



CITY OF MORRO BAY PLANNING COMMISSION AGENDA

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

**Regular Meeting -Tuesday, July 7, 2020 - 6:00 P.M.
Held Via Teleconference**

Vice-Chairperson Jesse Barron
Commissioner Michael Lucas

Chairperson Gerald Luhr

Commissioner Joseph Ingraffia
Commissioner Susan Stewart

ESTABLISH QUORUM AND CALL TO ORDER

PLANNING COMMISSIONER ANNOUNCEMENTS

Public Participation:

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

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

Please click the link below to join the webinar:

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

Password: 135692

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

PRESENTATIONS

A. CONSENT CALENDAR

- A-1** Current and Advanced Planning Processing List
Staff Recommendation: Receive and file.
- A-2** Approval of minutes from the Planning Commission meeting of April 21, 2020.
Staff Recommendation: Approve minutes as submitted.
- A-3** Approval of minutes from the Planning Commission meeting of May 5, 2020.
Staff Recommendation: Approve minutes as submitted.

B. PUBLIC HEARINGS

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

C. NEW BUSINESS

D. UNFINISHED BUSINESS

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS

G. ADJOURNMENT

Adjourn to the next regular Planning Commission meeting on July 21, 2020 at 6:00 p.m. via teleconference.

PLANNING COMMISSION MEETING PROCEDURES

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

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

This Agenda may be found on the Internet at: www.morrobayca.gov/planningcommission 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 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 with the Coastal Appeal Area. If the property is located outside the Coastal Appeal Area, the fee is a \$277 flat fee. If a fee is required, the appeal will not be considered complete if the fee is not paid. If the City decides in the appellant's favor then the fee will be refunded.

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

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



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

Agenda No: A-1
 Meeting Date July 7, 2020

#	Applicant/ Property Owner	Project Address	Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
Hearing or Action Ready Projects:										
30 -Day Review, Incomplete or Additional Submittal Review Projects:										
1	Krull	2575 - A Greenwood	6/17/20	MIN20-006	Minor Modification to HDL permits UPO-521 and CPO-575 - Deletion of planned parking space, driveway, and sidewalk on Greenwood	Submittal under review.				nh
2	Singh	940 Morro Bay Blvd	5/28/20	MIN20-004	Minor Modification to existing CDP/CUP to allow installation of an ATM to the exterior side of the existing gas station service building. Application includes lighting and	Application received and under review. Incomplete letter sent June 23, 2020, waiting for resubmittal.				nh
3	Pappas	475 Radcliff	5/11/20	CUP20-04/CDP20-008	AT&T applicatoin for installation of new wireless telecommunication facilities mounted on a new tower pole.	Incomplete letter sent 5/20/20. Resubmittal received and under review.				cj
4	Hurless	2290 Greenwood Ave	5/7/20	CDP20-007	Legalize ADU from prior construction. Was a previous Code Enforcement issue. Plans difficult to understand	Correction letter sent 5/18/20. Awaiting resubmittal.				nh
5	Bean	Unaddressed Main Street (AKA 199 Sandpiper Court)	12/19/19	CUP19-20, CDP19-047	CUP/CDP for new home on triangular small parcel on the bluff. Proposed home is 526 sf 2-stories with access easement to Main Street	Project deemed incomplete, comment letter sent January 7, 2020. Waiting for resubmittal.				nh
6	Brebes	495 Driftwood	6/14/19	CDP19-022/PKG19-07	New duplex residential units - attached 2 story buildings with 2 car garages.	Project deemed incomplete 12/31/19. Applicant changing project density, waiting for resubmittal. Correction letter sent 5/25/20. Waiting for resubmittal. Applicant is considering revisions to the density back to a new duplex and existing home.				nh
7	Lawrence	2590 Hemlock Ave	10/25/19	CDP19-040	Admin CDP for Demo of existing residence, rebuild new with ADU.	Correction letter sent 11/25/19. Resubmittal reviewed and disapproved 6/3/20. Awaiting resubmittal.				nh
8	Gambriel	571 Embarcadero	10/14/19	MAJ19-006	Major Modification to CUP Amendment for proposed public access improvements, dock and gangway realignment, conversion of 2nd floor to hotel units and request for 1st floor ADA accessible hotel unit	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 a		PN-Conditionally Approved 10/16/2019		cj
9	Rhine LP/Morro 94	3300 Panorama	8/20/19	MAJ 19-005	After the fact permit application for removal of 3 sheds and possible siding treatment for transformer building.	Submittal is under review. Deemed incomplete 8-29-19. Resubmitted information received, applicant to complete all close out requirements prior to scheduling PC hearing.				nh
10	Cleary	1282 and 1290 Embarcadero Road	5/23/19	CDP19-016	CDP for removal of major vegetation.	Submittal is under review. Correction letter sent 6/10. Awaiting resubmittal.				cj

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11	Eisemann	535 Atascadero Road	3/7/19	PAR19-01	Final Parcel map	Submittal is under review. Planning disapproved 3/14/19. Resubmittal disapproved on May 14, 2019. Resubmittal received, review comments provided 6-5-19. Disapproved 11-5-19. Waiting for revised submittal to remove improvements not requested by CalTrans. Applicant is requesting an extension of the timeline to finalize the final parcel map. (June 2019)		PN- Disapproved 11-6-2019		nh
12	Najarian	1339 Berwick	11/30/18	CDP 18-014	Admin CDP for new construction of SFR and ADU with attached garage	Application deemed incomplete, comments sent to applicant on 12/27/18. Followed up with application 2/3/20, applicant is planning on a resubmittal.				nh
13	Angelucci	953 Pacific	6/18/20	MIN20-005	Minor Modification to original CUP: Addition of 470 sf to existing 968 sf residence with 470 sf garage & 275 sf deck.	Submittal under review.				cj
14	T-Mobiile	1478 Quintana	2/26/18	A00-056	Modification to UP0-052/CP0-073 for upgrade to existing wireless site	Under initial review. Correction Letter sent 3/30. Unauthorized work completed by owner. Spoke with the agent 11/5 about process moving forward. Spoke with agent again 2/7. Resubmittal 2/26. Correction letter sent 3/13. Awaiting resubmittal. Update: Project determined to only require building permit.		JW approved		cj

Projects Appealed to Planning Commission or PC Continued projects:

15	State Parks - Mike Walgren	11 State Park Road	8/20/18	CDP 18-004, CUP18-04	Coastal Development Permit & Conditional Use Permit to install modular building for office space, parking and landscape improvements at Morro Bay State Park	Submitted on 8-20-18. Deemed incomplete 9.10.18. Applicant to resubmit plans. Plans resubmitted with additional information on 10-26-18. Project deemed complete. Scheduled for PC on December 18, 2018. Continued to date uncertain by PC on 12/18/18. Applicant to provide additional information. Followed up with applicant 2/3/20 - they are waiting for reports prior to resubmittal.		PN- Approved 9/4/2018		nh
16	City of Morro Bay	End of Nutmeg	1/18/12	UP0-344	Environmental documents for Nutmeg Tanks. Permit number for tracking purposes only County issuing permit. Demo existing and replace with two larger reservoirs. City handling environmental review	KW--Environmental contracted out to SWCA estimated to be complete on 4/27/2012. SWCA submitted draft I.S. to City on May 1, 2012. MR-Reviewed MND and met with SWCA to make corrections. In contact with County Environmental Division for their review. MND received by SWCA on 10/7/12. MND out for public notice and 30 day review as of 11/19/12. 30 day review ends on 12/25/12. No comments received. Scheduled for 1/16/13 Planning Commission meeting and then to be referred back to SLO County. Planning Commission continued this item to address concerns regarding traffic generated from the removal of soil. In applicant's court, they are addressing issues brought up by neighbors during initial P.C. meeting. Project has been redesigned and will be going forward with concrete tanks. Modifications to the MND are in process. Neighborhood meeting conducted with Engineering on 9/27/2013. Revising project description and MND.	No review performed.	BCR- Needs new MND for concrete tank, less truck trips. Neighborhood mtg held 9/27. Neighbors generally support new design that reduces truck trips by 80%. Concrete batch plant set up on site will further reduce impact. 5/5/14 - Cannon contract signed to finish permit phase. Construction will be delayed to FY15/16		cj

