

**Please Start Here**

General Information	
Jurisdiction Name	Morro Bay
Reporting Calendar Year	2019
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**Optional:** Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated.

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Jurisdiction	Morro Bay	
Reporting Year	2019	(Jan. 1 - Dec. 31)

## ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

**Table A**  
**Housing Development Applications Submitted**

Project Identifier				Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes							Total Approved Units by	Total Disapproved Units by	Streamlining	Notes		
1				2	3	4	5							6	7	8	9	10	
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project (Auto-calculated Can Be	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35	Notes*
Summary Row: Start Data Entry Below							0	0	0	0	0	0	0	24	24	24	0	0	
065-057-033	065-057-033	493-A Oahu St	493 - A Oahu St	CDP19-002	ADU	R	1/16/2019							1	1	1		No	
066-165-023	066-165-023	532 Kings	532 Kings	CDP19-005	SFD	O	2/22/2019							1	1	1		No	
068-154-030	068-154-030	1300 Clarabelle Dr	1300 Clarabelle Dr	CDP19-011	SFD	O	4/22/2019							1	1	1		No	
068-226-008	068-226-008	2720 Elm Ave	2720 Elm Ave	CDP19-012	ADU	R	5/3/2019							1	1	1		No	
066-084-059	066-084-059	994 Balboa	994 Balboa	CDP19-017	ADU	R	5/28/2019							1	1	1		No	
066-106-046 &047	066-106-046 &047	1105 Las Tunas St	1105 Las Tunas St	CDP19-021	ADU	R	6/14/2019							1	1	1		No	
066-191-017	066-191-017	484 Piney Way	484 Piney Way	CDP19-025	SFD	O	7/8/2019							1	1	1		No	
065-058-034	065-058-034	450 Oahu St	450 Oahu St	CDP19-035	ADU	R	9/6/2019							1	1	1		No	
065-046-017	065-046-017	411 Trinidad St	411 Trinidad St	CDP19-037	SFD	O	9/19/2019							1	1	1		No	
066-036-032	066-036-032	1130 Scott St	1130 Scott St	CDP18-006	SFA	O	8/22/2019							1	1	1		No	
														0					
065-387-007	065-387-007	2790 Indigo Circle	2790 Indigo Circle	CDP19-004	SFD	O	1/31/2019							1	1	1		No	
066-024-024	066-024-024	1141 Main St	1141 Main St	CDP19-010	SFA	O	1/31/2019							1	1	1		No	
068-249-038	068-249-038	2575-A Greenwood	2575-A Greenwood	B19-0076	ADU	R	4/24/2019							1	1	1		No	
066-194-009	066-194-009	458 Bernardo	458 Bernardo	B19-0071	ADU	R	4/17/2019							1	1	1		No	
065-150-014	065-150-014	2991 Juniper	2991 Juniper	CDP19-029	ADU	R	8/2/2019							1	1	1		No	
068-361-002	068-361-002	2465 Elm	2465 Elm	CDP19-038	ADU	R	10/1/2019							1	1	1		No	
065-073-030	065-073-030	490 Java	490 Java	CDP19-042	ADU	R	11/21/2019							1	1	1		No	
066-094-024	066-094-024	1110 Marengo Dr	1110 Marengo Dr	CDP19-048	SFD	O	12/20/2019							1	1	1		No	
066-044-015	066-044-015	1078 Monterey Ave	1078 Monterey Ave	CDP19-032	SFD	R	8/15/2019							1	1	1		No	
065-233-053	065-233-053	3029 Beachcomber Dr	3029 Beachcomber Dr	CDP19-045	SFD	O	12/17/2019							1	1	1		No	
066-391-001	066-391-001	199 Sandpiper Ct	199 Sandpiper Ct	CDP19-047	SFD	O	12/19/2019							1	1	1		No	
065-111-037	065-111-037	157 Mindoro	157 Mindoro	MIN19-016	ADU	R	12/19/2019							1	1	1		No	JADU
066-141-012	066-141-012	495 Driftwood	495 Driftwood	CDP-19-022	2 to 4	R	6/18/2019							2	2	2		No	
														0					

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**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
(CCR Title 25 §6202)

