioned somewhere under special needs?

10. Page 3-43 states, "housing for large families appears to have improved since 2011." But why? Mostly 3+bedroom single family houses were built over the last decade? Higher paying jobs in SLO? Inheritance? Other?

11. On pages 3-44 through 3-45, I question whether services offered in SLO should be considered as part of Morro Bay's offering to the homeless. It is 13 miles to SLO requiring a bus ticket, and another 3 miles to the Prado Center, requiring a transfer. Does the City officially contribute to these services?

12. It is not clear whether the 97 Section 8 vouchers mentioned on page 3-45 are part of the 115 assisted units in Table H-34. Please clarify if the 97 should be subtracted from the 115 or added to the 115.

## EXHIBIT C

13. On page 3-46 under At Risk Units, I have a different interpretation of the first paragraph as stated in the second paragraph. In particular, since the first paragraph states, "all state and/or federally assisted low-income housing units that may at some future time be lost," I don't read that language referring only to "financially subsidized low-income housing projects." I read it to mean all housing units receiving government money which would include Section 8 housing and developmentally disabled housing, etc., not just projects.

---

# EXHIBIT C

**From:** [Williams, Jamillah@HCD](mailto:Williams_Jamillah@HCD)  
**To:** [Amy Sinsheimer](mailto:Amy.Sinsheimer)  
**Subject:** 3rd Party Comments  
**Date:** Monday, May 18, 2020 4:30:59 PM

---

Amy,

I am forwarding some public comments I received. You (the City) can respond to them if you choose to do so. If you do decide to respond, please email me your response.

Best,



**Jamillah Williams**

Housing Policy Analyst  
Land Use & Planning, Housing Policy Development Division  
Housing & Community Development  
2020 W. El Camino Avenue, Suite 501 | Sacramento, CA 95833  
Phone: 916.263.4849

**Hours: 7:30-4:00 Monday through Friday**

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**From:** Meredith Bates <mlbates111@gmail.com>  
**Sent:** Monday, May 11, 2020 7:55 AM  
**To:** Williams, Jamillah@HCD <Jamillah.Williams@hcd.ca.gov>  
**Subject:** Extension of Housing Element Deadline

Dear HCD,

A number of issues suggest that extending the deadline to submit the Housing Element 2020-2028 document would lead to more accurate and effective housing plans.

**Many cities have declared local emergencies and are struggling to respond to the COVID-19 health and economic crisis.** The crisis has strained city budgets and personnel, some employees having been cut or furloughed. This is not the best time for thoughtful work on the *Housing Element*.

**Housing planners would benefit from having more current data from the 2020 Census.** Estimates based on out-of-date statistics do not make for critical, informed planning.

## EXHIBIT C

**The *Housing Element* draft requires broad-based community review that gathers input from people of all economic levels. Such an inclusive review is difficult at this time.** As the deadline to submit the *Housing Element* approaches, people are struggling with issues related to the COVID-19 crisis and will not be able to read and comment on the document.

For these reasons, we encourage you to extend the deadline for submitting the *Housing Element 2020-2028*. An extension would result in a more powerful document that helps cities provide affordable housing for California residents.

Thoughtfully,

Meredith Bates, representing Morro Bay Action Team

May 14, 2020

Nancy Hubbard  
City of Morro Bay, Community Development Department  
955 Shasta Avenue  
Morro Bay, CA 93442

**Subject: Morro Bay Draft Housing Element Update**

Dear Ms. Hubbard:

The San Luis Obispo Council of Governments (SLOCOG) appreciates the opportunity to review the City of Morro Bay's Draft Housing Element Update. The State of California and Federal Highways Administration designate SLOCOG as the Regional Transportation Planning Agency (RTPA) and the Metropolitan Planning Organization (MPO), respectively, for the region. While SLOCOG does not have permit or regulatory authority for housing element updates, 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.

As mentioned in the Draft Housing Element, all California cities and counties are required by Government Code (Sections 65580-65590) to adopt housing elements as part of their general plans and submit draft and adopted elements to HCD for review with compliance with State law. The housing element is a planning document, requiring the community to plan for meeting its "fair share" of regional housing market need and is integral to the development of the Sustainable Community Strategy (SCS) required by SB375. Unlike the other elements, the Housing Element must be revised and updated to reflect the RHNA.

After reviewing the Draft Housing Element, SLOCOG commends the City's effort on fulfilling state requirements as well as providing such detail on the current and future state of city housing needs. The RHNA objectives were fulfilled through the document, the update includes policies intended to improve the jobs/housing balance, and the Morro Bay water supply concern mentioned in the RHNA was addressed. One of the only concerns SLOCOG has after reviewing the update is an aspect of the *Adequate Sites Inventory*. The *Adequate Sites Inventory* only lists one site available for the low-income category with a realistic density of 215 units. This inventory concentrates the income ranges of extremely low, very low and low to this one site. However, it is encouraging that the City has seen a trend in multifamily housing development occurring on sites of less than one-half acre even though these options were not included in Table H-36 but mentioned in the text.

Thank you for the opportunity to provide input. The document provided good insight into the housing challenges the City faces but also tangible ways to work with and around those challenges to fulfill state requirements. We wish the City continued success in moving the Housing Element Update forward. If you have any questions, please feel free to contact me at (805) 597-8052 or [ssanders@slocog.org](mailto:ssanders@slocog.org).

Sincerely,



Sara Sanders, Transportation Planner  
San Luis Obispo Council of Governments

# EXHIBIT C

Dated June 10, 2020

## Morro Bay Chamber of Commerce

### Housing Element Review Narrative and Analysis

#### Summary

Housing is an urgent need and issue in the City of Morro Bay, as well as the state in general. The lack of housing in the community that is appropriate in price and features to meet the needs of residents and the workforce has a significant negative impact on our environment, on the social cohesion in the community, and on the economic development of the community. If we don't seriously address the housing issue in Morro Bay, we will continue our precarious reliance on a workforce that lives someplace else in the County; we will keep degrading the environment through excessive greenhouse gas emissions and other emissions associated with commuter travel; and, we will become a community that is composed solely of older retirees and visitors with no resident workforce, families, or middle class.