Projects Appealed or Forwarded to City Council:

#	Applicant/ Property Owner	Project Address	Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
17	HASLO	405 Atascadero Road	9/24/19	CUP19-12/ PKG19-05/ CDP	CUP, CDP and PKG approval and adoption of the MND for of a proposed 35 unit affordable housing project	Planning Commission unanimously approved the projec on June 2, 2020. Project was appealed to City council on June 12, 2020. CC hearing on July 14, 2020.		PN-Conditionally Approved 10/10/2019		NH
18	City of Morro Bay	Citywide	6/19/13	A00-015	Sign Ordinance Update. Text Amendment Modifying Section 17.68 "Signs"	Text Amendment Modifying Section 17.68 "Signs". Planning Commission reviewed 5/17/2010. Item heard at 5/24/11 City Council Meeting. Interim Urgency Ordinance approved to allow projecting signs. PC reviewed 2/7/2011. Workshops scheduled 9/29/11 & 10/6/11 .City Council 12/13/11. Continued to 1/10/12 CC meeting. PC reviewed 5/2/2012. Update due to City Council in June 2013. Draft Sign Ordinance reviewed by PC on 6/19/13 & 7/3/13. PC has reviewed Downtown, Embarcadero, and Quintana Districts as well as the Tourist-Oriented Directional Sign Plan. 8/21/13 Final Draft of Sign Ordinance approved at 9/4/13 PC meeting with recommendation to forward to City Council. Council directed staff to do further research with local businesses. Business workshops held fall/winter 13/14. Result of sign workshops discussed at 11-3-15 PC mtg. Revised Public Draft of Sign Ordinance posted to City website on July 6, 2017	No review performed.	N/R		sg
Environmental Review										
19	City of Morro Bay	N/A		UP0-423	MND for Chorro Creek Stream Gauges	Applicant requesting meeting for week of 9/9/13. SWCA performing the environmental review. Received completed MND from Water Systems Consulting (WSC) on 4/1/15. Routed to State Clearinghouse for required 30 day review period. Tentative hearing 8/4/15. No recent activity.	No review performed.	MND complete. Cut permit checks to RWQCB and CDFW on 2/27/15		cj
Final Map Under Review Projects										
Projects requiring coordination with another jurisdiction:										
20	City of Morro Bay	Outfall			Original jurisdiction CDP for the outfall and for the associated wells	Coastal staff is working with staff. Coastal letter received 4/29/2013. Discussed project with Coastal staff in meeting 11-18-14.	No review performed.	City provided response to CCC on 7/12/13. Per Qtrly Conference Call CCC will take 30days to respond		

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21	City of Morro Bay Desal Plant	170 Atascadero			Project requires a Coastal Development Permit for upgrades at the Plant. Final action taken Sent to CCC but pursuant to their request the City has rescinded the action.	Waiting for outcome from the CDP application for the outfall. Discussed project with Coastal staff in meeting 11-18-14.	No review performed.	BCR- Phase 1 Maint and Repair project is underway. Desal plant start-up scheduled for 10/15/13. Phase 1 complete and finalized. Phase 2 on hold as of 7/22/14.		

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Projects going forward to Coastal Commission for review (Pending LCP Amendments) / or State Department of Housing:										
22	City of Morro Bay	Citywide			Plan Morro Bay: General Plan / Local Coastal Program / Zoning Code Update project	Comprehensive overall update to the City's 1988 General Plan, 1984 Local Coastal Program, and 1997 Zoning Code. General Plan Advisory Committee meetings ongoing. For more information or to get involved, visit www.morrobayca.gov/planmb . Project to be complete with documents ready for adoption and certification by end of 2019. Public draft of combined General Plan/ LCP released May 2018 for review. Working with Coastal staff on CCC input. Reviewing final Adoption Draft. Admin Draft of EIR received and now under review.				
23	City of Morro Bay	Citywide	10/16/13	A00-013. A00-029: Ordinance 601	Zoning Text Amendment - Second Unit	Secondary Unit Ordinance Amendment. Ordinance 576 passed by City Council in 2012. 6-11-13 City Council direction to staff to bring back to Planning Commission for review of ordinance. At 10-16-13 PC meeting, Commission recommended changes to maximum unit size and tandem parking design where units over 900 sf and/or tandem parking design of second unit triggers a CUP process. Council accepted PC recommendation at 2-11-14 meeting and directed staff to bring back revised ordinance for a first reading and introduction. Item continued to 4/22/14 Council meeting to allow time for Coastal staff comment regarding proposed changes. Council approved Into and First Reading on 4/22/14. Final Adoption of Ord. 585 at 5/13/14 Council meeting. Ordinance to be sent as an LCP Amendment for certification by Coastal Commission. New language for PC and Council review. Second reading going to council on April 12, 2016. PC reviewed change 5-3-16. CC second First Reading 6-28-16.. Application submitted to Coastal	No review performed.			wm
Projects Continued Indefinitely, No Response to Date on Incomplete Letter or inactive:										
24	Verizon / Knight	184 Main new location, Corner of Main and Cabrillo	11/19/14	UP0-394 and CP0-512	Coastal Development Permit and Conditional Use Permit for installation of new Wireless Facility/Verizon antennas on existing pole.	Under Review. JG. Incomplete. Waiting on response from Tricia Knight. Wants to keep project open and figure out the parking situation or move location. 1/26. JG. Applicant looking to move location to pole across the street. resubmittal rcv'd 5/26. Deemed Complete, waiting for Applicant to confirm PC meeting date. PC hearing held on 9/6/16 and continued for further review to 11-1-16 PC hearing. Continuance requested. Continued to a date uncertain		PN- Conditionally approved 6/14/16		jg
Grants										
25	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 \$60,000 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 \$60,000 to complete LCP update.	No review performed.	N/A		sg

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26	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. Final 2016 funding recommendations reviewed by Council on 3-8-16. 2016 Subrecipient Agreement executed and Council approved 2018-2020 Cooperation Agreement with County on 6-13-17. City Council approved Cooperation Agreement for 2021-2023 CDBG Program Years at 5/26/20 Council meeting.	No review performed.	N/R		cj
27	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
Projects in Building Plan Check:											
28	Gulley	679	Atascadero	2/27/20	B20-0042	Add 135 sq. ft. bathroom addition.		Ready to issue			sg
29	LaPlante	3093	Beachcomber	4/29/17	B-31487	New SFR: 3,495 sf w/ 500 sf garage on vacant land. No activity on this project. Remains in plan check.	Approved 8-9-18. Requested permit extension.	Ready to issue	PN - Approved 6/21/2018	Emailed comments on 10-20-17.	cj
30	Auerbach	3200	Beachcomber Dr.	12/30/19	B19-0277	Convert 100 sf of enclosed sun-room area to living space and add 67 sq ft of new living area. Demo kitchens and add 3 beams, new windows, siding, update electrical, water heater and forced air unit, misc, clean up.	Disapproved Jan 14, 2020, additional information provided and Planning approved building permit 4/7/20	Ready to issue			nh
31	Jones	1362	Berwick Dr	8/5/19	B19-0169	Interior remodel, remove existing roof over existing garage and replace with 352 sf deck.	Disapproved 9/11/19. Awaiting resubmittal.	Bldg - Disapproved 9/4/19			nh
32	Lloyd	921	Carmel St	6/24/20	B20-0097	Remove existing 5'0"x4'0" & window & replace w/7'6"x6'8" slide door, remove existing 5'0"x4'0" window & replace with 7'6"x5'0" window, remove existing 5'0"x4'0" window, replace w/5'0"x5'0" window.		Bldg - Disapproved 6/24/20			co
33	Diaz	365	Driftwood	1/6/20	B19-0280	328 sq ft addition to master bedroom and bath on second flr. Convert covered patio to living space 50 sq ft enclosed covered porch 30 sq ft interior remodel.	Under review. Planning disapproved 1/31/20. Waiting for resubmittal	Bldg - Disapproved 1/15/20			nh
34	Brebes	495	Driftwood	12/20/19	B19-0269	New 3778 sf duplex homes including garages on lot with existing SFH	Pending approval of planning permits, applicant changing potential density on the site in CDP permit process.	Bldg - Disapproved 2/7/20			nh
35	City of Morro Bay	595	Embarcadero	12/31/19	B19-0278	Commercial T.I. to former Aquarium building to meet accessibility requirements, remove asbestos from 1st floor, update electrical, mechanical and plumbing, new structural shear wall, repair concrete columns, new raised deck, stairs & railing for tasking room & brewery (Three stacks & A Deck Brewing Company)	Approved.	Bldg - Disapproved 1/29/20			sg
36	City of Morro Bay	1279	Embarcadero	5/4/20	B20-0076	Construct 800 sq ft single story addition to USCG Motor Life Boat Station at Morro Bay.	Disapproved 5/13/20 - Plan check corrections memo sent to Building. Cj.	Bldg - Disapproved 5/28/20			cj
37	Wilkie	476-A	Hill	3/26/20	B20-0057	ATTACHED ADU - Convert existing attached garage to 344 sf Accessory Dwelling Unit.	Correction letter sent 4/30/20. Awaiting resubmittal.	Bldg. - Approved 4/8/20			nh