**Table A2**

**Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units**

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement										
1					2		3		4							5	6
Prior APN <sup>+</sup>	Current APN	Street Address	Project Name <sup>+</sup>	Local Jurisdiction Tracking ID <sup>+</sup>	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Entitlement Date Approved	# of Units issued Entitlements		
068-251-011	068-251-011	2620 Nutmeg	Nutmeg	CP0-585	2 to 4	O							2	11/9/2018	2		
065-057-033	065-057-033	493-A Oahu St	493 - A Oahu St	CDP19-002	ADU	R							1	6/7/2019	1		
066-165-023	066-165-023	532 Kings	532 Kings	CDP19-005	SFD	O							1	6/21/2019	1		
068-154-030	068-154-030	1300 Clarabelle Dr	1300 Clarabelle Dr	CDP19-011	SFD	O							1	6/18/2019	1		
068-226-008	068-226-008	2720 Elm Ave	2720 Elm Ave	CDP19-012	ADU	R							1	6/7/2019	1		
066-084-059	066-084-059	994 Balboa	994 Balboa	CDP19-017	ADU	R							1	7/16/2019	1		
066-106-046 &047	066-106-046 &047	1105 Las Tunas St	1105 Las Tunas St	CDP19-021	ADU	R							1	9/10/2019	1		
066-191-017	066-191-017	484 Piney Way	484 Piney Way	CDP19-025	SFD	O							1	10/28/2019	1		
065-058-034	065-058-034	450 Oahu St	450 Oahu St	CDP19-035	ADU	R							1	10/25/2019	1		
065-046-017	065-046-017	411 Trinidad St	411 Trinidad St	CDP19-037	SFD	O							1	10/29/2019	1		
066-036-032	066-036-032	1130 Scott St	1130 Scott St	CDP18-006	SFA	O							1	8/22/2019	1		
066-204-009	066-204-009	982 Carmel	982 Carmel	CDP18-010	ADU	R							1	6/21/2019	1		
065-387-007	065-387-007	2790 Indigo Circle	2790 Indigo Circle	CDP19-004	SFD	O							1	5/8/2019	1		
066-024-024	066-024-024	1141 Main St	1141 Main St	CDP19-010	SFA	O							1	6/18/2019	1		
068-249-038	068-249-038	2575-A Greenwood	2575-A Greenwood	B19-0076	ADU	R							1	8/6/2018	1		
066-194-009	066-194-009	458 Bernardo	458 Bernardo	B19-0071	ADU	R							1	4/3/2019	1		
065-150-014	065-150-014	2991 Juniper	2991 Juniper	CDP19-029	ADU	R							1	10/29/2019	1		
068-361-002	068-361-002	2465 Elm	2465 Elm	CDP19-038	ADU	R							1	10/31/2019	1		
065-073-030	065-073-030	490 Java	490 Java	CDP19-042	ADU	R							1	2/4/2020	1		
066-094-024	066-094-024	1110 Marengo Dr	1110 Marengo Dr	CDP19-048	SFD	O									0		
066-044-015	066-044-015	1078 Monterey Ave	1078 Monterey Ave	CDP19-032	SFD	R							1	12/28/2019	1		
065-233-053	065-233-053	3029 Beachcomber Dr	3029 Beachcomber Dr	CDP19-045	SFD	O									0		
066-391-001	066-391-001	199 Sandpiper Ct	199 Sandpiper Ct	CDP19-047	SFD	O									0		
065-111-037	065-111-037	157 Mindoro	157 Mindoro	MIN19-016	ADU	R							1	1/21/2020	1		
066-141-012	066-141-012	495 Driftwood	495 Driftwood	CDP-19-022	2 to 4	R									0		
065-111-030	065-111-030	110 Orcas St	110 Orcas ST		SFD	O							1	9/1/2015	1		
065-064-025	065-064-025	321 Luzon St	321 Luzon St	B00-031-543	SFD	O							1	5/30/2017	1		
065-044-003	065-044-003	320 Mindoro St	320 Mindoro St	B00-031-544	SFD	O							1	5/30/2017	1		
065-150-027	065-150-027	3036 Ironwood	3036 Ironwood	B00-031-340	SFD	O							1	9/8/2016	1		
065-064-002	065-064-002	310 Mindoro	310 Mindoro	B00-031-592	SFD	O							1	6/27/2017	1		
066-261-021	066-261-021	290 Piney Lane	290 Piney Lane	B00-031-325	SFD	O							1	12/15/2014	1		
066-372-015	066-372-015	513 Quinn Ct	513 Quinn Ct	B-31984	SFD	O							1	2/16/2010	1		
068-282-043	068-282-043	1889 Sunset Ave	1889 Sunset Ave	B-30757	SFD	O							1	11/13/2006	1		
068-282-044	068-282-044	1885 Sunset Ave	1885 Sunset Ave	B-30758	SFD	O							1	11/13/2006	1		
068-282-039	068-282-039	1897 Sunset Ave	1897 Sunset Ave	B-30753	SFD	O							1	11/13/2006	1		
068-282-040	068-282-040	1901 Sunset Ave	1901 Sunset Ave	B-30754	SFD	O							1	11/13/2006	1		
068-282-041	068-282-041	1905 Sunset Ave	1905 Sunset Ave	B-30755	SFD	O							1	11/13/2006	1		
068-282-042	068-282-042	1893 Sunset Ave	1893 Sunset Ave	B-30756	SFD	O							1	11/13/2006	1		
066-372-008	066-372-008	541 Quinn Ct	Black Hill Villas	B18-0040	SFD	O							1	2/16/2010	1		
066-372-005	066-372-005	553 Quinn Ct	Black Hill Villas	B18-0043	SFD	R					1		1	2/16/2010	1		
066-372-003	066-372-003	561 Quinn Ct	Black Hill Villas	B18-078	SFD	O							1	2/16/2010	1		

