



# CITY OF MORRO BAY PLANNING COMMISSION AGENDA

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*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, March 21, 2023  
Veteran's Memorial Building – 6:00 P.M.  
209 Surf Street, Morro Bay, CA**

Chairperson – William Roschen

Vice-Chairperson Mike Rodriguez  
Commissioner Asia King

Commissioner Joseph Ingraffia  
Commissioner Eric Meyer

## **Public Participation:**

*Remote public participation is allowed in the following ways:*

- *Community members may attend the meeting in person at the Morro Bay Veterans Hall*
- *Members of the public may watch the meeting and speak during the 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.*

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

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

Password: 135692

- *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press \* 9 to "Raise Hand" for Public Comment*
- *Alternatively, members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the Planning Commission at [planningcommission@morrobayca.gov](mailto:planningcommission@morrobayca.gov) prior to the meeting. Agenda correspondence received at [planningcommission@morrobayca.gov](mailto:planningcommission@morrobayca.gov) by 10 a.m. on the meeting day will be posted on the City website.*

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE/PLEDGE OF ALLEGEANCE  
PLANNING COMMISSIONER ANNOUNCEMENTS

## PUBLIC COMMENT

Members of the audience wishing to address the Planning Commission on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Planning Commission at this time.

PRESENTATIONS

A. CONSENT CALENDAR

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

**Staff Recommendation:** Receive and file.

B. PUBLIC HEARINGS

C. NEW BUSINESS

**C-1 Information Session on Historic Preservation**

The Planning Commission will facilitate a historic preservation discussion with guest contributors. This Item does not include a staff report.

**Staff Contact:** Scot Graham, Community Development Director, (805) 772-6291, [sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)

D. UNFINISHED BUSINESS

**D-1 Planning Commission Recommendation to City Council on Goals for FY 23/24.**

**Staff Recommendation:** Receive staff presentation, review staff report and provide recommendation to City Council on Goals and Action Items.

**Staff Contact:** Scot Graham, Community Development Director, (805) 772-6291, [sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)

**D-2 Public Benefits Subcommittee Report, Presentation and Discussion**

**Staff Recommendation:** Review the Public Benefits Subcommittee report, hear subcommittee presentation on report and discuss subcommittee recommendations and provide direction to Staff on desired next steps.

**Staff Contact:** Scot Graham, Community Development Director, (805) 772-6291, [sgraham@morrobayca.gov](mailto:sgraham@morrobayca.gov)

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS

G. ADJOURNMENT

Adjourn to the next regular Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on April 4, 2023, at 6:00 p.m.

**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 3-21-2023

#	Applicant/ Property Owner			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>											
1	Crizer	420	Sicity St	9/8/22	CDP22-031	Admin CDP to add a 411sf second -story ADU with 329sf deck.	Incomplete letter sent on 9/27/22. Resubmittal on 2/14. Deemed Complete Letter sent 2/21. Noticing period 2/24-3/6. Admin decision on or about 3/7.				gc/st
<b>30 -Day Review, Incomplete or Additional Submittal Review Projects:</b>											
2	Palmer	515	Bernardo	3/9/2023	CDP23-004	Remodel and addition to existing 2,172 sf SFR and an interior studio ADU	Under review				gc
3	Gillen	495	Embarcadero	3/7/2023	CUP23-04	Conceptual Review (no application) of potential redevelopment of city lease site at 495 Embarcadero as a mixed use development of hotel, restaurant, and retail uses.					cj
4	Patel	646	Sequoia Court	2/21/2023	MIN23-001 (requires CUP)	Proposed new home with 4803 sf of living space and a 1493 sf garage/shop area. The site is 24,723 sf and is just outside of the coastal zone.	Under review, will require a resubmittal.				nh
7	Nance	595	Morro Bay	2/7/2023	CDP23-003	Admin CDP for installation of one solar carport located in the existing Chase Bank parking lot.	Under review, incomplete letter sent 2/28/23				gc
6	McDonald	300	Sicity St	1/31/2023	CDP23-002	New 2155 s.f. SFR w/ attached 284 s.f. garage and 409 s.f. decking on a vacant lot .	Incomplete letter send 3/13/2023				gc
7	Salbi	450	Marina	12/19/2022	CDP22-043	Admin CDP for two story single family home with garage and Accessory Dwelling Unit	Incomplete letter sent January 13th, resub on 2/7/23, under review, incomplete letter sent 3/2/23				gc
8	Bradley	2285	Emerald Circle	12/5/2022	CDP22-041 / CUP22-12	CDP and CUP for new construction of a 2,368sf one story single family home and 2 car garage on a vacant lot in the Cloisters subdivision.	Incomplete letter sent 1-5-2023				gc
9	Smartlink/ AT&T	590	Morro Ave	12/5/2022	M AJ22-001	Permit amendment for proposed modifications to existing AT&T rooftop cell site	Under review. Incomplete letter sent 12/15/22. Resubmitted 1/31				cj
10	Patel	1050	Morro Ave	11/17/2022	CUP22-10/ CDP22-039	Remodel existing hotel and add second floor with kitchen and hotel dining area, plus other guest amenities. Increase from 16 rooms to 27 rooms.	Under Review. Comments provided Dec 12, 2022, requires a resubmittal. Applicant is addressing parking issued included in the PW comment letter. Project resubmitted on February 8, 2023, Planning ready to deem complete, needs resubmittal to address storm water requirements, comment letter sent 3/8/23.				nh
11	Agular	351	Panay	11/2/2022	CDP22-036	Demo existing one story 849sf SFR to build a two story 1,926sf SFR with a 226sf garage and a 280sf roof deck.	Under Review, Incomplete letter sent on 12/15/22, resubmittal 2/16/23, under review, incomplete letter sent 3/2/23				gc
12	Gonzalez	590	Radcliff	10/25/2022	CDP22-034	Admin CDP for a new 1,956 two story SFR with a 522sf attached garage and 640sf second story deck.	Under review. Planning disapproved and incomplete letter sent on 11/22.				gc/st
13	Hsiao	205	Harbor St.	9/20/2022	LTM22-02	Lot merger application for underlying lot lines per approved planning permit for 6 unit hotel	Under review. Correction letter sent 11/21/22.				cj
14	MSA Architects	2417	Greenwood Ave.	8/24/2022	CDP22-030	Admin CDP to develop a new 562 detached ADU	Incomplete letter sent on 9/12/22, resubmittal on 10/26, under review, minor edits request on 11/17				gc
15	Shepler	2181	Sumset Ave	8/24/2022	CDP22-029	CDP Application for a new third dwelling and one ADU on a property with two existing homes	Comment letter sent on 9-5-22. Resubmittal received 10/24/22, planning requires minor changes and sent letter November 10, 2022. Requires resubmittal.				nh
16	Messer	550	Kern	8/11/2022	CDP22-027	CDP for new construction of a two story 2,411sf SFR with a 565sf garage and 1,000sf attached ADU.	Under review, Incomplete letter sent 8/31, Resubmittal on 11/16, Under review, second Incomplete letter sent 12/13/22, resubmittal on 1/09/22, minor edits request on 1/27/23, resubmittal 1/31/23, under review, minor edits request on 1/20 resubmittal on 1/31/23. Request that plans be revised to meet parking requirements 3/7/23.				gc
17	Kersten	1358	Prescott	7/27/2022	CDP22-024	Admin CDP for partial conversion of an existing (522sf) attached garage into a single story 276sf ADU.	Incomplete letter sent on 08/09/22				gc
18	California Coastal Investments, LLC	801	Embarcadero	6/28/2022	CUP22-09	Concept/Precise Plan CUP for mixed-use redevelopment of the Libertine Brewing Co. building to convert existing second floor to 7 hotel units and first floor as mix of restaurant, coffee shop, outdoor dining, provision of new public access improvements including extension of Harborwalk	Under review. Incomplete letter sent 7/27/22. Resubmitted 1/27.				cj

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19	McDonald	471	Panay	6/1/2022	CDP22-019	Admin CDP for the new construction of a two story residence	Incomplete Letter Sent 6/14				gc
20	Birchell	2030	Main	5/4/2022	MIN22-005	The Applicant requested a withdrawal.	Applicant changed scope of work and withdrew permit application.				gc
21	Vanderbyl	531	Yerba Buena	4/20/22	CDP22-015	Admin CDP for shed conversion into 468 sf ADU	Correction Letter sent 5/12/22. Resubmittal received 7/21/22 - review comments sent on August 6, 2022, requires resubmittal. Resubmittal received and planning and building disapproved based on fire/life/safety issues. Resubmittal required.				nh
22	Hartman	320	Orcas St	4/14/22	CUP22-07/ CDP22-010	New SFR with attached garage to replace home destroyed in fire	Correction letter sent 5/1/22.				nh
23	Jasso	2515	Greenwood	2/22/22	CDP22-006	Admin CDP for new SFR with 2 car garage and detached ADU	Comment Letter Sent 3/17/22				nh
24	Luhr	1140	Allesandro Ave	1/20/22	CUP22-06 / CDP22-004/ TTM22-04	Live/work mixed use, new construction of 5 residential units and 2 commercial units	Comment letter provided 2/13/22. Project deemed complete - processing will continue once Vesting Tentative Map submittal is complete. Vesting map submittal received May 12, 2022. Planning sent comment letter on 5/28/22, requires resubmittal. Resubmittal received with tentative tract map submittal on August 9, 2022, under review. PW disapproved the VTM, comment sent to applicant on 9-17-22, requires a resubmittal of the VTM. Applicant working with Public Works on some design issues in the public right of way. Once resolved, resubmittal required with any changes.				nh
25	Morro 94 LLC	3300	Panorama	1/18/22	CUP 22-05/CDP22-003/TTM22-02	Submittal of combined concept and precise plan review for 61 unit subdivision. Project revised to 48 total housing units.	Received and under review. Notify Me account set up to provide information and publically available documents on the project. Subdivision Review committee meeting scheduled. Project comment letter sent 2/18/22, requires resubmittal and environmental review. Planning consultant team is preparing to hold a neighborhood meeting April 20, 2022 at Del Mar Elementary School at 6pm. City working with selected environmental consultant on contract and owner reimbursement agreements. TTM resubmittal received October 10, 2022, under review. Tentative Tract Map disapproved on November 2, 2022. Requires resubmittal with the CUP/CDP plans in order to be processed together. Environmental review is under contract and work has commenced. Anticipate process to take 6-9 months to complete. Under review for new zoning code requirements - applicant plans to resubmit for review.				nh
26	Romero	563	Zanzibar	12/6/21	CDP21-048	Admin CDP for new 1978sf 2 story SFR with 533 sf garage and 2nd level 128sf deck	Incomplete letter sent 12/22/2021, Resubmittal 7/28, under review, resub on 12/21/22, request edits on 1/19/23.				gc
27	Morro Bay LLC (Keller)	1108	Front Steet	11/8/21	MAJ21-007	Major Modification permit for Expansion and extensive remodel of second floor short term rental unit.	Planning comments sent 11/23/21, requires resubmittal. Applicant may put this application on hold until the adoption of the new zoning code (i.e. includes street setbacks closer to the actual placement of the building) (needs the IP sections to be final via CCC approval)				nh
28	T-Mobile/ Siegel	545	Shasta	10/12/21	CUP21-13/ CDP21-039	T-Mobile modification to existing facility approved under UP0-162/CP0-229. T-Mobile proposes to remove/replace and relocate existing wireless facility screened within existing church steeple and request height exception to construct new 29'0" faux bell tower for relocated wireless facility.	Under review. Project deemed incomplete 11-8-21. Resubmitted 8/25/22. Under review. Deemed incomplete and response letter sent 9/22/22. Resubmittal received 1/11/23. Incomplete letter sent 1/26.				cj
29	Guesno	220	Atascadero Rd	10/4/21	MIN21-012	Minor Amendment - Change temporary outdoor dining area to permanent outdoor dining	Application will apply for a TUP for outdoor dining. This application is on hold until certification of new zoning code				nh
30	Green	1175	Scott Street	6/28/21	CDP21-025 CUP21-07	New construction of 3 hotel units including one ADA unit and a residential security unit	Review comments provided on July 21, 2021. Requires a resubmittal for review. Discussed project with applicant, expected to have resubmittal ready in November 2021. Applicant is reviewing alternative designs for the project, staff provided input on 2/14/22. Resubmittal received October 25, 2022 - reviewing under both zoning codes. The project was redesigned to include only one hotel unit and one residential unit. Planning disapproved and letter was sent to applicant on November 18, 2022, requires a resubmittal. Meeting with applicant to review planning comments on Dec. 13, 2022. Applicant to revise plans and resubmit. Resubmittal received 12/19/22. Project deemed complete on 12/27/22. Applicant is required to submit an additional study prior to scheduling planning commission hearing. Additional study received, project needs to resubmit to address PW comments prior to moving forward to hearings.				nh
31	Tullis	404	Estero	3/17/21	CDP21-011	CDP to demo existing improvements & construct new SFR and site improvements.	Under review. Deemed incomplete, comment letter sent to applicant April 2, 2021				nh
32	Vistra	1290	Embarcadero	12/28/20	CDP20-026 & CUP20-14	Battery Energy Storage System (BESS) - New proposed project to construct 600MW BESS on old tank farm north of existing Morro Bay Power Plant. BESS to be constructed as 3 separate buildings, 30 feet in height plus 10 feet of screening for rooftop equipment.	Under initial review. Project deemed incomplete and incomplete letter sent 1-21-2021. Applicant resubmittal received 2-17-2021 and under review currently. Project deemed complete for processing on 2/23/2021. Project plans and documents being evaluated. Environmental review process in progress. NOP released and two scoping meetings held on 6/21/22 and 6/29/22. Master Plan community workshop scheduled for 9/14/22. Environmental review still in process.				cj
<b>Projects Appealed to Planning Commission or PC Continued projects - none</b>											
<b>Projects Appealed or Forwarded to City Council</b>											
33	Steiner	301-390	Seashell Cove	4/19/21	MAJ21-02	General Plan / LCP Land Use & Zoning Map Amendment application to change land use and zoning from R-A to R-4 designation / low density to high density	Under review. Response letter/ incomplete letter sent 5-6-21. Resubmittal received. Environmental review in process. MND document complete and routed to State Clearinghouse - public comment period closes May 4th. PC reviewed on June 7th, and voted to not forward a favorable recommendation to Council but instead that land use change request should be associated with a project. Applicant is determining next steps.				cj

#	Applicant/ Property Owner			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
34	Murphy	2440	Laurel Ave	8/1/22	CDP22-025	Demo existing home and new construction of a new 3037 sf home with a 1198 sf garage/shop on a 4000 sf parcel. Admin CDP with CEQA Historic Evaluation report required.	Incomplete letter sent on 8/23/22. Project resubmittal received on 10/24/22 and comment letter sent on 11/2/22 with minor corrections required. Project deemed complete, public notice period from November 22, 2022 to December 5, 2022. Administrative decision on permit on December 6, 2022. Permit issued Dec 10, 2022. Project was appealed to Planning Commission - hearing on February 7, 2023. PC denied the appeal, and approved the project with added conditions. Project appealed by Metzger and the applicant, scheduled for City Council April 11, 2023.				nh
<b>Environmental Review - none</b>											
<b>Final Map Under Review Projects:</b>											
35	Huber	2783	Coral Ave	8/30/22	TTM22-03	5 unit residential subdivision	Planning approved, forwarded to PW.				nh
<b>Projects going forward to Coastal Commission for review (Pending LCP Amendments) / or State Department of Housing: - none</b>											
<b>Grants</b>											
36	California Coastal Commission, California Ocean Protection Council		City-wide	4/6/16		\$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 \$65,000 received Mar 2020.	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 \$65,000 to complete LCP update. Zoning Code/Implementation Plan adopted by Council on 11/22/22 as part of LCP update. LCP amendment submitted to Coastal Commission on 12/12/2022.	No review performed.	N/A		sg/cj
37	City of Morro Bay		City-wide			Community Development Block Grant/HOME Program - Urban County Consortium	Staff has ongoing responsibilities for contract management in coordination with County staff administration. City Council approved Cooperation Agreement for 2021-2023 CDBG Program Years at 5/26/20 Council meeting. Notice of Funding Availability for 2023 Program Year released fall 2022. Council draft recommendations considered 12/22 and final funding recommendations to be on 3-28-2023 to forward to County Board of Supervisors for inclusion in their Annual Action Plan 4/18/23. cj	No review performed.	N/R		cj
38	City of Morro Bay		City-wide			Climate Action Plan - Implementation	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.				cj
<b>Projects in Building Plan Check:</b>											
39	Castillo	1055	Allesandro St.	6/3/2021	B21-0097	250 sf addition to rear of existing SFR, addition creates two bedrooms and one full bath.	Planning disapproved 7/2/21. Resubmittal received 7/25/22. Resubmittal disapproved 8/01/22.	Bldg. - Disapproved 8/4/22			sg
40	Castillo	1055	Allesandro St.	7/25/2022	B22-0158	Jr. Accessory Dwelling Unit (JADU) - Existing bedroom in primary dwelling will be converted to JADU.	Planning disapproved 8/1/22	Bldg. - Disapproved 8/5/22			gc
41	Conway	305	Arbutus	1/4/2023	B22-0269	DIGEPLAN - 390 sf addition, expanding lower level family room and 2nd level primary bedroom & bath, the remodel includes kitchen and relocating two bathrooms to accommodate the installation of new elevator. The addition creates a 2nd level 378 sf rear deck.		Bldg. - Disapproved 1/25/23			
42		990	Balboa	2/17/2023	B23-0028	DIGEPLAN - Kitchen and Bathroom remodel and new FAU installation in an existing 1329 sf SFR		Bldg. Plancheck			
43	Goldstein	186	Bayshore Dr.	11/4/20	B20-0190	Remodel kitchen, dining & living area.	Planning disapproved 11-6-20	Bldg. - Approved 11/09/20			sg
44	Carter	2035	Bayview Ave.	8/5/21	B21-0135	New SFR, 1980 sf living, with 483 sf attached garage, 96 sf covered deck, 267 sf covered rear patio and 32 sf covered front porch.	Disapproved 8-26-21. am	Bldg. Disapproved 9/21/21			cj
45	Perry	3202	Beachcomber Dr	2/9/23	B22-0264	Demo existing, new construction of 2567 sf home iwth a 2424 sf subterranean garage on lower level and 963 sf roof deck. Home to be located on newly configured parcel (requires final TM)	Under review	Bldg. - Disapproved 3/6/23			nh
46	Perry	3230	Beachcomber Dr	2/9/23	B22-0265	New SFR on new parcel. Home is 1816 sf with a 471 sf garage and a roof deck.	Under review	Bldg. - Disapproved 3/6/23			nh
47	Segovia	2824	Birch Ave.	3/21/22	B22-0057	Cover patio, conversion to sunroom.	Disapproved 4/1/22	Bldg. - Approved 3/24/22			am