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38	Soares	2400	Ironwood Ave.	4/27/20	B20-0074	2400 IRONWOOD AVE, Morro Bay, CA, 93442		Bldg - Approved 6/16/20			
39	Friesen	2390	Juniper	3/5/20	B20-0043	Build new observation deck over existing roof top.		Bldg - Approved 3/12/20			sg
40	Peter	890	Main St.	2/13/19	B19-0026	ADA and parking lot improvements. ADA stall to be relocated closer to street and make van accessible.	Approved on 3/1/19 - sg	Bldg - Approved 2/27/19 Fire - Approved 2/26/19	Disapproved on 4/15/19		sg
41	Sonic	1840	Main St.	10/17/17	B-31730	Sonic Drive-in Restaurant, 1395 sf building, 1020 sf covered patio, 2646 sf covered parking	Corrections sent 12-8-17. Resubmitted 3-2-18. Application incomplete and corrections sent 4-5-18. Resubmittal received and unaddressed corrections sent back 7-19-18. Project required to underground utilities. Utility plan and coordination with public utilities in process. cj. Requested permit extension. Awaiting resubmittal. Requested Permit Extension. Planning permit extension requested and granted to allow new permit expiration of April 2021.	BLDG - Disapproved by California Code Check (contract building inspection services (see memo) on 7-23-18. PB	Disapproved by jb on 11-21-17.	1-2-18 - Emailed BLDG (code ck) comments to architect. PB	cj
42	Shorey	1110	Marengo Dr	12/20/19	B19-0270	450 sq ft addition to guesthouse.	Disapproved pending approval of CDP19-048. CDP approved and permit issued 5/2020. Building Permit conditionally approved 6/23/20	Bldg - Approved 6/22/20			nh
43	LifePoint Church	615	Monterey	1/6/20	B19-0279	Remodel/upgrade current building	Planning disapproved 1/27/20. Awaiting resubmittal.	Bldg - Disapproved 1/30/20			nh
44	Singh	940	Morro Bay Blvd	5/28/20	B20-0085	Installation of an ATM machine on the exterior of the existing gas station building. Includes lighting and minor parking modifications	Under review, pending approval of Minor Modification to existing CUP/CDP	Bldg -Disapproved 6/4/20			nh
45	Erb	2630	Nutmeg Ave	2/14/19	B19-0029	Demo 195 sf third story deck at front of home and rebuild with 80 sf extension to allow for deck beam and column support. Remove 152 sf deck on south side of home, misc. construction to repair water damage.	Dissapproved 3/6/19. Disapproved 4/9. Variance application approved. Awaiting building permit resubmittal.	Bldg - Approved 3/27/19			wu
46	Vallely	460	Olive St	6/18/20	B20-0092	Addendum to B00-030-273 - Revise entry stairs from concrete to wood construction		Bldg - Approved 6/22/20			co
47	Cohen	331	Orcas St	6/25/20	B20-0099	Demolish a 386 sf cottage and installation of a 990 sf manufactured home, a 336 sf (16' x 21') semi attached site built garage with rooftop deck, exterior landing and stairs to garage and exterior stairs to rooftop deck.					nh
48	Scharin Family Trust Johan C. Scharin Trustee	710	Quintana	5/21/20	B20-0082	Remodel of former Dollar Tree into a new O'Reilly Auto Parts for the retail sale of automotive parts and accessories.		Bldg - Disapproved 6/11/20			wu
49	Tabrizi	1000	Quintana	12/29/20	B19-0274	Commercial remodel for cannabis dispensary to include new interior walls, doors, ceilings, casework, mechanical, electrical and plumbing.		Ready to issue			sg
50	Reyneveld	1060	Quintana	6/22/20	B20-0093	Convert existing floor space in commercial building to new accessible restroom, install accessible entry ramp to restroom and building		Bldg - Approved 7/1/20			sg

#	Applicant/ Property Owner	Project Address		Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
51	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
52	Kennedy	1130	Scott Street	12/20/19	B19-0271	New commercial project with residential security unit above	Conditionally approved 1/3/20	Bldg - Disapproved 1/7/20			nh
53	Anouck Ce Bris	516-A	Shasta	12/9/19	B19-0261	520 sf st ADU with studio below; addition to SFR	Planning permits issued. Waiting for resubmittal. Planning approved 5/10/20	Ready to issue			nh
54	Stanton	351	Trinidad	3/26/19	B19-0054	Repairs to existing 200 sf rooftop deck. Replace all dry-rot structural members, install new waterproof membrane,, new copper drip edge flashing, replace plaster, replace guardrail if needed.	Disapproved 4/11/19. Awaiting resubmittal.	Bldg - Approved 7/1/20			wu
55	Davis	1149	West Ave	7/8/19	B19-0145	Construct lower level 360 sf enclosed patio (12' x 30') at rear of existing SFR.	Disapproved, proposed enclosed patio extended into the 25 foot bluff setback.	Bldg - Approved 7/10/19			nh
56	Weaver	448	Yerba Buena	1/10/20	B20-0007	Rebuild existing deck & add 48 sq ft existing deck-85 sq ft. New deck 48 sq ft. Total 133 sq ft.		Bldg - Approved 6/4/20			sg
Planning Projects & Permits with Final Action:											
Staff Directory:											
Scot Graham - sg		Chad Ouimet - co		Cindy Jacinth - cj		Pam Newman - pn		Nancy Hubbard - nh			

AGENDA ITEM: A-2

DATE: JULY 7, 2020

ACTION: DRAFT

ACTION MINUTES – MORRO BAY PLANNING COMMISSION
REGULAR MEETING – APRIL 21, 2020
HELD VIA TELECONFERENCE – 6:00 PM

PRESENT:	Gerald Luhr Jesse Barron Michael Lucas Susan Stewart Joe Ingraffia	Chairperson Vice-Chairperson Commissioner Commissioner Commissioner
STAFF:	Scot Graham Willow Urquidi Nancy Hubbard	Community Development Director Assistant Planner Contract Planner

ESTABLISH QUORUM AND CALL TO ORDER

PLANNING COMMISSIONER ANNOUNCEMENTS

<https://youtu.be/6YRoRTnlREo?t=194>

Commissioner Lucas spoke about the Central Coast Regional leaders who sent a letter to the governor to review plans for re-opening the city. Lucas encouraged people to review the letter and speak to their leaders as well as the governor. Lucas also thanked all essential workers for their hard work.

PUBLIC COMMENT PERIOD – NONE

Public Participation:

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

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

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

Please click the link below to join the webinar:

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

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

PRESENTATIONS - NONE

A. CONSENT CALENDAR <https://youtu.be/6YRoRTnIREo?t=376>

- A-1** Current and Advanced Planning Processing List.
Staff Recommendation: Receive and file.

Due to audio issues, Chairperson Luhr was unable to lead the meeting & cast his vote. The meeting was turned over to Vice-Chairperson Barron.

MOTION: Commissioner Stewart moved to approve the Consent Calendar. Commissioner Ingraffia seconded, and the motion passes 4-0, with Ingraffia, Stewart, Lucas, and Barron voting yes.

