



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, April 19, 2022 - 6:00 P.M.
Veterans Memorial Hall
209 Surf St., Morro Bay, CA**

Chairperson – Susan Stewart

Vice-Chairperson William Roschen
Commissioner – Asia King

Commissioner Joseph Ingraffia
Commissioner Mike Rodriguez

Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted in a hybrid format with both in-person and virtual public participation. Ways to watch this meeting and submit public comment are provided below.

Public Participation:

Public participation is allowed in the following ways:

- *Community members may attend the meeting in person at the Morro Bay Veterans Hall.*
- *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.*

Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzZwTHlRTk9xaTlmWVNWRWFUQT09>

Password: 135692

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

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

PUBLIC COMMENT

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

PRESENTATIONS

A. CONSENT CALENDAR

- A-1** Current and Advanced Planning Processing List
Staff Recommendation: Receive and file.
- A-2** Approval of minutes from the Planning Commission meeting of February 1, 2022.
Staff Recommendation: Approve minutes as submitted.
- A-3** Approval of minutes from the Planning Commission meeting of February 15, 2022.
Staff Recommendation: Approve minutes as submitted.

B. PUBLIC HEARINGS

- B-1** **Case No.:** MAJ21-006
Site Location: 1260 Main Street, Morro Bay, CA
Project Description: Planning Commission review and recommend to City Council for approval of an amendment to the land use map included in the City of Morro Bay General Plan/Local Coastal. The change in land use designation for this parcel will be from District Commercial to Community Commercial. The proposed land use change to the subject site will be consistent to similarly designated properties along Main Street.
CEQA Determination: An amendment to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report has been prepared resulting in a finding of no significant environmental impact as a result of the proposed GP/LCP land use map amendment request.
Staff Recommendation: **Planning Commission adopt Resolution 04-22** recommending City Council approval of an amendment to the Land Use designation for the subject parcel from District Commercial to Community Commercial.
Staff Contact: Nancy Hubbard, Contract Planner, nhubbard@morrobayca.gov

C. NEW BUSINESS

D. UNFINISHED BUSINESS

- D-1** Review of the Public Benefits Subcommittee Report
Staff Recommendation: Review the report, discuss and provide direction to staff on next steps.
Staff Contact: Scot Graham, Community Development Director;
sgraham@morrobayca.gov.

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS

G. ADJOURNMENT

Adjourn to the next regular Planning Commission meeting at the Veteran’s Memorial Building, 209 Surf Street, on May 3, 2022 at 6:00 p.m.

PLANNING COMMISSION MEETING PROCEDURES

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

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

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

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

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



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

Agenda No: A-1
 Meeting Date April 19, 2022

#	Applicant/ Property Owner			Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
Hearing or Action Ready Projects:											
1	Bean	197	Main Street (formerly known as 199 Sandpiper)	12/19/19	CUP19-20, CDP19-04, VAR20-001	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. Resubmittal received 10/26/20 adding a variance request, under review. Incomplete, need resubmittal. Resubmittal received September 14, 2021, under review. Incomplete letter sent on Oct 4, 2021. Resubmittal received 10/29/21. Planning comment letter sent November 10, 2021, requires resubmittal. Project resubmitted March 2, 2022, and will be deemed complete following submittal of additional information. Expect public hearing in May 2022.				nh
2	Allen Property Group	1260	Main St.	10/4/21	MAJ21-006	Land Use & Zoning Map Amendment to change C2 zoning to C1 zoning	Application received. October 28, 2021, applicant approved moving forward with consultant contract for environmental review. Environmental Consultant engaged with notice to proceed 12/1/21. Consultant provided review documents for GP/CLUP amendment. Final review draft of LUP amendment documents received 3/2/22 -under review. Project deemed complete and scheduled for PC hearing on April 19, 2022.				nh
3	Candrell	2995	Beachcomber	11/1/21	CDP21-044	New 354 sf addition to existing home, addition of 572 sf attached ADU	Planning comments sent on 11/23/21, requires resubmittal. Project resubmittal received January 4, 2022, under review. Project deemed complete, scheduled for Planning Commission on February 15, 2022. PC hearing was continued to a date uncertain pending receipt of Coastal Hazard analysis. Expect public hearing to be in May 2022.				nh
4	Steiner	301-390	Seashell Cove	4/19/21	MAJ21-02	General Plan / LCP Land Use & Zoning Map Amendment application to change land use and zoning from R-A to R-4 designation / low density to high density	Under review. Response letter/ incomplete letter sent 5-6-21. Resubmittal received. Environmental review in process. MND document complete and routed to State Clearinghouse - public comment period closes May 4th. Tentative agenda date June 7th				cj
5	Nagy	646	Sequoia	9/27/21	MUP21-03	Minor Use Permit for development of new upper level 2,328sf, lower level 1,030sf, and garage level 1,220sf SFR on vacant lot in area outside the coastal zone.	Application received, under review. Project incomplete, comments sent on October 18, 2021. Applicant working with Fire Dept and City Engineer on driveway design (slope). Project resubmittal received March 29, 2022, under review. Project deemed complete 4/11/22. Public notice period from 4/18/22 to 4/28/22, with admin decision on or about 4/29/22.				nh
6	Ogle	337	Main St	9/13/21	COC21-002	Request for Cert of Compliance for 3 underlying adjacent lots within the Cerrito addition.	Comment letter sent to applicant 10/21/21. Resubmittal received 2/1/22. Final documents prepared and being routed for signatures				cj
30 -Day Review, Incomplete or Additional Submittal Review Projects:											
7	Maritime Museum	1210	Embarcadero	3/7/22	MIN22-002	Amendment of previous Minor Use Permit approval for expansion of Maritime Museum including new outdoor displays.	Under Review. Correction letter sent 4/6/22.				cj

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8	Nakamura	2228	Coral	3/31/22	MIN22-004	Minor Modification to upgrade interior staricase.	Under Review				gc
9	Jasso	2515	Greenwood	2/22/22	CDP22-006	Admin CDP for new SFR with 2 car garage and detached ADU	Comment Letter Sent 3/17/22				am/nh
10	Wells	1478	Quintana	2/22/22	MIN22-001	Minor Modification to upgrade existing roof-mounted wirelesss telecommunication facility	Under review. Incomplete letter sent 3/1/22. Resubmittal received 3/2/22 and 2nd response sent 3/8/22. Awaiting resubmittal. Resubmittal received 4/4/22.				cj
11	MacDonald	311	Tahiti	1/26/22	CDP22-005	Convert Existing 638sf garage into a 638sf ADU	Resubmittal 3/28/2022 , second comment letter sent 3/28/2022				gc
12	Luhr	1140	Allesandro Ave	1/20/22	CUP22-06 / CDP22-004	Live/work mixed use, new construction of 5 residential units and 2 commercial units	Comment letter provided 2/13/22. Requires resubmittal.				nh
13	Morro 94 LLC	3300	Panorama	1/18/22	CUP 22-05/CDP22-003/TTM222-02	Submittal of combined concept and precise plan review for 61 unit subdivision.	Received and under review. Notify Me account set up to provide information and publically available documents on the project. Subdivision Review committee meeting scheduled. Project comment letter sent 2/18/22, requires resubmittal and environmental review. Planning consultant team is preparing to hold a neighborhood meeting April 20, 2022 at Del Mar Elementary School at 6pm				nh
14	Garcia	341	Jamaica	1/12/22	CDP22-001	558 sf addition to existing 865 sf residence. Convert upper floor to ADU (468 sf), lower floor main residence (953 sf).	Resubmittal 3/21/2022 , second incomplete letter sent 3/28/2022	Bldg. - 1/20/22			gc
15	Novell & Johnston	273	Main St.	1/9/22	MUP22-01/PKG22-02	Addition of 73 sf to the front of existing SFR to provide interior staircase access to the second floor and parking exception.	Under review. Correction letter sent 2/4/22.				cj
16	Daniel	964	Las Tunas	1/6/22	CUP22-01/ PKG22-01	Remodel of existing SFR	Project Deemed complete 4/7/22. Noticing to begin 4/13/22				am
17	Romero	563	Zanzibar	12/6/21	CDP21-048	Admin CDP for new 1978sf 2 story SFR with 533 sf garage and 2nd level 128sf deck	Incomplete letter sent 12/22/2021.				gc
18	Reyneveld	1060	Quintana	11/22/21	MUP21-06	Create 3 office/retail units and 1 residential security unit, and 1 warehouse/storage unit from existing commercial building with existing residential security unit.	Incomplete letter sent 12-16-21. Requires resubmittal				cj
19	Tallman	610	Fresno Street	11/9/21	CDP21-045	Admin CDP for New 960 sf detached ADU	Projected Deemed Complete 2/22/22, noticing to begin 2/15/22 with approval on 3/9/22				am
20	Morro Bay LLC (Keller)	1108	Front Steet	11/8/21	MAJ21-007	Expansion and extensive remodel of second floor short term rental unit.	Planning comments sent 11/23/21, requires resubmittal. Applicant may put this application on hold until the adoption of the new zoning code (i.e. includes street setbacks closer to the actual placement of the building).				nh
21	Castillo	1055	Allesandero	11/1/21	CUP21-17	CUP to add 2 bedroom & 1 bathroom to existing single family residence.	Planning Comments send 11/30/21, requires resubmittal. Resubmittal under review, deemed incomplete 2/15/22.				am