Note: "+" indicates an optional field  
 Cells in grey contain auto-calculation formulas

Affordability by Household Incomes - Building Permits									Affordability by Household Incomes - Certificates of Occupancy								
7							8	9	10							11	12
Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Building Permits Date Issued	# of Units Issued Building Permits	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness
								0									0
						1	9/18/2019	1									0
								0									0
						1	8/30/2019	1									0
								0									0
						1	11/21/2019	1									0
								0									0
								0									0
								0									0
								0									0
								0									0
						1	8/9/2019	1							1	12/10/2019	1
						1	11/15/2019	1									0
								0									0
						1	9/12/2019	1									0
						1	7/30/2019	1									0
								0									0
								0									0
								0									0
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								0									0
								0									0
								0									0
								0									0
								0									0
						1	10/27/2017	1							1	1/10/2019	1
						1	10/27/2017	1							1	1/10/2019	1
						1	6/30/2017	1							1	1/29/2019	1
						1	11/8/2017	1							1	3/29/2019	1
						1	5/1/2017	1							1	4/30/2019	1
						1	6/26/2018	1							1	6/3/2019	1
						1	11/3/2017	1							1	9/26/2019	1
						1	11/3/2017	1							1	9/26/2019	1
						1	11/3/2017	1							1	9/26/2019	1
						1	11/3/2017	1							1	9/26/2019	1
						1	11/3/2017	1							1	9/26/2019	1
						1	11/3/2017	1							1	9/26/2019	1
						1	3/11/2019	1							1	10/14/2019	1
				1			3/11/2019	1					1		0	10/30/2019	1
						1	3/11/2019	1							1	10/11/2019	1

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**Housing Element Implementation**  
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This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.  
 Please contact HCD if your data is different than the material supplied here

Table B												
Regional Housing Needs Allocation Progress												
Permitted Units Issued by Affordability												
		1	2							3	4	
Income Level		RHNA Allocation by Income Level	2014	2015	2016	2017	2018	2019			Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	39	3								3	36
	Non-Deed Restricted											
Low	Deed Restricted	24	17								17	7
	Non-Deed Restricted											
Moderate	Deed Restricted	27				2	1				3	24
	Non-Deed Restricted											
Above Moderate		65	9	21	18	26	38	25			137	
Total RHNA		155										
Total Units			29	21	18	26	40	26			160	67

Note: units serving extremely low-income households are included in the very low-income permitted units totals  
 Cells in grey contain auto-calculation formulas