<https://youtu.be/6YRoRTnIREo?t=384>

B. PUBLIC HEARINGS

- B-1 Case No.:** CUP19-10
Site Location: 953 Pacific, Morro Bay, CA
Proposal: Application for a Conditional Use Permit (CUP19-10) for a second story 459 sf addition to an existing 968 sf non-conforming single family home, demolition of an existing detached shed structure and construction of a detached two-car garage with a car lift and 238 sf of unconditioned workshop space above. The site is a single-family residential property located at 953 Pacific in an R-1 zone. The project is outside the Coastal Commission appeal jurisdiction.
CEQA Determination: Categorically Exempt, Section 15301 Class 1(e) and Class 1(l), and Section 15303 Class 3(e)
Staff Recommendation: Conditionally Approve
Staff Contact: Willow Urquidi, Assistant Planner, (805) 772-6270
<https://youtu.be/6YRoRTnIREo?t=440>

Vice-Chairperson Barron recused himself and the Public Hearing was turned over to Commissioner Lucas.

COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS
– NONE

Urquidi presented the staff report.

The Commissioners presented their questions to staff.

Commissioner Lucas opened the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=1286>

Nic Huston, applicant's representative, had no additional information to provide, but stated he would be available for questions.

Neighbor behind project (no name provided), voiced his concerns about the project.

Commissioner Lucas closed the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=1486>

Staff responded to questions from the neighbor.

Discussion between the Commissioners.

Commissioner Lucas opened the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=1657>

Huston answered questions raised by the Commission.

Commissioner Lucas closed the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=1994>

MOTION: Commissioner Ingraffia moved to approve PC Resolution 09-20 with respect to Conditional Use Permit CUP19-10. Commissioner Stewart seconded, and the motion passes 3-0, with Ingraffia, Stewart, & Lucas voting yes.
<https://youtu.be/6YRoRTnIREo?t=2056>

Commissioner Lucas turned the Public Hearing over to Vice-Chairperson Barron.

B-2 Case No.: CUP19-17/CDP19-044

Site Location: 2790 Main Street, Morro Bay, CA

Project Description: Coastal Development Permit (CDP19-044) and a Conditional Use Permit (CUP19-17) to allow a new 8-room hotel project totaling 9,103 square feet on the SE corner of North Main Street and San Joaquin Street. The project is a single "L shaped" building with a maximum height of 25 feet set on the lot closest to Main St and San Joaquin St. The project includes 9 parking spaces, including a Van Accessible space and 2 spaces with access to an EV charging station. The project also includes an outdoor gathering space for the hotel guests. The project will have a driveway from Alder Ave and complies with the

development standards of the zone. The project zoning is MCR/R-4/SP and the site is not located within the coastal appeals jurisdiction
CEQA Determination: Categorically Exempt, Section 15303-Class 3c
Staff Recommendation: Approve with conditions
Staff Contact: Nancy Hubbard, Contract Planner (805) 772-6211
<https://youtu.be/6YRoRTnIREo?t=2120>

COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS -
Commissioner Stewart, Barron, and Luhr all had conversations with the applicant.

Hubbard presented the staff report.

The Commissioners presented their questions to staff.

Vice-Chairperson Barron opened the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=2608>

Timothy Cleath, applicant, presented his report for the project.

Chris Parker, architect, stated he would be available for questions.

The Commissioner presented their questions to the applicant.

Vice-Chairperson Barron closed the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=3246>

Comments from the Commissioners.

MOTION: Commissioner Stewart moved to approve PC Resolution 08-20, a resolution of the Morro Bay Planning Commission to approve Conditional Use Permit CUP19-17 and Coastal Development Permit CDP19-044, for a new mixed use project at 2790 Main Street. Chairperson Luhr seconded, and the motion passes 5-0, with Lucas, Stewart, Barron, Ingraffia, and Luhr voting yes.
<https://youtu.be/6YRoRTnIREo?t=3625>

B-3 Case No.: CDP19-045

Site Location: 3029 Beachcomber Drive, Morro Bay, CA

Project Description: Coastal Development Permit (CDP19-045) to allow a new single-family home at 3029 Beachcomber Drive. The home will be 2,078 sf of livable area with a 713-sf attached garage and a 130-sf deck on the west side. The site is adjacent to the coastal dunes on the west side and based on the environmental studies, the home is appropriately setback from the sensitive areas and has been determined to not have a significant impact on the environment. The infill site is 6,060 sf, is zoned R-1/S2 and is located within the coastal appeals jurisdiction

CEQA Determination: Categorically Exempt, Section 15303-Class 3a

Staff Recommendation: Approve with conditions

Staff Contact: Nancy Hubbard, Contract Planner (805) 772-6211
<https://youtu.be/6YRoRTnIREo?t=3680>

COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS
- NONE

Hubbard presented the staff report.

The Commissioners presented their questions to staff.

Vice-Chairperson Barron opened the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=4949>

Simon Hacker, applicant's designer, presented information regarding the project and stated he would be available for questions.

Jack Randall, Morro Bay, stated his concerns about the project.

Vice-Chairperson Barron closed the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=5142>

The Commissioners presented their questions to the applicant

Vice-Chairperson Barron opened the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=5314>

Hacker answered the questions raised by the Commissioners.

Vice-Chairperson Barron closed the Public Comment period.
<https://youtu.be/6YRoRTnIREo?t=5503>

Comments from the Commissioners.

MOTION: Commissioner Lucas moved to approve PC Resolution 07-20 including findings and conditions of the approval for the project as depicted on the site development plans submitted to the City on December 17, 2019, with the additional condition of no further construction beyond the west property line into the open space including at the grade patios or any construction. Commissioner Stewart seconded, and the motion passes 5-0, with Lucas, Stewart, Barron, Ingraffia, and Luhr voting yes.

<https://youtu.be/6YRoRTnIREo?t=6611>

The condition shown below was added by the Planning Commission:

Improvements in OA zone: The applicant is prohibited from making any improvements or alterations beyond the westerly property boundary into the OA Zone. Land area west of the property line must be preserved in its natural state. Added by Planning Commission April 21, 2020.

- C. NEW BUSINESS - NONE
- D. UNFINISHED BUSINESS - NONE

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS
<https://youtu.be/6YRoRTnIREo?t=6743>

Chairperson Luhr asked staff for status on the Housing Element. Luhr requested staff to inform the Commission on the how the department is handling the permitting process. Luhr also asked staff if there were any discussion that were going on regarding the homeless.

Vice-Chairperson Barron thanked city staff for all the hard work their doing. Barron notified everyone there are free testing available for Covid-19. Barron also asked staff what the status was for selling fish off of the docks.

Commissioner Stewart suggested the Commissioners discuss their stipends.

Commissioner Ingraffia asked staff for information on the cell phone tower installation project which came to the Commission a few years ago.

Commissioner Lucas asked staff how they will be handling the influx of RV's which are parking in the Right of-ways and also hooked up to electricity.

Staff responded to questions raised during the Planning Commission Comments/
FUTURE AGENDA ITEMS.

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS
<https://youtu.be/6YRoRTnIREo?t=7670>

Graham updated the Commissioners of the new meeting process being implemented for the next meeting.

G. ADJOURNMENT

The meeting adjourned at 8:10 p.m. to the next scheduled Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on May 5, 2020 at 6:00 p.m.

Gerald Luhr, Chairperson

ATTEST:

Scot Graham, Secretary

AGENDA ITEM: <u> A-3 </u>
DATE: <u> JULY 7, 2020 </u>
ACTION: <u> DRAFT </u>

ACTION MINUTES – MORRO BAY PLANNING COMMISSION
REGULAR MEETING – MAY 5, 2020
VETERANS MEMORIAL BUILDING – 6:00 PM

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

ESTABLISH QUORUM AND CALL TO ORDER

PLANNING COMMISSIONER ANNOUNCEMENTS

https://youtu.be/LDO7_TQ78jM?t=112

Commissioner Lucas announced the Morro Bay Estuary will have a webcast on the health of the bay on Thursday, May 7th at 4 p.m. The link is on their website.

Chairperson Luhr commented there was a discussion on KBCX regarding the Morro Bay Aquarium. Luhr suggested if anyone could help out, it would be appreciated.

PUBLIC COMMENT PERIOD - NONE

Public Participation:

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- Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).
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Password: 135692

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

PRESENTATIONS - NONE

A. CONSENT CALENDAR

https://youtu.be/LDO7_TQ78jM?t=229

A-1 Current and Advanced Planning Processing List.