The Chamber has used its review of the City's draft Housing Element to explore these issues, and to recommend an aggressive course of action to correct the stagnation in housing and population growth in the community that has occurred over the last twenty years. You will note that our comments are pointed, candid and direct. We don't think it is a time to mince words about what needs to be done. And, we make those comments with respect, and knowing that we are partners with the City and the community in addressing these issues. We have all seen that when communities fail to address this issue themselves, the state has imposed unpopular housing mandates on them, and taken away much of the "home rule" and sovereignty that cities believed that had on this issue. The writing is on the wall: we can solve this problem, or the state will solve it for us. The Chamber prefers the former.

Several of our neighbors, in particular Paso Robles and San Luis Obispo, have gone through the same kind of process transformation that Morro Bay needs to. Fortunately, we can and should go to school on their processes and solutions to streamline the development review process, cut city processing costs, "right-size" impact fees, and expedite quality projects, and make more project "by-right" without sacrificing quality.

#### Findings and Recommendations

The Housing Element is one of the required elements of the City's General Plan. As outlined in Morro Bay's Draft Housing Element, a Housing Element is to contain the following:

- Analysis of population and employment trends and quantification of the locality's existing and projected housing needs for all income levels.
- Analysis of any special housing needs populations.
- Analysis of the community's household characteristics, housing cost burden relative to ability to pay, the extent of overcrowding, and an estimate of housing conditions.

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- Existence of potential and actual governmental constraints, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.
- Constraints related to the cost of financing, the price of land, and the cost of construction.
- A site-specific inventory of land suitable for residential development, including vacant and underutilized sites, and how “ready to go” these inventoried parcels are.
- Analysis of energy conservation with respect to residential development.
- Quantification of the existing and projected housing needs in the community, including how the community will meet its share of the County’s regional housing needs (the Regional Housing Needs Allocation or “RHNA”).

Based on these required components, and the Chamber’s assessment of the community’s needs, it offers the following response and recommendations to the following questions. We understand that the City has submitted this review draft to HCD for its comment. *We recommend that the City use the HCD review as an initial review, and integrate its comments and other comments into a subsequent draft for review by the Planning Commission and the community. We understand the need for the City to complete the Housing Element, but it is not due until the end of the calendar year.* It would greatly benefit from more public process, more analytic work, and a more holistic approach.

1. How much additional housing do we need to **provide for future growth, to reduce the jobs-housing imbalance, to replace demolished units, to replace houses that are dilapidated or need major repairs, and to support economic development?**

***Answer: The Housing Element focuses, to the exclusion of other important issues, on compliance with the RHNA housing production goals. The Housing Element, however, does not deal with other urgent issues such as the decline in the local residential population over the last ten years (in fact, the Housing Element conceals that fact by using population numbers that are inconsistent with the most current state data from the Department of Finance). There is no analysis of this trend, and its relationship to providing housing for local workers. The Housing Element also relies on an outdated housing conditions survey and which only covers a small portion of the City. Inasmuch as the City’s housing stock is old, having current information on this is important.***

2. Where are the sites to provide the needed housing and **how complicated and/or uncertain is it that they can be developed? Are the sites ready-to-go?** Do they have utility constraints? Do they have entitlement or political constraints or opposition? **Can they be developed “by right”** if they comply with adopted objective development standards?

***Answer: The Housing Element falls short in this area because it does not identify all of the opportunity areas, constraints to realizing those opportunities, and the apparent risk of not***

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*getting several larger project sites entitled. The Housing Element does recognize constraints to various sites, including cultural sensitivities, hazardous materials contamination, and Coastal Commission restrictions. Since it is unlikely that all of the sites will develop without issues (these sites have been designated for many years), more redundancy should be built in. At a minimum, the Housing Element should be modified to identify all of the potential housing sites in the community, just as other jurisdictions in SLO County are doing in their Housing Element updates.*

*The discussion in the Housing Element regarding regulatory constraints to development is also inadequate. There are known inconsistencies and incompatibilities between the City's various regulatory documents, and many properties are subject to a PD zone which requires legislative approval. We expect the City's consultants to provide constructive comments on how to improve process and certainty. The City's GP/Zoning/LCP update will remedy some of the inconsistencies, as well as preparation and adoption of objective development standards. Since most of the development to meet the RHNA and other housing needs are discretionary (and in many cases legislative), there is no certainty to the development capacities. Within the legal limitations of the California Coastal Act the city should increase the number of units that can be constructed "by-right" if such projects comply with objective development standards and/or an adopted Specific Plan.*

3. **What are the constraints to developing the identified sites and how will the City remove those?**

*Answer: The Housing Element lacks a candid assessment of the constraints to development the sites that are necessary to meet its RHNA obligations, and a program to relieve those constraints. And, by eliminating consideration of all of the opportunity sites, it does not provide an analysis and solutions to ensuring their development.*

4. **What will the City do and when will they do it to achieve the objectives?**

*Answer: The Housing Element should not include words such as "encourage", "promote", "support", "facilitate" or others that do not commit it to a specific course of action. It should describe what will be done, who will do it, and when it will get done.*

5. **Are the policies of the Housing Element (starting on Page 3-117) clear, concise and adequate to achieve the objectives?**

*Answer: No. There are a number of policy areas that the Chamber believes should be addressed, as follows:*

**General Comments:** The best way to make housing more affordable is by increasing density, reducing fees, and expediting timelines (reduce carry costs). Morro Bay needs to have clearly defined residential development criteria with minimal subjectivity to allow for consistent interpretation and expedited processes. There is a huge demand for housing in all regions of the County. Not only will additional housing units add significantly to the largest revenue category for

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the City – property taxes – but it will also increase the number of local residents to frequent the business community and help to reduce its reliance on tourism. While the City has some inventory to address its current needs, these are uncertain and will soon run out. This Housing Element should look at all of the opportunity sites that are in the Land Use Element and it should explore other areas that can be considered for future growth. The north side of Highway 1 between the property north of the Harbor Tract and the retirement home on South Bay Blvd is one example. The City has a relatively large sphere of influence that can be considered. Large comprehensively planned housing projects would significantly improve the economic sustainability of Morro Bay.