#	Applicant/ Property Owner			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
48	Dillard	1256	Bolton	3/30/22	B22-0072	Convert Unfinished Underfloor Space in 986 sf of conditioned livable space	Disapproved 4/7/22. Resubmittal approved 7/29/22.	Ready to issue			am
49	Berner	2750	Dogwood Ave.	12/6/22	B22-0260	Add 235 sq of conditioned space, including a new bathroom, additions to bedroom and utility room, 297 sf, roof deck, spiral stair, ground floor deck (136 sf), less than 30" above existing adjacent grade.	Under Review	Bldg. - Approved 3/2/23			st
50	Robinson	2940	Dogwood Ave.	7/12/22	B22-0148	Install (2) bay windows, replacing (2) windows of smaller dimension on W facing front of house. Living Room: replace 5'x5' window w/ 50"x81" bay window. Bedroom: replace 32"x44" window w/ 50"x81" window.	Planning disapproved 7/19/22	Bldg. Conditionally Approved 7/18/22			cj
51		209	Dunes	2/21/23	B23-0040	DIGEPLAN - Interior Remodel, kitchen, fireplace, flooring.		Bldg. Plancheck			
52	Ciano	115	Easter St	1/11/23	B22-0283	DIGEPLAN: Interior remodel of existing ADU, relocate bedroom and kitchen/dinning and living area (reverse locations). Replace windows, doors, add skylights, wall mounted radiator, tankless water heater and other MEP.		Bldg. Disapproved 2/10/23			
53	Gambrill	571	Embarcadero	2/22/22	B22-0035		Disapproved 3-8-21. Disapproved resubmittal 6-2-22. new resubmittal received 9/1/22 under review. Disapproved 10/3/22	Ready to issue			cj
54	Redican	725	Embarcadero	3/14/22	B22-0049	The project consists of a 608 SF interior remodel of the existing arcade retail space into an extension of the commercial kitchen prep area. All work is exclusive to the interior of the lower level with no impacts to the site, exterior elevation or occupant circulation of the existing building.	Disapproved 3-17-22. Resubmittal received 6-23-22 and conditionally approved 8/25/22	Ready to issue			cj
55	TLC Family Enterprises	833	Embarcadero	3/16/22	B22-0052	Addendum #1 to B20-0220 - Removal of parapet wall which requires removing steel post below and show railing on upper level. Revert back to cantilevered floor joists for hotel access walkway upstairs.	Disapproved 3-21-22	Bldg. - Disapproved 4/18/22			cj
56		1231	Embarcadero	2/7/23	B23-0029	Repair and maintenance of existing wharf, bulkhead and pilings.		Bldg. - Disapproved 2/9/23			
57	Guldenbrein	481	Estero Ave	1/5/23	B23-0003	New fencing & retaining walls, exterior electrical grading & catch basin installation w/pump in front yard. (see plans)		Bldg. - Disapproved 1/18/23			
58	Godfrey	396	Hill St.	12/7/22	B22-0261	Addendum #2 to B21-0045 Relocate hold down along grid 1 at basement		Ready to issue			
59	Wilkie	476-A	Hill St.	3/26/20	B20-0057	ATTACHED ADU - Convert existing attached garage to 344 sf Accessory Dwelling Unit.	Correction letter sent 4/30/20.	Bldg. - Approved 4/8/22			nh
60	DeWitt	1955	Ironwood Ave Unit E, F, G and H	1/23/23	B22-0284	DIGEPLAN - Remedial foundation leveling, push pier installation is voluntary to prevent further subsidence of the structure. Installations are subgrade and do not affect the exterior appearance of the structure.		Bldg - Approved 2/2/23			
61		2990	Ironwood Ave	3/2/23	B22-0285	DIGEPLAN - New three story SFR - 3799 sf living, 926 sf attached garage, with 2nd and 3rd floor decks totaling 210 sf, 562 sf covered patios and 535 sf under floor storage area.		BLDG. - Plancheck			
62	Lent	194	Island St	1/10/23	B23-0006	Remodel existing bonus room and portion of garage to ADU, construct new rooftop deck over portion of remodel/converted ADU.		Bldg. - Disapproved 2/9/23			
63	Johnston	2781	Juniper Ave.	6/2/21	B21-0094	New 463 sf 2nd story deck at rear of existing SFR, also replace five existing windows with three new sliding glass doors.	planning disapproved 6/3/21. Planning approved resubmittal 7-20-21.	Ready to issue			sg
64	Cook	2941	Juniper	10/26/22	B22-0243	Demo unpermitted studio at lowest level of existing SFR and convert that space with additional underfloor space to create new workout area, bathroom, theatre, storage, and stairs to access upper levels adding aprox. 906 sf to SFR.		Ready to issue			
65	Tarver	671	Kern Ave	12/22/22	B22-0271	DIGEPLAN: New 255 SF attached Accessroy Dwelling Unit (ADU)		Bldg - Disapproved 1/5/23			
66	Melen	2540	Koa Ave.	8/18/22	B22-0179	Repair of existing outdoor stairway	Planning- Disapproved on 8/31/22	Ready to issue			gc
67	Cia	2551	Koa Ave.	2/23/22	B22-0038	New 3 bed 2.5 bath SFR w/attached 2-car garage.	Planning Approved resubmittal 6/28	Ready to issue			gc

#	Applicant/ Property Owner			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
68	Daniels	964	Las Tunas St.	8/3/21	B21-0133	Remodel the laundry room & add a bedroom, bathroom & hallway to the back of existing home in phase I. Phase 2, build a detached garage	Planning approved 5-12-22	Bldg. - Approved 5/16/21			sg
69	Castro	979	Las Tunas St.	1/19/23	B23-0013	Conversion of existing detached garage & work shop to ADU - 642 sf, no addition.		Bldg. - Disapprove 2/10/23			
70	Drenick	2530	Laurel Ave.	9/22/21	B21-0174	Reconstruction of 560 sf two-car garage, garage foundation and 560 sf rooftop deck over garage. See permit B21-0141 for separate demolition permit for these structures.	Disapproved and Correction Letter sent 10/5/21. Planning approved 7/27/22	Bldg. - Approved 8/4/22			am
71	Kevorkian	2615	Laurel Ave.	1/10/23	B23-0005	Addendum #1 to B22-0183, Change the deck configuration to reduce square foot to below existing square foot.	Planning disapproved and sent incomplete comment letter on 1/27/23.	Bldg. - Approved 1/17/23			gc
72	Elliott	2620	Laurel Ave.	4/14/22	B22-0082	New SFR 2.5 story with attached garage.	Planning disapproved 4/16/22. Resubmittal disapproved 6/25/22. Planning approved 7/21/22	Ready to issue			nh
73		273	Main	2/23/23	B23-0038	DIGEPLAN - 73 sf stairway addition to existing home to create interior connection between the upper and lower floors.		BLDG. - Disapproved 3/2/23			
74		515	Main	2/21/23	B23-0036	DIGEPLAN - Demolish residential structure that was started without building permit, slab to remain.		Bldg. - Approved 2/21/23			
75	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	Disapproved on 4/15/19		sg
76	Sonic	1840	Main St.	10/17/17	B-	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. Emailed applicant 3-19-2021 advising them of permit expiration date and extension opportunities. No recent activity. Planning permit expires 4/18/2023.	BLDG - Disapproved by California Code Check (contract building inspection services (see page) on 7-22-18)	Disapproved by jb on 11-21-17.	1-2-18 - Emailed BLDG (code ck) comments to architect. PB	cg
77	GenCal Enterprise, INC	2030	Main St.	9/21/22	B22-0232	The scope of work has changed. Applicant is now proposing to convert an existing space into an office space, and staff is awaiting the withdrawal of MIN22-005 to proceed with the Building Permit review process.		Bldg. - Disapproved 11/15/22			
78	Timothy and Allyson Cleath Family Trust	2790	Main St	11/8/22	B22-0248	Addendum to B22-0106, Modification to drain collection for parking lot. Sheets C-3 and C-4 revised. No change in flow to the bioswale per attached statement from civil engineer.	Approved 11-10-22. nh	Bldg - Approved 11/8/22			
79	Hauser	311	Mindoro St	1/3/23	B23-0001	Remove existing second floor cantilevered deck (615 sf), replace with (187 sf) deck.		Bldg. - Ready to issue			
80	JP Morgan Chase Bank	595	Morro Bay Blvd.	3/31/22	B22-0060	Installation of one solar carport, 99' 3 1/16" X 16' 7 3/8", with 15 modules, wall mounted PV equipment and four carport mounted lights, located in the existing Chase Bank parking lot.	disapproved 4/7/22	Bldg. - Disapproved 5/17/22			am
81	Mollaghaffari & Hawes	427	Oahu St.	5/5/22	B22-0087	New 2nd floor single family residence, 1048 sf living, with a 258 sf 2nd story deck, and 255 sf single car garage. (The garage and an ADU make up the 1st floor level, see permit B22-0088 for attached ADU).	Planning disapproved 5-12-22	Ready to issue			nh
82	Mollaghaffari & Hawes	427-A	Oahu St.	5/5/22	B22-0088	Attached ADU - 702 sf Accessory Dwelling Unit.	Planning disapproved 5-12-22/ Planning approved 1/20/23	Ready to issue			nh

#	Applicant/ Property Owner			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
83	Currey	154	Orcas St.	3/23/22	B22-0062	Remodel & additions to kitchen, entry, & masterbedroom.	Disapproved 4/11/22	Bldg. - Approved 12/1/22			gc
84	Currey	154-A	Orcas St	3/23/22	B22-0063	171 sf addition as an ADU	Disapproved 4-11-22	Bldg. - Approved 12/1/22			sg
85		965	Pelican	2/27/23	B23-0044	Addition to existing bathroom for a shower, 42 sf. Also reconfiguring existing bathroom.		BLDG. - Approved 3/2/23			
86	Appel	400-A	Pico St	8/18/21	B21-0149	Convert existing garage to an ADU without changing the footprint of the garage.	Approved 8/25/21	Bldg. Disapproved 9/10/21			am
87	Lee	684	Piney Way	9/10/20	B20-0168	Demo existing detached 416 sf work shed with bathroom & reconstruct new 416 sf garage/shop with electrical, keeping existing bathroom on existing slab/foundation.	Planning disapproved 9/15/20. Requires a Admin CDP and Parking Exception prior to review and approval of the building permit. Planning disapproved resubmittal 2/24/21.	Bldg. - Disapproved 3/1/21			nh
88	Reyneveld	1060	Quintana Rd.	9/21/22	B22-0203	Install new drive approach to existing parking area, restripe parking areas, handicap stall, access isle new handicap ramp.		Ready to issue			
89	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 1'2') with associated electrical wiring.	Approved 9/26/19.	Ready to issue			cj
90	Macias/Mudge	153	Rennell	11/9/22	B22-0249	Construct new 1-story SF residence with 1,478 sf living area and 441 sf attached 2-car garage. There will be a 225 sf covered porch and 295 sf roof deck.		Bldg - Approved 2/23/23			
91	Nagy	646	Sequoia Ct.	4/20/22	B22-0085	New 2-story SFR, 3513 sf living, 1220 attached basement level garage, and 1156 sf covered patio.	Planning disapproved - project needs resubmittal to include conditions of approval and more detailed lanscape plan. Planning approved July 5, 2022.	Ready to issue			nh
92	Hanton	425	Shasta Ave	1/17/23	B23-0004	DIGEPLAN - Enclose the current breezeway to create a new 90 sf entry, a 350 sf addition creating a primary suite and bathroom, also create a valuted space in the existing garage by removing roof and replace with new composition roof.		Bldg. Disapproved 2/14/23			
93	Parker	580	Shasta Ave	8/31/20	B20-0159	Add new detached garage	Planning under review. Planning disapproved 9/8/20. Need resubmittal	Bldg. - Disapproved 9/14/20			nh
94		242	Surf St	2/23/23	B22-0282	DIGEPLAN - Demo existing 340 sf detached non-conforming garage and construct new 232 sf conforming garage with new 380 sf Accessory Dwelling Unit (ADU) atop and along side of new garage.		Plancheck			
95	Morro Rock	311-A	Tahiti	10/26/22	B22-0245	Addendum #1 to B22-0125 - Replace existing framed roof with pre-fab trusses.	Ready to issue	Ready to issue			
96	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. Permit applciation expired	Bldg. - Approved 3/27/19			wu
97	Regan	429	Tulare Ave.	5/27/22	B22-0106	531 sf second floor addition that includes a study and bathroom, stairwell and a 200 sf second story deck.	Planning Approved 6/7	Ready to issue			gc
98	Morro Bay Ventures	201	Verdon Ct.	1/4/23	B22-0273	DIGEPLAN - New single story, single-family residence, 2,361 sf living, with 483 sf covered porch and a 450 sf attached garage.		Bldg. - Disapproved 2/3/23			

#	Applicant/ Property Owner			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
99	Morro Bay Ventures	202	Verdon Ct.	1/4/23	B22-0277	DIGEPLAN - New single story, single-family residence, 2,361 sf living, with 483 sf covered porch and a 450 sf attached garage.		Bldg. - Disapproved 2/3/23			
100	Morro Bay Ventures	205	Verdon Ct.	1/4/23	B22-0274	DIGEPLAN - New single story, single-family residence, 2,312 sf living, with 168 sf and 250 sf covered porches and a 485 sf attached garage. See permit B22-0279 for attached ADU.		Bldg. - Disapproved 2/3/23			
101	Morro Bay Ventures	205-A	Verdon Ct.	1/4/23	B22-0279	DIGEPLAN - New 517 sf attached Accessory Dwelling Unit (ADU). See permit B22-0274 for new SFR.		Bldg. - Disapproved 2/3/23			
102	Morro Bay Ventures	206	Verdon Ct.	1/4/23	B22-0276	DIGEPLAN - New single story, single-family residence, 2,312 sf living, with 168 sf and 250 sf covered porches and a 485 sf attached garage.		Bldg. - Disapproved 2/3/23			
103	Morro Bay Ventures	210	Verdon Ct.	1/4/23	B22-0275	DIGEPLAN - New single story, single-family residence, 2,312 sf living, with 168 sf and 250 sf covered porches and a 485 sf attached garage. See permit B22-0280 for attached ADU.		Bldg. - Disapproved 2/3/23			
104	Morro Bay Ventures	210-A	Verdon Ct.	1/4/23	B22-0280	DIGEPLAN - New 517 sf attached Accessory Dwelling Unit (ADU) - See permit B22-0275 for new SFR.		Bldg. - Disapproved 2/3/23			

**Planning Projects & Permits with Final Action:**

105	City of Morro Bay		Citywide		-	<b>Plan Morro Bay: General Plan / Local Coastal Program / Zoning Code Update project - Zoning Code/ Coastal Implementation Update - Amendment of Title 17 of Morro Bay Municipal Code</b>	Comprehensive overall update to the City's 1988 General Plan, 1984 Local Coastal Program, and 1997 Zoning Code. Public draft of combined General Plan/ LCP released May 2018 for review. Worked with Coastal staff on CCC input received during 2019. Adoption Draft to be reviewed by Planning Commission at 10/20/20 hearing. Admin Draft of EIR received and to be circulated. Reviewed by PC at the 11/4/2020 & 11/17/20, 12/1/20, & 12/15/20 PC meetings. 3-16-2021 meeting is for review of the EIR and make recommendations to City Council for adoption. Council review of adoption draft held on 4/27/21. Hearing continued to the 5/11 and then 5/25/21 Council meetings. Plan adopted by Council on 5/25/21. LCP Amendment application submitted to Coastal Commission for certification. <b>Coastal Commission LCP certified Coastal Land Use Plan (LUP) on August 12, 2021. Zoning Code Update in progress, reviewed by PC in 12/2021 and Adoption Hearing Draft reviewed on 8/16/22, 9/6/22, and 9/20/22.</b> PC adopted Resolution 08-22 forwarding recommendation for adoption to City Council which held adoption hearing on 10/25/22, with second reading of Ordinance 654 to be at Council meeting on 11/22/22.. LCP amendment application submitted to Coastal Commission on 12/12/2022.				
106	Van Beurden	701-715	Embarcadero	12/22/2022	MAJ22-002	<b>Major modification to CUP to reflect Coastal Commission approved changes at the Dutchman Harborwalk</b>	Under review. Deemed incomplete and comment letter sent 1-18-23. Resubmittal received 2/14/23. Anticipated PC hearing date to be 3/7/23. PC approved 3/7/23.				cj
107	Bean	197	Main Street (formerly known as 199 Sandpiper)	12/19/19	CUP19-20, CDP19-04, VAR20-001	<b>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</b>	Project deemed incomplete, comment letter sent January 7, 2020. Resubmittal received 10/26/20 adding a variance request, under review. Incomplete, need resubmittal. Resubmittal received September 14, 2021, under review. Incomplete letter sent on Oct 4, 2021. Resubmittal received 10/29/21. Planning comment letter sent November 10, 2021, requires resubmittal. Project deemed complete and scheduled for planning commission on May 17, 2022. Planning Commission denied the project, and the owner has appealed. Scheduled for City Council, August 23, 2022 at the request of the applicant. City council upheld the appeal and approved the project. Project appealed to California Coastal Commission, pending review.				nh
108	Orgill	3009	Beachcomber	7/19/22	CDP22-023	<b>Demo of existing home that is structurally unsound, and rebuild new 3335 sf home with a 715 sf garage/trash area . Existing home was the Jim Maul residence.</b>	Comments sent August 6, 2022, requires resubmittal and will require updated Architectural Historic Resource review based on the new plan and the structural report. Resubmittal received October 20, 2022, project was deemed complete November 2, 2022. Scheduled for Planning Commission hearing on December 20, 2022. Public notice to begin on December 9th, 2022. PC continued hearing to January 17, 2023. Project approved by PC on January 17, 2023, permit issued. Project appealed on January 25, 2023, but appears to be a concern around an issue unrelated to the subject property. Appeal determined to be unrelated to the project and was rejected. Project is approved with valid permit. Project appealed to Coastal Commission, pending CCC review and determination.				nh
109	Lutschaunig	242	Surf St	10/31/2022	CDP22-035	<b>New 380 sf ADU to be constructed over existing 340 sf garage - a portion of the garage will be used for ADU bathroom and stairway</b>	Planning disapproved and comments sent on November 25, 2022. Required redesign and resubmittal. Meeting week of 12/12/22 with planning consultant to review comments. Applicant to revise plans and resubmit. Project deemed complete. Need a site study prior to public notice and admin decision on the permit. Additional study needed was received, public notice will begin on March 2, 2023 with an administrative decision on the permit on or about 3/13/23. Project approved, permit to be issued.				nh
110	Kleckner	515	Main	12/7/2022	CDP22-042	<b>After the fact Admin CDP for the demo of a partial construction of residential unit</b>	Deemed complete on 1/24/23, Public Noticing from 1/27/23 to 2/07/23, CDP approved with 10-day appeals period until 2/21/23.				gc
111	Naghsh	466	Bonita St	11/29/2022	CDP22-040	<b>Admin CDP for 240sf garage conversion to ADU.</b>	Incomplete letter sent 12/15/22. Resubmitted 1/11/23. Project deemed complete 1/24/23. Public Notice period from 1/26 to 2/6. Approved 2/7/23				st

#	Applicant/ Property Owner			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
112	Torres	381	Nevis	12/12/2022	PKG22-06	Parking exception request to allow 1 uncovered space in driveway as part of a proposed 18sf addition to an existing 646sf single family home	Incomplete letter sent 12-15-22. Resubmitted 1/12/23. Deemed Complete 1/19. Public Noticing Period from 1/27 to 2/7. Approved 2/7/23				st
Staff Directory: Scot Graham - sg      Chad Ouimet - co      Cindy Jacinth - cj      Pam Newman - pn      Nancy Hubbard - nh      Gabby Cortez - gc      Susana Toner - st											



AGENDA NO: D-1

MEETING DATE: March 21, 2023

# Staff Report

**TO: Planning Commission**

**DATE: March 16, 2023**

**FROM: Scot Graham, Community Development Director**

**SUBJECT: Planning Commission Recommendation to City Council on Goals for FY 23/24**

## **RECOMMENDATION**

Receive staff presentation, review staff report and provide recommendation to City Council on Goals and Action Items for FY 23/24.