Staff Recommendation: Receive and file.

MOTION: Vice-Chairperson Barron moved to approve the Consent Calendar. Commissioner Lucas seconded, and the motion passes 5-0, with Lucas, Stewart, Ingraffia, Barron & Luhr voting yes.

https://youtu.be/LDO7_TQ78jM?t=256

B. PUBLIC HEARINGS

B-1 Case No.: UP0-284 / MIN20-003

Site Location: 1001 Front St, Morro Bay, CA

Project Description: Conditional Use Permit (UP0-284) CUP minor modification (MIN20-003). UP0-284 was originally approved by Planning Commission on May 16, 2012 and amended on June 24, 2018. Coastal Development Permit 3-11-031 was approved by Coastal Commission on December 12, 2012. Applicant is proposing minor modifications to site plan in order to improve public access circulation and establishment of master sign program for business signage and public access signage. Existing multi-building business signage proposed is approx. 236sf where 120sf is allowed. All proposed public access improvements are consistent with conditional use permit and coastal development permit. The project zoning is WF/PD/S.4 and the site is partially located within the Coastal Commission original jurisdiction.

CEQA Determination: Categorically Exempt, Section 15301, Class 1c and g; 15311, Class a.

Staff Recommendation: Conditionally Approve

Staff Contact: Cindy Jacinth, Senior Planner (805) 772-6577

https://youtu.be/LDO7_TQ78jM?t=281

COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS – All Commissioners met with the applicant, walked the site and discussed their concerns.

Jacinth presented the staff report.

Chairperson Luhr opened the Public Comment period.

https://youtu.be/LDO7_TQ78jM?t=1124

Cathy Novak, representative for the applicant thanked staff and Commissioners. Novak stated she didn't have any additional information to provide, but would be available to answer questions.

The Commissioners presented their questions to the applicant.

Chairperson Luhr closed the Public Comment period.

https://youtu.be/LDO7_TQ78jM?t=2513

Discussion and comments from the Commissioners.

MOTION: Commissioner Lucas moved to conditionally approve PC Resolution 10-20, to include findings and conditions of the approval for Conditional Use Permit MIN20-003, as depicted on the site plan dated April 14, 2020, and further amending it to drop Planning Condition #1. The Planning Commission will review again in 6 months or no later than January 1, 2021. Commissioner Stewart seconded, and the motion passes 5-0, with Lucas, Stewart, Barron, Ingraffia & Luhr voting yes.

https://youtu.be/LDO7_TQ78jM?t=5498

- C. NEW BUSINESS – NONE
- D. UNFINISHED BUSINESS – NONE
- E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS
https://youtu.be/LDO7_TQ78jM?t=5678

Commissioner Ingraffia suggested making some of the areas on the Embarcadero restaurant table spaces.

Chairperson Luhr also noted that in Paris, they have closed some of their streets to help accommodate restaurant dining areas.

Chairperson Luhr also suggested creating an area for the homeless to temporarily reside. Luhr suggested maybe the city look at properties not being used at this time.

Vice-Chairperson Barron spoke of the City's finances and the impact it will have in the future. Barron stated everyone will have to pull together and do their part.

Chairperson Luhr asked staff for an update on tracking illegal Air BnB's.

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS

https://youtu.be/LDO7_TQ78jM?t=6570

Graham updated the Commissioners on what the City is planning to do when businesses start to open. Graham also spoke about the upcoming item on the next Planning Commission meeting.

G. ADJOURNMENT

The meeting adjourned at 7:51 p.m. to the next scheduled Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on May 19, 2020 at 6:00 p.m.

Gerald Luhr, Chairperson

ATTEST:

Scot Graham, Secretary



AGENDA NO: B-1
MEETING DATE: July 7, 2020

Staff Report

TO: Planning Commissioners **DATE:** July 7, 2020
FROM: Nancy Hubbard, Contract Planner
SUBJECT: Housing Element 2020-2028: Update status and receive input on Adoption Draft Housing Element

RECOMMENDATION:

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

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

PROJECT DESCRIPTION:

The Housing Element is one of eight mandatory elements of the local general plan. Housing Element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, in order for the private market to adequately address housing needs and demands, local governments must adopt land use plans and regulatory systems which provide *opportunities and incentives to encourage, not constrain* the development of new housing, especially providing housing opportunities for low-income and special needs populations. Previous updates of the Housing Element were on a 5-year cycle, the most recent update was the 2014-2019 Housing Element. The City of Morro Bay is now on an 8-year cycle for updates, and the subject Housing Element Update is for the period of 2020-2028.

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

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

PURPOSE OF PLANNING COMMISSION MEETING

This meeting is intended to:

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

PROCESS AND TIMELINE

Changes in Public Participation:

In compliance with San Luis Obispo County Local Emergency Mandatory Order to Shelter at Home, and in accordance with Executive Order N-29-20, the City was not able to hold a second public workshop as originally anticipated. The original schedule also anticipated an early review of the draft housing element by Planning Commission in March 2020, prior to the submittal to HCD. Throughout the process, housing element and related documents have been made available on the Housing Element webpage for public review.

December 12, 2019	Public workshop #1.
April 14-May 14, 2020.	Public Draft Morro Bay Housing Element Update
April 28, 2020	Draft Housing Element submitted to Housing and Community Development for review and comments.
May 21 – June 21, 2020	Public Draft of Initial Study
June 12, 2020	HCD conditional compliance letter received.
July 7, 2020	Planning Commission hearing to review and consider recommendation to City Council for adoption of the 2020-2028 Housing Element Update.
August 2020	City Council consideration for adoption (proposed schedule)
September 2020	Submittal of adopted document to HCD
December 2020	Deadline for HCD certification of the Housing Element Update

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT REVIEW:

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

HOUSING ELEMENT – SUMMARY OF 2020-2028 UPDATE:

1. Analysis of existing housing stock/condition, including income levels, housing for special populations and rent vs. ownership
2. Review of population trends related to new housing units
3. Review of past performance against Housing Element Goals (Including RHNA)
4. Review of vacant sites inventory – include sites mostly likely to be developed
5. Discussion of housing constraints – both governmental and non-governmental

6. Review prior Housing Element goals and policies, continue goals and policies if applicable
7. Develop new Housing Element goals and policies

REGIONAL HOUSING NEEDS ALLOCATION

Pursuant to the Government Code, HCD is required to determine the Regional Housing Needs Allocation (RHNA), by income category, for each of the regions of the state and as applicable for the Councils of Government (COGs). This includes the San Luis Obispo Council of Governments (SLOCOG). The RHNA calculation is based on Department of Finance population and job projections and regional population forecasts used in preparing regional transportation plans. COGs are required to allocate a share of the region’s future housing need to each locality (cities and county).

RHNA for 2014-2019:

The table below shows the RHNA requirements for the City of Morro Bay for the period of January 2014 through December 31, 2019. Total RHNA for SLO County was 4,090 for this period. The housing provided in each of the categories is shown in red. As you can see, the housing provided exceeded the total RHNA allocation, but was heavily weighted towards market rate housing, not affordable.

<u>Income category</u>	<u>Allocation</u>	<u>Percent</u>	<u>Actual</u>
Very Low (<50% of AMI)	39	25.2%	3 (2%)
Low (< 80% of AMI)	24	15.4%	17 (11%)
Moderate (80-120% AMI)	27	17.4%	3 (2%)
Above Moderate (>120% AMI)	65	42.0%	137 (86%)
<u>Total</u>	<u>155</u>	<u>100.00%</u>	<u>160 (100%)</u>

RHNA for 2019-2028:

The RHNA projection period is December 31, 2018 through December 31, 2028. This projection period corresponds with the housing element planning period of December 31, 2020 through December 31, 2028. The City of Morro Bay’s share of the RNHA for the projection period is 3.6% of the total 10,810 RHNA for San Luis Obispo County. The City of Morro Bay’s housing allocation by income level is shown below:

<u>Income category</u>	<u>RHNA (units)</u>	<u>Percent</u>
Very Low (<50% of AMI)	97	24.8%
Low (< 80% of AMI)	60	15.3%
Moderate (80-120% AMI)	70	17.9%
Above Moderate (>120% AMI)	164	42.0%
<u>Total</u>	<u>391</u>	<u>100.00%</u>

PUBLIC COMMENTS RECEIVED

The City received a total of five letters from Morro Bay residents, the Morro Bay Chamber of Commerce, and the San Luis Obispo Council of Governments (SLOCOG). A generalize summary of the public input is shown below with a general response to each item (See Public Comment Summary attached as Exhibit D for more detailed comments and copies of the five comment letters attached as Exhibit C).