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22	T-Mobile/ Siegel	545	Shasta	10/12/21	CUP21-13/ CDP21-039	T-Mobile modification to existing facility approved under UP0-162/CP0-229. T-Mobile proposes to remove/replace and relocate existing wireless facility screened within existing church steeple and request height exception to construct new 29'0" faux bell tower for relocated wireless facility.	Under review. Project deemed incomplete 11-8-21. No recent activity.				cj
23	2900 Alder LLC/Knanna	2900	Alder Ave	10/7/21	CUP21-14/ CDP21-042	Proposed 4200 sf, 6 unit hotel	Planning comment letter sent 11/6/21. Requires resubmittal. Resubmittal received 12/8/21, planning approved, building disapproved. Applicant is working with buidling to resolve issues. Project resolved building issues and will resubmit with revisions for review. Resubmittal received March 17, 2022, required corrections and resubmittal. Resubmittal received 4/7/22. Minor changes required, comment letter sent 4/12/22.				nh
24	Guesno	220	Atascadero Rd	10/4/21	MIN21-012	Minor Amendment - Change temporary outdoor dining area to permanent outdoor dining	Application will apply for a TUP for outdoor dining. This application is on hold until 2022.				nh
25	Thai Bounty	560	Embarcadero	9/22/21	MIN21-010	Minor mod to UP0-200/UP0-244 for music.	Under review.				sg
26	Morgan	101	Fig St	8/9/21	CDP21-035/CUP21-12/ VAR21-003	New construction of 1676sf single family home, 465sf garage, roof deck and patio area and request for variance to front setback for property subject to bluff development standards. New home will also require a variance for bluff face development per LCP.	Under review and incomplete letter sent 9/7/21. Resubmittal received 1/19/22. Spoke with agent 2/18/22. Requested revised geological report and plans to delineate bluff face prior to hearing.				cj
27	Eisemann	541	Atascadero Road (at Hill St.)	7/9/21	CUP21-09/ CDP21-029	Four unit apartment complex with attached garages	Review comments provided on July 31, 2021. Project requires resubmittal and environmental analysis. Provided applicant estimate for environmental report on September 24, 2021. January 2022 - project is for sale.				nh
28	Green	1175	Scott Street	6/28/21	CDP21-025 CUP21-07	New construction of 3 hotel units including one ADA unit and a residential security unit	Review comments provided on July 21, 2021. Requires a resubmittal for review. Discussed project with applicant, expected to have resubmittal ready in November 2021. Applicant is reviewing alternative designs for the project, staff provided input on 2/14/22.				nh
29	Perry	3230	Beachcomber	6/24/21	CDP21-024/ CUP/ VAR21-002	New 1537 sf sfh with attached 380 sf garage. VAR request for roof top deck railing height. Application approval is dependent on completion of LTM21-01	Review comments sent 7/20/21, requires resubmittal. Resubmittal received 11/24/21, under review. Planning disapproved, comments sent 12/10/21. Resubmittal received 12/20/21, under review. Planning comment letter sent 1/6/22, requires resubmittal. Resubmittal received Feb 1, 2022 - project deemed complete 2/16/22, but cannot be presented to PC until LTM21-01 has been approved (lot line adjustment and lot merger).				nh
29	SR Development	545	Atascadero	Intial partial submittal on 3/31/2021. Submittal complete on 4/26/21	CDP21-013 / CUP21-04	New construction of 15 unit townhomes project	Comment letter sent 5/14/21, requires resubmittal with responses.				nh

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30	Perry	3202	Beachcomber	4/14/21	CDP21-014/ CUP/ VAR21-001 and LTM21-01	Demo existing home, build new 2063 sf home with subterranean garage and storage area of 2267 sf. Application approval is dependent on completion of LTM21-01. VAR request for height variance on roof top deck railing. Project requires lot line adjustment and lot merger to create 2 parcels from the three underlying parcels.	Submittal received, but not complete. Balance of submittal received 4/14/21, under review. Incomplete letter comments sent for LTM on 4/30/21 and CDP on 5/4/21. Resubmittal received 6/24/21 with VAR request, under review. Review comments sent 7/20/21. Resubmittal received 11/24/21, under review. Planning disapproved, comments sent 12/14/21, requires resubmittal. Resubmittal received 12/20/21, under review. Planning comments sent 1/11/22, requires resubmittal. Resubmittal received on March 10, 2022 - did not include resubmittal of LTM21-01 required to determine completeness. Comment letter sent 4/8/22, requires minor changes. Project not complete until resubmittal and approval.				nh
31	Tullis	404	Estero	3/17/21	CDP21-011	CDP to demo existing improvements & construct new SFR and site improvements.	Under review. Deemed incomplete, comment letter sent to applicant April 2, 2021				nh
32	Vistra	1290	Embarcadero	12/28/20	CDP20-026 & CUP20-14	Battery Energy Storage System (BESS) - New proposed project to construct 600MW BESS on old tank farm north of existing Morro Bay Power Plant. BESS to be constructed as 3 separate buildings, 30 feet in height plus 10 feet of screening for rooftop equipment.	Under initial review. Project deemed incomplete and incomplete letter sent 1-21-2021. Applicant resubmittal received 2-17-2021 and under review currently. Project deemed complete for processing on 2/23/2021. Project plans and documents being evaluated. Environmental review process in progress.				cj
33	Vazquez	590	Morro Ave	10/22/20	MAJ20-002	CDP/CUP Major Modification to propose equipment upgrade to an existing rooftop telecom wireless site.	Under review. Incomplete letter sent 11/19/20. Discussed with Applicant visual simulation requirements via phone on 7/27/21				cj
Projects Appealed to Planning Commission or PC Continued projects - none											
Projects Appealed or Forwarded to City Council - none											
Environmental Review:											
34	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: - none											
Projects going forward to Coastal Commission for review (Pending LCP Amendments) / or State Department of Housing:											

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35	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. Public draft of combined General Plan/ LCP released May 2018 for review. Worked with Coastal staff on CCC input received during 2019. Adoption Draft to be reviewed by Planning Commission at 10/20/20 hearing. Admin Draft of EIR received and to be circulated. Reviewed by PC at the 11/4/2020 & 11/17/20, 12/1/20, & 12/15/20 PC meetings. 3-16-2021 meeting is for review of the EIR and make recommendations to City Council for adoption. Council review of adoption draft held on 4/27/21. Hearing continued to the 5/11 and then 5/25/21 Council meetings. Plan adopted by Council on 5/25/21. LCP Amendment application submitted to Coastal Commission for certification. Coastal Commission LCP certified Coastal Land Use Plan (LUP) on August 12, 2021. Zoning Code Update in progress, reviewed by PC in 12/2021 and currently being reviewed by Coastal staff prior to next PC agenda date				
36	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. Change recommended by PC after Council direction which led to Adoption of Ord. 585 by City Council on 5/13/14. 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 Commission August 2016. Coastal objected to ban on use as vacation rentals. New State legislation in effect 1-1-20 which supersedes previous adopted ordinances. To be incorporated into Plan Morro Bay.	No review performed.			wm
Projects Continued Indefinitely, No Response to Date on Incomplete Letter or inactive:											
37	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		ig
Grants											
38	California Coastal Commission, California Ocean Protection Council		City-wide	4/6/16		\$400,000 Grant for LCP update to address sea-level rise and climate change impacts. Round 3 Grant award of \$200,000 for Lateral Access Plan, and ESHA delineation. Round 6 funding of \$65,000 received Mar 2020.	Grant agreements for both the grants are in place and grant administration has been turned over to Michael Baker International, per terms of the GP/LCP update contract. Received signed grant agreement for \$200,000 LCP Planning grant by CCC for Round 3 awards 2-27-17. Additional LCP grant funding received in 2020 under Round 6 for \$65,000 to complete LCP update.	No review performed.	N/A		sg