## **BACKGROUND**

The City is currently in the process of collecting community input, including asking each of the advisory boards and commissions for their thoughts and priorities. That input will be shared with City Council during a Goals discussion item on March 28, 2023 and further utilized as part of the City Goals forum tentatively scheduled for Wednesday April 5<sup>th</sup> 2023.

## **City Council Goals (2021-2022)**

As a reminder, the City Council developed consensus at the September 29, 2021 Goals Workshop to pursue the following goals for the next 2+ years (City Goals Document is provided as Attachment 1 to this staff report):

- 1) Improve Public Infrastructure
- 2) Achieve Fiscal Sustainability and Economic Vitality
- 3) Address Housing Needs
- 4) Climate Action
- 5) Improve Community Health

The above referenced goals and associated action items may be revised, deleted and/or added to by Council during the FY 23/24 Goals process.

Staff presented an update on current City Goals and Action items at the Planning Commission (PC) meeting on February 21, 2023. A link to the February 21, 2023 PC staff report can be found at the end of this staff report. The PC discussed several Goals items to be considered for inclusion in a recommendation to Council including the following:

1. Development of a historic preservation ordinance – House under new Goal of “Community Planning”
  - a. Seek grants to assistance in ordinance creation
  - b. Seek certification as a Certified Local Government (CLG) for Historic preservation
  - c. Investigate establishment of a local historic register
  - d. Investigate creation of an historic inventory
2. Development of a Downtown Design District to address height increase in the downtown. This item was already authorized by Council on February 14, 2023. Item could be housed under the current Fiscal Sustainability and Economic Vitality Goal or new “Community

Prepared By: SG

Dept Review: SG

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

### Planning” Goal

- a. Incorporate an incentive program (housing, affordable housing or other) to accompany increase in height
- b. Identify areas in downtown where greater height makes sense
- c. Consider use of form based design in policy development
3. Develop a Community Benefits Policy. Currently underway and PC should discuss whether this should be included in recommendation to Council as item will likely be complete by July 1, 2023, when the new goals go into effect.
4. Vistra Property Master Plan – Could be included under a new Goal “Community Planning”
  - a. Increase project awareness by having PC be bridge to community
  - b. Have PC engaged on all aspects of Master Plan – This item would need more definition
  - c. Include regular Master Plan updates to PC
5. Add as new action items under current Housing Goal
  - a. Investigating an affordable housing incentive program. Include ADU and other housing types.
  - b. Bungalow court zoning
  - c. Create alternative housing policy – needs more definition
  - d. Pursue funding opportunities for housing
6. Downtown and waterfront connection. Market Plaza
  - a. Create forum discussion on this item
  - b. Increase PC involvement in project

**Staff note:** *The main Goal items noted above are a direct result of PC input at the February 21, 2023 meeting. The action items under each goal are a combination of input received from PC and Staff’s attempt to flesh out action items to place under each goal.*

### Organizational Capacity

PC identified the 6 Goal items noted above and Staff is concerned that the Community Development Department does not have the capacity to move that many items forward given the ongoing work on the current Goals/Action Items noted below. Staff request PC discuss which items above they wish to move forward in the context of the Goal work that is already ongoing. PC may consider recommending elimination of some of the action items below if desired.

### Current City Goals and Action Items Most Relevant to the Community Development and Planning Commission

#### Action Items

Items in blue are underway or ongoing, items in Red are complete and items in black have not been started

- *(Infrastructure Goal) Initiate work on paid parking pilot program and continue work on long-term plan*
- *(Fiscal Goal) Assess viability for business improvement districts (BID) for Downtown and Embarcadero*
- *(Fiscal Goal) Review development opportunities for the Market Plaza property*
- *(Fiscal Goal) Continue review of Vistra proposed battery project (BESS)*
- *(Housing) Complete Zoning Code*
- *(Housing) Develop accessory dwelling unit stock plans*
- *(Housing) Provide update to Council on new state housing legislation and general education on housing*
- *(Housing) Implement Housing Element, including reviewing housing by right, objective*

*design guidelines, ADU ordinance update with incentives, update density bonus and inclusionary housing requirements*

- *(Housing) Bring land use amendment forward for Seashell estates property to increase density to 7 – 15 units per acre for future multifamily housing project*
- *(Housing) Complete Cityworks online submittal and plan check application*
- *Initiate work with the Planning Commission ad hoc committee for review of the planning process*
- *(Climate) Pursue funding to complete Climate Action plan update*
- *(Climate) Continue review of Vistra proposed battery project*
- *(Climate) Pursue electric vehicle charging station funding*
- *(Climate) Initiate implementation of SB 1383 (organic waste for residents and businesses)*
- *(Climate) Create a webpage with links to energy efficient website resources*
- *(Climate) Elevate Climate Crisis to a climate emergency by way of resolution and seek funding to move forward in this area*
- *(Climate) Implement 3CE Reach Code incentive program for electrification of new residential construction with the adoption of the 2022 building code in January 2023*
- *(Climate Goal) Offshore Wind*

### **Next Steps and Questions for PC to Consider**

Staff recommends PC formalize their recommendation to City Council on Goals and Action items for FY 23/24.

### **Attachment**

1. City of Morro Bay 2022 Goals and Short Term Actions document
2. Correspondence

### **Link(s):**

1. PC February 21, 2023 Staff report:  
<https://www.morrobayca.gov/ArchiveCenter/ViewFile/Item/6089>

# CITY OF MORRO BAY 2022

## GOALS AND SHORT TERM ACTIONS



### CITY PURPOSE

In order to preserve the high quality of life in Morro Bay, the City's purpose is to provide essential public service and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play. To achieve that purpose, the City invests the vast majority of its resources in services such as public safety, public utilities, recreation services, city planning, infrastructure maintenance and improvement, and the internal financial, human resources, and technology to support these public services.

### CITY GOALS, GOAL STATEMENTS, AND SHORT-TERM ACTION ITEMS

The City is able to successfully provide these core services thanks to community support and

volunteerism that resource and supplement the City's talented professional staff. As a result of this success, the City is also able to dedicate some resources to address emerging challenges and future-facing opportunities. In late 2021, the City Council adopted five (5) City goals and thirty-five (35) corresponding short-term action Items to meet emerging needs and opportunities. The City goals each have goal statements that outline what the City aims to achieve. The short-term action items are the areas of focus related to the goals that the City will work on in 2022 and into early 2023 (all listed below).

Combining the City's work on core services with future oriented goals will help ensure our community remains a great place to live, work and play for current and future generations.



## PUBLIC INFRASTRUCTURE

**GOAL STATEMENT:** Address (1) cleanliness (while maintaining sensitivity to wildlife) and safety issues in heavy tourism areas, (2) conduct a capital needs assessment, and (3) traffic circulation in Embarcadero.

### SHORT-TERM ACTIONS

- Conduct a traffic speed survey
- Initiate a capital assessment effort (Harbor, facilities, stormwater, etc.)
- Review options and develop optimal staffing for City maintenance efforts
- Continue work to implement paid parking program and continue work on long-term plan
- Pursue grant opportunities for the Coleman Beach area improvements



# FISCAL SUSTAINABILITY & ECONOMIC VITALITY

**GOAL STATEMENT:** (1) Create plan to address the City’s unfunded liabilities while striving to achieve competitive compensation, (2) determine potential paths to secure funding for capital needs (Harbor and other needs), and (3) support expedient catalyst site development.

## SHORT-TERM ACTIONS

- Seek state lobbyist contract to assist in obtaining state funding for City projects
- Assess viability for business improvement districts for Downtown and Embarcadero
- Review development opportunities for the Market Plaza property
- Complete fee study (development impact fees)
- Continue review of Vistra proposed battery project
- Assess cyber security needs
- Prepare and review policy options on liabilities (pension and health care)



# HOUSING

**GOAL STATEMENT:** (1) Educate the Council on new and existing State legislation related to housing, (2) identify the opportunities for additional housing options and/or explore partnerships to support these efforts, and (3) continue the Community Development Department’s efforts to expedite the development review process.

## SHORT-TERM ACTIONS

- Complete Zoning Code update
- Development of stock Accessory Dwelling Units (ADU) to provide to public for free
- Provide update to Council on new state housing legislation (such as SB 9) and general education on housing
- Implement Housing element, including reviewing housing by right, objective design guidelines, ADU ordinance update with incentives, update Density Bonus and inclusionary housing requirements
- Bring land use amendment forward for the Seashell estates property to increase density to 7 – 15 units per acre for a future multifamily housing project
- Complete Cityworks online plan check application
- Initiate work with the Planning Commission ad hoc committee for the review of the planning process



# CLIMATE ACTION

**GOAL STATEMENT:** (1) Participate with other cities in SLO County to support climate action planning efforts, (2) educate Council on the technical terms around climate action to support policy advocacy and the identification of critical next steps for Morro Bay, and (3) consider opportunities to reduce reliance on carbon producing energy sources.

## SHORT-TERM ACTIONS

- Pursue funding to complete Climate Action Plan update
- Continue review of Vistra proposed battery project
- Pursue electric vehicle charging station funding
- Initiate implementation of SB 1383 (organic waste for residents and businesses)
- Promote Central Coast

- Community Energy (3CE) New Construction Electrification Program and include in planning materials and on website
- Designate 1 week a year to conduct a renewable energy outreach campaign targeting a specific group
  - Create city webpage with links to energy efficient websites

- Elevate “Climate Crisis” to “Climate Emergency” by way of resolution and seek funding to move forward in this area
- Implement 3CE Reach Code Incentive Program electrification of new residential construction with the adoption of 2022 Building Code in Jan 2023



# COMMUNITY HEALTH

**GOAL STATEMENT:** (1) Create plan to address immediate need for increasing COVID vaccination rates with an emphasis towards target populations with inequitable access or education. (2) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation.

## SHORT-TERM ACTIONS

- Provide education to City Council and staff about DEI issues
- Support SLO County Public Health communication efforts to vaccinate members of the Morro Bay community, particularly underrepresented communities
- Inform the County process to update the 10-year plan on homelessness
- Explore opportunities to

- support County efforts to address homeless issues on the North Coast
- Support Filipino-American group (FANHNS) rededication event of their historic monument at Coleman Beach
  - Review opportunity for Boys and Girls Club to offer enrichment activities for teens in the Estero Bay region

- Provide community information and resources regarding access to mental health resources to address behavioral health or mental health crises: substance abuse issues, depressive illnesses and exacerbation of previously controlled mental health issues



## Chamber Recommendations for City Council Goals and Objectives February 2023

In 2021 the Morro Bay City Council [adopted major City goals and objectives](#) to address urgent community needs. This goal-setting followed a strategic planning framework in 2016 that created a methodology to prioritize its efforts while connecting the City's work plans and budget decision-making to overall community goals. The goals adopted by the City in 2019 reflected critical City issues at the time, including divisions in the community over the WRF and other matters, the need to recover from the elimination of revenues from the Power Plant, to make difficult business decisions about utility costs, to remedy the City's antiquated land use regulations, to improve infrastructure, and to increase credibility and accountability in the community through better communication. The City's stated goals for 2019-2020 were to achieve economic and fiscal sustainability, improve public infrastructure, complete the GPL/LCP and Zoning Ordinance, affordable housing, and improve communication and engagement with the community.

For 2021-2022 the major City goals were: 1) improve public infrastructure; 2) achieve fiscal sustainability and economic vitality; 3) address housing needs; 4) climate action; and 5) community health. The attachments provide additional details on the 2021-2022 City goals and what was accomplished. These goals for 2021-2022 resulted in the development of 31 action or process items to drive the work toward achieving the goals, with the intent of achieving all of them by the end of 2022. The Chamber's evaluation of each of these actions is shown in the attached, with the following symbology:



Item is complete or substantially complete.



Substantial progress has been made, but the matter is not complete. Significant additional work needs to be done to bring this matter to a conclusion. These items include a recommendation of whether or not this action item should be continued.



These are items where substantial progress has not been made. These items include a recommendation of whether this action item should be continued.

In order to look forward, the Chamber employed a number of strategies to determine Chamber recommendations for City Goals, including an online survey open to the business community receiving 45 responses, a public-facing "Squeaky Wheel" workshop attended by 45 community and business participants providing feedback with "dot" voting and comment cards, a review of proposed City Goals by the 14-member Governmental Affairs Committee, and review and approval by the 12-member Chamber Board of Directors. In total, the recommendations contained in this report represent the input from over 100 local business and community leaders. The results of the online survey and Squeaky Wheel exercise are shown in Attachment 1 and Attachment 2, respectively. Based on the results of the survey, there is a belief that fiscal issues have been substantially addressed and it is time to get on with actual improvements. There is also a belief that the City needs to look beyond the all-consuming WRF project

## Attachment 2

and move forward on other community issues. The survey results rated Infrastructure, Sanitation and Economic Development as top priorities. Attachment 1 shows the results of the survey, sorted by the priorities from the survey. Attachment 2 shows the results of the priority exercise sorted by Squeaky Wheel Event priorities. Housing, Sanitation, and Economic Development were the highest-rated items in the Squeaky Wheel Event priorities.

The Recommended City Goals and Objectives on the following pages show the items and their relative priorities. The Chamber acknowledges that many of its recommendations are intimidating, multi-year efforts that have been deferred for various reasons. Nevertheless, the time for incrementalism in these efforts has passed. The problems are not going away by not dealing with them. Significant advisory board and ad hoc committee efforts have been put into many of them. Dealing with them later will be more expensive than dealing with them now in an intentional, thoughtful and strategic manner.

It is also recognized that many of the existing adopted goals and objectives refer to processes and meetings, and not to measurable outcomes and completions. Many of the “measurable” objectives are stated in terms of process, or passive verbs like “support”, “explore”, “investigate”, “promote”, “pursue”, “review” and “continue”. **It is important for the City to focus on objectively measurable and quantifiable outcomes. Accordingly, the City’s goals and objectives should describe quantifiable outcomes and specific deadlines for each. The Chamber’s recommendations refer to tangible and measurable milestones that refer to outcomes, not processes.**

## Recommended City Goals and Objectives

1. **Sanitation, Maintenance and Beautification. Appearances and Cleanliness Matter.** In 2021, for the first time, the Chamber’s surveys indicated a strong concern over cleanliness, sanitation, maintenance and aesthetics. Survey results for 2023 indicate that there is still concern about this issue, and over 90 percent of the survey respondents indicated that better sanitation and maintenance were “Important” or “Absolutely Critical” to their business operations. Over 93 percent indicated that better safety and aesthetics (decorative lighting, banners, landscaping) were either “Absolutely Critical” or “Important” to the success of their business operations. Morro Bay’s natural landscape and charm present incomparable beauty; and, promotional efforts lure them to town to enjoy these assets. Adequate resources and training should be provided so that our public spaces complement, not contrast with, that beauty. Hundreds of thousands of dollars are spent to lure visitors to our community and we should take care to welcome them with clean sidewalks, adequate public facilities and amenities, well-maintained landscaping and excellent coastal access. **The following efforts should be prioritized to improve sanitation, maintenance and attractiveness of the community (recommendations in italics are carryovers):**

- a. *Greater, systematic emphasis on street cleaning, removal of debris, fixing potholes, and cleaning sidewalks in our commercial areas.* There should not be sole reliance on the CitySourced service request app and website function.
- b. *Implementation of the Paid Parking and Access Management and Enhancement Plan. GP/LCP Policy Circ-4.2 states that the City “...may seek a Coastal Development Permit to establish paid public parking spaces with reasonable rates in appropriate places. Some of the revenue would serve as a dedicated funding source to improve and enhance coastal access.” The City’s parking study has determined that paid parking will be fiscally positive and that it will generate \$50,000 per year in net revenue for the small pilot program and \$250,000 per year in net revenue after full implementation. Locally, both Avila Beach and Pismo Beach have paid parking as part of their beach and waterfront access programs, with each having revenues of \$500,000 to \$550,000 per year.*
- c. *Prioritize use of Measure Q and E funds for sanitation and maintenance of existing physical assets in the business districts.*
- d. *Enforce requirements to maintain landscaping, where such is required as part of development approvals.*
- e. *Develop a plan to use WRF recycled water (to be injected into the Vistra property) for waterfront, downtown and Coleman Park landscaping. Expand irrigation systems to the Harbor Walk between Rock Beach and Coleman Beach.*

- f. Implement Coleman Beach Park improvement plan and grants. The final plan should complement and support, and not compete with, plans for the redevelopment of the Vistra Site, completion of the Atascadero Road/Embarcadero circulation connection, or potential development of onshore support facilities for Offshore Wind (OSW)
- g. *Resolve the long-standing issue to provide public restrooms in the downtown.*
2. **Housing. The Housing Crisis is Getting Worse, Not Better. Fix It.** Housing was the second-highest-ranking issue in the Chamber’s surveys. Business owners want more housing for themselves and their employees, and as a way to get more year-round customers. According to the 2023 surveys, 45 percent of the survey respondents indicated that more local housing was “Absolutely Critical” to the success of their businesses. Three-fourths (73 percent) stated that more housing was “Absolutely Critical” or “Important” to their businesses. Put another way, half of all the businesses cannot expand or maintain operations without more housing. A greater number, 52 percent, said that having more year-round customers was “Absolutely Critical” to the success of their businesses. The lack of housing and a local labor force continues to threaten the sustainability of Morro Bay’s business, the local economy, and City fiscal resources. Employees, business owners and managers (including many of the City’s employees, including department heads) cannot find adequate housing in Morro Bay and cash their paychecks in other County communities. And, despite a robust housing market, very little new market rate housing is being constructed. The city should focus on identifying and removing apparent or actual constraints to the development of the City’s vacant or underutilized lands, including the many vacant lots that are in the community. The survey respondents indicated that permit processing is still an issue, with 90 percent indicating that faster/clearer permit processes, better application checklists, and equitable enforcement of codes are necessary to make this happen. **The following efforts should be prioritized to improve and supply of local housing for the workforce (recommendations in *italics* are recommended carryovers):**
- a. *Complete the permit processing improvements that were recommended by the Chamber in 2020.* Progress on the Chamber’s immediate, six-month and eighteen-month recommendations in that report, which was included in the City Council-approved 2020 scope of work of the Chamber’s ED contract, have not been reported on in some time. A Planning Commission committee designated for this purpose was assigned, but there has been no publicly reported progress on this committee’s work plan or continued existence.
- b. Develop prototypical plans for mixed use development in the Main Street and Morro Bay Boulevard Commercial Corridors. Show property owners how to best integrate housing above or adjacent to their businesses. Develop a “fast track” approval process.
- c. Set an annual objective for the development of housing in the community and report to Council quarterly on the status; suggest ways to remove constraints.