**Inclusionary Housing Ordinance:** There is discussion about modification or expansion of the Inclusionary Housing Ordinance (IHO) or inclusionary housing fees. There is a proposal to charge a fee for “large” single family units (but not small ones), and to exempt certain commercial uses that may be of fiscal benefit to the City. Any fee mechanism that bases the amounts assessed (or those units that are not assessed) is a tax unless it is supported by a qualified Nexus Study. For the above reasons, it is recommended that the City go all in, or all out of the IHO approach. We recommend that the city go “all out”.

**By-Right Housing.** Housing gets built if the project is in an attractive and marketable community or neighborhood, where there are adequate sites, and where the entitlement process is consistent and predictable. Quality development occurs because of good, written development standards that are developed through an inclusive public process. These development standards answer the question about what performance and operational issues are associated with different scales and sizes of development, and what are the appropriate development conditions. Where there are purely subjective design issues, an architectural review is possible, but is not required nor desired for every project. Cities and Counties in California hire professional planners to apply codes and policies. We should let them. And, there is no magic by-right number, but the higher the better. More public hearings do not ensure quality or consistency.

**Permit Processing.** COVID-19 has forced us to accelerate our processes and use technology where we have never used it before. SLO City recently transitioned completely to electronic permit processing and plan checking. Similarly, Paso Robles has found that going to electronic plan submittal and processing has saved them time and money. Both use Microsoft Teams and city permit processing software to accelerate permit process and to reduce costs. They report that a set of plans can be returned in seven days, with appropriate mark-ups. The challenges facing us today force us to eschew archaic and antiquated “paper” processes, and poor integration between development review functions, which are often “siloed” by discipline, technical expertise (planning, engineering, fire, etc.). Even in small cities like Morro Bay, the potential cost savings and time savings are significant.

**Housing Production Goals and Inventory.** One of the principal purposes of the Housing Element is to demonstrate how the City will accommodate its share of the regional growth in population and

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employment. Accommodating this population is then translated to housing units by various income categories. However, Morro Bay has housing needs that go beyond the traditional RHNA formula. First, the last two decades have demonstrated that increased housing does not equal increased population. For Morro Bay, there needs to be an allowance for vacant seasonal second homes, for VRs, and for vacancies. Building to the RHNA formula will not meet our needs. Further, the City suffers from a significant jobs-housing imbalance. That is bad for business and environmental reasons. Our current jobs-housing imbalance is the No. 1 preventable cause of air pollution and greenhouse gas emissions, according to the local air district. Our businesses also have excessive turnover and higher costs. Finally, if the community wants to economically diversify, it must provide housing that is commensurate with the expectations of the workforce and managers that we want to attract. According to the analysis in this summary, the City needs 750 added dwelling units over the next 8 years in order to meet its economic, social, environmental and RHNA goals. The Housing Element should map out adequate sites for those units and a strategy to achieve them. If not, there is a risk that current trends will continue, and the community will be increasingly composed of older retirees and vacationers.

## **Background and Assessment**

Housing Elements are unique among General Plan elements because they are on a fixed update and review cycle that is specified by State statute, and are required to be reviewed and approved by the State Housing and Community Development Department (HCD). That is why they are always done outside of the update of the other elements of the General Plan, and have a substantially different look, feel and vocabulary. Housing Elements are valid for a set “cycle” time, and then must be updated. Housing Elements have gone through five previous “cycles”, with earlier cycles being 5-8 years. This sixth cycle is for 10 years, going from January 1<sup>st</sup>, 2019 to December 31<sup>st</sup>, 2028.

The requirements for Housing Elements have gotten stricter during each successive cycle. Communities (cities and counties) are now obligated to demonstrate, and commit, that there will be an adequate inventory of land to support the amount of proposed housing production, that there are not administrative constraints to housing, and that affordable housing in particular is allowed essentially “by right” and will not have any un-necessary discretionary review. While it is acknowledged that the City does not “build housing,” a city is statutorily obligated to do what it must to ensure that there is adequate water, sewer and infrastructure capacity, that the cost of infrastructure is not a constraint, that housing (and especially housing that is necessary to meet the City RHNA allocation) is permitted by right, that there are objective development standards and the minimum necessary administrative processes, and that the sites that are identified to meet the city’s RHNA are “ready to go” and don’t need zone changes, major local legislative approvals, or extensive and unpredictable entitlement processes. These are all of the right questions to address. Unfortunately, in many cases, Housing Elements are treated as a perfunctory exercise to satisfy HCD, and few actually address the substantive questions in a meaningful and sincere way. Also, there is often a slavish attention to the RHNA requirements, rather than a holistic assessment of what housing is needed and why it is needed. Cities and counties often squander the opportunity that the Housing Element process affords to address

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urgent social, economic and environmental issues associated with housing production. Let's be better than everyone else; we know what we need and we know how to do it.

The need for housing in the community is driven by economic, social and environmental factors. According to the City's Economic Development Strategic Plan from 2016, 80 percent of employees in the community live somewhere else, and our reliance on housing built in Los Osos, Paso Robles, Atascadero and elsewhere in the County creates economic risk and uncertainty. It also limits the attractiveness of the community to those seeking to establish new businesses here. Especially given the lower-wage, service nature of our economy, commuting costs are not sustainable over the long run. A study done by the Economic Vitality Corporation (EVC) for major industries in the County, concluded that 25 percent of employees surveyed indicated that they were actively considering leaving their jobs because of the cost and unavailability of housing. Turnover is expensive for businesses, and a reliable labor force is essential to business success. Local businesses also recognize that their success relies on a year-round local population to sustain them during the "shoulder" and off-seasons. In response, the new General Plan prescribes significant housing in the downtown. An adequate local housing stock is necessary to support a strong, resilient and diversified economy. Just to accommodate the local workforce, **the City needs 3,500-3,750 housing units.** At least in San Luis Obispo County, housing is considered THE economic development "silver bullet."