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39	City of Morro Bay		City-wide			Community Development Block Grant/HOME Program - Urban County Consortium	Staff has ongoing responsibilities for contract management in coordination with County staff administration. City Council approved Cooperation Agreement for 2021-2023 CDBG Program Years at 5/26/20 Council meeting. Notice of Funding Availability for 2022 Program Year released 9/27/21. Application funding deadline is 11/1/2021. Council public hearing to consider final funding recommendations to be on 3-8-2022. cj	No review performed.	N/R		cj
40	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:											
41	Mellon	455	Acacia St.	1/19/2022	B22-0010	Demo existing interior wall for interior remodel. Demo existing windows and exterior doors for new. Demo South wall for new roof extension. Demo existing 190sf balcony for new 355sf balcony (+165sf new) Construct a new 340sf deck off master bedroom. 33 ft new retaining wall over 30" high. New electrical and plumbing.	planning disapproved 2/3/22	Bldg. - Disapproved 3/15/22			sg
42	Castillo	1055	Allesandro St.	6/3/2021	B21-0097	250 sf addition to rear of existing SFR, addition creates two bedrooms and one full bath.		Bldg. - Disapproved 6/10/21			sg
43	Morro Bay Apartments L.P.	405	Atascadero Rd.	3/21/2022	B22-0056	PG &E-driven changes to the location of the electrical rom at area (A). The relocation(s) of electrical transformers on the site (one 3-phase transformer to four 1-phase transformers). Updates to overall electrical routing plans; change of exposed framing at exterior walkways to dex-o-tex wrapped assembly adjustments at entry alcoves to align/stack w/units below; clarification of gypcrete at fl/ceiling assemblies, revision of double 2650 casement windows to single 5050 slider windows.	Planning approved 3/23/22	Bldg. Plancheck			nh
44	Eisemann	535-A	Atascadero Rd.	11/22/2021	B21-0209	New construction of an attached ADU	Planning disapproved with comments on 11/24/21	Bldg. - Approved 2/24/22			nh
45	Cunha	199	Azure St.	11/8/2021	B21-0200	New first story addition to master suite.		Bldg. - Approved 11/23/21			sg
46	Goldstein	186	Bayshore Dr.	11/4/20	B20-0190	Remodel kitchen, dining & living area.		Bldg. - Approved 11/09/20			sg
47	Carter	2035	Bayview Ave.	8/5/21	B21-0135	New SFR, 1980 sf living, with 483 sf attached garage, 96 sf covered deck, 267 sf covered rear patio and 32 sf covered front porch.	Disapproved 8-26-21. am	Bldg. Disapproved 9/21/21			cj
48	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.	Permit extended to 9-22-22	Ready to issue	PN - Approved 6/21/2018	Emailed comments on 10-20-17.	cj
49	Segovia	2824	Birch Ave.	3/21/22	B22-0057	Cover patio, conversion to sunroom.	Disapproved 4/1/22	Bldg. - Approved 3/24/22			am

#	Applicant/ Property Owner			Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner	
50	Casagrande	528	Blanca St.	3/23/22	B22-0066			1839 sf two-story SFR with attached 484 sf two car garage, and 147 sf deck.	Bldg. - Plancheck	Disapproved 4/11/22		gc
51	Casagrande	536	Blanca St.	3/23/22	B22-0067			1840 sf two-story SFR with attached 484 sf garage and 148 second story deck.	Bldg. - Plancheck	Disapproved 4/11/22		gc
52	Borchard	548	Blanca St.	12/9/21	B21-0217	New SFR - 1774 sf living, 454 sf attached garage and 206 sf 2nd story deck. See permit B21-0218 for attached ADU.		Disapproved 4/11/22	Bldg. - Approved 3/24/22			gc
53	Borchard	548-A	Blanca St.	12/9/12	B21-0218	ATTACHED ADU - 692 sf attached Accessory Dwelling Unit (ADU) on lower level of SFR on downslope lot. See permit B21-0217 for new SFR.		Disapproved 4/11/22	Bldg. - Approved 3/24/22			am
54	Borchard	556	Blanca St.	12/9/21	B21-0219	New SFR - 1890 sf living, 426 sf attached garage and 159 sf upper level deck. See permit B21-0220 for attached ADU.		Disapproved 4/11/22	Bldg. - Approved 2/28/22			gc
55	Borchard	556-A	Blanca St.	12/9/21	B21-0220	ATTACHED ADU - 583 sf attached Accessory Dwelling Unit (ADU) on lower level of SFR on downslope lot. See permit B21-0219 for new SFR.		Disapproved 4/11/22	Bldg. - Approved 3/24/22			gc
56	Humphrey	2228	Coral	12/1/21	B22-0024	Expand a portion of the first floor and remove 2nd floor pantry and 1/2 bathroom to create a new bathroom on the 2n floor		Disapprove 03/03/2022 need to apply for a Minor Use Permit	Bldg. - Approved 2/28/22			gc
57	Baker	405	Elena St.	2/10/22	B22-0027	362 sf single story addition to an existing 906 sf home, demo 90 sf to connect the addition that will create two bedrooms and bathroom, full remodel of existing SFR reconfiguring existing layout.		Planning approved	Bldg. - Approved 2/28/22			nh
58	Bastoh	561	Embarcadero	3/17/22	B22-0051			Phase 2 New 8' sidewalk, New ADA entrance, repave & restripe parking. Disapproved 4-7-21.	Bldg. Approved 3/22/22			cj
59	Gambrill	571	Embarcadero	2/22/22	B22-0035	Convert office space to commercial vacation rental.		Disapproved 3-8-21.	Bldg. - Disapproved 4/6/22			cj
60	Redican	725	Embarcadero	3/14/22	B22-0049	The project consists of a 608 SF interior remodel of the existing arcade retail space into an extension of the commercial kitchen prep area. All work is exclusive to the interior of the lower level with no impacts to the site, exterior elevation or occupant circulation of the existing building.		Disapproved 3-17-21.	Bldg. - Conditionally Approved 3/29/22			cj
61	TLC Family Enterprises	833	Embarcadero	3/16/22	B22-0052	Addendum #1 to B20-0220 - Removal of parapet wall which requires removing steel post below and show railing on upper level. Revert back to cantilevered floor joists for hotel access walkway upstairs.		Disapproved 3-21-21	Bldg. - Plancheck			cj
62	Perkins	454	Estero Ave	2/22/22	B22-0036			Under review -Interior remodel of 583 sf of (E) SF. And add 194 SF open deck.	Bldg. - Disapproved 4/5/22			sg/gc
63	Hurless	2290-A	Greenwood Ave	1/12/22	B22-0006	Conversion of 440 sq ft storage building into a JADU.		Planning approved 1-18-22	Bldg. - Approved 1/20/22			nh
64	Hurless	2265	Hemlock Ave.	1/12/22	B22-0007	Conversion of 480 sq ft garage into an ADU.			Bldg. - Approved 02/07/22			gc