- d. Adopt the “Prohousing Designation Program” through the State Department of Housing and Community Development. This designation will demonstrate to skeptical developers and builders that things have changed in Morro Bay and housing is actually encouraged and needed here.
- e. *Development of Objective Design Standards for all housing types.*
- f. *Development of pre-approved “stock” plans for ADUs.*
- g. *City master planning of major development sites, including the Morro Elementary Site, the Shepard/Martz and Seashell Estates properties, and Chevron multifamily property. It is also time for the City to take a candid look at the sites that were assumed to meet its Regional Housing Needs Allocation requirements, especially in light of access and drainage development constraints apparent during recent flooding.*
- h. *Identifying infill housing opportunities on under-utilized commercial parcels (e.g., Spencer’s Market). Also, solicit input from owners of vacant parcels about how to motivate them to develop their properties.*

3. **Infrastructure. It’s Time to Get Serious About the Future.** The city has developed a number of plans and programs including the One Water Plan, General Plan/LCP, Downtown-Waterfront Strategic Plan, and others that have created expectations for future improvements. The city has stated that it would develop an infrastructure financing plan starting in 2021, and that is a necessary first step, along with developing new revenue sources. Development of a feasible infrastructure plan is important to the business community and they “want to see their tax dollars invested in tangible improvements”. Two-thirds of the respondents said that it was “Absolutely Critical” to “...see their tax dollars invested in tangible improvements” that are relevant to them. In total 97 percent of the respondents said that this was either “Important” or “Absolutely Critical”. This year investment in infrastructure that supports their businesses was the highest-rated item in the Chamber’s surveys.

The City has been “nibbling” on this and “admiring” this problem for years. The tenuous financial condition of the Harbor Department and waterfront infrastructure have been known for almost twenty years now; the HAB and its members have spent time and treasure trying to solve it, but there is no plan or adopted action. The City recently received a Pavement Management Plan report that identified capital needs, but no funding or action plan is in place. And, the OneWater Plan identifies storm drainage deficiencies that became all too apparent in the past two months. There are also deficiencies in the water system and sewer system that affect the viability of businesses, and the adequacy of fire flow. The WRF will soon be behind us, and we need to start working on what’s next.

**The following efforts should be prioritized to address the long-standing deficiencies in capital improvements and capital improvement financing (recommendations in *italics* are recommended**

## carryovers):

- a. The City should tune up its Economic Development Strategic Plan (EDSP) in light of post-Covid economic realities. The updated EDSP should determine the amount of commercial, retail, visitor serving commercial, and industrial development that the community needs over the next 20 years, and these projections should be used to update and correct the projections in the Land Use Element of the GP. It has been more than five years since the last plan was developed, and there are new economic diversification opportunities and new data to consider since the 2017 EDSP was adopted. This will also give the current City Council an opportunity to weigh in on the priorities and strategies established in the plan. These projections should be used to determine the community's capital improvement needs.
- b. Implement the parking study and start the Access Enhancement Plan. GP/LCP Policy Circ-4.2 states that the City "...may seek a Coastal Development Permit to establish paid public parking spaces with reasonable rates in appropriate places. Some of the revenue would serve as a dedicated funding source to improve and enhance coastal access." The City's parking study has determined that paid parking will be fiscally positive and that it will generate \$50,000 per year in net revenue for the small pilot program, and \$250,000 per year in net revenue after full implementation. Locally, both Avila Beach and Pismo Beach have paid parking as part of their beach and waterfront access programs, with each having revenues of \$500,000 to \$550,000 per year.
- c. Form an EIFD that will cover major development properties and commercial districts in the community. Complete this concurrent with or prior to the full entitlement of the major projects in the community, and identify the improvements that will be funded.
- d. Establish completion schedules for Capital Improvement Projects with regular monitoring.
- e. Start a comprehensive Infrastructure Needs and Financing Plan, originally proposed for 2021. The sooner, the better. The resulting plan may indicate a need for new city financing sources, which will only be accepted by the community if they see tangible results and direct benefits.
- f. In order to better focus the community on a common set of improvement objectives, create better communication between the City's advisory boards and eliminate the current "silos". The advisory boards are populated by talented professionals and committed laypeople that can contribute to and amplify the efforts of the City's professional staff. The City Council should also schedule regular work sessions with the Planning Commission, Citizens Finance Advisory Committee, Parks and Recreation Commission, Harbor Advisory Board, and Public Works Advisory Board.
- g. The City should suspend its work on the 2022 draft Impact Fee Study until the *Infrastructure Needs and Financing Plan* is completed, and the General Plan Table LU-2 is amended to indicate the projected development over the next 20 years.
- h. The City should re-evaluate OneWater and other major capital projects to determine whether

they are needed. If these are based on the General Plan buildout projections, then they may be over-scoped or unnecessary. These projects should also be re-evaluated based on current water use, sewer generation and traffic generation factors.

- i. The City should stay engaged as a major participant in the Offshore Wind (OSW) planning and infrastructure assessment efforts. Now that the auction has been completed the City should maximize local fiscal and economic benefits. Infrastructure and economic development projects linked to OSW may be more easily funded and provide a unique economic development opportunity. The city needs to track OSW, engage with developers and stakeholders, including the commercial and recreational fishing industry, and continue to participate (financially, if necessary) in OSW facility master planning.

4. **Circulation. Let's Get Moving.** Key circulation issues weren't dealt with in a substantive way in the GP/LCP. These issues include a circulation plan for the Wastewater Treatment Plant/Power Plant/Embarcadero Road/Atascadero Road area to provide essential emergency access and to relieve weekend gridlock on the Embarcadero, prioritizing pedestrian and bike modes on the waterfront, evaluating the true need for circulation facility improvements given the likely amount of development that will occur per the General Plan over the next 20 years and identification of feasible financing methods for improvements. According to the Chamber's surveys, improving Atascadero Road/Hwy 41/Embarcadero Road was rated "Important" or "Absolutely Critical" by 85 percent of the survey respondents. **The following efforts should be prioritized (recommendations in *italics* are recommended carryovers):**

- a. *Completion of the master plans for the wastewater treatment plant site, the Vistra site and the surrounding area.* This should be a city-initiated and directed study as it is unreasonable to expect any one property owner to conduct this study. This should also include a vehicle connection between Atascadero Road and Coleman Road (the Embarcadero Road alignment).
- b. *Completion of an updated traffic study to determine the traffic needs of the community over the next 20 years,* and key improvements such as intersection controls and improvements. (The GP traffic study does not provide that, nor does any previous traffic study).
- c. *Completion of the Paid Parking and Access Management and Enhancement Plan.* This effort appears to be stalled in some way; it is a regular item on the Harbor Advisory Board Agenda.
- d. *Implementation of an Enhanced Infrastructure Financing District (EIFD) to fund circulation improvements.* This will allow the city to capture a greater share of future property tax dollars from large development projects that can be used for capital improvements.
- e. *Plan for a public parking lot in the Vistra Master Plan area,* triangle lot, or another adjacent property to intercept traffic going to Rock Beach.
- f. *Develop and adopt a pedestrian circulation plan for the waterfront that addresses new sidewalks, widened sidewalks, and completion and financing of the Harbor Walk between*

*Morro Rock Beach and Tidelands Park.*

- g. Identify the location for and install 5 new vehicle charging stations per year over the next 5 years.

## Chamber Evaluation of 2021-2022 City Goals and Objectives

- 1. Public Infrastructure: Address (1) cleanliness (while maintaining sensitivity to wildlife) and safety issues in heavy tourism areas, (2) conduct a capital needs assessment, and (3) traffic circulation in Embarcadero.**

- Action 1.1:** Conduct a traffic speed survey.
- Action 1.2:** Initiate a capital assessment effort (Harbor, facilities, stormwater, etc.)
- Action 1.3:** Review options and develop optimal staffing for City maintenance efforts.
- Action 1.4:** Continue work to implement paid parking program and continue work on long-term plan.
- Action 1.5** Pursue grant opportunities for the Coleman Beach area improvements.

**Chamber Recommendation:** The two needed centerpieces of public infrastructure are a comprehensive *Infrastructure Needs and Financing Plan*, and a more systematic public facility maintenance. Each action should also have a timeline and measurable metric for completion.

- 2. Fiscal Sustainability & Economic Vitality: (1) Create a plan to address the City's unfunded liabilities while striving to achieve competitive compensation, (2) determine potential paths to secure funding for capital needs (Harbor and other needs), and (3) support expedient catalyst site development.**

- Action 2.1:** Seek state lobbyist contract to assist in obtaining state funding for City projects.
- Action 2.2:** Assess viability for business improvement districts for Downtown and Embarcadero.
- Action 2.3** Review development opportunities for the Market Plaza property.
- Action 2.4** Complete fee study (development impact fees).
- Action 2.5** Pursue grant opportunities for the Coleman Beach area improvements.
- Action 2.6** Continue review of Vistra proposed battery project.
- Action 2.7** Assess cyber security needs.
- Action 2.8** Prepare and review policy options on liabilities (pension and health care).

**Chamber Recommendation:** By all evidence, the City has recovered from the economic downturn during the pandemic, and has experienced robust sales and business activity. Fiscal revenues are significantly higher than projected. The City has (successfully) applied and secured funding for Coleman Beach park improvements and should proceed to implementation. The City has also committed additional pay-downs

of pension liabilities and other debt. The impact fee study is incomplete and requires an assessment of other infrastructure financing methods, and an accurate and well-documented assessment of public improvement needs over the next 20 years before re-commencing that effort.

**3. Housing: (1) Educate the Council on new and existing State legislation related to housing, (2) identify the opportunities for additional housing options and/ or explore partnerships to support these efforts, and (3) continue the Community Development Department’s efforts to expedite the development review process.**

- ☑ **Action 3.1:** Complete Zoning Code update.
- ☑ **Action 3.2:** Development of stock Accessory Dwelling Units (ADU) to provide to public for free.
- ☑ **Action 3.3** Provide update to Council on new state housing legislation (such as SB 9) and general education on housing.
- ☑ **Action 3.4** Implement Housing element, including reviewing housing by right, objective design guidelines, ADU ordinance update with incentives, update Density Bonus and inclusionary housing requirements.
- ☑ **Action 3.5** Bring land use amendment forward for the Seashell estates property to increase density to 7 – 15 units per acre for a future multifamily housing project.
- ☑ **Action 3.6** Complete City works online plan check application.
- **Action 3.7** Initiate work with the Planning Commission ad hoc committee for the review of the planning process.

**Chamber Recommendation:** As noted above, survey respondents indicated that more housing was “Absolutely Critical” to the success of their businesses. Three-fourths (73 percent) stated that more housing was “Absolutely Critical” or “Important” to their businesses. Put another way, half of all the businesses cannot expand or maintain operations without more housing. “Continuing” current efforts and approaches will not solve the problem. Something different and more aggressive is needed. Some significant progress has been made, including the completion of the Zoning Ordinance update, but the other objectives are unknown or stalled. We recommend that the objectives be stated in more measurable terms and reflect the urgency of this matter.

**4. Climate Action: (1) Participate with other cities in SLO County to support climate action planning efforts, (2) educate Council on the technical terms around climate action to support policy advocacy and the identification of critical next steps for Morro Bay, and (3) consider opportunities to reduce reliance on carbon producing energy sources.**

- ☑ **Action 4.1:** Pursue funding to complete Climate Action Plan update.
- ☑ **Action 4.2:** Pursue electric vehicle charging station funding.
- ☑ **Action 4.3** Initiate implementation of SB 1383 (organic waste for residents and businesses).

- ✔ **Action 4.4** Promote Central Coast Community Energy (3CE) New Construction Electrification Program and include in planning materials and on website.
- ✔ **Action 4.5** Create city webpage with links to energy efficient websites.
- ✔ **Action 4.6** Elevate “Climate Crisis” to “Climate Emergency” by way of resolution and seek funding to move forward in this area.
- ✔ **Action 4.7** Implement 3CE Reach Code Incentive Program [for] electrification of new residential construction with the adoption of 2022 Building Code in January 2023.

**Chamber Recommendation:** Mobile source emissions (car exhaust) is the greatest contributor to Greenhouse Gas Emissions and climate change. Second to that is the production of methane from solid waste disposal sites. Although the reduction of Greenhouse Gas Emissions is stated as a fundamental precept of the GP/LCP update (the highest-level policy), the EIR and Circulation Technical Report indicate that the City GP/LCP update will make the jobs-housing balance substantially worse, going from 0.66 jobs/house to 2.77 jobs per house. The GP/LCP is planning to add thousands more planned jobs but only 881 housing units. We assert that the GP/LCP has exaggerated and unrealistic growth projections for non-residential development.

Many of the objectives in this area have been addressed in the 2022 Building Code, and will be further addressed in the 2025 Building Code update that is now being worked on by the California Energy Commission. Full electrification of new residential construction is expected to be a requirement (with limited exception) by 2025, whether the City does anything or not. We recommend that the City let the 2025 Building Code, and the CalGreen Code, run their respective update course and NOT spend staff time on a special “Reach Code”.

**5. Community Health: (1) Create plan to address immediate need for increasing COVID vaccination rates with an emphasis towards target populations with inequitable access or education. (2) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation.**

- ✔ **Action 5.1:** Provide education to City Council and staff about DEI issues.
- ✔ **Action 5.2:** Support SLO County Public Health communication efforts to vaccinate members of the Morro Bay community, particularly underrepresented communities.
- ✔ **Action 5.3** Inform the County process to update the 10-year plan on homelessness.
- ✔ **Action 5.4** Explore opportunities to support County efforts to address homeless issues on the North Coast.
- ✔ **Action 5.5** Support Filipino-American group (FANHS) rededication event of their historic monument at Coleman Beach.
- ✔ **Action 5.6** Review opportunity for Boys and Girls Club to offer enrichment activities for

teens in the Estero Bay region.

- ⊖ **Action 5.7** Provide community information and resources regarding access to mental health resources to address behavioral health or mental health crises: substance abuse issues, depressive illnesses and exacerbation of previously controlled mental health issues.

**Chamber Recommendation:**

**Business Community Goals and Objectives****Importance Sorted by Survey Results**

<b>Which of the Following Items Are Important to me and my Business?</b>	<b>Dot Exercise (3 dots per Person)</b>	<b>Online "Important" or "Absolutely Critical" (2023)</b>	<b>Total</b>	
<b>Respondents</b>	<b>100</b>	<b>45</b>		<b>Subject Area Items</b>
Seeing my tax dollars invested in tangible improvements	8	<b>43</b>	51	Infrastructure
Equitable enforcement of ordinances and policies	1	<b>42</b>	43	Economic Development
Improved sanitation on city sidewalks near my place of business	3	<b>42</b>	45	Sanitation and Maintenance
Improved Safety and decorative lighting	1	<b>41</b>	42	Infrastructure
Improved/Clearer Checklists for Permit Applications	0	<b>38</b>	38	Economic Development
More year-round customers	6	<b>37</b>	43	Economic Development
Improved Circulation from Atascadero Road to Embarcadero	4	<b>36</b>	40	Circulation
Faster/clearer permit processing	0	<b>36</b>	36	Economic Development
Clearer/improved business license application and renewal	10	<b>34</b>	44	Economic Development
More housing for me and my employees	13	<b>33</b>	46	Housing
Incentive programs to invest in economic development		<b>32</b>	32	Economic Development
Incentive programs that lower my water usage and cost during drought		<b>31</b>	31	Infrastructure
Outdoor signage and displays for my business		<b>29</b>	29	Economic Development
Safer, and more, bike lanes		<b>26</b>	26	Circulation
Electric vehicle charging stations	2	<b>20</b>	22	Circulation
Improved Pedestrian Walkways on Waterfront	3		3	Circulation

## Attachment 2

Waterfront pedestrian improvements	3		3	Circulation
Public Transportation (Trolley)	0		0	Circulation
Implement Market Place Project ("Branigans/Distasio's) Site	8		8	Economic Development
Better paying, head of household jobs beyond the hourly employee.	3		3	Economic Development
Homeless	18		18	Housing
Parking on Embarcadero	4		4	Circulation
Public restroom in Downtown	11		11	Sanitation and Maintenance
Proactive tree maintenance and replacement	2		2	Sanitation and Maintenance

<b>Business Community Goals and Objectives</b>				
<b>Importance Sorted by Squeaky Wheel Event</b>				
<b>Which of the Following Items Are Important to me and my Business?</b>	<b>Dot Exercise (3 Dots/Person)</b>	<b>Online "Important" or "Absolutely Critical" (2023)</b>	<b>Total</b>	
<b>Respondents</b>	<b>100</b>	<b>45</b>		<b>Subject Area Items</b>
Homeless	18		18	Housing
More housing for me and my employees	13	33	46	Housing
Public restroom in Downtown	11		11	Sanitation and Maintenance
Clearer/improved business license application and renewal	10	34	44	Economic Development
Seeing my tax dollars invested in tangible improvements	8	43	51	Infrastructure
Implement Market Place Project ("Branigans/Distasio's) Site	8		8	Economic Development
More year-round customers	6	37	43	Economic Development
Improved Circulation from Atascadero Road to Embarcadero	4	36	40	Circulation
Parking on Embarcadero	4		4	Circulation
Improved sanitation on city sidewalks near my place of business	3	42	45	Sanitation and Maintenance
Improved Pedestrian Walkways on Waterfront	3		3	Circulation
Waterfront pedestrian improvements	3		3	Circulation
Better paying, head of household jobs beyond the hourly employee.	3		3	Economic Development
Electric vehicle charging stations	2	20	22	Circulation
Proactive tree maintenance and replacement	2		2	Sanitation and Maintenance
Equitable enforcement of ordinances and policies	1	42	43	Economic Development
Improved Safety and decorative lighting	1	41	42	Infrastructure

Attachment 2  
Priority Rating per Squeaky Wheel

## Attachment 2

Improved/Clearer Checklists for Permit Applications	<b>0</b>	38	38	Economic Development
Faster/clearer permit processing	<b>0</b>	36	36	Economic Development
Public Transportation (Trolley)	<b>0</b>		0	Circulation
Incentive programs to invest in economic development		32	32	Economic Development
Incentive programs that lower my water usage and cost during drought		31	31	Infrastructure
Outdoor signage and displays for my business		29	29	Economic Development
Safer, and more, bike lanes		26	26	Circulation

Comment for PC 2/21/23 re Item C-2 City Goals and Action Items

Reviewing the Staff Report for item C-2 on the PC Feb 21 Agenda I have the following comments for inclusion in the Public Record:

I have taken excerpts of the Staff Report (*seen in italic below*) and **yellow highlighted** specific language/issues in the report for which I am providing comment.