The social reason for housing is to allow those who work in the community to live in it as well. This "social justice" reason was, in fact, the impetus for the requirement for Housing Elements as a special required part of the General Plan. And, at that time, cities were routinely "down-zoning" property for higher end housing at the expense of affordable or attainable housing in the moderate- and lower-income categories. Hence, the emphasis in housing law for providing specific minimum quantities of housing in each income categories. Further, we should ensure that that our housing policy (or lack thereof) does not drive us to the same fate as other coastal communities by becoming a community of only wealthy retirees and visitors. That is not a good model to achieve economic and fiscal sustainability, one of the City's major goals.

The environmental reasons are air quality and climate change. Vehicle travel represents approximately 75 percent of the ozone precursor and 75 percent of the greenhouse gas emissions in SLO County, and they are the number one source of avoidable emissions. Housing production and improving the local jobs-housing balance is good for the environment.

The City also needs new or replacement housing units to replace those units that are unsafe, unhealthy, and have lived out their useful life. According to information in the Housing Element 7.5 percent of the housing in North Morro Bay (98 units), and 5 percent of the housing community wide **(323 units) are in need of immediate upgrade and/or replacement because they are classified as needing "substantial" rehabilitation, or are dilapidated.**

In total, to accommodate the current working households the City needs **3,250-3,500 housing units**; it needs **2,250-2,500 for existing local retirees**, plus **1,250 units for seasonal/second/vacation homes. Total housing need is 6,750-7,250 units** compared to the current total of 6,445. Adding the 350 RHNA units to accommodate growth over the next ten years, **the City needs 7,100 to 7,600 housing units to address its current and future social, environmental and economic needs.** Therefore, the city needs to facilitate the construction of 750 additional housing units over the next eight years to meet

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local environmental, economic and social objectives. Looked at another way, the current shortage of housing creates a vacancy rate that is estimated to be 1%, two percentage points below that which is considered economically healthy. The City would need to add 165 more housing units today to get to a 3 percent vacancy rate.

The following are specific comments on the several chapters of the Housing Element, and the recommended policies, programs and implementation measures.

## Housing Needs Assessment

1. The quoted population levels for the community as stated in Table H-2 and H-3 are inconsistent. The Housing Element does not point out these inconsistencies, or if they result from the use of State-mandated datasets (which are now out of date). The population 2010 was 10,234 and it is 10,289 in 2020 according to the State Department of Finance. Growth rate in population for the last 20 years has been 0%. The Housing Element narrative should explain the significance of these variations and the fact that the production of housing over the past years has not, apparently, served the purpose of housing local population. (Note that local population in 2030 is projected to be 11,715, a 1.3 percent growth rate over the next ten years. What will change over the next ten years so that it is not a repeat of the last ten to twenty years?)
2. Note the shift in population profile in Table H-4. While total is declining, it is also getting older.
3. Note the composition of vacant units on Table H-14. There are 1,200 units (20 percent of the total housing stock) that are seasonal/second homes.
4. The age of the housing stock has a significant impact on the need for rehabilitation and other improvements. Note the age of the housing stock in Table H-16. Eighty-five percent of the housing was built before 1990 and therefore probably has no thermal insulation, little or no energy efficiency features, and little or no techniques to prevent moisture accumulation and mold prevention. Also note the rate of housing production between 1950 and 1990, and compared to housing production over the last decade.
5. Housing production averaged 29 units per year over the last 20 years, and with little increase in the actual resident population. The RHNA objectives are set to ensure that each jurisdiction accommodates its share of regional population growth over the 8-year RHNA planning period. *It is not just the production of housing that is the objective, but the accommodation of the resident population.* In order to accommodate the City's required share of regional population growth, it needs to produce 350 more units, plus that housing that is necessary for second homes, seasonal homes and VRs, and housing to meet the economic, social and environmental needs in the community. In total the city will need to produce approximately 50-60 units per year for the next ten years. The city will need to step up its game. How will it do that?

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## Adequate Sites

1. Note the composition of sites that are identified on Figures H-3a and H-3b. This inventory of sites and the associated Table H-36 are the primary means to demonstrate to the state that it has adequate sites. Of note are Sites 56 (Panorama Drive Jet Fuel Storage site), Site 17 (north of Harbor Tract under the power lines) and Site 18 (South Bay Blvd site surrounding the WRF and Casa Flores). Do we believe that these sites can be entitled, developed constructed over the next eight years? If the South Bay site is considered should it extend to the edge of Harbor Tract? Note that many sites are missing.
2. Note the collection of properties on the north side of Atascadero Road/Highway 41 east of Main Street. Are there issues? Shouldn't there be a policy to comprehensively plan these through a specific plan or other mechanism?
3. Note the potential units that ARE NOT on the inventory like Morro Elementary and downtown mixed use residential. Are these infill sites less desirable or infeasible? Why are they in the General Plan Land Use but not the Housing Element? *The Housing Element should cover all of the housing opportunity sites in the community, and recommend strategies for their successful development.*
4. The City is relying on ADUs to supply 200 units over the next 8 years (20-25 per year). Is that reasonable or appropriate for the housing that is needed.
5. Note the discussion on Page 3-59 re: water availability. Water use has gone down by 177 million gallons a year compared to 1997, an amount of water that would support 4,750 MORE dwelling units. The city has contracted for 3,900 acre-feet (AF) of water from the State Water Project, and has groundwater supplies and future WRF recycled water supplies. Water is often cited as a constraint to development. It is not.
6. Note Table JH-37. It is the table that demonstrates whether and how the city will produce the housing that is needed. The Housing Element does not demonstrate how these housing units can be delivered given the certainty or uncertainty of the sites and strategies that are included.
7. Note the discussion on Page 3-64 on Development Standards. This area should discuss the all-too-familiar (and staff-identified) inconsistencies in the City's zoning, General Plan and LCP. Simply saying that "Development standards in the city...should pose no constraints to development of affordable housing" is not true, nor is an adequate level of analysis. Many who are familiar with the City's permit processes would disagree with the discussion in this area. While we shouldn't pay consultants to arbitrarily denigrate us, we do expect that they will provide constructive solutions to known problems.
8. Note the discussion on PD Zoning on Page 3-71. This technique creates an unnecessary legislative discretionary process that is abused and misunderstood by the community. City should focus on the

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establishment of objective city-wide development standards.