#	Applicant/ Property Owner			Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
65	Wilkie	476-A	Hill St.	3/26/20	B20-0057	ATTACHED ADU - Convert existng attached garage to 344 sf Accessory Dwelling Unit.	Correction letter sent 4/30/20.	Bldg. - Approved 4/8/22			nh
66	Errea	602	Ironwood Ct	1/10/22	B22-0003	New single family home	Planning comments sent 1/19/22	Bldg. - Diapproved 2/10/22			gc
67	Johnston	2781	Juniper Ave.	6/2/21	B21-0094	New 463 sf 2nd story deck at rear of existing SFR, also replace five existing windows with three new sliding glass doors.		Ready to issue			sg
68	Cia	2551	Koa Ave.	2/23/22	B22-0038	New 3 bed 2.5 bath SFR w/attached 2-car garage.	Under Review	Bldg. - Plancheck			gc
69	Daniels	964	Las Tunas St.	8/3/21	B21-0133	Remodel the laundry room & add a bedroom, bathroom & hallway to the back of existing home in phase I. Phase 2, build a detached garage		Bldg. - Disapproved 8/18/21			sg
70	Drenick	2530	Laurel Ave.	9/22/21	B21-0174	Reconstruction of 560 sf two-car garage, garage foundation and 560 sf rooftop deck over garage. See permit B21-0141 for separate demolition permit for these structures.	Disapproved and Correction Letter sent 10/5/21	Bldg. - Approved 9/28/21			am
71	Peter	890	Main St.	2/13/19	B19-0026	ADA and parking lot improvements. ADA stall to be relocated closer to street and make van accessible.	Approved on 3/1/19 - sg	Bldg. - Approved 2/27/19	Disapproved on 4/15/19		sg
72	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. Emailed applicant 3-19-2021 advising them of permit expiration date and extension opportunities.	BLDG - Disapproved by California Code Check (contract building inspection services (see memo) on 7-23-18. PB Permit extended to 4/18/23	Disapproved by jb on 11-21-17.	1-2-18 - Emailed BLDG (code ck) comments to architect. PB	cj
73	Rose	929	Mesa St.	1/25/22	B22-0016	ADU - 508 sf 2 story ADU addition and 42.5 sf bathroom remodel in existing garage.	Planning - Approved	Bldg. - Disapproved 3/15/22			gc
74	Kolb	685	Morro Ave.	10/4/21	B21-0180	Installation of 6' x 8' single sided, non-illuminated, monument sign with one 5' deep concrete footing (center of sign). Sign installed on parcel 066-301-058 (at corner).		Bldg - Approved 10/13/21			mm
75	Allen	310	Morro Bay Blvd.	2/23/22	B22-0040	Adaptive reuse design and development of an existing bank bldg structure for conversion into two-suite office complex. Proposed scope of work does not include an increase in the bldg footprint. Proposed exterior improvements include the removal of the car port awning and barrier removal for site accessibility requirements.		Bldg. - Plancheck			sg
76	Peterson	390	Morro Bay Blvd.	2/2/22	B22-0022	ADDENDUM TO B21-0151 - Adding to scope of work - Demo existing exterior mansard roof, exterior drive thru structure (including structural columns) and demo of interior concrete.		Ready to issue			sg
77	Gumm	480	Morro Bay Blvd.	1/27/22	B22-0020	Interior tenant improvement for sandwich shop.		Bldg. - Approved 2/14/22			sg

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78	JP Morgan Chase Bank	595	Morro Bay Blvd.	3/31/22	B22-0060	Installation of one solar carport, 99' 3 1/16" X 16' 7 3/8", with 15 modules, wall mounted PV equipment and four carport mounted lights, located in the existing Chase Bank parking lot.		Bldg. - Plancheck			am
79	Kennedy	500-A	Napa Ave.	3/23/22	B22-0065	Convert a 576 sf 2-car garage to a 2-story 914 sf ADU. 326 sf garage converted to a bedroom w/bathroom & a 588 sf 2nd floor bedroom, bathroom & kitchen/living area added. A 126 sf 2nd floor deck is also proposed.	disapproved 4/7/22 Approved	Bldg. - Plancheck			gc
80	Fletcher	435	Napa Ave.	3/21/22	B22-0055		Install 7x14 ft above round modular swim spa. Concrete slab for spa & access. Electrical for spa.	Bldg. - Approved 3/29/22	Disapproved 4/11/2022		gc
81	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
82	Currey	154	Orcas St	0323/22	B22-0062		Remodel & additions to kitchen, entry, & masterbedroom.	Bldg. - Diapproved 4/4/22	Under Review		gc
83	Currey	154-A	Orcas St	3/23/22	B22-0063		154-A ORCAS ST, Morro Bay, CA, 93442	Bldg. - Disapproved 4/4/22			sg
84	Appel	400-A	Pico St	8/18/21	B21-0149	Convert existing garage to an ADU without changing the footprint of the garage.	Approved 8/25/21	Bldg. Disapproved 9/10/21			am
85	Barakatt	315	Piney Ln.	12/22/21	B21-0224	Remodel 3718 sf SFR and solarium. Interior remodel of kitchen, living room, bathroom and solarium (1461 sf) Proposed replacement of existing solarium roof (465 sf). Removal of 279 sf carport. Proposed addition of 279 sf carport. Proposed addition of 279 sf deck. Proposed expansion of existing deck (133 sf).		Ready to issue			sg
86	Phelps	490	Piney Way	1/27/22	B22-0017	816 sf addition to existing 763 sf residence. Add 477 sf decks.		Bldg. - Plancheck			nh
87	Phelps	490	Piney Way	1/27/22	B22-0018	Create New ADU from existing sheds. New 469 sf.	Disapproved 2/25/2022	Bldg. - Plancheck			gc
88	Phelps	490	Piney Way	1/27/22	B22-0019	Convert existing 434 sf garage to a 434 sf JADU.	Disapproved 2/3/22	Bldg. - Disapproved 3/15/22			gc
89	Lee	684	Piney Way	9/10/20	B20-0168	Demo existing detached 416 sf work shed with bathroom & reconstruct new 416 sf garage/shop with electrical, keeping existing bathroom on existing slab/foundation.	Planning disapproved 9/15/20. Requires a Admin CDP and Parking Exception prior to review and approval of the building permit. Waiting for submittal.	Bldg. - Disapproved 3/1/21			nh
90	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

#	Applicant/ Property Owner			Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
91	Eisemann	599	San Jacinto Street	1/20/22	B22-0014	Demolish of an existing 522 sf one story single family home. Building a new 1498 sf primary residence with 522sf garage and covered 125sf porche.	Under review	Bldg. - Disapproved 3/16/22			gc
92	Battaglia & Winfield	1280	Scott St.	11/9/21	B21-0171	Addition and remodel - 179 sf 2nd level addition to an existing SFR creating a 809 sf primary dwelling with an existing 380 sf deck.	Planning approved. Expanded landscape detail received and approved 2/5/22.	Ready to issue			nh
93	Battaglia & Winfield	1280-A	Scott St.	11/9/21	B21-0172	Detached ADU - 2nd story, 780 sf ADU with front and rear decks totaling 240 sf, over a new 780 sf storage area.	Planning approved	Ready to issue			nh
94	Battaglia & Winfield	1280-B	Scott St.	11/9/21	B21-0173	Attached JADU - Create 404 sf JADU from existing lower level of SFR. Also new 128 sf storage area.	Planning approved	Ready to issue			nh
95	Chaney	508	Shasta Ave	12/21/21	B21-0223	Demolish an existing 163 sf failing deck & rebuild with a 213 sf deck. All exterior & located at the front of the residence.		Bldg. - Approved 12/21/21			sg
96	Parker	580	Shasta Ave	8/31/20	B20-0159	Add new detached garage	Planning under review. Planning disapproved 9/8/20. Need resubmittal	Bldg. - Disapproved 9/14/20			nh
97	Flood	176	Sicity St.	B22-0048	B22-0048		258 sf addition to expand living room and master bedroom. Remodel kitchen and baths and add 3rd bedroom within existing space.	Bldg. - Approved 3/22/22			gc
98	Stanton	351	Trinidad	3/26/19	B19-0054	Repairs to existing 200 sf rooftop deck. Replace all dry-rot structural members, install new waterproof membrane,, new copper drip edge flashing, replace plaster, replace guardrail if needed.	Disapproved 4/11/19. Awaiting resubmittal. Permit application expired	Bldg. - Approved 3/27/19			wu
99	Williams	175	Whidbey	3/29/22	B22-0071		Remove and replace the lower section of existing stairs that lead to an existing roof top deck.	Bldg. - Conditionally Approved 4/4/22			sg
100	Leonard	550	Zanzibar St.	1/12/22	B22-0008	New 1855 SFR w/482 sf garage and 144 sf balcony deck.	Disapproved	Bldg. - Disapproved 3/17/22			nh
Planning Projects & Permits with Final Action:											
1											
2											
4											