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**Table D**

**Program Implementation Status pursuant to GC Section 65583**

**Housing Programs Progress Report**

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program H-1.1	<p>Program H-1.1</p> <p>The City will give the highest priority for residential development to affordable housing projects. These projects will automatically be allowed first priority for the allocation of new residential growth in each year. The priority for affordable units will also include the allocation of water and other resources as consistent with the Local Coastal Plan.</p>	Annually	<p>Although no new affordable housing projects were proposed in 2019, the City advocates for affordable housing by providing information directly to the public about opportunities for accessory dwelling units and density bonuses. Development options are explained to prospective applicants. As new affordable housing projects are proposed, whether rental or home-ownership, they are given highest priority.</p>
Program H-1.2	<p>Program H-1.2</p> <p>To ensure there is a sufficient supply of multi-family zoned land to meet the City's Regional Housing Needs Allocation (RHNA), the City will help facilitate lot consolidations to combine small residential lots into larger developable lots by annually meeting with local developers to discuss development opportunities and incentives for lot consolidation to accommodate affordable housing units. As developers/owners approach the City interested in lot consolidation for the development of affordable housing, the City will offer the following incentives on a project-by-project basis:</p> <ul style="list-style-type: none"> <li>•Allow affordable projects to exceed the maximum height limits,</li> <li>•Decrease setbacks, and/or</li> <li>•Reduce parking requirements.</li> </ul>	Ongoing	<p>The City works with Applicants on a case-by-case basis to identify areas where affordable housing units can be accommodated. The City's Affordable Housing Ordinance does provide incentives for density bonuses and options for development standards to be relaxed consistent with State housing law.</p>
Program H-1.3	<p>Program H-1.3</p> <p>To ensure affordable multi-family projects meet maximum densities, the City will continue to implement procedures with objective standards to promote flexibility in development standards (height, parking, and setbacks) and promote the use of density bonuses to increase densities. The City will biannually review the multi-family development standards in the Zoning Ordinance and revise as necessary to ensure they don't act as a constraint to the development of affordable housing in the city. The City will give priority to projects that provide extremely low-, very low-, and low-income housing.</p>	Case-by-case	<p>The City is in the process of doing a comprehensive update of our General Plan, Local Coastal Plan (LCP), and Zoning Ordinance to better accommodate this goal. The draft GP/LCP known as Plan Morro Bay was completed in 2018 and a draft was submitted for review to the Coastal Commission, comments were received in early 2020. In addition a draft Zoning Ordinance was also submitted to Coastal Commission for review after being reviewed by the City's Planning Commission. Draft policy language has been developed which establishes mixed use overlays to allow for increased residential development in the downtown area and other commercial areas. Also, the draft documents include new standards which would allow for increased building heights in the downtown area, specifically to assist with providing additional housing opportunities while also maintaining the commercial core of the downtown area. In addition, the City's Zoning Ordinance was amended previously and certified by the Coastal Commission to prohibit single family residential development in high density zones (R-3 and R-4) in order to ensure high density developments.</p>
Program H-1.4	<p>Program H-1.4</p> <p>In order to create a vibrant, pedestrian- and bicycle-friendly small urban atmosphere in the downtown area and ensure optimal access to services and public transportation, the City will encourage the development of new high-density housing in and adjacent to the downtown commercial district. To facilitate this goal, the City will inventory vacant and underutilized lots in and adjacent to the downtown business district, identify sites or areas where re-zoning to high-density residential or mixed use categories might be desirable and modify the City's zoning map as appropriate.</p>	Ongoing	<p>The City is in the process of updating our General Plan, Local Coastal Plan, and Zoning Ordinance to better accommodate this goal. This includes increasing height in the downtown area to allow for 3rd stories to make more feasible mixed use residential/commercial developments. Also, draft policy language has been developed which establishes mixed use overlays to allow for increased residential development in the downtown area and other commercial areas. These new draft policies completed in 2018 specifically encourage development of new high-density housing in and adjacent to the downtown commercial district. The draft Zoning Ordinance does re-zone some of these lots by adding a mixed use overlay as appropriate.</p>
Program H-1.5	<p>Program H-1.5</p> <p>The City will consider establishing minimum residential density requirements for the <b>R-3, R-4, and MCR zoning districts.</b></p>	12/1/2018	<p>The City's Zoning Ordinance was amended to prohibit single family residential development in high density zones (R-3 and R-4) in order to ensure high density developments. In addition, the draft Zoning Ordinance completed in 2018 includes standards addressing minimum density.</p>
Program H-1.6	<p>Program H-1.6</p> <p>The City will explore the option of expanding the number of liveaboard slips to increase the variety of housing types offered in Morro Bay.</p>	12/1/2015	<p>The City is in the process of updating its Local Coastal Plan and is coordinating that review with the California Coastal Commission. The Coastal Commission has informed the City that they are not in favor of increasing residential uses on liveaboard slips. The Coastal Commission governs approval of coastal development permits for uses in this area.</p>