9. Note the discussion on Page 3-82 for administrative coastal permits “until the City obtains the approval of the Coastal Commission to exempt the area east of Main Street to the LCP boundary.” *This seems like a somewhat transformative entitlement issue. What is the status of this? This needs to be expedited and resolved.*

## Goals, Policies, and Implementation Actions

1. Note the extensive usage of words like “encourage”, “support”, “promote” and others throughout. These are weak and non-committal. We recommend that the Housing Element say what we are going to do, who is going to do it, and when it’s going to happen.
2. Policies and strategies should be added to ensure the development of downtown residential mixed-use projects, or residential additions to existing commercial properties. Such strategies could include a demonstration project or block.
3. We recommend that special attention be given to the Morro Elementary, Atascadero Road and Harbor Tract sites, with a commitment to do specific plans for each. This would give the sites the appropriate level of comprehensive planning, adequate public input, and expedited implementation. The explanation provided by the City that it only identified those units needed to get up to the RHNA numbers plus a little reserve is inconsistent with the practice of identifying all sites. Treating key zoned sites as “reserve” is inconsistent. Further, development of true infill sites in and near the downtown most closely meets the City’s land use policies. A significant number of sites are “greenfield sites.”
4. There should be specific attention to the Atascadero Road/Highway 41 corridor area and a commitment to do a specific plan that includes all of the properties on the north side between Ironwood and Main Street. This area will not develop correctly, or at all, without some pro-active steps.
5. Any policies or programs that use the words “if feasible” or “when feasible” should be deleted. The feasibility of a proposed policy should have been figured out by now.
6. There are numerous references and policies that propose (further?) amending the zoning ordinance. Are going to go through this all over again after we finish it this year?
7. There should be a policy to allow certain residential and multifamily projects “by right” as long as they meet adopted objective development standards. Alternatively, the City could do a larger scale development entitlement (downtown mixed use, South Bay site, Main Street multifamily, Morro Elementary, etc.) and expedite development for projects that are in conformance with those plans.

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8. There is discussion about modification or expansion of the Inclusionary Housing Ordinance (IHO) or inclusionary housing fees. The city must change its practice and preference to charge in-lieu fees on some projects and not others, without regard or support from a qualified Nexus study. There is a proposal to charge a fee for “large” single family units (but not small ones), and to exempt certain commercial uses that may be of fiscal benefit to the City. Any fee mechanism that bases the amounts assessed (or those units that are not assessed) is a tax unless it is supported by a qualified Nexus Study. For the above reasons, it is recommended that the City go all in, or all out of the IHO approach, and provide, instead that developments over a certain number of units provide affordable housing, and that all developments carry some of the burden of this policy.
9. The City should also assess its development policies to ensure the integration of a range of housing sizes in new developments (and resulting range in price points and rents). This could include using “density units” like the City of SLO does, and scale development impact fees by the square foot, or by logical building size increments that correlate to family size and impacts to city utilities.
10. As noted above, Paso Robles established a Housing Constraints and Opportunities Committee (HCOG) that has transformed its development impact fee structure and streamlined its processes. And, it all started with the City’s leadership asking the question: “Why aren’t we getting more housing built in this town?” We recommend that the City of Morro Bay follow that example and establish a specific policy and program to complete such a report in the next 12 months.
11. Water security is an important issue to any SLO County City, and especially to the City of Morro Bay. Even though we are in better shape than we have been in the past, thanks to the actions of past City Councils, there are still opportunities to reduce water use from new developments, and to reduce the water use from existing developments. The city should therefore implement additional water conservation features as part of new developments such as EPA’s “Water Sense” standard and continue the water offset program

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housing it desperately needs for singles and seniors, may bring fewer cars, provide less property tax, but potentially more in sales tax as year-round shoppers.

Thank you for taking my comments.  
Kristen Headland, Morro Bay Resident

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**From:** Kristen Headland <[donkris@charter.net](mailto:donkris@charter.net)>  
**Sent:** Tuesday, July 07, 2020 8:13 AM  
**To:** Scot Graham <[sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)>  
**Subject:** 3300 Panorama Drive

Hi Scot,

I'm looking at the Housing Element for the Planning Commission Meeting for today.

What is the 3300 Panorama Drive lot zoned as?

Is it R-1 with Low-Medium Density with 4 to 7 units per acre or Medium Density with 7 to 15 units per acre?

Thank you to taking the time to answer my question.

Respectfully,  
Kristen Headland

**From:** Scot Graham  
**Sent:** Tuesday, July 07, 2020 8:55 AM  
**To:** Kristen Headland <[donkris@charter.net](mailto:donkris@charter.net)>  
**Subject:** RE: 3300 Panorama Drive

The site is around 10 acres...probably about 6 to 7 developable acres when you consider the ESHA and slope constraints.... current minimum lot size in the R-1 zone is 6,000 square foot which equates to 7 units per acre. So somewhere between 42 to 49 units. We note 45 in the Housing Element draft, which is just about right.

Scot

**Exhibit D**  
**(updated for July 21, 2020 Continuance Hearing)**

## **RESPONSES TO PUBLIC COMMENT LETTERS**

How each comment or question was specifically addressed (if applicable) in the housing element is listed in detail below.