1. There was concern about the process, wanting an extension of the review time and concerns about the format of the public review draft (i.e. colors used, lack of index)
 - **Response: The draft of the Housing Element has been available for public review and input since April 14, 2020. The final version will include an index and the page numbers will be moved so they are easier to read. Public comment can continue to be provided at the public hearings (Planning Commission and City Council)**
2. There were concerns about the lack of public involvement opportunities due to the Shelter-at-home orders and concern that more effort should have been made to notify the public of the on-line public review draft.
 - **Response: Public input has been accepted and will continue to be accepted through the final adoption of this document. However, given the guidelines for Covid 19 procedures, it was not possible to hold in-person meetings, so there was a website created with links to the documents, email notifications were sent through the website 'notify me' and a list of individuals who requested information, an on-line survey was created and there is additional opportunity for public participation through the public hearings.**
3. There were concerns regarding the population and other data used in the Housing Element.
 - **Response. HCD has a 'data pack' that is required to be used in the Housing Element update. The data included in the data pack is from various sources and covers different periods of time, so can look inconsistent.**
4. There were concerns that the Housing Element did not adequately provide projections to create adequate housing to reduce or eliminate residents or workers from necessary commutes to/from other neighboring cities/communities.
 - **Response: All of the goals of the housing element will have a positive effect on providing more affordable and appropriate housing in Morro Bay that provides greater opportunities for the public to live and work in Morro Bay. The Jobs/Housing imbalance discussion is addressed in the Land Use Element of the draft General Plan/Local Coastal Program within the Housing and Jobs Growth section.**
5. There was concern that the Housing Element did not address vacation rentals and second homes.
 - **Response: The City has developed a draft vacation rental ordinance which is anticipated to go before the Planning Commission in August of 2020 and to City Council in September of 2020. .**
6. There were comments on the vacant site inventory – why did it not include all the vacant sites in the city?
 - **Response: There are accountability criterion that the city is required to meet for sites identified in the vacant site inventory that may preclude sites from being included in future Housing Element Updates, as well as a 'no net loss' requirement that puts the burden on the City if they approve a site for less density than identified for that site in the vacant land survey. Because the City does not own or**

control the majority of the vacant sites, the sites included in this update are those deemed most likely to be processed for development during the term of this housing element.

7. Suggestions that the inclusionary housing fee be expanded to cover all projects and an increase in the projects that can be approved by-right.
 - **Response: During implementation of the housing element goals and policies, expansion of the inclusionary housing fee and determining the criteria for projects that can be processed under an expedited residential-by-right process is included in the Housing Element Update.**
8. The data on housing condition is too old to be valuable and should be updated
 - **Response: No revisions made to the document. City does not have the resources to conduct such analysis. The City does see a large number of remodel/addition applications, resulting from that age if its housing stock.**
9. Inconsistencies between regulatory documents are not adequately assessed and may result in constraints on development processes, there needs to be a clear city-wide development process.
 - **Response: No revisions made to the document. City is addressing this issue through the comprehensive of the City's General Plan/Local Coastal Program and Zoning Code. This analysis took place in the development of those documents.**
10. Noted that the Housing Element should use action verbs to commit to policies rather than passive terms such as "encourage" or "support."
 - **Response: No revisions made to document.**

"If feasible" and "when feasible" should not be included in policies or programs, they should identify specific timeframes.

 - **Response: No revisions made to the document. General timeframes could be added, but ultimately policy implementation is dependent of a number of factors including staffing, ability to fund policy implementation. Ultimately, the City Council decides through their goal setting and budgetary process how and when items get addressed.**
11. The permit process should be transitioned to an online application format.
 - **Response: No revisions made to the document. The City is in the process of turning the Cityworks (City Permit System) public facing. Currently the migrating the contractor database from the old permit system to the new system. Once the task is complete the City will move forward with the public facing portion of Cityworks.**
12. There needs to be a policy for the mixed-use development of downtown.
 - **Response: No revisions made to the document. Mixed use development in the downtown is addressed in the draft General Plan/Local Coastal Program and Zoning Code.**
13. Certain projects that meet objective design standards should be approved by-right.

- ***Response: The City was successful in application for SB2 planning grant funding which includes funding to implement residential by right.***

ENVIRONMENTAL DETERMINATION

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

PUBLIC NOTICE:

Notice of this item was published in the San Luis Obispo Tribune newspaper on June 26, 2020 and other interested parties were notified of this evening's public hearing and invited to voice any concerns on this application.

CONCLUSION:

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

EXHIBITS:

- A. Resolution 12-20
- B. HCD June 12, 2020 Housing Element Compliance letter
- C. Public comment Letters
- D. Public comment summary with responses
- E. Adoption Draft of the Housing Element (full text) and Adoption draft of the Initial Study/Negative Declaration document, both are available at www.morrobayca.gov/housingelement

RESOLUTION NO. PC 12-20

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

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

WHEREAS, the draft 2020-2028 Housing Element was submitted to the State of California Department of Housing and Community Development (HCD) on April 28, 2020; and

WHEREAS, HCD conditionally certified the City’s 2020-2028 Housing Element Update in a letter dated June 12, 2020; and

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

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

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

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

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

California Environmental Quality Act (CEQA) Finding

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

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

Local Coastal Plan Consistency

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

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

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 7th day of July, 2020 on the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

 Chairperson

ATTEST

 Scot Graham, Community Development Director

The foregoing resolution was passed and adopted this 7th day of July 2020

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

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



June 12, 2020

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

Dear Scot Graham:

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

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

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

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

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

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

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

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

Sincerely,

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

Shannan West
Land Use & Planning Unit Chief

May 14, 2020

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

Subject: Morro Bay Draft Housing Element Update

Dear Ms. Hubbard:

The San Luis Obispo Council of Governments (SLOCOG) appreciates the opportunity to review the City of Morro Bay's Draft Housing Element Update. The State of California and Federal Highways Administration designate SLOCOG as the Regional Transportation Planning Agency (RTPA) and the Metropolitan Planning Organization (MPO), respectively, for the region. While SLOCOG does not have permit or regulatory authority for housing element updates, SLOCOG is responsible for developing the Regional Housing Needs Allocation (RHNA) which assigns a share of the region's future housing need to each jurisdiction in the region.

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

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

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

Sincerely,



Sara Sanders, Transportation Planner
San Luis Obispo Council of Governments

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Morro Bay Chamber of Commerce

Housing Element Review Narrative and Analysis

Summary

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

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

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

Findings and Recommendations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Background and Assessment

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

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

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

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

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

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

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

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

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

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

Housing Needs Assessment

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

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Adequate Sites

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

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establishment of objective city-wide development standards.

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

Goals, Policies, and Implementation Actions

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

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

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

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

Thanks

Sent from my iPhone
Nancy Hubbard

Begin forwarded message:

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

Comment on housing element from Betty Winholtz.

Scot

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

Mr. Graham:

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

Sincerely,
Betty Winholtz

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Format

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT C

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

Amy,

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

Just FYI

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

This is very helpful, Nancy.

Thank you.

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

Meridith,

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

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

Please let me know if you have any other questions.

EXHIBIT C

From: Meredith Bates <mlbates111@gmail.com>

Sent: Tuesday, April 28, 2020 10:01 AM

To: Nancy Hubbard <nhubbard@morrobayca.gov>

Subject: Housing Element public draft

I have a couple of questions and since you are listed as the contact person, I'm hoping you can help me.

1. Is there an index for the Housing Element? I'm having a hard time doing the review without this.
2. How can I compare our previous housing element with this one, to see what has changed?
3. Does this public draft take the place of a public hearing?