Water Resources	<p>Program H-2.1</p> <p>The City will, to the extent feasible, allocate water resources to allow maximum growth to full buildout consistent with limitations contained in the certified Local Coastal Plan, General Plan, and Ordinance 266 as amended. At least annually, the Public Services Department will provide an update to the City Council on available water supplies, projected demand under the General Plan, and the status of projects to ensure adequate supply to meet the needs of the community in accordance with the Water Management Plan, the General Plan, and this element.</p>	Annually	<p>The City has continued to work on maintaining sufficient water resources. The City prepared the OneWater Morro Bay Plan in 2018 to update data and combine planning efforts for water supply, wastewater, and stormwater infrastructure. The Community Development Department gives annual updates to the City Council. This includes identifying annual water allocations as required.</p> <p>Additionally, the City continues to identify areas that require upgraded sewer and water line infrastructure to accommodate the higher capacity service necessary to serve a higher density development. The City continues to work with affordable housing developers to determine options that will address the capacity shortfall issues short term or long term without a delay in the project approvals.</p>
Funding	<p>Program H-3.1</p> <p>The City will continue to work with the private sector, nonprofit agencies and to secure funds and be supportive of others pursuing funds through state and federal programs for development of new lower-income housing and rehabilitation of existing lower-income households (including mobile homes). As funding becomes available, the City will prioritize a portion of the funds to encourage the development of housing for extremely low-income households.</p> <p>In addition, in light of budget constraints and reduced staffing levels, it is unlikely that the City will pursue grant funds for affordable housing acquisition or new construction projects. Housing grant funds will be pursued for energy efficiency audits and retrofits and infrastructure repairs. Pursuit of funds for rehabilitation will occur when it is determined there is a sufficient level of interest in this type of program.</p>	Apply for funding annually	<p>Staff regularly engages with outside agencies to promote affordable housing goals in the City. This includes coordinating with cities and the County as well as previously utilizing Civic Spark intern assistance through funding by the County Air Pollution Control District and the County of SLO's Energy Watch Program to increase awareness of energy efficiency audit programs for residential development.</p>
Methods	<p>Program H-4.1</p> <p>The City will contact HCD, housing advocates, affordable housing providers, and other appropriate information resources on an annual basis in order to stay current with the latest options for providing affordable housing.</p>	Annually	<p>The City reviews monthly newsletters from HUD, California Housing Consortium, and Peoples' Selfhelp Housing Corporation regarding funding programs and latest options consistent with state law. City staff also attended a HUD hosted workshop regarding HOME, CDBG, and CalHome programs. Staff also attends conferences to stay abreast of housing laws.</p>
Program H-4.2	<p>Program H-4.2</p> <p>Most recent housing developments in Morro Bay have not been constructed to the maximum densities allowed by zoning. Market conditions, bank financing, and insurance requirements have favored the construction of single-family detached houses. To increase housing supply and obtain densities closer to those envisioned by zoning policies, the City will do the following:</p> <ul style="list-style-type: none"> <li>- Implement Section 17.21.70 of the City Zoning Code (Additional Incentives) that offers incentives for developing greater than the minimum densities in the multiple-family zones. The City is sensitive to the loss of multi-family-zoned land to less intensive uses, particularly given the limited number of vacant multi-family sites remaining in Morro Bay and their potential contribution toward meeting the City's housing needs.</li> </ul>	Ongoing	<p>The City amended the entirety of the City's Affordable Housing Ordinance which is in the Zoning Ordinance at Chapter 17.50 which offers a number of incentives for increasing density and providing flexibility. The Ordinance was subsequently certified by Coastal Commission as an Local Coastal Plan (LCP) amendment. Included in the Affordable Housing Ordinance update was amendment to prohibit single family development in the R-3 and R-4 high density zoning districts in order to ensure multi-family development is provided. In addition, in 2018, the City completed a draft Zoning Ordinance which is a comprehensive update which, consistent with State law, includes incentives for increasing density and adding mixed use overlay to allow for additional housing.</p>
Housing Costs	<p>Program H-5.1</p> <p>The City will review its user charges for public services and facilities to ensure the charges are consistent with the costs of improvements and maintenance.</p>	Every three years since 2015	<p>The City reviews fees, etc. on an annual basis to ensure user charges for public services and facilities are consistent with the costs of improvements and maintenance. The City of Morro Bay's fees are generally considered to be low compared to other cities in the County. The City reviews and updates fees annually through the Master Fee Schedule and has updated or increased fees when it was necessary to ensure charges are consistent with costs of improvements and maintenance.</p>
General Affordability & Variable Density	<p>Program H-6.1</p> <p>The City will continue to implement the inclusionary requirements of Section 17.50 of the Municipal code which requires that all new residential development projects of 5 or more for-sale units provide a minimum of one unit or 10 percent of the total number of units, whichever is greater, to be affordable to families with incomes in the very low-, low- or moderate-income ranges, depending on the needs of the City at the time of approval. The lower-income units may be either for rent or for sale, but shall remain affordable for at least 30 years, or such other term approved by the City, consistent with state law.</p>	Ongoing	<p>The City reviews applications on a case-by-case basis for affordable housing potential. Projects are conditioned accordingly to ensure compliance with the Affordable Housing Ordinance. Affordable units that have provided on-site for sale units or for-rent units have recorded covenants against the property to ensure compliance with the conditions for a minimum of 30 years or more depending on funding source.</p>