#	Applicant/ Property Owner		Application Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
Staff Directory:										
Scot Graham - sg	Chad Ouimet - co		Cindy Jacinth - cj	Pam Newman - pn	Nancy Hubbard - nh	Gabby Cortez - gc	Alison MacCarley - am			

AGENDA ITEM: A-2

DATE: APRIL 5, 2022

ACTION: DRAFT

ACTION MINUTES – MORRO BAY PLANNING COMMISSION
REGULAR MEETING – FEBRUARY 1, 2022
HELD VIA TELECONFERENCE – 6:00 PM

PRESENT:	Susan Stewart Bill Roschen Joe Ingrassia Mike Rodriguez Asia King	Chairperson Vice-Chairperson Commissioner Commissioner Commissioner
STAFF:	Scot Graham Cindy Jacinth	Community Development Director Senior Planner

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLANNING COMMISSIONER ANNOUNCEMENTS

<https://youtu.be/zzET55TrZNM?t=98>

Commissioner Rodriguez spoke about the email from Council member Jeff Heller regarding public benefits which were in review for the battery storage project. Rodriguez mentioned he was in favor of placing it on the agenda for discussion.

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-08-21, 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](#).*
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Please click the link below to join the webinar:

- <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRFWFUQT09>
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/zzET55TrZNM?t=222>

- A-1** Current and Advanced Planning Processing List
Staff Recommendation: Receive and file.
- A-2** Approval of minutes from the Planning Commission meeting of October 19, 2021.
Staff Recommendation: Approve minutes as submitted.
- A-3** Approval of minutes from the Planning Commission meeting of November 2, 2021.
Staff Recommendation: Approve minutes as submitted.

MOTION: Commissioner Rodriguez moved to approve the consent calendar. Commissioner Ingraffia seconded and the motion passes 5-0. The motion received and filed by the Commission.

B. PUBLIC HEARING - NONE

C. NEW BUSINESS

<https://youtu.be/zzET55TrZNM?t=284>

- C-1** **Case No.:** CUP22-03
Site Location: 801 Embarcadero
Proposal: Conceptual Review of a potential redevelopment of the Libertine Building to include conversion of second floor to 9 hotel rooms, and first floor to restaurant/bar with outdoor dining, coffee shop, brewing area, new Harborwalk coastal public access, and off-lease public plaza improvements to adjacent street end. Existing building is 10,044sf and building alterations would include addition of 1,001sf for building total of 11,045 sf located at 801 Embarcadero (Lease site 86/86W) in the WF/PD/S.4 zoning district. This property is also located in the Coastal Commission original jurisdiction.

Staff Recommendation: Review staff report, attachments, and provide comment and feedback. The Planning Commission is not reviewing the project for discretionary review.

Staff Contact: Cindy Jacinth, Senior Planner, 805-772-6577, cjacinth@morrobayca.gov

Jacinth presented the staff report.

The Commissioners presented their questions to staff.

COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS – Chairperson Stewart and Commissioner’s Ingraffia, King, and Rodriguez met with Sean Green on separate occasions.

Chairperson Stewart opened the Public Comment period.

<https://youtu.be/zzET55TrZNM?t=3362>

Eric Newton, California Coastal Investments, and owner of Libertine Brewing provided an overview of the project.

Betty Winholtz, Morro Bay, asked if the Planning Commission was going to publish public comment. Winholtz stated her concerns and questions for 801 Embarcadero.

Sean Green, Morro Bay, provided a site history for 801 Embarcadero, and stated he would be submitting a concept plan to City Council for review.

Commissioner Rodriguez presented his question to Green.

Green responded to Commissioner Rodriguez’s question.

Chairperson Stewart closed the Public Comment period.

<https://youtu.be/zzET55TrZNM?t=4309>

Discussion and comments from the Commissioner’s.

Chairperson Stewart opened the Public Comment period.

<https://youtu.be/zzET55TrZNM?t=6838>

Newton answered questions from the Commissioners and received feedback.

Trevor Miller, the applicant’s architect asked for clarification regarding the view corridor.

Graham responded.

Chairperson Stewart closed the Public Comment period and discussion.

<https://youtu.be/zzET55TrZNM?t=7851>

D. UNFINISHED BUSINESS

<https://youtu.be/zzET55TrZNM?t=7861>

Chairperson Stewart discussed the community benefits with the Commissioners and suggested the Commissioners start working on their list.

Graham responded.

Discussion between the Commissioner's and staff.

Graham explained to the Commissioner's the process for public comment.

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS

<https://youtu.be/zzET55TrZNM?t=8286>

Chairperson Stewart spoke about public benefits and suggested the Commissioners could communicate with other board members to collect information on issues they may have which relate to planning.

Commissioners Ingraffia suggested the Commissioner's do something similar as to what the City Council does with Jeff Heller as the liaison between Planning Commission and City Council.

Vice-Chairperson Roschen proposed the suggestions be placed on the agenda for the next meeting.

Commissioner Rodriguez asked Graham for an update on membership for the American Planning Association (APA).

Graham responded.

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS – NONE

<https://youtu.be/zzET55TrZNM?t=8558>

G. ADJOURNMENT

The meeting adjourned at 8:23 p.m. to the next scheduled Planning Commission meeting via teleconference, on February 15, 2022, at 6:00 p.m.

Susan Stewart, Chairperson

ATTEST:

Scot Graham, Secretary

AGENDA ITEM: A-3

DATE: APRIL 5, 2022

ACTION: DRAFT

**ACTION MINUTES – MORRO BAY PLANNING COMMISSION
REGULAR MEETING – FEBRUARY 15, 2022
HELD VIA TELECONFERENCE – 6:00 PM**

PRESENT:	Susan Stewart	Chairperson
	Bill Roschen	Vice-Chairperson
	Joe Ingraffia	Commissioner
	Mike Rodriguez	Commissioner
	Asia King	Commissioner

STAFF:	Scot Graham	Community Development Director
	Nancy Hubbard	Contract Planner

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLANNING COMMISSIONER ANNOUNCEMENTS

https://youtu.be/Mq2_gvcLrS4?t=71

Chairperson Stewart mentioned to the Commission if they preferred hard copies of the Planning Commission packet, they could email Gina Arias in the Community Development Department.

PUBLIC COMMENT PERIOD

Chairperson Stewart opened the Public Comment period.

https://youtu.be/Mq2_gvcLrS4?t=128

Peggy Mandeville, Morro Bay, noted she submitted her public comment later than she expected. Mandeville spoke of regulations the City of Morro Bay could adopt for accessory dwelling units (ADU's). Mandeville would like the Planning Commission to consider placing on the agenda a discussion regarding ADU's.

Chairperson Stewart commented Mandeville also included Coastal Commission comments with her public comment.

Chairperson Stewart closed the Public Comment period.

https://youtu.be/Mq2_gvcLrS4?t=241

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*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/Mq2_gvcLrS4?t=244

A-1 Current and Advanced Planning Processing List

Staff Recommendation: Receive and file.

A-2 Approval of minutes from the Planning Commission meeting of November 16, 2021.

Staff Recommendation: Approve minutes as submitted.

A-3 Approval of minutes from the Planning Commission meeting of December 7, 2021.

Staff Recommendation: Approve minutes as submitted.

MOTION: Commissioner Ingraffia moved to approve the consent calendar.

Commissioner Rodriguez seconded and the motion passes 5-0.

B. PUBLIC HEARING

https://youtu.be/Mq2_gvcLrS4?t=291

- B-1 Case No.:** CDP21-044
Site Location: 2995 Beachcomber Drive, Morro Bay, CA
Proposal: Request for Planning Commission approval of a Coastal Development Permit for the addition of small spaces totaling 354 square feet, plus an extensive interior remodel to the existing home. The completed project will result in a 2590 sf conditioned living space and a 648-sf garage. The scope of work includes roof line changes to accommodate the additions. The home is conforming to the zoning district development standards. *The project also includes a new 570 sf detached ADU. In accordance with Gov. Code Section 65852.2, the approval of the ADU will be ministerial and will not be reviewed by the Planning Commission.*
CEQA Determination: Exempt under 15301, Class 1a, for alterations to existing facilities
Staff Recommendation: Continue the project to a date uncertain.
Staff Contact: Nancy Hubbard, Contract Planner, nhubbard@morrobayca.gov

Hubbard provided an explanation for the continuance.