***Attachment 1. City of Morro Bay 2022 Goals and Short Term Actions document***

Interestingly, this report from Staff is basically a digital restatement of the 2022 Goals statement as attached. Perhaps the CC and PC should be directed to review this document in advance of reading the Staff report as it would significantly shorten and simplify the context of this Staff Report.

Thanks for taking the time to review my comments.  
ts

***City's core services do not fall under the proposed Council goals-***

Recent Public comments at the CC award of a PW works contract regarding improvements to the City Park at Harbor/Morro Bay Boulevard highlighted the gap in public transparency as to projects that move through the approval system without significant Public opportunity to comment early in the process.

***Communicate all of the important day-to-day City functions-***

It is not clear just how the public should be given additional insights into City projects. When the City needs to get a permit from Community Development, the Public should be notified via traditional methods. The potential for City projects that do affect significant numbers of the public but are not required to get Community Development Permits should perhaps be notified via the City Managers monthly new letter or other methods.

***2) Conduct a capital needs assessment-***

The Staff report does not provide any information on how this proposed needs assessment will be created. Clearly these ultimately will be budget items generated on a Department level review of budgets. Will this be via consultants?

***while striving to achieve competitive compensation-***

Historically, compensation in the Central Coast and Morro Bay in particular has been less than what might be defined as “competitive” when compared to other areas. There are subjective benefits to working/living in Morro Bay that those of us who live here accept as “compensation”. We do need to look at ways to make working for the City attractive, but perhaps looking at ways to make **living** in Morro Bay via: housing subsidies; City Owned workforce housing; and other alternative benefits that the City could provide in leu of direct financial compensation. It should be a City Goal to encourage City Employees to live within the City.

***7) Educate the Council on new and existing State legislation related to housing-***

It would be hoped that the Community Development Department can provide a review of the level of Morro Bay Compliance with the noted State legislation specifically how the City is doing as to meeting the State/COSLO goals of housing related to the number of future housing the City is mandated to provide and how our housing element (has it been approved by CC) meets this requirement.

***9) Continue the Community Development Department's efforts to expedite the development review process-***

A Recent appeal of the Laurel Street building approval demonstrated the need for continued efforts to make the review process more accessible to the Public early in the Development Review Process. I have previously recommended that the City adopt some form of Design Review Commission/Committee. A process that would encourage development applicants to apply for Conceptual Review at a Public review body could go a long way to facilitate public engagement early in the process. By creating a process that takes projects directly/indirectly to the Planning Commission add significant cost and time on both the part of applicants and the City. I believe that early Conceptual/Schematic review of projects in a noticed public forum not the Planning Commission could actually help to expedite the development review process. The application information for this preliminary review should be significantly less than a full building plan set with all the appurtenant engineering etc. This could be information typically needed for a preapplication meeting to get a general idea of what potential challenges the proposed project will have with the numerous departments that ultimately review projects.

***12) Consider opportunities to reduce reliance on carbon producing energy sources***

The City is becoming involved in two “energy projects” Vistra BESS and Offshore Wind. The Fed and State has preempted most of the “opportunities” for the City to be involved in the process for development of these projects. However, as a significant Harbor coastal resource, I feel that our priorities should be in favor of the project that best fits with the maritime history of our community. This would be the establishment of full service marine facility consistent with the needs of our local economy and the offshore windfarm.

Our Harbor needs substantial restoration of long neglected infrastructure. A sensitively developed expansion of the maritime facilities could provide significant funding for this purpose. There is substantial onshore land available in the absence of the proposed BESS.

The BESS is NOT a coastal dependent use and can and should be located at a remote and secure facility such as Diablo Canyon. The original proposal and development plan at Diablo envisioned 6 reactor facility (3-2 unit buildings of which only Unit 1&2 have been build) and all the right of way for power distribution is in place for this scale of transmission. Because of the long term nuclear waste storage on site, the facility will remain a high security site for the next 1000 years. There is also a multi story office complex on site that can be modified to provide space for the operational needs of a Diablo BESS.

Clearly there will be a need for cooperation between Vistra and PG&E but since the State have provided a \$1.5B funding for PG&E to work towards its re-licensing, it would seem that there

should be sufficient incentive for PG&E to work cooperatively to protect our energy future. Vistra, as a relative newcomer to the California energy market, should be encouraged to work with FED, State and Local regulators towards a more appropriate location for their proposal. To my mind the most logical location would be at Diablo Canyon. Our City should make it clear to all parties that Morro Bay and the old PGE site is not an appropriate location for a BESS. It is unfortunate that this was not City policy early on and that Vistra has been encouraged to spend significant dollars to fund an EIR that should ultimately be rejected by the City.

*14) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation*

It is not clear from this statement who is responsible for the “education” in our community. Clearly this is a national dialog that is and will continue to be ongoing. It seems unlikely that our local community does not get constant reminders of the issues every night in the news.

*Walker Consultants is under contract for the next phase of the pilot [parking] program.*

An update and reference location for the contract would be useful to better understand this item.

*“Pursue grant opportunities for the Coleman Beach area.” ... Staff will begin the planning process soon.*

It would be useful to have more information on what and how the staff will be doing: In house vs consultant, level of development review with public input???

*a contract with Townsend Public Affairs to represent the... City’s federal lobbyist (The Ferguson Group) through FY 2022-23.*

Please provide links to documents referenced above.

*There appears to be interest in forming a BID, but no further action has been taken.*

More details would be useful.

*“Review development opportunities for the Market Plaza property.”*

It would be useful to have more information on how this project is being handled from a Public Oversight perspective. To date, there seem to be several Closed Sessions agenzized concerning one developers interest in the property, but as there have been “nothing to report” coming from these meetings, it is concerning that the process is proceeding “behind closed doors” and lacking the reasonable concept plan review that the public should be made aware of before it is announced that a MOU has been signed by the City and the developer without Public input.

*City staff will need to do an RFP for a new development impact fee study.*

Why can’t this process start with a simple CPI based review without the need for an expensive and time consuming RFP process. Once a CPI impact is done (a simple Spread sheet exercise) then a line item discussion could follow to validate (or not) the reasonableness of the increases. This assumes it is Staff’s intent to encourage “increases” in development impact fees. To the degree that this may be counter productive to encouraging investment in our community, perhaps this aspect of development fees should be discussed PRIOR to moving to an RFP to justify increasing fees.

*Vistra has submitted a project application for the BESS project and removal of the decommissioned power plant and smoke stacks, an Environmental Impact Report is being prepared and a master plan process is underway for the property. There has been one master plan workshop*

To date, the nature of the “outreach” seems inadequate and the Mayor has recently suggested additional workshops including the CC to further this outreach. Hopefully this will be followed through by Staff ASAP

*, but there are portions of the zoning code that are pending before the California Coastal Commission,*

Please provide specifics as to what is lacking and if all aspects of PLAN MORRO BAY have been successfully approved by Coastal specifically the Housing Element which was lagging in the approval process.

*“Develop stock Accessory Dwelling Unit (ADU) templates to provide to public for free.”*

Please comment on the application process, fees and additional documentation needed for a successful ADU application process.

*Council received an update on housing legislation and a general overview of City efforts to address housing needs in Morro Bay.*

Please provide links and explanation of the process being pursued by staff as to this issue.

- *“Implement Housing Element.” The City updated zoning code was approved by City Council in November of 2022 and includes new inclusionary housing and density bonus policies. The objective design standards are undergoing final City review and will be complete in February/March of 2023*

Please provide link and or further explanation of the “objective standards” noted.

- *“Complete Cityworks online plan check application.” Cityworks online is fully functioning, and City is now accepting electronic Building and Planning applications. Community Development has also incorporated an online plan check application, Digeplan, into Cityworks which allows for plan check to be completed electronically, eliminating the need for paper plans.*

Will applicants for small project or those without access to digital production methods still be able to process “paper” applications?

- *“Initiate work with the Planning Commission ad hoc committee for the review of the planning process.” The Community Development Director will be discussing this item with the Planning Commission as part of the goals discussion in February*

I feel that the ad hoc committee should have one or more member of the general public (ideally persons involved with the Planning Process as applicants). I would be glad to join this effort as a public member. Lacking that, I will continue to provide input to the CC and PC via the Public Comment Process available.

- *“Pursue electric vehicle charging station funding.”*

It would appear that the Private Sector is working to develop the needed charging facilities. There is a new facility about to be available in the Albertson's Center next to McD's. It would be interesting to know how the Permitting process for this project was done. If there was any "public notification" of the plans for this facility and how the public will get an opportunity to be involved in the Staffs proposal.

- *"Promote Central Coast Community Energy (3CE) new construction electrification program." City staff published a climate action webpage where this information resides. "Create city webpage with links to energy efficient websites." City staff published a climate action webpage where this information resides.*

Please provide links to the above

- *"Elevate 'Climate Crisis' to 'Climate Emergency' by way of resolution and seek funding to move forward in this area." City Council approved a resolution to that effect in February 2022. It is not clear how the Climate rating system is being used. Please provide further clarification of Crisis vs Emergency and the source of this language.*

*Once the input was reviewed, it was clear that additional education was necessary before the electrification code could be brought back for City adoption*

Please provide details as to the information received that lead to the state conclusion that more work was needed.

*. The new plan was adopted by the SLO County Board of Supervisors in August 2022, and implementation is underway*

Please provide link to COSLO Homeless 10 year Plan.

*a warming center, but was not funded. Work continues to bring mental health resources to our homeless population, joining efforts that have been in place for years through the Estero Bay Alliance of Care and Los Osos Cares and Community Connections. The City continues to evaluate opportunities to lend its support to this important issue.*

I am currently working with representatives of the Five Cities Homeless Coalition to help facilitate a site in Morro Bay for expanded Homeless services. I will provide more to the CC and PC as this effort develops.

*a 5-year agreement with the Central Coast Boys and Girls Club*

Please provide link to copy of this agreement.

*the City has limited staffing and very ambitious goals and workplans. Adjustments may need to be made to staffing, training and equipment moving forward to ensure these goals can be achieved and workplans completed, and of course meeting those needs will be dependent upon available resources.*

*Current City Goals and Action Items Most Relevant to the Community Development and Planning Commission Goals*

Clearly the described goals in this report are too numerous for the capacity of Staff with current resources. It would seem that further engagement with the volunteers available in our community to assist with projects would be a potentially cost effective way to address this need.

Further, a ranking of issues to triage the issues by way of CC and PC importance would be useful to set an Order of Work so that the volume of projects is more manageable.

*Other Potential Goal Items*

*1. The Planning Commission has previously voted to recommend to City Council development of a historic preservation ordinance be added to the Council goals*

*2. At the February 14, 2023 Council meeting, the City Council voted to form an ad hoc committee to consider development of a downtown design district to address the height increase in the downtown.*

*Note: the above 2 action items could be housed under a Goal Title of "City Policy Update"*

I have and will continue to recommend that the CC and PC consider a Morro Bay Design Review Commission or Committee as a permanent adjunct to the Community Development process to review a specific set of Development proposals in a preliminary but public forum to allow for early on input by the public on projects that may develop into controversial items if approved at the Administrative level.

Historic Preservation, Signs of significance and other publicly visible issues being contemplated by other City departments would come under preliminary review by the MB-DRC.

The MB-DRC would also be charged with helping draft Design Guideline for the recently approved Down Town Area as to how the extended heights allowed by the revised Zoning Code would be regulated.

*to pick one major priority item*

It would appear that Staff would prefer to limit PC discussion to a focused "one item" rather than be involved in the rather extensive presentation of Community Goals. This seems to defeat the purpose of PC review of the issues

*Planning Commission areas of interest/authority?*

*4) Please provide any other input you think would be helpful with regard to City Goals and Action Items*

Please elaborate on what the areas of "interest/Authority" Staff feels that the PC has jurisdiction over per City regulations and State mandate.

*Attachment 1. City of Morro Bay 2022 Goals and Short Term Actions document*

Interestingly, this report from Staff is basically a digital restatement of the 2022 Goals statement as attached. Perhaps the CC and PC should be directed to review this document in advance of reading the Staff report as it would significantly shorten and simplify the context of this Staff Report.

Thanks for taking the time to review my comments.  
ts

Excerpts for the Staff Report-

It should be noted that **many of the City's core services do not fall under the proposed Council goals**, and staff continues to work to develop clearer ways to communicate key elements of broader City work plans and associated objectives that go beyond the five Council goals. The intent is to **capture and communicate all of the important day-to-day City functions that our community depends upon**. Further, staff continues to analyze our capacity to deliver core services and brought forward recommendations to Council as part of the (FY) 2022-23 Budget process and will do so again if needed through the mid-year budget process.

City Goals' Statements (2021-2022) The approved goal statements help define the goals and focus City actions and initiatives. Below are the statements for each of the goals:

Improve Public Infrastructure

- 1) Address cleanliness (while maintaining sensitivity to wildlife) and safety issues in heavy tourism areas and business corridors
- 2) Conduct a capital needs assessment**
- 3) Address traffic circulation in Embarcadero

Achieve Fiscal Sustainability and Economic Vitality

- 4) Create a plan to address the City's unfunded liabilities **while striving to achieve competitive compensation**
- 5) Determine potential paths to secure funding for capital needs (Harbor and other needs)
- 6) Support expedient catalyst site development

Address Housing Needs

- 7) Educate the Council on new and existing State legislation related to housing**
- 8) Identify the opportunities for additional housing options and/or explore partnerships to support these efforts
- 9) Continue the Community Development Department's efforts to expedite the development review process**

Climate Action

- 10) Participate with other cities in SLO County to support climate action planning efforts
- 11) Educate Council on the technical terms around climate action to support policy advocacy and the identification of critical next steps for Morro Bay
- 12) Consider opportunities to reduce reliance on carbon producing energy sources**

Improve Community Health

- 13) Create a plan to address immediate need for increasing COVID vaccination rates with an emphasis towards target populations with inequitable access or education
- 14) Educate Council and staff about Diversity, Equity, and Inclusion (DEI) and engage in a community conversation**

- **"Initiate work on paid parking pilot program and continue work on long-term plan."** Walker Consultants is under contract for the next phase of the pilot program, which includes seeking further input from the parking stakeholder group. It is expected that Advisory Boards and Council will review results of this next phase on the pilot in the next couple months.

- **"Pursue grant opportunities for the Coleman Beach area."** The City received a \$600,000 California State Prop 68 grants for improvements at the Coleman Beach park area. Staff will begin the planning process soon.

Achieve Fiscal Sustainability and Economic Vitality

- **"Seek state lobbyist contract to assist in obtaining state funding for City projects."** City Council approved **a contract with Townsend Public Affairs to represent the City on important state matters and pursue funding for City projects**. Council extended their contract, as well as the contract for the City's federal lobbyist (The Ferguson Group) through FY 2022-23.

- **"Assess viability for business improvement districts (BID) for Downtown and Embarcadero."** The City and Chamber are partnered to review this opportunity. A survey of businesses was conducted in those areas to assess needs and potential support for creation of a BID in mid-2022. **There appears to be interest in forming a BID, but no further action has been taken.**

- **"Review development opportunities for the Market Plaza property."** The City completed its Notice of Availability timeframe with regard to the State's Surplus Land Act (AB 1486), and can now pursue redevelopment opportunities on that site.

- **"Complete fee study (development impact fees)."** City staff will need to do an RFP for a new development impact fee study.

- **"Continue review of Vistra proposed battery project (BESS)."** Vistra has submitted a project application for the BESS project and removal of the decommissioned power plant and smoke stacks, an Environmental Impact Report is being prepared and a master plan process is underway

## Attachment 2

for the property. **There has been one master plan workshop**, stakeholder outreach is underway and the City has released a survey in support of the master plan process.

- “Assess cyber security needs.” C
- “Complete zoning code update.” City Council approved the zoning code update in fall 2022. A majority of the zoning is now in effect, **but there are portions of the zoning code that are pending before the California Coastal Commission**, with certification anticipated in spring 2023.
- “Develop stock Accessory Dwelling Unit (ADU) templates to provide to **public for free**.” ADU plans are complete and City is in the process of having them updated to the 2022 Building Code. Staff anticipates this work to complete soon, and relevant documents will be placed on the City website.
- “Provide update to Council on new state housing legislation (such as SB 9) and general education on housing.” **Council received an update on housing legislation and a general overview of City efforts to address housing needs in Morro Bay.**
- “Implement Housing Element.” The City updated zoning code was approved by City Council in November of 2022 and includes new inclusionary housing and density bonus policies. The **objective design standards are undergoing final City review** and will be complete in February/March of 2023.
- “Seashell Estate land use amendment regarding density.” City Council moved forward the process to upzone these properties, and that work is on-going. Based upon concerns of the Planning Commission and Chamber, The City Manager formed an ad hoc group of Councilmembers, Planning Commissioners, City staff and Chamber representatives on this item. Information from this group will **be presented to Council in 2023**. The owner of the Seashell Estate property **will be submitting an application** for a multifamily housing project in February/March 2023.
- “Complete Cityworks online plan check application.” Cityworks online is fully functioning, and City is now accepting electronic Building and Planning applications. Community Development has also incorporated an online plan check application, Digeplan, into Cityworks which allows for plan check to be completed electronically, eliminating the need for paper plans.
- “Initiate work with the Planning Commission ad hoc committee for the review of the planning process.” **The Community Development Director will be discussing this item with the Planning Commission as part of the goals discussion in February.**
- “Pursue funding to complete the Climate Action Plan Update.” City is actively reviewing grant opportunities to update the Climate Action Plan.
- “Pursue electric vehicle charging station funding.” The City has received grant funding for several chargers on the waterfront and staff is working through implementation efforts
- “Initiate implementation of SB 1383 (organic waste for residents and businesses).” Staff is coordinating roles and responsibilities for organic waste management with the Integrated Waste Management Authority of SLO County and Morro Bay Garbage, the City’s franchise waste hauler. These roles include food recovery program management, business waiver program, implementation of paper and organic procurement requirements, contamination monitoring, education and outreach, and changes in the collection system that ensure residents and business can comply with SB 1383. These local changes will support the State’s efforts to realize a 75% reduction in organic waste going to the landfill. This, in turn, will support reduction of greenhouse gases being emitted from decomposing organic material. Trash rate increases were approved following a Proposition 218 process in June 2022, to support this effort.
- “Promote Central Coast Community Energy (3CE) new construction electrification program.” City staff published **a climate action webpage where this information resides.**
- “Create city webpage with links to energy efficient websites.” **City staff published a climate action webpage where this information resides.**
- “Elevate ‘Climate Crisis’ to ‘Climate Emergency’ by way of resolution and seek funding to move forward in this area.” City Council approved a resolution to that effect in February 2022.
- “Implement 3CE Reach Code Incentive Program for new residential development.” City developed a draft electrification code and sent out a survey to gather input from the public on the draft ordinance. **Once the input was reviewed, it was clear that additional education was necessary before the electrification code could be brought back for City adoption.** The City is working with 3C-REN on an educational campaign for the electrification code. Improve Community Health
- “Provide education to City Council and Staff about Diversity, Equity and Inclusion issues.” Council has discussed these issues throughout 2022, and adopted different policies to support inclusion and belonging in the Morro Bay community and within the City.
- “Support SLO County Public Health communication efforts to vaccinate members of the Morro Bay community, particularly underrepresented communities.” The City continues to supplement County communications to the public regarding COVID-19 and vaccines/boosters through the City website, social media, local media, and at City Council meetings.
- “Inform the County process to update the 10-year plan on homelessness.” The City Manager is represented Morro Bay on the countywide group charged with updating the longterm plan to reduce homelessness. **The new plan was adopted by the SLO County Board of Supervisors in August 2022, and implementation is underway.**

## Attachment 2

- “Explore opportunities to support countywide efforts to address homeless issues on the North Coast.” The City applied for state funding to create a warming center, but was not funded. Work continues to bring mental health resources to our homeless population, joining efforts that have been in place for years through the Estero Bay Alliance of Care and Los Osos Cares and Community Connections. The City continues to evaluate opportunities to lend its support to this important issue.
- “Support Filipino-American group (FANHHS) rededication event of their historic monument at Coleman Beach.” City hosted the rededication event with FANHHS in October 2022 (at Coleman Beach) and coordination efforts are underway to help improve the monument area.
- “Review opportunity for Boy and Girls Club to offer teen services.” The City Council approved a 5-year agreement with the Central Coast Boys and Girls Club to provide teen services to Morro Bay residents out the Morro Bay Teen Center. They will open their doors in coordination with the beginning of the next school year.