1. Discussed requesting an extension of the **HCD submittal deadline** for the Housing Element, to be able to include data from the 2020 Census and account for the staff time lost and the difficulty of gathering public input during the COVID-19 public health crisis. Recommended the City develop a second draft of the Housing Element after HCD's review to be circulated for additional public input.
  - a. How Addressed: The City and consultant have reached out to HCD about a potential deadline extension. To date, no extensions have been made. No revisions were made in response to this comment.
  - b. *Staff Response:* The draft of the Housing Element has been available for public review and input since April 14, 2020. Public comment can continue to be provided at the public hearings (Planning Commission and City Council)
  
2. How can the draft Housing Element be **compared to previous versions**? Does the draft include an index to aid in review?
  - a. *Staff Response:* The final version is part of the General Plan, which includes the full index. Page numbers will be modified so they are easier to read.
  
3. Expressed concern that the public draft replaced public hearings and that the City has not offered adequate opportunities for **public participation** and that the draft Housing Element was not made available to all residents.
  - a. How Addressed: Additional information was added to the public participation section.
  - b. *Staff Response:* The draft of the Housing Element has been available for public review and input since April 14, 2020 and continues to be available through the public hearing reviewed. Once Adopted, it will be a final document.

4. **Disliked color bar** on each page throughout the Housing Element.
  - a. Staff Response: The final version will include an index as part of the full General Plan document. The page numbers will be modified so they are easier to read
5. Noted a **grammatical error** on page 3-9 of the draft Housing Element.
  - a. Staff Response: All grammatical errors pointed out in public comment have been corrected as needed. All comments pointing out spelling, punctuation corrections have not been included in this summary.
6. The Housing Element should include data on conversion of **long-term rentals to short-term** rentals.
  - a. Staff Response: The city continues to work on a vacation home ordinance to regulate the number of short-term privately-owned homes in the city. The regulation of these, and enforcement through a web-based monitoring program will assist in regulating the number of long-term rental homes that might have been lost to short-term rental use.
7. Why is there a difference between **population data** in two tables? Noted that outdated population data does not show the decline in local population.
  - a. Staff Response: The population data used was part of the data-package that is required to be used by HCD.
8. Expressed concern that data is missing on “new construction, demolition, conversion, and replacement housing units.” The **age of the housing stock** needs to be considered.
  - a. Staff Response: There is no funding program available through the City for rehab of existing homes and the City does not have the funding or resources to do a housing condition survey.
9. Many Morro Bay workers live outside of the community and commute in due to **lack of affordable** housing opportunities. This increases emissions and creates higher turnover in workers who find work closer to where they live. The current and projected Morro Bay housing units do not meet the needs of all of these workers.
  - a. Staff Response: All of the goals of the housing element will have a positive effect on providing more affordable and appropriate housing in Morro Bay that provides greater opportunities for the public to live and work in Morro Bay. The Jobs/Housing balance discussion is addressed in the Land Use Element of the draft General Plan/Local

Coastal Program within the Housing and Jobs growth section of the Draft Housing Element. Most residents in Morro Bay have commute times of less than 30 minutes.

10. Requested data on how many vacant units are rented illegally as **vacation rentals**.

a. **Staff Response:** The City has contracted with Hostcompliance to assist with monitoring and identification of illegal vacation rental units. The City is actively going through the enforcement process on those units operating illegally.

11. The City should allocate part of its housing inventory to **vacant second homes**, rather than consider those sites viable for development. Twenty percent of vacant homes are seasonal second homes.

a. **Staff Responses:** See comments above regarding management of short-term vacation rental properties.

12. Why is there a difference between mobile housing units and number of mobile home park residents? Are **permanent RVs** included in the number of mobile housing units.

a. **Staff Response:** The number of Units and the number of residents are different statistics. RVs do not meet the 'permanent' home criteria of HCD and as such, are not included in the number of mobile homes.

13. The data on **housing condition is too old** to be valuable and should be updated.

a. **Staff Response:** City does not have the resources to conduct such analysis. The City does see a large number of remodel/addition applications which indicates upgrades to current building code standards. Typically, a symptom of a high cost housing market, encouraging remodels over finding new homes.

14. Casa de Flores and the Alzheimer house should be included under **needs for seniors**.

a. **Staff Response:** Both of these facilities are senior care facilities and are not affordable. The table title indicates 'assisted' financially, not senior care.

15. Services in San Luis Obispo are too far away to be considered useful to **Morro Bay's homeless** population.

a. **Staff Response:** The draft HE will add an implementation action to address emergency homeless housing and services.

16. What has happened that has improved access to **housing for large families**?

- a. **Staff Response:** The number of larger family households has increased since 2011. As such, the goals/policies will encourage affordable housing with a variety of unit sizes at affordable rates (plus the new requirement that all landlords accept Section 8 vouchers as payment towards the rental costs, also opens up new opportunities).

17. Are **Section 8 voucher** units considered part of assisted units, or in addition to them?

- a. **Staff Response:** Section 8 vouchers are tenant based so they can be used at any rental property. Assisted units are deed restricted, financially assisted projects. The Section 8 vouchers are not considered part of the assisted units' category.

18. Why do **At-Risk Units** include only projects that are subsidized by the government, rather than all units that receive government assistance?

- a. **Staff Response:** The units included in this section are those that are required under state law to be analyzed and monitored for potential to convert to market-rate units.

19. Expressed support for how the City has met its **RHNA objective**, developed policies to address the jobs/housing imbalance, and addressed water supply concerns.

- a. **Staff Response:** Thank you.

20. Expressed concern for satisfying **RHNA's lower income requirements** on a single site.

- a. **Staff Response:** Following the HCD requirements, the City needs to identify sites with a potential capacity to meet the RHNA allocation. The City has very few larger vacant sites, so under the HCD requirements and the inclusionary housing requirements, large sites are the most likely to provide a variety of housing with mixed income levels.