MOTION: Vice-Chairperson Roschen moved to approve the continuance to a date uncertain. Commissioner Rodriguez seconded and the motion passes 5-0, with Roschen, Ingrassia, Rodriguez, King, and Stewart voting yes.

Commissioner Rodriguez presented his comments.

C. NEW BUSINESS

D. UNFINISHED BUSINESS

https://youtu.be/Mq2_gvcLrS4?t=533

- D-1 Public Benefits Subcommittee Discussion of a Case Study on How a Public Benefits List Could Be Used in Relation to Redevelopment of the Vistra Power Plant Site.**
Staff Recommendation: Review the report and provide direction to staff on next steps
Staff Contact: Scot Graham, Community Development Director, sgraham@morrobayca.gov

Graham started the discussion.

Sean Green provided an update on the discussions held with the subcommittee meeting.

Commissioner Ingrassia provided comments on Sean Green's report.

Commissioner Rodriguez commented on the importance of the Planning Commission's decision and the impact it will have on projects like the Vistra battery storage project.

The Commissioner's presented their questions to the subcommittee and staff.

Graham responded.

Chairperson Stewart opened the Public Comment period and seeing none closed the Public Comment Period.

https://youtu.be/Mq2_gvcLrS4?t=2549

Discussion between the Commissioner's and staff.

Graham interrupted the discussion and offered suggestions and reminded the Commissioner's about commenting on items not listed on the agenda.

Discussion between the Commissioner's and staff continued.

MOTION: The Commissioner's agreed to continue the discussion and voted to place the item on the next agenda. Vice-Chairperson Roschen moved to approve, and Commissioner King seconded.

E. PLANNING COMMISSIONER COMMENTS/FUTURE AGENDA ITEMS

https://youtu.be/Mq2_gvcLrS4?t=5257

Chairperson Stewart asked staff when the next discussion for zoning will take place.

Graham responded.

Vice-Chairperson Roschen commented on how the Commissioner's would benefit from receiving comments from the public regarding public benefits.

Graham responded.

Commissioner King asked staff if there were updates on when meetings in person would start.

Graham responded.

F. COMMUNITY DEVELOPMENT DIRECTOR COMMENTS

https://youtu.be/Mq2_gvcLrS4?t=5570

Graham provided an update on the Harbor walk logos.

G. ADJOURNMENT

The meeting adjourned at 7:34 p.m. to the next scheduled Planning Commission meeting via teleconference, on March 1, 2022, at 6:00 p.m.

Susan Stewart, Chairperson

ATTEST:

ACTION MINUTES – MORRO BAY PLANNING COMMISSION
REGULAR MEETING – FEBRUARY 15, 2022

Scot Graham, Secretary



AGENDA NO: B-1

MEETING DATE: April 19, 2022

Staff Report

TO: Planning Commissioners **DATE:** April 19, 2022

FROM: Nancy Hubbard, Contract Planner

SUBJECT: Request for an amendment to the Land use map within the General Plan/Local Coastal Program adopted in 2021. The change from District Commercial to Community Commercial is consistent with the proposed new zoning designation for the site. The site is adjacent to similarly designated sites along Main Street.

RECOMMENDATION:

PROVIDE RECOMMENDATION to City Council for approval of change in the land use map included in the General Plan/Local Coastal Program, Land Use Plan for the subject property by adopting Planning Commission Resolution 04-22 making the necessary findings for approval of MAJ21-006.

APPLICANT/OWNER: Morro Rock, LLC
(Steven Allen agent for Allen Family Trust)

ADDRESS/APN: 1260 MAIN STREET/ APN #066-312-017

REVIEW PROCESS REQUIREMENTS:

Land Use Map Amendment: The 2021 General Plan/Local Coastal Program (LCP), Land Use Plan (LUP) was certified by the California Coastal Commission on August 12, 2021 (LCP Amendment #LCP-3-MRB-21-0047-1). The California Coastal Commission allows three amendments to the General Plan/LCP per year and this request for a land use map amendment for the subject parcel will be processed as the first amendment of 2022. Amendments to the land use map require review in a public hearing by Planning Commission resulting in a recommendation to City Council. City Council will review in a public hearing and will render a decision on the request for amendment. Amendments approved by City Council are forwarded to California Coastal Commission for review and certification.

CEQA Environmental Report: Pursuant to the California Environmental Quality Act, an amendment to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report (EIR) requires an environmental review of impacts

resulting from the change proposed in the amendment. An Amendment to the 2021 EIR has been prepared and resulted in a finding of no significant environmental impact as a result of the proposed GP/LCP land use map amendment request. See Exhibit B.



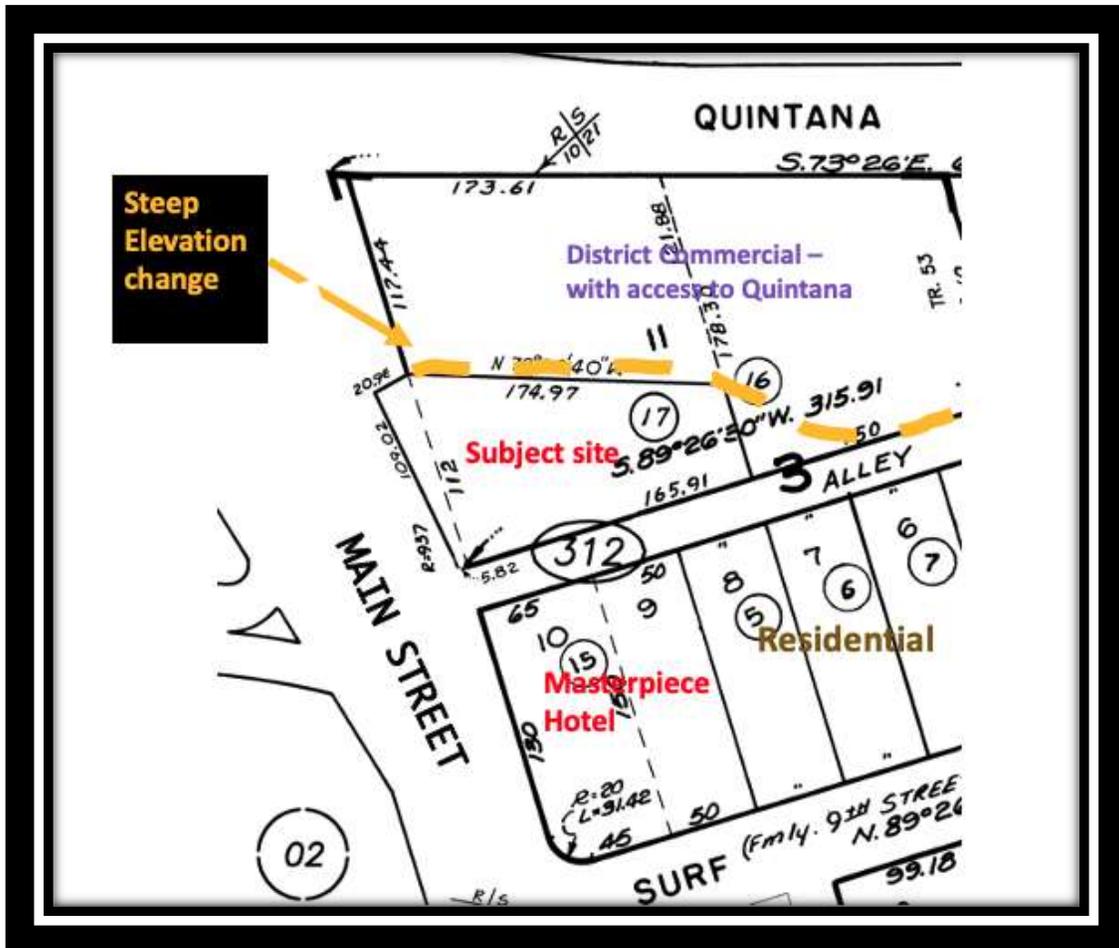
BACKGROUND AND OVERVIEW:

Site History and prior use:

The subject site is a 14,810 sf wedge-shaped parcel with wide frontage and access on to Main Street. This is the last parcel with access to Main St before the intersection at Main and Quintana leading to the adjacent District Commercial (DC) land uses along Quintana Road. The building, built in 1952 is 1,409 sf in size and has been used for retail sales of miniatures and collectable gifts. The vehicular access to this site and the related parking is via a city maintained alley way that also provides access to residential units to the south east of the subject site. Immediately south of the subject site is the Masterpiece Hotel, which has recently acquired the subject property for an expansion of the hotel.