### Organizational Capacity

Staff will continue to monitor staffing and other needs to achieve the action items (and additional action items added through the goal process) and carry out the remainder of staff duties. As members of Council acknowledged in the 2021/2022 Goals Workshop, the City has limited staffing and very ambitious goals and workplans. Adjustments may need to be made to staffing, training and equipment moving forward to ensure these goals can be achieved and workplans completed, and of course meeting those needs will be dependent upon available resources.

*DISCUSSION* The City is currently in the process of collecting community input, including asking each of the advisory boards and commissions for their thoughts and priorities. That input will be shared with City Council during a community forum, likely in late March 2023.

Below is a summary of current City Goals and Action Items having bearing on the Community Development Department and PC (for progress updates on the Action Items, please see above). Current City Goals and Action Items Most Relevant to the Community Development and Planning Commission Goals

- Improve Public Infrastructure
- Achieve Fiscal Sustainability and Economic Vitality
  - Housing
  - Climate Action

### Other Potential Goal Items

1. The Planning Commission has previously voted to recommend to City Council development of a historic preservation ordinance be added to the Council goals

2. At the February 14, 2023 Council meeting, the City Council voted to form an ad hoc committee to consider development of a downtown design district to address the height increase in the downtown.

Note: the above 2 action items could be housed under a Goal Title of “City Policy Update”

### Next Steps and Questions for PC to Consider

Staff recommends that PC members review the information above and ask questions of staff for any clarifications. Staff also recommends that PC members consider the questions below as a starting point for development of a goals recommendation to City Council. That summary will serve as the basis for the PC to deliberate and provide formal input to City Council to inform Council’s efforts to update the City Goals and Action Items.

#### Questions

- 1) If you had to pick one major priority item for Community Development Department and Planning Commission to work on, what would it be?
- 2) Do you believe the current five city goals reflect the priorities of the Community Development Department and Planning Commission? Yes/No
- 3) What action items should the City pursue related to the Community Development Department and Planning Commission areas of interest/authority?
- 4) Please provide any other input you think would be helpful with regard to City Goals and Action Items.

Attachment 1. City of Morro Bay 2022 Goals and Short Term Actions document



**AGENDA NO: D-2**

**MEETING DATE: March 21, 2023**

# Staff Report

**TO: Planning Commissioners                      DATE: March 15, 2023**

**FROM: Scot Graham, Community Development Director**

**SUBJECT: Public Benefits Subcommittee Report, Presentation and Discussion**

## **RECOMMENDATION**

Review the Public Benefits Subcommittee report, hear subcommittee presentation on report and discuss subcommittee recommendations and provide direction to Staff on desired next steps.

## **BACKGROUND**

The Planning Commission formed the Public Benefits Subcommittee (PBS) in 2021 to look at developing a list of possible public benefits that could be used to review projects that require extra or significant public benefit in relation to requests for exceptions from development standards for projects in the City's Planned Development (PD) Overlay or along the waterfront. The subcommittee consists of Commissioners Rodriguez and Ingrassia as well as Morro Bay resident Sean Green.

The PBS prepared a comprehensive report discussing the public benefits concept, where it typically applies, how it has been used in the past and proposes a suggested program for how the City could address the public benefits process in the future. The report largely refers to the significant public benefit process that results from development in the Planned Development Overlay that was found in the City's 1995 zoning code. While it is still true that requested development standard exceptions along the waterfront trigger the requirement for an applicant to propose greater than normal public benefit to achieve the requested deviation, the concept is less applicable to the new Planned Development Overlay policy in the new zoning ordinance. The new Planned Development Overlay policy (Chapter 17.18 of the new zoning code) typically applies to property in excess of a half acre in size and is meant to be utilized for improved coordinated development and includes development standards to better fit the project to the site. The new PD policy requires amendment of the City's zoning code/coastal implementation plan, which means a project would require Planning Commission review, City Council review and Coastal Commission review for certification.

## **The Program**

The following represents a brief summary of the public benefits program recommended by the PBS in their report. The full PBS report is provided as Exhibit A to the staff report.

The PBS developed a public benefit menu to be utilized in the review of new projects that require the provision of greater than normal public benefit in association with requested exceptions (See Exhibit B for the Public Benefits Menu). The plan goes on to suggest a more formalized public benefits review process that includes categorizing the size of development into Small (under 7,500 sq.ft.), Medium (7,501 – 15,000 sq.ft.) and Large (over 15,000 sq.ft.). The report also suggests each category of project size have a different public benefit review process, with Medium and Large projects required to incorporate opportunities for public input on the public benefits proposed outside the regular project review process. The program is outlined below followed by staff comment:

**“Small” Projects: One (1) public input opportunity**

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during ongoing negotiations. Applicant proactively proposes public benefits that more than offset public burdens of requested modifications. Planning Commission hearing is scheduled. Planning Commission agenda is published. (1) Public input is sought and received leading up to (and during) Planning Commission and/or Council hearing. Project is potentially approved.

Additional public outreach requirements beyond what are currently offered:  
None.

**Staff comment:** under current City policy, a project on the waterfront is required to obtain a Conditional Use Permit (CUP) that goes before Planning Commission for review and recommendation to City Council (CC), to CC for approval and subsequently to the California Coastal Commission (CCC) for approval of the Coastal Development Permit (CDP). Projects in the new PD overlay will also require PC review, CC approval and certification by CCC. I would also note that waterfront projects, and larger commercial/residential projects often go through a conceptual review process where project design, and public benefits are discussed at great length with the PC prior to scheduling a public hearing for consideration of the discretionary permits (CDP/CUP).

**“Medium” Projects: Two (2) public input opportunities**

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during annoying negotiations. **(1) City publishes 30-day window of public input opportunity to actively solicit public input. Public provides written input regarding public benefits.** Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(2) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

*Additional public outreach requirements beyond what are currently offered:  
30-day written window of public benefits input early in the process.*

**Staff comment:** Once an application is submitted for City review, the City has 30-days to review it for completeness. During this time the project is routed to other departments for comments and planning staff reviews for compliance with the submittal checklist and for

development standards compliance. This entire review process would potentially have to start over if the expectation is that the applicant would be responding to public input on the public benefits offered by redesigning the project. At this point in the process the project has already been designed and is being submitted for discretionary permit review and approval. The project review process is already lengthy for projects that are in this position. Also, see staff comments above under the “Small Projects” category. PC should discuss the impact related to requiring a separate outreach process outside the regular project noticing procedure, given this course of action would likely create delays in project processing.

**“Large” Projects: Three (3) public input opportunities**

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during annoying negotiations. **(1) City schedules public forum to present project and solicit public feedback. (2) City publishes 30-day window of public input opportunity in conjunction with the public forum to actively solicit public input regarding public benefits. Public provides input through either means above with respect to public benefits.** Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(3) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

*Additional public input requirements beyond what are currently offered:  
Public forum(s) 30-day written window of public benefits input early in the process.*

**Staff comment:** Same concerns as noted above for the “Medium Project” category, with the addition of concern related to the extra burden placed on staff for scheduling a public meeting separate from the regular and lengthy project review process. PC should discuss the impact related to requiring a separate outreach process outside the regular project review and noticing procedure, given this course of action would likely create significant delays in project processing.

**Public Benefits Menu**

The PBS created a public benefits menu to be used in the review of projects that require the provision of extra or significant public benefit (See Menu provided as Exhibit B). The public benefits menu includes the following proposed categories:

1. Beautification & Signage
2. History & Culture
3. Pedestrian & Bike
4. Transportation & Parkin
5. Utilities & Services
6. Harbor
7. Tourism & Economic Development\*
8. Community Resources

The information listed above is a summary of key items raised in the PBS report but for a comprehensive understanding of these concepts and their origin it is necessary to read the full report.

### **Conclusion**

The PBS has been working diligently on the creation of a public benefits program for well over a year. The Planning Commission should review the PBS report, presentation from the subcommittee, discuss the report recommendations and provide direction to staff on next steps. Once the Planning Commission finalizes the program, staff will return with the final program document and resolution for recommendation to City Council.

### **Exhibits**

- A. Public Benefits Subcommittee Report
- B. Public Benefits Menu

**Planning Commission Subcommittee Report**  
w/ “Public Benefits Menu”

Sean Green (at large)  
Joseph Ingrassia (PC)  
Mike Rodriguez (PC)

## **Background**

Per Morro Bay municipal code, there exists a number of scenarios in which project developers may be required to provide “significant public benefits” in addition to meeting or exceeding minimum planning considerations. Common scenarios include, but are not limited to, large-scale developments in [Planned Development \(PD\) zones](#) for which a modification is requested by the applicant (ex. maximum building height, minimum lot area, etc.). In such scenarios, the Planning Commission and Council reserve the right to review applicant requests to determine if “greater than normal public benefit” may be achieved by such deviation ([17.40.030](#)). Historically, this process has taken the form of ongoing negotiations between applicant and city staff, mostly absent specific guidance as to what types of “significant public benefits” are sought and expected by the city. The Planning Commission then, through public hearing(s) and staff recommendation(s), determines if “greater than normal public benefit” has been achieved in order to justify the proposed modification(s). **This subcommittee report aims to clarify ways in which “greater than normal public benefit” may be achieved, and to develop a framework within which future applicants may engage proactively in the process of attaching “significant public benefits” to their proposed projects.**

Other, related items that will not be specifically addressed by this subcommittee report include:

1. the more general term, “**community benefits**,” which may be used informally around town (and more formally in other jurisdictions’ zoning codes)
2. the term “**variances**,” which refer to code deviations outside of Planned Development (PD) zones (see [Chapter 17.44](#) for guidance regarding proposed variances)
3. The term “**conditions of approval**,” which typically require applicants to mitigate public burdens (ex. additional fire hydrant nearby to combat increased fire risk of flammable materials/structure); “conditions of approval” shall not be considered during Planning Commission’s deliberation of “greater than normal public benefits” required to justify an applicant’s modification of or deviation from code.

This subcommittee report makes no attempt to shed official light on the terms “community benefits,” “variances,” or “conditions of approval,” though in each of the three cases above, the underlying logic of minimizing public burdens while maximizing public benefits with respect to private development holds true.

## Subcommittee Formation

Historically, developers of certain project types within specific Morro Bay zones who are required by code to demonstrate “significant public benefits” have operated without precise guidance as to what exactly “significant public benefits” means. For example, there existed language in the recently superseded Morro Bay zoning code language that stated the following:

“Modifications of standards shall only be approved upon a finding that greater than normal public benefits may be achieved by such deviations. Such benefits may include, but are not limited to improved or innovative site and architectural design, greater public or private usable open space and provisions of housing for the elderly or low/moderate income families, provision of extraordinary public access, provision for protecting environmentally sensitive habitat (ESH) areas, but in all cases these provisions shall meet the coastal land use policies.”  
([17.40.30.D](#))

Because of the limited scope of guidance surrounding public benefits, per Community Development Director Scot Graham, he and staff often find themselves fielding questions from development applicants in Planned Development (PD) zones seeking modifications to city standards. In response, he and staff do their best to offer applicants suggestions and past examples of significant public benefits proposed by developers of similar projects, but as of yet, no official “menu” of sorts exists that applicants can proactively reference when proposing a project requiring said public benefits. Thus, the onus has generally been on applicants to initiate and submit ideas for “significant public benefits” without much formal guidance.

In 2021, the Planning Commission and city staff introduced the possibility of a subcommittee for the specific purpose of creating a public benefits “menu” from which future applicants of all project sizes and types may pull ideas for inclusion in their development application within PD zones. Such a list would not necessarily be prescriptive in nature, nor would an applicant’s inclusion of items from the list necessarily satisfy minimum “significant public benefits.” Instead, subcommittee members have been asked to provide the Planning Commission and staff an extensive list of the kinds of public benefits Morro Bay likes, wants, or needs, and which could partially or wholly offset additional public burdens brought on by modifications to development standards within PD zones.

Upon completion of a draft list of public benefits and, more importantly, the underlying methodology behind such a list, the Planning Commission and city staff may then discuss, amend, or advance this report to Council as desired.

### **Sub-Committee Members**

Joseph Ingraffia (PC)  
Mike Rodriguez (PC)  
Sean Green (at large)

### **Process/Meetings**

Meeting 1: July 15, 2021  
Meeting 2: October 13, 2021  
Meeting 3: February 7, 2022  
Meeting 4: February 15, 2022 (Planning Commission agenda item)  
Meeting 5: March 9, 2022  
Meeting 6: March 15, 2022  
Meeting 7: April 19, 2022 (Planning Commission agenda item)

### **2021-22 General Plan, Local Coastal Program, and Zoning Code Adoption**

Concurrent with (and subsequent to) the Public Benefits Subcommittee's focused efforts, the City of Morro Bay recently moved forward with its adoption of an updated General Plan (GP), Local Coastal Program (LCP), and Zoning Code by votes of Council. While some language and geography pertaining to Planned Development (PD) zones addressed in our committee's report has since changed, the underlying concept of public benefits as they relate to private development hold true. The Public Benefits Subcommittee's hope and intention is for city residents and stakeholders, city staff, and private developers to engage actively in mutually beneficial communication and outreach efforts early in the development process so as to maximize public benefits (where required) and minimize public burdens (where necessary) for the betterment of the community.

### **Introduction to Public Benefits Discussion: Case Studies**

In order to gain a better understanding of the kinds of development scenarios Morro Bay has encountered in the past and may likely encounter in the future that involve modifications to city standards in Planned Development (PD) zones (thus triggering the need for "significant public benefits"), the subcommittee began its work by seeking out past and potential future projects to serve as informal case studies to see how the public benefits process did or might evolve. Because some current PD zones are likely to change upon adoption of the in-progress zoning code update (expected 2022), the

subcommittee focussed its early efforts on current PD zones that are likely to remain as such moving forward:

- A. Morro Bay waterfront (Tidelands Trust lease sites)
- B. Morro Bay power plant and vicinity
- C. Atascadero Rd and Highway 41 corridor

**Case Study A: 833 Embarcadero**

Area A: Tidelands Trust lease site

Zone: PD/WF

Use: Mixed-use hotel/retail/restaurant



Within Morro Bay’s city-controlled Tidelands Trust lands along Embarcadero Rd (**Area A**) exist a series of land-side lease sites that regularly involve private redevelopment on publicly owned property. This Planned Development (PD) zone often sees applicant requests for modifications to city standards in Waterfront (WF) zoning; for example, the [Morro Bay Waterfront Master Plan](#) stipulates a maximum building height of 17 feet for developments west of Embarcadero but allows up to 25 feet if “significant public benefits” are demonstrated by the applicant as determined by city staff, the planning commission, and/or city council during the review and approval process.

Lot / Lease Width	Building Height	Min. View Corridor Width *	Sloping. Roof 4 in 12	Findings of Significant Public Benefit Required
49 ft. or less	up to 14 ft.	none	no	no
49 ft. or less	14 to 17 ft.	none	yes	no
49 ft. or less	17 to 25 ft.	30%, min. 8 ft.	yes	yes
50 ft. or more	up to 14 ft.	15%, min. 8 ft.	no	no
50 ft. or more	14 to 17 ft.	15%, min. 8 ft.	yes	no
50 ft. or more	17 to 25 ft.	30%	yes	yes

In recent years, several waterfront lease sites have proposed 25-foot building heights subject to findings of “significant public benefits.” One recent case study the subcommittee reviewed was [833 Embarcadero](#), which was approved for new construction at 25 feet building height subject to a finding of “significant public benefits.” Among the public benefits considered to be significant by city staff, the planning commission, and council were **improvements to harborwalk connectivity, significantly expanded harborwalk width, additional 5-foot vertical accessway, cultural/historical signage, children’s playground equipment, public seating, and public restrooms**. The subcommittee considers this project a relatively successful, balanced project that delivers significant public benefits in exchange for additional public burdens that necessarily resulted from the applicant’s requested (and city-approved) modifications to city standards.

### **Case Study B: Morro Bay Power Plant**

Area B: Morro Bay power plant and vicinity

Zone: PD/M-2/M-1/I

Use: TBD

At the north end of Morro Bay’s Embarcadero Road (**Area B**) sits the former Morro Bay power plant site that is likely to play an important role in the city’s future. The Public Benefits Subcommittee recognizes this importance and considers the public benefits process essential to the success of any future development at this site. Because the Planning Commission’s general role in large-scale development is to provide recommendations to city council, the subcommittee hopes and expects that city council, staff, and the private developer will actively engage the Planning Commission and the general public in a meaningful public benefits process in order to generate a site-specific list of potentially significant public benefits appropriate to the site and project (not unlike the public benefits conditioned to successful Case Study A above).