--

Thoughtfully,

Meredith Bates, Morro Bay resident (805) 550.4566

--

Thoughtfully,

Meredith Bates

EXHIBIT C

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

Amy,

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

Best,



Jamillah Williams

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

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

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

Dear HCD,

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

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

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

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

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

Thoughtfully,

Meredith Bates, representing Morro Bay Action Team

Exhibit D

4.1.1.1 INPUT RECEIVED ON PUBLIC DRAFT

The City received a total of five letters from Morro Bay residents, the Morro Bay Chamber of Commerce, and the San Luis Obispo Council of Governments (SLOCOG). Their input is summarized below.

- Discussed requesting an extension of the HCD submittal deadline for the Housing Element, to be able to include data from the 2020 Census and account for the staff time lost and the difficulty of gathering public input during the COVID-19 public health crisis. Recommended the City develop a second draft of the Housing Element after HCD's review to be circulated for additional public input.
- How can the draft Housing Element be compared to previous versions? Does the draft include an index to aid in review?
- Expressed concern that the public draft replaced public hearings and that the City has not offered adequate opportunities for public participation and that the draft Housing Element was not made available to all residents.
- Disliked color bar on each page throughout the Housing Element.
- Noted a grammatical error on page 3-9 of the draft Housing Element.
- The Housing Element should include data on conversion of long-term rentals to short-term rentals.
- Why is there a difference between population data in two tables? Noted that outdated population data does not show the decline in local population.
- Expressed concern that data is missing on "new construction, demolition, conversion, and replacement housing units." The age of the housing stock needs to be considered.
- Many Morro Bay workers live outside of the community and commute in due to lack of affordable housing opportunities. This increases emissions and creates higher turnover in workers who find work closer to where they live. The current and projected Morro Bay housing units do not meet the needs of all of these workers.
- Requested data on how many vacant units are rented illegally as vacation rentals.
- The City should take vacant second homes into account when determining the local housing that needs to be planned for. Twenty percent of vacant homes are seasonal second homes.
- Why is there a difference between mobile housing units and number of mobile home park residents?
- The data on housing condition is too old to be valuable and should be updated.

- Casa de Flores and the Alzheimer house should be included under needs for seniors.
- Services in San Luis Obispo are too far away to be considered useful to Morro Bay's homeless population.
- What has happened that has improved access to housing for large families?
- Are Section 8 voucher units considered part of assisted units, or in addition to them?
- Why do At-Risk Units include only projects that are subsidized by the government, rather than all units that receive government assistance?
- Expressed support for how the City has met its RHNA objective, developed policies to address the jobs/housing imbalance, and addressed water supply concerns.
- Expressed concern for satisfying RHNA's lower income requirements on a single site.
- The Housing Element does not identify all possible sites that present opportunities for development; discussed that including more sites than necessary to meet RHNA would allow for redundancy if issues arise. Stated that specific plans should be developed for Morro Elementary, Atascadero Road, and Harbor Tract sites.
- Inconsistencies between regulatory documents are not adequately assessed and may result in constraints on development processes, there needs to be a clear city-wide development process.
- Noted that the Housing Element should use action verbs to commit to policies rather than passive terms such as "encourage" or "support."
- "If feasible" and "when feasible" should not be included in policies or programs, they should identify specific timeframes.
- Recommended that the City should apply the Inclusionary Housing Fee consistently across all projects, certain uses should not be exempt without a study supporting why.
- The permit process should be transitioned to an online application format.
- In order to meet the City's current actual housing need plus RHNA, the City needs 7,100-7,600 housing units. This means developing a total of 750 housing units in the next 8 years rather than RHNA's 350 housing units.
- Expressed concern that the projection of 200 new ADUs in the next RHNA cycle is unlikely.
- There needs to be a policy for the mixed-use development of downtown.
- Certain projects that meet objective design standards should be approved by-right.

4.1.1.2 HOW INPUT RECEIVED ON PUBLIC DRAFT HAS BEEN ADDRESSED IN THE HOUSING ELEMENT

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

- Discussed requesting an extension of the HCD submittal deadline for the Housing Element, to be able to include data from the 2020 Census and account for the staff time lost and the difficulty of gathering public input during the COVID-19 public health crisis. Recommended the City develop a second draft of the Housing Element after HCD's review to be circulated for additional public input.
 - How Addressed: The City and consultant have reached out to HCD about a potential deadline extension. To date, no extensions have been made. No revisions were made in response to this comment.
 - **Staff Response: The draft of the Housing Element has been available for public review and input since April 14, 2020. Public comment can continue to be provided at the public hearings (Planning Commission and City Council)**
- How can the draft Housing Element be compared to previous versions? Does the draft include an index to aid in review?
 - How Addressed: No revisions were made in response to this comment.
 - **Staff Response: The final version will include an index and the page numbers will be moved so they are easier to read.**
- Expressed concern that the public draft replaced public hearings and that the City has not offered adequate opportunities for public participation and that the draft Housing Element was not made available to all residents.
 - How Addressed: Additional information was added to the public participation section. Hearings will be held this summer on the housing element.
 - **Staff Response: The draft of the Housing Element has been available for public review and input since April 14, 2020. Public comment can continue to be provided at the public hearings (Planning Commission and City Council)**
- Disliked color bar on each page throughout the Housing Element.
 - How Addressed: No revisions were made in response to this comment.
 - **Staff Response: The final version will include an index and the page numbers will be moved so they are easier to read**
- Noted a grammatical error on page 3-9 of the draft Housing Element.

- How Addressed: This error has been corrected.
- The Housing Element should include data on conversion of long-term rentals to short-term rentals.
 - How Addressed: No revisions have been made. This data is not currently available beyond the data already included in the housing element and other elements of draft Plan Morro Bay.
- Why is there a difference between population data in two tables? Noted that outdated population data does not show the decline in local population.
 - How Addressed: No revisions were made in response to this comment.
- Expressed concern that data is missing on “new construction, demolition, conversion, and replacement housing units.” The age of the housing stock needs to be considered.
 - How Addressed: No revisions were made in response to this comment.
- Many Morro Bay workers live outside of the community and commute in due to lack of affordable housing opportunities. This increases emissions and creates higher turnover in workers who find work closer to where they live. The current and projected Morro Bay housing units do not meet the needs of all of these workers.
 - How Addressed: No revisions were made in response to this comment.
 - **Staff Response: All of the goals of the housing element will have a positive effect on providing more affordable and appropriate housing in Morro Bay that provides greater opportunities for the public to live and work in Morro Bay. The Jobs/Housing imbalance discussion is addressed in the Land Use Element of the draft General Plan/Local Coastal Program within the Housing and Jobs growth section.**
- Requested data on how many vacant units are rented illegally as vacation rentals.
 - How Addressed: No revisions were made in response to this comment.
 - **Staff Response: The City has contracted with Hostcompliance to assist with monitoring and identification of illegal vacation rental units. The City is actively going through the enforcement process on those units operating illegally.**
- The City should allocate part of its housing inventory to vacant second homes, rather than consider those sites viable for development. Twenty percent of vacant homes are seasonal second homes.
 - How Addressed: No revisions were made in response to this comment.

- Why is there a difference between mobile housing units and number of mobile home park residents? Are permanent RVs included in the number of mobile housing units.
 - How Addressed: No revisions were made in response to this comment. Units and residents are different. RVs are not included in the number of mobile home.
- The data on housing condition is too old to be valuable and should be updated.
 - How Addressed: No revisions were made in response to this comment.
 - Staff Response: City does not have the resources to conduct such analysis. The City does see a large number of remodel/addition applications, resulting from the age of its housing stock.
- Casa de Flores and the Alzheimer house should be included under needs for seniors.
 - How Addressed: No revisions were made in response to this comment.
- Services in San Luis Obispo are too far away to be considered useful to Morro Bay's homeless population.
 - How Addressed: No revisions were made in response to this comment.
- What has happened that has improved access to housing for large families?
 - How Addressed: No revisions were made in response to this comment.
- Are Section 8 voucher units considered part of assisted units, or in addition to them?
 - How Addressed: No revisions were made in response to this comment. Units that are currently rented by someone with a Section 8 voucher are not included in the assisted units section. They are in addition to the units in that section.
- Why do At-Risk Units include only projects that are subsidized by the government, rather than all units that receive government assistance?
 - How Addressed: No revisions were made in response to this comment. The units included in this section are those that are required under state law to be analyzed and monitored for potential to convert to market-rate units.
- Expressed support for how the City has met its RHNA objective, developed policies to address the jobs/housing imbalance, and addressed water supply concerns.
 - How Addressed: No revisions were made in response to this comment.
- Expressed concern for satisfying RHNA's lower income requirements on a single site.