Program H-6.2	<p>Program H-6.2</p> <p>As an alternative to building inclusionary units, the City will allow a development to pay an in-lieu fee. Currently, the fee amount is determined with the following method: (construction cost x percentage of fee based on project size, where construction costs include all expenses related to the development of housing units, including land, construction, on- and off-site infrastructure, and associated soft costs). The City will conduct an analysis on the current method to determine whether the current fees are appropriate. If they are found to not be appropriate, the City will conduct a nexus study. Once established, the in-lieu fees will be collected and held in an affordable housing trust fund. To ensure any modifications to the City's Inclusionary Program as a result of the nexus study do not adversely impact market-rate housing, the City will also evaluate whether the Inclusionary Program poses a constraint to the development of housing. If this is found to be the case, the City will revise the program to ensure it is not a constraint to</p>	6/1/2016	The City's updated Affordable Housing Ordinance does allow payment of an in-lieu fee where provision of on-site units is not possible. Developments which have paid in-lieu fees have been required to pay all fees prior to issuance of any building permits. Those in-lieu fees have been used to provide both new affordable units elsewhere or preserve existing affordable units at risk of conversion and thereby extend years of affordability.
Program H-6.3	<p>Program H-6.3</p> <p>The City will continue to require affordable housing developments to be designed consistent with the surrounding neighborhood in order to enhance the sense of belonging to the community. Forms, materials, and proportions should be utilized that are compatible with the character of the surroundings.</p>	Ongoing	The City adopted Residential Design Guidelines in July of 2015 which would include both affordable housing developments and other residential development.
Program H-6.4	<p>Program H-6.4</p> <p>The City will codify neighborhood preservation guidelines for affordable units in Section 17.28.200 of the Morro Bay Municipal Code when the Zoning Ordinance is amended.</p>	8/1/2015	The City adopted Residential Design Guidelines in July of 2015. The guidelines have not been codified because to do so, would also require an LCP amendment with the Coastal Commission. The guidelines approved as guidelines allow for flexibility. The City is currently updating its General Plan, and LCP which would include a Community Design Element.
Program H-6.5	<p>Program H-6.5</p> <p>The City may, on a case-by-case basis, allow for modifications/incentives to development standards, such as common access driveways, building height restrictions, parking, distance between buildings, setbacks, lot coverage, screening, varying lot sizes, open space requirements, fast-track permitting, density bonuses, variable densities on multi-family zones property, transfer of development credits, fee assistance, and any other modifications/incentives or combination of modifications/incentives, which are jointly agreed upon by the applicant and the decision-maker, as an incentive for constructing specific affordable housing projects. This is not intended to be an exhaustive list of modifications/incentives available to the applicant and/or decision-maker. The City will prepare public outreach materials, including adding information to the City's website to inform the public of a variety of types of modifications or incentives offered.</p>	Ongoing	The City works with Applicants on a case-by-case basis to identify areas where development standards may be relaxed in order to provide the maximum number of housing units pursuant to the City's Affordable Housing Ordinance which allows for development incentives. In addition, the City's current Zoning Ordinance includes a Planned Development (PD) overlay on certain properties in town which also allows for modification or deviation of standards by Planning Commission upon findings of public benefit.
Program H-6.6	<p>Program H-6.6</p> <p>The City will consider amending the Community Housing Ordinance to require that housing units developed under the terms of this code section be priced for sale or rental to persons of moderate or lower income.</p>	12/1/2018	The City is in the process of updating our General Plan and Local Coastal Plan and doing a comprehensive Zoning Code update to better accommodate this goal. The revised plan will be combined into a consolidated GP/LCP known as Plan Morro Bay. A draft of these documents was completed in 2018 and is currently being updated to reflect comments received in 2019 by the Coastal Commission prior to final adoption.
Housing Trust Fund	<p>Program H-7.1</p> <p>This fund will be used to assist nonprofit and for-profit developers to construct lower-income housing, purchase land, write down land or financing costs, rehabilitate or preserve existing units, prepare other implementation measures consistent with this element, and/or monitor housing policies and programs on an ongoing basis.</p> <p>Assuming that the current market conditions will continue to exist during the 5-year Housing Element time frame, the City estimates that it will assist two to seven units.</p>	2012	City staff sits on the board of the Housing Trust Fund and coordinates with other public agencies, private, and non-profit developers of affordable housing to advocate and support affordable housing. City in-lieu fees have been used to preserve existing affordable units in the City that were at risk of conversion.
Mixed Housing Types	<p>Program H-8.1</p> <p>The City will allow the conversion of older motels to residential use, subject to discretionary review, outside the Visitor-Serving Commercial (C-VS) and Waterfront (WF) zones. Criteria for approving residential uses will be stated in the Zoning Ordinance. These conversions will also receive a priority in the unit allocation list.</p>	Ongoing	The City has a process in place through the Zoning Ordinance to allow the conversion of older motels to residential uses which is through the Conditional Use Permit process. No conversion of projects have come forth but they would receive priority if identified.