To this end, Vistra Energy, the site’s current owner, presented an early concept plan to city council on January 26, 2021 for potential development of a 273,000 s.f., 600MW battery storage facility. Subsequent to Vistra’s presentation to council, a two-member subcommittee of City Council was formed, consisting of Mayor Heading and Councilmember Addis, that began preliminary discussions regarding the future of the former power plant site (Morro Bay Power Plant subcommittee). Following the results of the 2022 election, a new Morro Bay Power Plant subcommittee of Council was formed, consisting of Mayor Wixom and Councilmember Edwards, that will likely continue working with staff, Vistra, and the community in regards to the site’s future. It is the Public Benefits Subcommittee’s understanding that public benefits are and will remain part of these ongoing discussions. **Our committee’s hope and intention is for us to**

**remain a resource as site-specific public benefits ideas are solicited from the community, compiled by staff, requested of the applicant, and negotiated in good faith with all relevant stakeholders, if and when a proposed project moves forward.**

With respect to past and current public outreach efforts at the Morro Bay Power Plant site (Area B), recent meetings have taken place during which the community's feedback was solicited and/or the community's questions answered. On September 14, 2022, a *Master Plan Community Workshop* was held at which Rincon Consultants, hired by the City, facilitated breakout sessions with local stakeholders and concerned citizens, the purpose of which was to solicit responses from the community about what kinds of features, amenities, and uses they would like to see incorporated into a potential master plan for the Morro Bay power plant site. Additionally, on November 16, 2022, a public forum was held, this time in the form of informational signage, kiosks, and one-on-one conversations with Vistra representatives (not a city-sponsored event), the purposes of which were to answer community questions and address concerns. And then most recently, on January 20, 2023, the City of Morro Bay published a comprehensive community survey asking residents for written feedback regarding similar questions as those presented at the 2022 *Master Plan Community Workshop*. Responses are being accepted through February 17, 2023, the results of which will presumably be compiled and presented by city staff at a future public meeting.

Community Survey on Power Plant Master Plan (1/20/23):

<https://www.surveymonkey.com/r/388GTRF>.

Posted on: January 20, 2023

#### Community Survey Available for Power Plant Master Plan



**New!** The City is seeking community feedback as part of the development of a Master Plan for the 95-acre Morro Bay Power Plant property via an online survey [here](https://www.surveymonkey.com/r/388GTRF). The Master Plan will establish a vision and plan for growth and development of the Power Plant site and surrounding area. The survey focuses on land use preferences, circulation improvements, and design amenities.

We want to hear from you. We invite all community members to complete and submit survey responses by Friday, February 17, 2023.

For more information on the Master Plan and related BESS project, visit [www.morrobayca.gov/bess](http://www.morrobayca.gov/bess). For staff questions, contact Cindy Jacinth, Senior Planner at [cjacinth@morrobayca.gov](mailto:cjacinth@morrobayca.gov).

<https://www.surveymonkey.com/r/388GTRF>

Given the ongoing public outreach attempts already underway at the Morro Bay power plant site, **our committee will not present Vistra-specific public benefits recommendations at today's meeting but asks the Planning Commission to recommend full publication of the January 20th community survey upon its**

**completion** to be utilized by all stakeholders in future public benefits discussions. For the purposes of today's committee report, suffice it to say that any future project at the former Morro Bay power plant site, if requesting modifications to city standards in a Planned Development (PD) zone, would likely be subject to the same public benefits process and methodology as other development applicants, commensurate with size and scope of proposed modifications of city standards and the project itself.

In summary, the Public Benefits Subcommittee generally supports inclusive, meaningful public outreach efforts with respect to large-scale private development, especially those efforts undertaken well in advance of formal development applications, whether voluntarily initiated by private developers or required of them. Our committee's hope is that strengths and weaknesses observed through past public outreach attempts such as those referenced in Case Study B above can serve as learning opportunities for future collaboration between private developers, city staff, and the Morro Bay community. In particular, this most recent public outreach attempt in survey format represents a positive step in the direction of public-private synergy such that private developers may receive clearer messaging about the community's top priorities, preferences, questions, and concerns prior to submitting development applications.

### **Case Study C: 295 Atascadero Rd**

Area C: Atascadero Rd and Highway 41 corridor

Zone: CV-S/PD

Use: Hotel

North of the Morro Creek Bridge, eastbound Atascadero Road begins; it proceeds toward (and under) Highway 1 before becoming eastbound Highway 41 (**Area C**). Immediately northwest of the Highway 1/Atascadero Road junction is an 83-room hotel project at 295 Atascadero Road that was recently approved by the Planning Commission and city council subject to public benefits conditions. Like Case Study A above, a major modification of city standards was requested in order to exceed maximum building height, this time within a CV-S zone (35 feet proposed; 30 feet maximum).

During staff and Planning Commission reviews and public hearings, the absence of specific city guidance regarding "significant public benefits" was expressly discussed with respect to the triggering request for building height modification. Without prescriptive guidance from the City, it was and remains understandably difficult for development applicants to "guess" the kinds of public benefits that may offset the public burdens resulting from modifications to city standards. In the case of 295 Atascadero Road, the applicant, with assistance from city staff and Planning Commissioners,

eventually proposed **improvements to pedestrian safety, bicycle parking, and public EV charging stations** as part of their development application and hearing presentation. After some deliberation about whether to require Level 1 versus Level 2 charging stations, the Planning Commission ultimately settled for Level 1 chargers (or applicant's choice), along with the other items listed above, and approved the project's height modification with required finding of "significant public benefits."

While the public benefits subcommittee feels that greater public benefits could be expected of an applicant who requests material modification of city-standard maximum building height in a Planned Development (PD) zone, Case Study C serves as a useful example of the kinds of site-specific (or site-adjacent) public benefits that future applicants may proactively incorporate into their projects with the help of an approved public benefits menu. Not only would such a list help to ensure that "significant public benefits" proposed by applicants more than offset public burdens resulting from modifications of city standards in PD zones, but it may also help to reduce staff and applicant time and effort spent navigating the obscure public benefits process as it currently stands.

### **Introduction to Public Benefits Discussion: What Other Jurisdictions Have Done**

While Morro Bay currently has only limited language in its zoning code to address public benefits requirements of new development projects, other jurisdictions have created more advanced platforms. Redwood City, CA, for example, contracted with urban and regional planning consultant Dyett & Bhatia to create their [2014 Community Benefits Program Brief](#). Within the report, D&B referenced additional cities who have engaged in the process of addressing public benefits, including Emeryville, Santa Monica, San Diego, Seattle, and San Jose.

In Dyett & Bhatia's report, a number of similar questions to those Morro Bay will face are introduced on p. 7:

1. How will the relative value of benefits be calculated?
2. How will the benefits be prioritized?
3. Who will decide?

Redwood City's report briefly answers these questions before moving on to their "Calculating the Value of Incentives and Benefits" discussion and related table (p. 8). Through a detailed points system, Redwood City attempts to quantify each type of benefit proposed by an applicant, an ambitious effort that seeks to reduce subjectivity and negotiation as much as possible. While Morro Bay is still early in the process of developing public benefits guidance specific to Planned Development zones, the examples above are worth exploring in greater detail as our efforts evolve.

Also described in the Dyett & Bhatia report, the city of Emeryville, CA, which is similar in size to Morro Bay, developed a points-based system of its own (p. 33) that categorizes potential public benefits as follows:

1. Public Open Space
2. Sustainable Design
3. Alternative Energy
4. Water Efficiency
5. Flexible Public Benefit (open to planning commission determination)

Important to note, some of these categories pertain to on-site upgrades that, in addition to providing private advantages, benefit the public more indirectly than, say, an off-site physical improvement to city infrastructure. **The Public Benefits Subcommittee believes there are many ways for the public to benefit both indirectly and directly from “upgrades” located on or off-site, as long as conscientious developers and city staff engage proactively in public benefits discussions early on.** For example, while some projects may be appropriately paired with tangible, infrastructure-related public benefits, others may be appropriately paired with less tangible, more theoretical public benefits such as low income housing, senior housing, historical preservation, cultural heritage, open space, recreation, etc. Furthering the public benefits conversion in our local community and expanding public benefits offerings available to private developers for inclusion in future projects are the primary aims of this report.

### **Public Benefits Discussion: General Morro Bay Applicants**

Because Case Study Areas A, B, and C discussed above represent the largest and most visible Planned Development (PD) zones in Morro Bay, they served as excellent starting points for the subcommittee’s brainstorming process with respect to future projects in all Planned Development (PD) zones seeking modifications of city standards. With the above case studies in mind, the subcommittee sought to apply similar methodologies city-wide in order to create not only a broad list of potentially “significant public benefits” that any PD-zoned project could (and should) consider in advance of submitting a planning application that requires such benefits, but the underlying logic behind such a list as well.

The subcommittee believes that Planning Commission and Council approval of public benefits guidance, even if non-prescriptive in nature, may help encourage applicants to proactively engage in public benefits discussions and brainstorming in advance of submitting requests for modifications within Planned Development zones as part of their development applications. Further, with public benefits guidance in hand, possibly in conjunction with a “public benefits menu” as described above and below, applicants and

city staff should be better equipped to work together in the early planning stages so as to properly balance public burdens and benefits and to maximize likelihood of project approval at the Planning Commission and Council levels.

For the sake of further developing the Morro Bay “public benefits menu” concept, should the Planning Commission see fit, an exercise or experiment could be performed that simulates one or more hypothetical project proposals in Planned Development zones, each of which represents a different project size or scope, and each of which includes one or more requested modifications of city standards. Then, given the relative size or scope of each project, as well as the magnitude of the project’s requested modifications of city standards, participants in the exercise could suggest potentially significant public benefits, the inclusion of which may partially or wholly offset the public burdens of requested modification(s) and warrant approval of requested modifications. Essentially, that type of exercise would replicate what has historically been asked of city staff and past Planning Commissioners on a case-by-case basis absent formal guidance on public benefits. It is also the type of exercise that the Public Benefits Subcommittee regularly grappled with over the course of our public benefits review process.

For the sake of expediency, the Public Benefits Subcommittee, during its several discussions of past, present, and potential future projects required to provide “significant public benefits,” identified the following key factors for the Planning Commission to consider and explicitly address:

- I. Triggering mechanism for public benefits review
- II. Project size, scope, or other determining factors
- III. Size, scope, or nature of requested modifications
- IV. Size, scope, or nature of satisfactory public benefits
- V. Public input opportunities specific to public benefits (current)
- VI. Public outreach opportunities specific to public benefits (future)

Each item will be discussed in greater detail below.

### **I. Triggering Condition(s) to Initiate Public Benefits Review**

As mentioned earlier in this report, the subcommittee’s efforts to date have been focused on Planned Development (PD) zones in which an applicant seeks modifications of city standards. The triggering mechanism that currently requires a formal public benefits process be initiated is a developer’s submission of a development application that seeks one or more modifications within a PD zone. At present, that process is case-by-case, time-consuming, and subjective, and city staff and the applicant engage in ongoing negotiations prior to the Planning Commission hearing at which Planning

Commissioners weigh public benefit against public burden to determine whether or not to approve the requested modification(s) and project overall.

The public benefits subcommittee, in agreement with Community Development’s ongoing efforts to streamline the overall planning review process, feels the public benefits review process can and should become clearer and more standardized for all parties. That said, **the initial triggering mechanism for public benefits review likely will remain as is: any PD-zoned applicant requesting a modification of city standards as part of their development application can be expected to participate in a public benefits review process.** How that process plays out beyond the initial triggering mechanism, however, is up for discussion and will likely be determined, in part, by factors such as size or scope of project itself, or size of scope of requested modifications, or other factors yet to be identified.

**II. Project Size, Scope, or Other Determining Factors**

The practical implementation of a “public benefits menu” – in particular, how best to differentiate between projects of varying sizes and scopes (if at all) – was a challenge for the subcommittee. While it remains true that the magnitude of “significant public benefits” required of PD-zoned applicants seeking modifications ought to be commensurate with project size, scope, or magnitude of requested modification, the subcommittee also felt that **an important part of any public benefits review process, especially for large projects that shape the future of Morro Bay, is public outreach that encourages meaningful public participation in that very process.** As such, the subcommittee felt it additionally valuable to create categories of potential projects.

For the sake of discussion, the subcommittee began with the somewhat arbitrary labels “small,” “medium,” and “large” to simply define potential projects by size. Using these terms as a helpful starting point, the subcommittee then identified a number of past, present, and future projects that might be considered “small,” “medium,” and “large,” again for the sake of discussion:

<b>“Small”</b>	<b>“Medium”</b>	<b>“Large”</b>
Gray’s Inn/Kayak Shack	Rose’s Landing	Market Plaza
Aquarium/Three Stax	The Landing at MB	MB Elementary
Salt Building/571 Emb.	Off the Hook/833 Emb.	MB Power Plant

Taking project size a step further, the subcommittee then discussed what exactly project size means and how that might be determined objectively for the purposes of identifying which public benefits review pathway (if more than one) a project might follow if requesting modifications to city standards in a Planned Development (PD) zone.

The table below is the result of that discussion:

	“Small”	“Medium”	“Large”
Building Size (in s.f.)	Under 7,500 s.f.	7,500 s.f. - 15,000 s.f	Over 15,000 s.f.
Lot Size (in (s.f.))	TBD	TBD	TBD
Valuation	TBD	TBD	TBD

As shown above, building square footage was the easiest to identify on development application and/or through public records without much staff time or additional research. Lot size, project valuation, and other factors are certainly worth considering as determining factors in lieu of project size or scope - the subcommittee considered them as well - yet the subcommittee consistently returned to the idea that **building square footage is likely the most useful determining factor if, in fact, a multi-pathway approach to public benefits review were to be implemented.** After all, parcel size is likely less indicative of a project’s physical impact, project valuation likely creates much more room for subjectivity than the more objective calculation of building size, and no other determining factor surpassed building square footage as triggering factor during the subcommittee’s discussion.

It should be noted that, in addition to building size, subcommittee members generally agreed that size or scope of a project’s proposed modification(s) to city standards must be additionally considered when weighing proposed public benefits against public burdens. Yet again, total building square footage remained the most agreeable (and readily available) filtering mechanism to guide applicants to the appropriate public benefits pathway, if in fact multiple pathways or categories are devised. Thus, if it is the Planning Commission and staff’s decision to implement two or more pathways for public benefits review, as is the subcommittee’s recommendation, **it seems reasonable that proposed building square footage can serve as an appropriate determining factor in future guidance.**

### III. Size, Scope, or Nature of Requested Modifications

Just as it feels reasonable to categorize proposed projects by building size to determine the extent to which public benefits review must specifically take place, it also feels reasonable for project applicants, city staff, and approving boards to consider the magnitude or severity of requested modifications of city standards. For example, it feels reasonable to say that a requested modification of one inch (1”) above maximum building height in a Planned Development (PD) zone, while still not allowed by code, is less burdensome to the public than, say, a building height modification request of ten

feet, or that a request to replace one full parking space with a compact parking space is less burdensome to the neighborhood than a modification request to eliminate several required parking spaces. However, as it pertains to categorizing proposed projects early in the planning review process, the infinite possibilities and magnitudes of potential modification requests make standardizing or codifying size or scope of potential modifications nearly impossible.

The subcommittee agrees that the relative size, scope, or magnitude of requested modifications to city standards absolutely plays an important role in determining whether or not proposed public benefits more than offset public burdens resulting from requested modifications to city standards, but as for determining which public benefits pathway a proposed project must follow, building square footage remains the best option in the subcommittee's eyes.

#### **IV. Size, Scope, or Nature of Satisfactory Public Benefits**

As mentioned in previous sections of this report, historically, the City's practice when it comes to public benefits has essentially been case-by-case, which is admittedly obscure and cumbersome, but thoughtful and diligent at the same time. When evaluating whether an applicant's proposed public benefits more than make up for the request modifications of city standards, Planning Commissioners receive staff recommendations and use personal judgment to weigh the value of proposed benefits against any public burdens directly or indirectly resulting from private development. While the Public Benefits Subcommittee was formed for the purpose of simplifying the concept of public benefits, the process of public benefits review, and the inclusion of public benefits in development applications requiring such benefits in Planned Development zones, our committee is reluctant to assign specific values to specific public benefits or to establish a potential points-based system at this time. Instead, the committee wishes to again reiterate the overarching notion that **any project requiring "significant public benefits" should be expected to propose public benefits with size, scope, or significance commensurate with the size, scope, or significance of proposed modifications of city standards and the size, scope, or significance of the project itself.**

#### **V. Public Input Opportunities Specific to Public Benefits (current)**

At present, the general planning review process for most new development projects in Morro Bay, particularly those that would be considered "small" per the categories above, culminates in a single public hearing at the Planning Commission level. It is at that hearing that the public is invited to provide comments in person, by phone, or over Zoom. Additional comments can be emailed to the Planning Commission, though emailed comments to the Planning Commission are not presently being made public. Notice of Planning Commission hearings are posted as yellow signage on the proposed project site in advance of the hearing, and yellow paper notices are mailed to owners of

properties located within 500 feet of the proposed project approximately 10 days prior to the hearing.

Though no specific public benefits review process is formally in place, nor is public input expressly sought with respect to public benefits in most circumstances, applicants proposing projects that request modifications to city standards in PD zones are required to engage in public benefits discussions with city staff, the results of which appear in the published agenda and staff report prior to the Planning Commission hearing. Interested members of the public can always proactively read through published Planning Commission agenda items if wishing to weigh the merits of a proposed project, including the public benefits proposed in order to offset requested modifications of city standards. Members of the public may address the Planning Commission publicly in the moment before the Commission's deliberation and determination of approval. Interested members of the public may also subscribe to city notifications, which include announcements of published agendas.

However, at present, at no point in the process is public input on potential public benefits required to be expressly solicited, and only at the determining hearing is the Planning Commission asked to weigh proposed public benefits against potential requests for modifications to city standards in PD zones. **It is the subcommittee's recommendation that "small" projects continue to follow the current planning review process, except with the additional, user-friendly assistance of a "public benefits menu" that may serve as a starting point for discussions regarding public benefits between the applicant and city staff.** The subcommittee feels comfortable with current public input opportunities regarding public benefits for "small" projects in PD zones requesting modifications of city standards.

As for "medium" and "larger" projects that are more likely to require multiple Planning Commission hearings and impact Morro Bay neighborhoods and future to a greater extent, **it is the subcommittee's recommendation that "medium" and "large" projects, if requesting modification(s) to city standards within a PD zone, require additional public input opportunities regarding public benefits.** What exactly that process looks like is up for discussion, but it should not be considered additionally burdensome to development applicants or staff in whatever shape or form that process eventually takes. It should be noted that the subcommittee supports Community Development's efforts to streamline the planning review process overall and is hopeful that improvements to clarity and process specifically pertaining to public benefits will aid in those efforts. Any suggestion that public benefits should be additionally considered by applicants and staff should not be seen as an effort to increase time and effort required of an applicant or staff, nor to increase scrutiny of a project. Instead, by making clearer the expectations for applicants, the subcommittee feels that a simple, formalized public benefits review process for "medium" and "large" projects will facilitate proactive

engagement between applicants, staff, and the public well in advance of Planning Commission hearing dates. Thus, in most cases, a smoother, more efficient, more positive planning review process (and subsequent hearing and approval) can be facilitated.