The current Land Use designation for this site is District Commercial, intended to accomodate larger scale retail, commercial and service uses such as auto parts store, big-box store, grocery stores, etc. See excerpt below from Chapter 17.08 Commercial and Mixed Use Districts from the proposed MB Zoning Code:

District Commercial (DC). This District provides locations for retail, commercial, and service uses that meet local and regional demand. It is intended for larger-scale development that is appropriate in an auto-oriented environment.



The adjacent parcels with a DC land use designation located along Quintana are appropriate for higher volume more intense retail/commercial uses that are auto oriented vs. pedestrian oriented. The subject site has access from Main Street and is more appropriate for less intense and more pedestrian friendly uses.

The Community Commercial designation from Chapter 17.09 Commercial and Mixed-Use Districts of the proposed MB Zoning Code has the following purpose and intent:

Community Commercial (CC). This District is intended to create, maintain, and enhance walkable community commercial areas that provide a mix of community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services. Residential uses are allowed above and behind commercial uses and as stand-alone development in certain areas

Current Land Use Mapping



Proposed Land Use Mapping



Request for land use map change:

The property was recently purchased by the owner of the Masterpiece Hotel on Main Street (Community Commercial land use) just south of the subject site. The owner would like to use the site and existing building for additional hotel rooms and a manager's residence as well as additional hotel parking. The current District Commercial land use does not allow hotel uses.

The subject site is adjacent to District Commercial land use designated sites on the north and east and Community Commercial on the south and west. However, with the subject site's frontage on Main Street and with the steep slope separating the site from the other District Commercial designated land below (along Quintana), the site aligns more with the adjacent Community Commercial uses, which includes a strong connection to the activity on Main Street, intended for walkable tourist/retail uses. The change in land use designation will continue to provide contiguous and compatible land use through the change to Community Commercial. Staff supports this amendment request because of the geographic barriers between the subject site and the adjacent District Commercial sites on Quintana Road. The site conditions and access would make this impractical for use as an auto oriented business. Approval of the Land Use change to Community Commercial extends the contiguous pedestrian oriented commercial uses to the northern limits of the Morro Bay Downtown core area, meeting the current landowner's request for use of this site, but also future uses of this site.

Zoning Map Update: The City is currently in the process of adopting a new zoning code/LCP, Implementation Plan (zoning code). In anticipation of the proposed land use map amendment request, the zoning map designation for this subject site has been changed to Community Commercial. The prior zoning code designation for this site was C-2 (General Commercial) which allows for more intense commercial uses that are generally auto oriented (vs pedestrian). The proposed change in the land use designation to Community Commercial will result in a consistent zoning designation and land use designation for this site. Staff supports this request because this site's frontage and access is on Main Street contiguous to other Community Commercial sites, but is geographically separated from the adjacent District Commercial uses on Quintana Road.

CONCLUSION:

The Community Commercial land use amendment request is consistent with the draft zoning map Community Commercial zoning designation and the purpose and intent of the General Plan/Local Coastal Program.

PUBLIC HEARING NOTICE:

Notice of a public hearing on this item was published in the San Luis Obispo Tribune newspaper on April 8, 2022, and all property owners and occupants of record within 500 feet of the project site were notified of the scheduled public hearing and invited to voice any concerns on this application. The project site was also posted with a pending development notice sign.

RECOMMENDATION:

Staff recommends that the Planning Commission forward a RECOMMENDATION FOR APPROVAL to City Council by adopting Planning Commission Resolution 04-22 which includes findings for MAJ21-006

ATTACHMENTS:

Exhibit A – Resolution 04-22 – Recommendation to City Council

Exhibit B – EIR amendment, project description and checklist

EXHIBIT A

RESOLUTION NO. PC 04-22

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION ANNOUNCING FINDINGS AND RECOMMENDATION TO THE CITY COUNCIL FOR APPROVAL OF AN AMENDMENT TO THE LAND USE MAP INCLUDED IN THE GENERAL PLAN/ LOCAL COASTAL PROGRAM LAND USE PLAN

WHEREAS, the Planning Commission of the City of Morro Bay (the “City”) conducted a public hearing at the Veterans Memorial Building at 209 Surf Street, Morro Bay, CA on April 19, 2022, for the purpose of considering an amendment to the land use map included in the General Plan/Local Coastal Program (LCP), Land Use Plan (LUP) for the property at 1260 Main Street (“Project”); and

WHEREAS, notice of the public hearing was provided at the time and in the manner required by law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of the appellant, applicant, 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)

Pursuant to the California Environmental Quality Act, an amendment to the 2021 General Plan/Local Coastal Land Use Plan Environmental Impact Report has been prepared resulting in a finding of no significant environmental impact as a result of the proposed GP/LCP land use map amendment request.

GP/LCP Amendment findings

1. The proposed changes are consistent with the intent of the State Coastal Act; and
2. The proposed amendment is consistent with the intent and policies of the General Plan/Local Coastal Program, Land Use Plan; and
3. The proposed change in the land use designation for the subject property will be consistent with the Zoning Map update currently pending approval.

Section 2: Action. The Planning Commission does hereby provide a recommendation to City Council for approval of the proposed amendment to the land use map included in the General Plan/LCP, LUP to change the land use designation of the parcel located at 1260 Main Street from District Commercial to Community Commercial.

EXHIBIT A

Planning Commission Resolution 04-22

Amendment to LU map in GP/LCP

Page 2

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 19th day of April 2022 on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson Stewart

ATTEST

Scot Graham, Planning Secretary

The foregoing resolution was passed and adopted on this 19th day of April 2022.



EXHIBIT B

CARLSBAD
CLOVIS
IRVINE
LOS ANGELES
PALM SPRINGS
POINT RICHMOND
RIVERSIDE
ROSEVILLE
SAN LUIS OBISPO

MEMORANDUM

DATE: February 24, 2022

To: Nancy Hubbard, Contract Planner, City of Morro Bay

FROM: Pam Reading, Principal
Matthew Wiswell, AICP, Project Manager/Senior Planner

SUBJECT: California Environmental Quality Act (CEQA) Addendum for the 1260 Main Street Project

This document, prepared pursuant to the California Environmental Quality Act (CEQA) and the regulations and policies of the City of Morro Bay, is an Addendum to the 2020 Environmental Impact Report for the Morro Bay General Plan and Local Coastal Plan Update¹ (General Plan EIR), which was adopted by the City of Morro Bay (City) in August 2021. The General Plan EIR consists of the Draft EIR and the Response to Comments Document, which combined constitute the Final EIR. This Addendum evaluates whether minor changes associated with the proposed project would result in new or substantially more adverse significant effects or require new mitigation measures not identified in the General Plan EIR. The proposed project consists of a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. See Attachment A for a full description of the proposed project. The City of Morro Bay is the Lead Agency under CEQA. In accordance with CEQA Section 21083 and 21166 and CEQA Guidelines Section 15164, this document (including Attachments A and B) serves as an Addendum to the General Plan EIR, certified in August 2021, which is hereby incorporated by reference.