Mixed Use	<p>Program H-9.1</p> <p>The City will develop criteria for determining the appropriate compatible mix of residential and commercial development to ensure neighborhood consistency.</p>	6/1/2016	The update of the General Plan and Local Coastal Plan for which a public draft was released in May 2018 also addresses this goal by provide clearer policies. In addition, the draft Zoning Ordinance was completed in 2018 and was reviewed by Planning Commission and submitted for review to the Coastal Commission also provides this criteria, as well as establishes a mixed use overlay to allow for additional residential development in commercial areas. In addition, the draft Zoning Ordinance includes a portion of downtown to have increased building height to allow for increased mix of residential and commercial development.
Secondary Units	<p>Program H-10.1</p> <p>To comply with AB 1866, the City will continue to permit secondary dwelling units ministerially (by right) in all residential zones. An administrative coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, is required for new secondary units in or outside the coastal appeals jurisdiction.</p>	Ongoing	The City implements State law as it continues to update with regards to Accessory Dwelling Units. Because the City is located in the coastal zone, an ADU does require an Administrative Coastal Development Permit but which does not require Planning Commission approval. The City also encourages accessory dwelling units when communicating to the public or providing guidance on potential housing projects.
Section 8 Subsidies	<p>Program H-11.1</p> <p>The City will coordinate its efforts with the appropriate agencies to continue receiving Section 8 subsidy monies.</p>	Ongoing	The City supports Section 8 housing subsidies and coordinates with the Housing Authority of San Luis Obispo (HASLO) which is the local agency that manages the local Section 8 program.
Special Needs Groups	<p>Program H-12.1</p> <p>The City will encourage local private organizations to assist elderly, disabled, and disadvantaged persons in the repair and rehabilitation of their housing.</p>	Ongoing	Staff regularly engages with outside agencies to promote affordable housing goals in the City.
Minimizing Impact	<p>Program H-13.1</p> <p>The City is considering adopting neighborhood compatibility standards for new developments in existing neighborhoods. The City will consider developing a standard set of criteria to use in determining whether proposed projects are compatible with the existing neighborhoods in which they are proposed, the purpose of which is to give project proponents clear direction for project design and to provide staff and the Planning Commission with clear guidelines for decision-making. These criteria could include a pre-application process to provide clear direction for the project.</p>	6/1/2015	The City adopted Residential Design Guidelines in July of 2015 to meet this objective. The residential guidelines are included in the General Plan/Local Coastal Plan and Zoning Ordinance updates expected to be adopted in 2020.
Mobile Home Park Upkeep	<p>Program H-14.1</p> <p>The City will promote the continued upkeep of existing economically viable mobile home parks by keeping park owners informed of opportunities through HCD to maintain mobile home parks through energy retrofits, housing rehabilitation, and weatherization programs.</p>	Every two years since 2015	The City works with local mobile home park owners on a case by case basis to assist with park improvements. In 2019, 2 permits were approved for traditional construction of accessory buildings or manager units to help improve/upkeep existing mobile homes.
Program H-14.2	<p>Program H-14.2</p> <p>The City will when feasible apply for a grant to conduct a feasibility study to determine the possibility of a mobile home park conversion program. The study will include an inventory of the number of units that are RVs, trailers, or mobile homes on a chassis (not on permanent foundation), the condition of the units, and the identification of opportunities to replace them with new permanent affordable housing units.</p>	10/1/2014	The City has not developed an inventory of mobile home park or applied for grant funding. It has been infeasible due to the City's undertaking of a comprehensive update of its General Plan/ Local Coastal Plan and Zoning Ordinance which is a multi-year effort. A mobile home park study is part of the Housing Element Update for 2020-2028.
At-Risk Units	<p>Program H-15.1</p> <p>The City will maintain a list of all dwellings in the city that are subsidized by government funding or low-income housing developed through local regulations or incentives. The list will include, at least, the number of units, the type of government program, and the date on which the units may convert to market-rate dwellings. No units have been identified as at-risk of converting to market rate within 10 years of the beginning of the 5th cycle Housing Element planning period.</p> <p>The City will require all property owners to provide at least 2 years' notice prior to the conversion of any units for lower-income households to market-rate units in any of the following circumstances:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The units were constructed with the aid of government funding.</li> <li><input type="checkbox"/> The units were required by the City's Affordable Housing Program.</li> <li><input type="checkbox"/> The project was granted a density bonus.</li> </ul>	Ongoing	The City maintains a list of subsidized housing units. This information regarding those properties at risk of conversion is included in the Housing Element. Those properties those are closest to affordability expiration have been in contact with the City and are attempting to submit for tax credit applications to finance project renovations. In addition, the City Council has awarded in-lieu funds to assist with local match and local support.
Conversion to Condominiums	<p>Program H-16.1</p> <p>The City will continue to comply with Government Code Section 65590 et seq. that sets forth the requirements for conversions, demolitions, and replacement housing in the coastal zone.</p>	Ongoing	The City currently implements Government Code Section 65590.