21. The Housing Element does not **identify all possible sites** that present opportunities for development; discussed that including more sites than necessary to meet RHNA would allow for redundancy if issues arise. Stated that specific plans should be developed for Morro Elementary, Atascadero Road, and Harbor Tract sites.

- a. **Staff Response:** It can be detrimental to identify all developable sites in the land inventory because if they go undeveloped for more than 2 housing

element cycles, they can no longer be included in the Housing Element without changing the zoning on the site. Sites that are not vacant do not meet the criteria for inclusion without additional data supporting development likelihood. The City has a full list of developable properties, some of which were used to meet the criteria of the Housing Element.

22. **Inconsistencies between regulatory documents** are not adequately assessed and may result in constraints on development processes, there needs to be a clear city-wide development process.

- a. Staff Response: City is addressing this issue through the comprehensive update of the City's General Plan/Local Coastal Program and Zoning Code. An effort to make the documents consistent was a critical part of the development of those documents.

23. Noted that the Housing Element should use action verbs to commit to policies rather than passive **terms such as “encourage” or “support.”**

- a. Staff Response: The City cannot mandate development of property owned by individuals, and can only incentivize developers to create housing in accordance with the RHNA goals, as such using terms like support or encourage is more prudent than over committing with stronger terms.

24. **“If feasible” and “when feasible”** should not be included in policies or programs, they should identify specific timeframes.

- a. How Addressed: Implementation Action H-1.2.2 was revised to remove “when financially feasible.”
- b. Staff Response: General timeframes could be added, but ultimately policy implementation is dependent on a number of factors including staffing and ability to fund policy implementation. Ultimately, the City Council decides through their goal setting and budgetary process how and when items get addressed.

25. Recommended that the City should apply **the Inclusionary Housing Fee** consistently across all projects, certain uses should not be exempt without a study supporting why.

- a. Staff Response: During implementation of the housing element goals and policies, expansion of the inclusionary housing fee and determining the criteria for projects that can be processed under an expedited residential-by-right process is included in the Housing Element Update – See HE Policy H-1.3.

26. The permit process should be transitioned to an **online application** format.

- a. Staff Response: The City is in the process of turning the Cityworks (City Permit System) public facing. Currently the City is migrating the contractor database from the old permit system to the new system. Once the task is complete the City will move forward with the public facing portion of Cityworks.

27. In order to meet the City's current **actual housing need** plus RHNA, the City needs 7,100-7,600 housing units. This means developing a total of 750 housing units in the next 8 years rather than RHNA's 350 housing units.

- a. Staff Response: The Housing Element provides a framework for providing more housing. The City is only required to show how they will address the RHNA assigned to them. That does not mean that the City will not continue to try to create housing to meet demand. Also, the City can maintain a public list of all sites in the City where housing could be located, outside the Housing Element.

28. The Housing Element lists only **one site for low-income** tenants with a realistic density of 215 units concentrating low, very low and extremely low income all on one site.

- a. Staff Response: Typically, affordable projects are designed with a range of lower-income levels to serve a greater range in potential tenant and to help create a feasible project. This range of low income levels will provide for a very diverse tenant base, from those who need rental assistance, even at these low rental rates, to those who work at lower wage jobs who can finally afford housing that they can afford without roommates.

29. Expressed concern that the projection of **200 new ADUs** in the next RHNA cycle is unlikely.

- a. Staff Response: With the changes in state law that now allow both an ADU and junior ADU on a single-family or multi-family residential lot and with the number of applications received for ADUs staff believes the number is reasonable. The commitment used in the HE for ADUs is significantly less than the allowance provided by HCD.

30. There needs to be a policy for the **mixed-use development** of downtown.

- a. Staff Response: Mixed use development in the downtown is addressed in the draft General Plan/Local Coastal Program and Zoning Code.

31. Certain projects that meet objective design standards should be **approved by-right**.

- a. How Addressed: Implementation Action H-1.1.13 was revised to address the issue of objective design standards. The update to the City's zoning regulations that is currently underway will address requirements of state law related to objective design standards.
- b. Staff Response: The City was successful in application for SB2 grant funding which includes funding for this program.

32. Goal H-3 – Low income housing should **provide ADA accessible units** in all projects with governmental funding

- o Staff Response: ADA and accessible units are a requirement for all multifamily housing projects in accordance with ADA and CBC.

33. Why is the **zoning density** not 'maxed out' on table H-36 (Vacant site inventory)? Why list potential development for 'above moderate' income levels? Why isn't the category "affordable" listed on Table H-35 (the RHNA allocation table by income)?

- o Staff Response: Zoning density on Table H-37 is showing a realistic number – considering all site constraints. Potential development on H-37 includes moderate and above moderate-income levels because those are also included in the RHNA requirement – well balanced housing stock will provide a variety of income opportunities. Affordable is not an income category – but rather a generalization referring to how much an individual spends on housing from their total income. Income levels listed are specifically identified categories of income based on percentage of Area Median Income Levels as published by HUD. The extremely low, very low and low-income categories are considered affordable.

COMMENT/REVISION	COMMENTER	ANY ISSUES RE HCD CONDITIONAL CERTIFICATION?
Typo p.3-9 Middle sentence under Public Draft Housing Element Section – missing the word “city”.	Betty Winholtz	N/A
Typos p. 3-83 second bullet at top of page – change “come” to “some” change “r concurrently” to “concurrent”	Betty Winholtz	N/A
Grammatical errors p. 3-67 under Analysis of Potential Governmental Constraints- change punctuation after ‘involve’ on the 4 <sup>th</sup> line. And on Local Land Use Requirements- remove extra punctuation on 6 <sup>th</sup> line.	Betty Winholtz	N/A
Include mission statement in Introduction – PC to draft – won’t be included in the draft for 7/21 meeting. Will be discussed at 7/21 meeting	PC	N/A
P. 3-12 – “How Input Received on Public Draft Has Been Addressed in the Housing Element” Add more explanation when revisions haven’t been made	PC	N/A
P. 3-23: Table H-6. Check whether number for those in agriculture, forestry, fishing and hunting is correct. Revise if not.	PC	N/A
P. 3-99 Construction Cost. Increase typical cost/sf in Morro Bay to \$200-300/sf. Explain that there are additional costs locally due to soils/geology and foundation work that is usually needed	PC	Editing this section would result in edits to Table H-43 as well. This could be a change that HCD would want to look and may require an additional review by/submittal to HCD
P. 3-103 – update list of energy efficient items to be up to date and make language more general so it doesn’t get superseded as quickly – e.g. types of lighting and gas	PC	N/A
P. 3-142 – add an Implementation Action under Goal H-4 to call for safe parking or other local programs/options for homeless.	PC	HCD would likely be fine with this addition but it could trigger a second review by them