#### **V. Public Outreach Opportunities Specific to Public Benefits (future)**

If the Planning Commission does indeed consider the Public Benefits Subcommittee's recommendation to create one or more additional public input (or active "outreach") opportunities specific to public benefits for "medium" and/or "large" projects requesting modifications to city standards in Planned Development (PD) zones, then the next step would be to formulate one or more new pathways for impacted projects to be routed. Because the primary aim of such pathways would remain as is (the achievement of "greater than normal public benefit" to offset deviations from code), no philosophical changes are being proposed. Instead, the public benefits subcommittee focused on practical approaches to public benefits review that may streamline the overall planning review process while also increasing clarity, positivity, and transparency for all stakeholders, the general public included.

So what exactly might such additional public outreach opportunities look like?

#### ***One Size Fits All***

One option for the Planning Commission's consideration would be for all affected projects – that is, "small," "medium," and "large" project within PD zones that request modifications to city standards – to follow an identical process (i.e. one size fits all), which may conclude with public hearings at the Planning Commission (and sometimes Council) level. In this approach, only at this (or these) scheduled public hearings, or in writing prior to those hearings, would the public's input be solicited prior to the Planning Commission's and/or Council's decision to approve or deny the project. The subcommittee felt this option offers useful consistency but may fail to appropriately address the potential impacts of large-scale development, especially for projects seeking material deviations from city code. Additionally, public engagement in this review process depends heavily on reactive public response rather than proactive public outreach. Due to general impacts of significant developments and the opportunities that are likely to present themselves through proactive public outreach, it was determined by the subcommittee that "medium" and "large" projects warrant greater public outreach regarding public benefits than a one-size-fits-all approach that limits public participation to a single public hearing at which all other aspects of the project are being discussed and deliberated upon.

#### ***Case by Case***

Another possible approach to receiving outside input during public benefits review that the subcommittee considered is a case-by-case, customized approach whereby city staff, in conjunction with the overall planning review process, may seek out or solicit input regarding public benefits, if staff feels it appropriate and useful to do so in order to increase a project's overall application and chances of Planning Commission approval. That additional input could be sought out in whatever way staff sees fit, whether formally through public forums (as seen recently in Case Study B above), formally through public agenda items at the Planning Commission level separate from the project's hearing date, less formally through subcommittee or ad hoc committee efforts, informally through local experts, neighbors, or active citizens, or by other means. The upside of a case-by-case approach is that city staff reserves the flexibility to engage the public as much or as little in the public benefits review process as they deem appropriate and useful given the size, scope, or magnitude of the project and/or of the requested deviations from city code. The downsides of such a customized approach would be the strain on city staff in terms of time, effort, and responsibility, as well as the general public's uncertainty surrounding public benefits review in terms of when or if the public's feedback regarding public benefits would be additionally considered beyond the usual opportunities at scheduled public hearings. As such, it is the subcommittee's opinion that, despite the positive direction of recent public outreach attempts specific to Case Study B, a more consistent approach to public outreach with respect to public benefits review is necessary to establish. Deviations from that new approach may then be possible as long as those deviations are considered above and beyond the minimum thresholds established for public outreach efforts with respect to public benefits review.

### ***Pathway Approach***

The last approach considered (and embraced) by the subcommittee is a pathway (or pipeline) approach using the same "small," "medium," and "large" categories described in previous sections of this report. In this pathway approach to public outreach with respect to public benefits review, **once an applicant's project application has been received (Step 1), has been determined to be located in a Planned Development (PD) zone (Step 2), and has been determined to include one or more modifications to city standards (Step 3), city staff would then route the project through the proper public benefits review pathway** using whatever factor the Planning Commission deems most appropriate in order to categorize the project (the subcommittee recommends building square footage). If the subcommittee's recommended pathways for "small," "medium," and "large" projects were to be adopted, the public benefits review process – a process that is not a separate process from the overall planning review process but rather a component of it – may appear as follows with respect to public participation:

*NOTE: Numbered items below represent distinct public outreach opportunities.*

*Pathway A [or Pipeline A]*

**“Small” Projects: One (1) public input opportunity**

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during ongoing negotiations. Applicant proactively proposes public benefits that more than offset public burdens of requested modifications. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(1) Public input is sought and received leading up to (and during) Planning Commission and/or Council hearing.** Project is potentially approved.

*Additional public outreach requirements beyond what are currently offered:  
None.*

*Pathway B [or Pipeline B]*

**“Medium” Projects: Two (2) public input opportunities**

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during annoying negotiations. **(1) City publishes 30-day window of public input opportunity to actively solicit public input. Public provides written input regarding public benefits.** Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(2) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

*Additional public outreach requirements beyond what are currently offered:  
30-day written window of public benefits input early in the process.*

*Pathway C [or Pipeline C]*

**“Large” Projects: Three (3) public input opportunities**

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during annoying negotiations. **(1) City schedules public forum to present project and solicit public feedback. (2) City publishes 30-day window of public input opportunity in conjunction with**

**the public forum to actively solicit public input regarding public benefits. Public provides input through either means above with respect to public benefits.** Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(3) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

*Additional public input requirements beyond what are currently offered:*

*Public forum(s)*

*30-day written window of public benefits input early in the process.*

In summary, the subcommittee feels that “small” projects may continue to follow a similar process to what is currently in place regarding public participation in public benefits discussions, which is the opportunity to provide public comment in person or in writing during or immediately prior to scheduled hearings at the Planning Commission and/or Council levels (Pathway A above). “Medium” projects would include the same public participation opportunities as “small” projects but add an additional public participation opportunity in the form of a 30-day public input window regarding public benefits (Pathway B above). And “large” projects would offer the same public participation opportunities as “medium” projects but add an additional public forum (or more) specifically designed to solicit public input regarding public benefits (Pathway C above).

	<u>Small (A)</u>	<u>Medium (B)</u>	<u>Large (C)</u>
1. Public Outreach Forum			x
2. 30-day Window for Public Input		x	x
3. Planning Commission Hearing	x	x	x

The underlying logic behind a pathway (or pipeline) approach would be to get all stakeholders on the same page early on in the overall planning review process, to standardize and codify the public benefits review process, to simplify and streamline negotiations between applicants and city staff, to solicit public input well in advance of Planning Commission hearings, and to maximize approval rates of projects we can all be proud of.

**Categories of Public Benefits**

When it came time to draft a more formalized list of public benefits for the “public benefits menu” from which development applicants may derive inspiration for future project proposals (the initial aim of this subcommittee), subcommittee members first revisited the categories used by the city of Emeryville, CA, as previously discussed:

1. Public Open Space
2. Sustainable Design
3. Alternative Energy
4. Water Efficiency
5. Flexible Public Benefit (open to planning commission determination)

While the subcommittee appreciated the underlying logic of these categories, we generally favored categories that felt more tangible than those listed above. An early draft of the subcommittee's efforts to categorize potential public benefits used the various Morro Bay city departments as category headings (Public Works, Parks, etc.). Unfortunately, because the vast majority of brainstormed benefits seemed to fall under Public Works, a better organizational system was sought out. In the end, the eight (8) categories below felt most appropriate at this early stage, seemed to suit Morro Bay well, and offered developers a healthy range of choices from which to choose.

#### **Draft A (prelim)**

Community Development  
 Public Works  
 Parks and Recreation  
 Public Safety  
 Finance  
 Harbor  
 Tourism

#### **Draft B (proposed)**

1. Beautification & Signage
2. History & Culture
3. Pedestrian & Bike
4. Transportation & Parking
5. Utilities & Services
6. Harbor
7. Tourism & Economic Development\*
8. Community Resources

\*Further discussion of Category 7 (Tourism and Economic Development) can be found later in this document but can be summarized as such: **increases to city sales tax, property tax, or transient occupancy tax (TOT), or other financial certainties of any successfully operated business are not to be considered "significant public benefits" or "greater than normal public benefits"** for the sake of public benefits review.

The subcommittee acknowledges that many items on the "public benefits menu" could likely fall into multiple categories listed above, but we still found value in grouping similar types of benefits into larger categories for the sake of staff, Planning Commission, and developer ease of use. The subcommittee recommends that, after reading this subcommittee report, the Planning Commission and staff discuss the appropriateness of said groupings and propose alternative categories or language as desired. Should Morro Bay opt for similar (or equally theoretical) groupings as those implemented in Emeryville, the subcommittee believes a potential disconnect between on-site upgrades

proposed by applicants (subjectively private) and off-site upgrades sought by city stakeholders (objectively public) may prevail. Because the primary aim of the “significant public benefits” requirement for PD-zoned projects requesting modifications of city standards is to offset the potential public burdens of deviations from city code, the subcommittee found it appropriate to focus as much of the public benefits menu as possible on tangible, off-site benefits as opposed to less tangible and/or on-site benefits. As such, our preliminary categories remain the eight (8) listed in Draft B above, which does include a “Community Resources” category that may usefully capture less tangible, more theoretical public benefits such as low income housing, senior housing, historical preservation, open space, etc.

### **Public Benefits Menu (spreadsheet draft)**

Attached in Appendix A is a preliminary list of “significant public benefits” put forth by subcommittee members (and a handful of public commenters and community stakeholders) that may serve as a starting point for Planning Commission discussion and, eventually, for a “public benefits menu” to be utilized by city staff, development applicants, and others involved in the planning review process:

#### [Appendix A: “Public Benefits Menu”](#)

Our hope in presenting this menu – and the subcommittee report as a whole – to the Planning Commission is that, subsequent to today’s meeting, the general public, interested advisory boards, city staff, and the Planning Commission (again) may contribute additional ideas that ultimately lead to an approved public benefits review process for “small,” “medium,” and “large” projects seeking modifications to city standards, and for an approved “Public Benefits Menu” (general or specific; non-prescriptive) to be published citywide for the collective benefit of all stakeholders.

### **Tax Revenues as “Greater Than Normal Public Benefit”?**

In the past, some developers seeking modifications of city standards in Planned Development (PD) zones have argued that increased city tax revenue should be considered a public benefit that partially or wholly offsets the public burdens brought on by deviations from code. While the public benefits subcommittee recognizes that city budgets benefit from increased tax revenue, our committee strongly rejects the argument that increased tax revenue resulting from a commercial entity operating in the normal course of business represents “greater than normal public benefit” for the purposes of planning review and recommends that the Planning Commission does as well. Further, the subcommittee sees value in explicitly stating that **any proposed commercial development that positively impacts city collection of Transient Occupancy Tax (lodging), Sales Tax, Property Tax, or other fees should not receive consideration for providing “significant public benefits” simply by conducting their proposed business in a way that any such business would**

**normally be conducted.** In other words, Morro Bay can reasonably expect to receive TOT from every lodging entity, just as we can reasonably expect to receive sales tax revenue from every entity that lawfully charges sales tax and property tax from every parcel on file with the County assessor. Thus, these tax revenues ought not to constitute “significant public benefits” or “greater than normal public benefit” for the purposes of planning review.

### **Mitigation, Proportionality, and Nexus**

As part of the subcommittee’s efforts to create a public benefits review process and related “menu” that benefit not only the City of Morro Bay and its residents, businesses, and visitors, but that benefits development applicants as well. The subcommittee did its best to think beyond mitigation alone, as mitigation of public burdens is only one aspect of the public benefits discussion. Further, per the “conditions of approval” expectations set by the Planning Commission and city staff, mitigation of new public burdens does not constitute “greater than normal public benefit” required to offset deviations from code. Thus, additional public benefits ideas must be generated that go above and beyond simple **mitigation** of burdensome impacts.

At the Planning Commission’s 2/15/22 meeting, two terms were introduced that may be further considered for the sake of future public benefits discussion and linkage between specific projects and the proposed public benefits attached to them: **proportionality** and **nexus**. Whether “proportionality” of expected public benefits is determined by project size, scope, valuation, or magnitude of proposed deviation(s) from city code, it goes without saying that “large” projects that impact the City and its residents, businesses, and visitors will be expected to provide “significant public benefits” greater than those expected of a “small” or “medium” project applicant. What may not go without saying – and should be reiterated – is that **public benefits expectations should be commensurate with size and scope of proposed modifications of city standards and/or proposed project size and that public participation in the public benefits review process should also be proportional to project size, scope, or magnitude of deviation from code**. In other words, in addition to greater public benefits expectations for “large” projects that request highly impactful modifications to city standards, greater opportunities for public participation in the public benefits review process can be expected as well.

That is essentially the underlying logic of proportionality as a consideration of proposed public benefits.

The term “nexus,” meanwhile, may be used by Planning Commissioners, city staff, the general public, and project applicants themselves to help all parties identify direct or indirect linkage between potential public burdens of requested deviations from code and

the proposed public benefits that more than offset those burdens. Speaking generally, unsightly mechanicals on the roof of a newly proposed project are *expected* to be screened; in other words, screening of those unsightly mechanicals would be a “condition of approval,” not a public benefit. Now, if those unsightly mechanicals were located atop a proposed project that wishes to build several feet higher than the maximum height allowed in a Planned Development (PD) zones, then a finding of “significant public benefits” must be met; it is the subcommittee’s opinion that, whenever possible, any proposed public benefits should have clear nexus (linkage) between the nature of the project or its requested deviations from code. In the example above, a potential public benefit loosely associated with the public burden created by exceeding maximum building height may be new tree plantings, new public murals, or new native landscaping on public right-of-ways, all of which may both screen and beautify the parcel in question. Similarly, a new waterfront development that increases pedestrian and car traffic on Embarcadero might propose “significant public benefits” that include sidewalk improvements, crosswalks, bike paths, wayfinding signage, off-site parking facilities, or other related infrastructure that either directly or indirectly offsets any requested modification of city standards.

The Public Benefits Subcommittee feels that, without any attempt to establish the underlying nexus of each public benefit being proposed or asked for, a “public benefits menu” may come across as more of a wish list of city needs rather than a focused set of generally recommended public benefits. As such, the items appearing on our subcommittee’s preliminary public benefits list feel relatively in line with the kinds of potential public burdens that new development projects often create, especially those requesting modifications of city standards. Rather than go through the exercise of linking each and every recommended public benefit menu item to any hypothetical project, the subcommittee feels content to relinquish the responsibility of identifying “nexus” to city staff and the applicant themselves during the public benefits review process (subject to public participation and advisory board feedback). The more often our city goes through the public benefits process, the easier it will become for all parties to establish linkage that maximizes opportunities for applicants to proactively identify public benefits most appropriate for the size, scope, nature, and location of their project. After all, the aim, once again, is to create a collaborative environment between developer and City in which public benefits and private gains are not mutually exclusive.

### **Next Steps**

After meeting seven (7) times and generating this report, the Public Benefits Subcommittee of the Planning Commission asks the Commission and city staff to discuss our results and findings for potential improvements or implementation. In particular, the subcommittee suggests that the Commission’s discussion focus on the five areas below:

1. Planned Development zones (PD) and other applications of “public benefits”
2. Pathway or pipeline approach to public participation and public benefits review
3. Building square footage as determinant of project size/scope (small, med, large)
4. “Public Benefits Menu” (physical and/or resource-based needs of the city)
5. Financial contributions (including tax revenues) as public benefits?

### **Closing Remarks**

Providing “significant public benefits” is a condition of many new development projects in Morro Bay, and the magnitude and nature of those required benefits can be difficult to determine. Members of the Public Benefits Subcommittee recognize these challenges and have sought to draft clearer language and identify concrete figures wherever possible. The subcommittee’s hope is that developers of “small,” “medium,” and “large” projects within Planned Development (PD) zones seeking modifications of city standards can be encouraged to proactively identify significant public benefits they feel passionate about and that the public would genuinely benefit from. In turn, the planning review process may be clarified and streamlined, required staff time and effort may be reduced, the need for extended negotiations at the Planning Commission level may be eliminated, and the city can feel increasingly comfortable approving projects that more conscientiously consider the public impacts of private development.

We thank city staff, the Planning Commission, and the public for their contributions to this important effort and look forward to seeing the public benefits discussion move forward in the coming months and years.

Respectfully submitted,

### **Public Benefits Subcommittee**

Sean Green (at large)

Joseph Ingraffia (PC)

Mike Rodriguez (PC)

Exhibit B

No.	Public Benefit Menu (general; w/in 500ft of proposed project where possible)	Beautification & Signage	History & Culture	Pedestrian & Bike Transportation & Parking	Utilities & Services	Tourism & Economic Development	Community Resources
1	Tree planting in public spaces						
2	Public tree custodianship (cutting/maintenance/safety)						
3	Public vegetation custodianship (cutting/maintenance/safety)						
4	Public restrooms (install or upgrade)						
5	Public drinking fountains (install or upgrade)						
6	Public trash enclosures (install or upgrade)						
7	Public art/installations						
8	Public history/installations						
9	Public culture/installations						
10	Wayfinding signage (install or upgrade)						
11	Street lighting (general)						
12	Pedestrian lighting (general)						
13	Pedestrian lighting along secluded bike paths						
14	Emergency call boxes in remote/unlit spaces						
15	Pedestrian sidewalk (install or upgrade)						
16	Pedestrian safety features (beyond required min)						
17	Sidewalk repairs within 500ft of proposed project						
18	Pedestrian pathway (install or upgrade)						
19	Pedestrian repairs or improvements within 500ft of proposed project						
20	Bike pathway upgrades or installations (per MB/Cayucos coastal route)						
21	Bike safety upgrades or installations						
22	Intersection improvements (crosswalks, signage, bulbouts, bumps)						
23	Electric vehicle charging stations with public signage (on public property)						
24	Bus stop physical upgrades						
25	Bus stop signage/beautification						
26	ADA improvements (general)						
27	Affordable housing units (onsite)						
28	Affordable housing units (offsite dedication)						
29	Affordable housing land dedication						
30	Senior housing units (onsite)						
31	Senior housing units (offsite dedication)						
32	Senior housing land dedication						
33	Sport court repairs or installation						
34	Playground repairs or installation						
35	Dog park upgrades or installation						
36	Public seating repairs or installation						
37	Teen Center repairs or improvements						
38	Nature trail creation or upgrades						
39	Public parking repairs or upgrades						
40	Harborwalk repairs or upgrades						
41	Embarcadero street-end improvements (in public right of way)						
42	Granting of designated open space to city						
43	Granting of easements to city that benefit the public						
44	Senior housing considerations						
45	Public safety improvements (general)						
46	Alternative energy upgrades (onsite)						
47	Alternative energy upgrades (offsite)						
48	Alternative energy considerations (general)						
49	Water conservation upgrades (onsite)						
50	Water conservation upgrades (offsite)						
51	Youth sports/activities considerations (general)						
52	Educational considerations (general)						
53	Senior activities/upgrades (general)						
54	Public piers (general)						

Exhibit B

55	Public fishing amenities (general)						
56	Parking improvements (general)						
57	Waterfront historical/informational panels						
58	Paired efforts with Morro Bay nonprofit						