Jurisdiction	Morro Bay	
Reporting Period	2019	(Jan. 1 - Dec. 31)

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

Note: "+" indicates an optional field  
 Cells in grey contain auto-calculation formulas

**Table F**

**Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)**

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA <sup>+</sup> Listed for Informational Purposes Only				Units that Count Towards RHNA <sup>+</sup> Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 <sup>+</sup>
	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	Extremely Low-Income <sup>+</sup>	Very Low-Income <sup>+</sup>	Low-Income <sup>+</sup>	TOTAL UNITS <sup>+</sup>	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Total Units by Income									

<b>Jurisdiction</b>	Morro Bay	
<b>Reporting Year</b>	2019	(Jan. 1 - Dec. 31)

<b>Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	1
	Non-Deed Restricted	0
Above Moderate		25
<b>Total Units</b>		<b>26</b>

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

<b>Housing Applications Summary</b>	
Total Housing Applications Submitted:	23
Number of Proposed Units in All Applications Received:	24
Total Housing Units Approved:	24
Total Housing Units Disapproved:	0

<b>Use of SB 35 Streamlining Provisions</b>	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

<b>Units Constructed - SB 35 Streamlining Permits</b>			
<b>Income</b>	<b>Rental</b>	<b>Ownership</b>	<b>Total</b>
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cells in grey contain auto-calculation formulas