# Exhibit G

## Housing Element Vision

The Plan Morro Bay Vision Statement describes the kind of community we want to be twenty years into the future, and “outlines the factors that will sustain long-term community character and values over time.” The Housing Element is especially driven by this statement of what we wish to become: “...a diverse multigenerational community where head of household jobs, sustainable living wages, and affordable housing options serve as a foundation that allows people of all ages and income levels to thrive.” (site ref: P.32-33/2-6 and 2-7 ?)

The Morro Bay Housing Element presents contemporary data on where we are now, and outlines state, county and community goals for housing in the future, showing that the City is striving to provide greater access to housing at low and moderate income levels, and that we have the resources, land and ability to provide such housing. Morro Bay also has a greater than average percentage of underutilized housing (vis a vis vacation homes, vacation rentals, and single occupancy residences.) We recognize that affordable housing is an urgent need in the City of Morro Bay, and that lack of such housing has a significant negative impact on our local businesses, future economic development, the environment and social cohesion in general.

The City of Morro Bay agrees with the San Luis Obispo Countywide Regional Compact which outlines six shared goals:

- To strengthen community quality of life
- To share regional prosperity
- To create balanced communities
- To value agriculture and natural resources
- To support equitable opportunities
- To foster accelerated housing production

Housing is not just shelter: it creates communities within the larger footprint of the town, ideally supports the local economy by providing homes for local workers who then support local businesses, sustains a clean environment by limiting the need for excessive commutes, encourages energy saving features, and provides safety and security by creating walkable neighborhoods that are diverse in age, culture and socio-economic status.

This housing element serves as a metric by which to analyze the efficacy of future projects and developments and to guide planning and land use decisions in the City of Morro Bay.

# Exhibit H

Key:

Black Text: Housing Element Text now

Blue Text: New

Green Text: General Plan

Orange Text: Chamber of Commerce

## Introduction

The Housing Element is one of the eight State-mandated elements of the City's General Plan. The General Plan presents a community vision for Morro Bay through 2040, and the Housing Element addresses the first phase in that period, 2020-2028. In the General Plan vision, the community seeks to retain its reputation as a unique, eclectic community on the beautiful Central Coast of California while simultaneously enhancing the resiliency of the region and making strides to preserve and protect natural resources. The community [wishes to] enhance and maintain its identity as a seaside community that values its charming, artistic town character, working waterfront, and healthy environment and lifestyle, while guiding the City toward a more sustainable future.

In The General Plan Vision, in 2040, Morro Bay remains a small oceanfront town and thriving year-round destination, known for its natural beauty, creative people, outdoor recreation, working waterfront, and welcoming community spirit. It is a friendly, safe, resilient, and healthy place where people of all ages and economic levels live, work, play, and visit.

The natural environment and wildlife are cherished and conserved and are essential elements that integrate with and define our urban landscape. Our healthy wetlands, iconic Morro Rock, and bustling harbor are complemented by expansive parks, connected bicycle lanes, safe streets, and pathways that are accessible to people of all ages and abilities.

We are a diverse, multigenerational community where head-of-household jobs, sustainable living wages, and affordable housing options serve as a foundation that allows people of all ages and income levels to thrive.

The synergy of residence, workforce, and economic growth is an outcome of the Housing Element along with providing direction to a greater access to housing at low and moderate incomes to fulfill that General Plan vision.

The Housing Element is updated every eight years to identify recent demographic and employment trends that may affect existing and future housing demand and supply and comply with current state law regarding housing. The Housing Element recognizes in mid 2020, affordable housing is an urgent need and issue in the City of Morro Bay, as well as the state of California in general. The lack of housing in the community that is appropriate in price for low and moderate incomes and features to meet the needs of residents and the workforce has a

significant negative impact on our environment, on the social cohesion in the community, and on the economic development of the community.

The last two decades have demonstrated that higher cost single family homes have continually met past Housing Plan goals, but that goals for moderate and low cost housing have not. Importantly, increased housing does not equal increased population. Morro Bay has had a decline in population over the last ten years, with a significant population of homes now housing a single resident. Almost 20% of the housing stock is vacant. Some of that vacancy is attributable to short term vacation housing as a phenomenon that grew over the last decade, that commercial use, while providing one source of visitor accommodation, and that use is dealt with in a separate city Short Term Vacation Rental Ordinance apart from the Housing Element. Some vacancy is attributable to the continuation of the city as a second home community.

The Housing Element directly addresses only unbuilt parcels. It does not directly address existing built parcels that could be redeveloped and considered to have an impact on the state of residence in Morro Bay. This partial list includes:

The former Power Plant site, currently unoccupied;

The Morro Elementary School site, currently not in use or planned for use as a school, but partially leased to and used by community groups;

The structures included in re-zoned downtown Master Plan that encourages mixed-use development.

Existing Motel structures that will have zoning ability to become Single Room Occupancy [SRO] units.

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 goals, objectives, policies, and implementation actions 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.

Morro Bay Housing Element  
Introduction  
Stewart/Lucas draft 07.12.20

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, comparisons to San Luis Obispo County demographics and statistics will be used throughout the document 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, helps provide a better understanding of the city in a regional context.

State law is more specific about the content of the Housing Element than about 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 Housing Element that is subject to review and “certification” by the State.