- How Addressed: No revisions were made in response to this comment.
- The Housing Element does not identify all possible sites that present opportunities for development; discussed that including more sites than necessary to meet RHNA would allow for redundancy if issues arise. Stated that specific plans should be developed for Morro Elementary, Atascadero Road, and Harbor Tract sites.
 - How Addressed: No revisions were made in response to this comment.
 - Staff Response: It can be detrimental to identify all developable sites in the land inventory because if they go undeveloped for 3 housing cycles they can no longer be used in the Housing Element. The City can maintain a separate list of developable properties outside the Housing element.
- Inconsistencies between regulatory documents are not adequately assessed and may result in constraints on development processes, there needs to be a clear city-wide development process.
 - How Addressed: No revisions were made in response to this comment. The City is close to finished with a comprehensive update to the Local Coastal Program, General Plan and Zoning which will address existing inconsistencies.
 - Staff Response: City is addressing this issue through the comprehensive of the City's General Plan/Local Coastal Program and Zoning Code. This analysis took place in the development of those documents.
- Noted that the Housing Element should use action verbs to commit to policies rather than passive terms such as “encourage” or “support.”
 - How Addressed: No revisions were made in response to this comment.
- “If feasible” and “when feasible” should not be included in policies or programs, they should identify specific timeframes.
 - How Addressed: Implementation Action H-1.2.2 was revised to remove “when financially feasible.”
 - Staff Response: General timeframes could be added, but ultimately policy implementation is dependent of a number of factors including staffing, ability to fund policy implementation. Ultimately, the City Council decides through their goal setting and budgetary process how and when items get addressed.
- Recommended that the City should apply the Inclusionary Housing Fee consistently across all projects, certain uses should not be exempt without a study supporting why.
 - How Addressed: No revisions were made in response to this comment.

- *Staff Response: During implementation of the housing element goals and policies, expansion of the inclusionary housing fee and determining the criteria for projects that can be processed under an expedited residential-by-right process is included in the Housing Element Update.*
- The permit process should be transitioned to an online application format.
 - How Addressed: No revisions were made in response to this comment.
 - *Staff Response: The City is in the process of turning the Cityworks (City Permit System) public facing. Currently the migrating the contractor database from the old permit system to the new system. Once the task is complete the City will move forward with the public facing portion of Cityworks.*
- In order to meet the City's current actual housing need plus RHNA, the City needs 7,100-7,600 housing units. This means developing a total of 750 housing units in the next 8 years rather than RHNA's 350 housing units.
 - How Addressed: No revisions were made in response to this comment.
- Expressed concern that the projection of 200 new ADUs in the next RHNA cycle is unlikely.
 - How Addressed: No revisions were made in response to this comment.
 - *Staff Response: With the changes in state law that now allow both an ADU and junior ADU on a single family residential lot and with the number of applications received for ADU's staff believes the number is reasonable.*
- There needs to be a policy for the mixed-use development of downtown.
 - How Addressed: No revisions were made in response to this comment. The draft Plan Morro Bay Community Design Element includes implementation actions to encourage mixed-use development in the downtown.
 - *Staff Response: Mixed use development in the downtown is addressed in the draft General Plan/Local Coastal Program and Zoning Code.*
- Certain projects that meet objective design standards should be approved by-right.
 - How Addressed: Implementation Action H-1.1.13 was revised to address the issue of objective design standards. The update to the City's zoning regulations that is currently underway will address requirements of state law related to objective design standards.
 - *Staff Response: The City was successful in application for SB2 grant funding which includes funding for this program.*

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City of Morro Bay 2020-2028 Housing Element Update

Planning Commission
July 7, 2020



Presentation Overview

- Presentation
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Housing Element Overview

What is the Housing Element?

- Plan to meet the existing and projecting housing needs of all economic segments of the community
- One of eight mandated general plan elements
- 8-year timeframe, set by State law
- Review by California Department of Housing and Community Development (HCD) for compliance with State law

Draft Housing Element

- Introduction
- Housing Needs Assessment
- Adequate Sites Inventory
- Constraints
- Energy Conservation Opportunities

Draft Housing Element (cont'd)

- Review of Previous Housing Element
 - Report on implementation of programs from the 2014-2019 Housing Element
- Goals, Policies and Implementation Actions

Public Input Received on the Draft Housing Element

Public Outreach

- Community Survey – Fall 2019
- Public Workshop – December 2019
- COVID-19 Limitations
- Outreach for Public Draft
 - E-blast
 - City website – posted April 14, 2020
 - Social media
 - Follow up to those who participated earlier in process

Summary of Input Received on Draft

- Any chance of an extension of the housing element deadline from the state?
- How can the housing element be compared to the previous housing element?
- Public outreach efforts have been limited due to no in-person meetings
- The housing element should include data on conversion of long-term rentals to short-term rentals.
- Why are there differences in population data?
- The age of the housing stock is not adequately considered
- Future housing projections does not adequately account for commuters and the jobs/house imbalance
- San Luis Obispo homeless services are too far away
- Vacation homes make up a large part of vacant housing

Summary of Input Received on Draft

- Other facilities should be included for seniors
- Why is there a difference between mobile housing units and number of mobile home park residents?
- What has happened that has improved access to housing for large families?
- Are Section 8 voucher units considered part of assisted units, or in addition to them?
- Why do At-Risk Units include only projects that are subsidized by the government, rather than all units that receive government assistance?
- Expressed support for how the City has met its RHNA objective, developed policies to address the jobs/housing imbalance, and addressed water supply concerns.
- Inconsistencies between regulatory documents make development more challenging

Summary of Input Received on Draft

- Site inventory does not include all possible sites and lower income units are assigned to just a few sites/areas
- Accessory dwelling unit projections are likely too high
- Collect data on conversion of long-term rentals to short-term
- Housing Element should use active verbs
- “If feasible” and “when feasible” should not be included in policies or programs, should identify specific timeframes.
- Inclusionary Housing Fee should be applied consistently
- City should transition to an online permitting system
- There needs to be a policy for the mixed-use development of downtown.
- Certain projects that meet objective design standards should be approved by-right.

Future Needs Assessment

Future Needs Assessment – Regional Housing Needs Allocation (RHNA)



Each jurisdiction must meet its “fair share” of the regional housing need.

Future Needs Assessment

Meeting the 2019-2028 RHNA

Income Group	Morro Bay RHNA	Units Approved or Constructed since 12/31/18	ADUs Approved or Constructed since 12/31/18	Projected ADUs ²	Vacant Site Inventory Capacity	Non-Vacant Site Inventory Capacity	RHNA Surplus
Extremely Low	48 ¹	0	0	0	180 ³	0	137
Very Low	49	0	0	0			
Low	60	0	11	103			
Moderate	70	4	12	104	15	45	109
Above Moderate	164	14	0	0	202	0	52
Total	391	18	23	207	396	45	298

¹ Extremely low income RHNA objective was derived using the accepted HCD methodology of taking 50 percent of the very low income RHNA and moving it to the extremely low category.

² ADUs are projected based on trends in ADU approval and construction in 2019.

³ Sites allowing up to 27 dwellings per acre that are greater than 0.5 acres and less than 10 acres in size are included to address the lower-income RHNA.

Housing Element Goals

Draft Goals

- Goal H-1: Housing Supply: Encourage creation of new housing opportunities by providing a continuous supply of affordable housing to meet the needs of existing and future Morro Bay residents in all income categories.
- Goal H-2: Protect and Conserve Existing Housing Stock: Ensure no net loss in existing housing.
- Goal H-3: Special Needs: Address unique housing needs for special needs individuals in new or adapted existing homes.

Draft Goals

- Goal H-4: Homelessness: Provide safe housing and shelter opportunities for homeless persons in Morro Bay.
- Goal H-5: Housing Costs: Help reduce housing costs so more people can afford housing in Morro Bay.
- Goal H-6: Equal Opportunity: Ensure equal access to sound, affordable housing for all persons regardless of race, creed, age, or sex.

Next Steps

Milestones	Timing
Planning Commission Meeting	July 7th
City Council	August
Submit Adopted Housing Element to HCD	August - November

Discussion