INTRODUCTION

The approximately 0.34-acre project site is located at 1260 Main Street in the City of Morro Bay, San Luis Obispo County. The project site consists of a single parcel that is bound by commercial uses to the north and east, an alleyway to the south, which has become a defacto public right-of-way and that provides access to developments south of the project site including a hotel and single-family residential uses, and Main Street to the west. The proposed project would involve a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. The project site is accessed from Main Street. Adjacent properties accessed by Main Street are all designated Community Commercial, which is a land use designation that is intended for tourist/retail and pedestrian-oriented commercial uses. Adjacent properties along Quintana Road are designated District Commercial. However, the project site is grade

¹ Morro Bay, City of. 2020. *Morro Bay General Plan and LCP Update Draft Environmental Impact Report*. State Clearinghouse No. 2017111026. October.

separated from the adjacent properties along Quintana Road by a significant elevation change, which makes it difficult to combine the project site with adjacent properties along Quintana Road. Because the project site is more physically connected with and could be more easily combined with the adjacent properties that are accessed from Main Street, it makes sense to change the land use designation of the project site from District Commercial to Community Commercial so that future uses are consistent with the uses of the adjacent properties.

This Addendum is prepared pursuant to CEQA Guidelines Section 15164(a) which states: "The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." Section 15162 specifies that "no subsequent EIR shall be prepared for that project unless the lead agency determines ... one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative."

Pursuant to CEQA Guidelines Section 15164(e), the purpose of this Addendum is to summarize the proposed project, assess the proposed modifications to the project evaluated in the General Plan EIR, and identify the reasons for the City's conclusion that changes associated with the proposed project and its environmental effects do not meet the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent or supplemental environmental document.

Attachment A to this Addendum provides a complete description of the proposed project, its location, existing site characteristics, proposed development, and required approvals and entitlements.

Attachment B to this Addendum provides the Environmental Checklist prepared for the project. This checklist is used to: 1) compare the environmental impacts of the proposed revised project with impacts expected to result from development evaluated in the General Plan EIR; 2) identify whether the proposed project would result in new or more severe significant environmental impacts; and 3) identify if substantial changes with respect to the circumstances under which the project would be undertaken since the General Plan EIR was adopted would result in new or more severe significant environmental effects.

COMPARISON TO THE CONDITIONS LISTED IN CEQA GUIDELINES SECTION 15162

The following discussion summarizes the reasons that additional environmental review pursuant to CEQA Guidelines Section 15162 is not required to evaluate the environmental effects of the proposed project, as its potential effects were adequately evaluated in the General Plan EIR as supported by the analysis contained in Attachment B.

Substantial Changes

Per the analysis included in Attachment B, Environmental Checklist, the proposed minor modifications to the project evaluated in the General Plan EIR would not result in new significant impacts beyond those identified in the General Plan EIR, would not substantially increase the severity of impacts identified in the General Plan EIR, and would not require major revisions to the General Plan EIR. Therefore, the proposed changes to the project would be minor modifications, not substantial changes, and an Addendum is the appropriate document to address these minor modifications.

Substantial Changes in Circumstances

As described in the Environmental Checklist for each topic, environmental conditions in and around the project site have not changed such that implementation of the proposed minor modifications to the General Plan EIR would result in new significant environmental effects or a substantial increase in the severity of environmental effects identified in the General Plan EIR, and thus would not require major revisions to the General Plan EIR.

New Information

No new information of substantial importance, which was not known or could not have been known when the General Plan EIR was adopted, has been identified which shows that the proposed minor modifications to the General Plan EIR associated with the proposed project would be expected to result in: 1) new significant environmental effects not identified in the General Plan EIR; 2) substantially more severe environmental effects than shown in the General Plan EIR; 3) mitigation measures or alternatives previously determined to be infeasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or 4) mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the

mitigation measure or alternative. In addition, the proposed minor modifications would require no new mitigation measures, as described throughout the Environmental Checklist, because no new or substantially more severe impacts are expected beyond those identified in the General Plan EIR.

CONCLUSION

The proposed minor modifications to the General Plan EIR described in this Addendum would not require major revisions to the General Plan EIR due to new or substantially increased significant environmental effects. The analysis contained in the Environmental Checklist confirms that the proposed project is within the scope of the General Plan EIR and will have no new or more severe significant effects and no new mitigation measures are required. Therefore, no subsequent or supplemental EIR or further CEQA review is required prior to approval of the proposed project, as described in this Addendum.

Attachments: Attachment A: Project Description
Attachment B: Environmental Checklist

ATTACHMENT A

PROJECT DESCRIPTION

The following describes the proposed 1260 Main Street Project (proposed project). This section includes a summary description of the project's location, existing site characteristics and current site conditions, surrounding land uses, and the process for future development following approval of the proposed action. The City of Morro Bay (City) is the lead agency for review of the proposed project under the California Environmental Quality Act (CEQA).

1.1 PROJECT SITE

The following section describes the location and characteristics of the project site and provides a brief overview of the existing land uses within and in the vicinity of the site.

1.1.1 Location

The approximately 0.34-acre (14,810-square-foot) project site is located at 1260 Main Street in the City of Morro Bay, San Luis Obispo County. The project site consists of a single parcel (Assessor's Parcel Number [APN] 066-312-017) that is bound by commercial uses to the north and east, a hotel to the south, and Main Street to the west. Regional access to the project site is provided by State Route 1 (SR 1), which is accessible via on- and off-ramps located approximately 0.4 miles north. Figure 1 shows the regional and local context of the project site. Figure 2 depicts an aerial photograph of the project site and surrounding land uses.

1.1.2 Site Characteristics and Current Site Conditions

A steep, vegetated bank slopes upward from north to south along the northern and eastern boundary of the project site. The remainder of the project site is generally level and is developed with an approximately 1,409-square-foot retail building located near the northwest corner of the site and a surface parking lot on the southern portion of the site. Vegetation on the project site includes the vegetated bank as well as ornamental landscaping and two palm trees located near the center of the site.

1.1.3 Surrounding Land Uses

As shown in Figure 2, the project site is generally surrounded by residential and commercial uses. To the north, the project site is bounded by commercial uses and Quintana Road, across which are additional commercial uses and SR 1. The project site is also bound to the east by commercial uses, as well as a steep vegetated bank. The project site is bordered immediately to the south by an alleyway (that has become a defacto public right-of-way that the City maintains) providing access to the neighboring developments to the south, including a hotel and single-family residential uses further east. Main Street, a north-south roadway that generally runs the length of the city, borders the project site to the west. West of Main Street are additional commercial and residential uses and the intersection of Surf Street (and Main Street) that provides access west of the project site to Front Street and the Embarcadero.

EXHIBIT B

1.1.4 Regulatory Setting

The project site is designated District Commercial on the City's General Plan Land Use Map. The District Commercial designation allows for retail, commercial, and service uses that meet local and regional demand with a maximum floor area ratio (FAR) of 0.5.¹ The existing General Plan land use designation for the project site is shown in Figure 3. The project site is located within the Community Commercial (CC) zoning district. The CC zoning district is intended to create, maintain, and enhance walkable community commercial areas that provide a mix of community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services. Residential uses are allowed above and behind commercial uses and as stand-alone development in certain areas. The CC zoning district allows a maximum FAR of 1.25 and a density of 15.1 to 27 dwelling units per acre.²

1.2 PROPOSED PROJECT

The proposed project would involve a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. The Community Commercial land use designation allows for community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services with a maximum FAR of 1.25. In addition, the Community Commercial land use designation allows for residential uses both above and behind commercial uses at a density of 15.1 to 27 dwelling units per acre. Table A provides a summary of the allowable development of the project site under the existing and proposed condition. As shown below, under the existing land use (District Commercial), development on the project site could reach a maximum floor area of 7,405 square feet. Under the proposed land use (Community Commercial), development of the project site could reach a maximum floor area of 18,512 square feet.³ In addition, the proposed land use would allow for between 5 to 9 dwelling units to be developed on the project site. Figure 4 shows the proposed General Plan land use designation for the project site.

Table A: Potential Development Under Existing and Proposed Land Use Designations

Address	Lot Area (square feet)	Max. Allowable Floor Area – Existing Land Use (FAR x area)	Allowable Dwelling Units – Existing Land Use	Max. Allowable Floor Area – Community Commercial	Allowable Dwelling Units – Community Commercial
1260 Main Street	14,810	7,405	N/A	18,512	5 to 9

Source: Morro Bay, City of. (2021). Compiled by LSA.

Note: N/A = Not Applicable

¹ Morro Bay, City of. 2021. *Plan Morro Bay*. May 25.

² Morro Bay, City of. 2021. *City of Morro Bay Zoning Code/Implementation Plan*. December.

³ It should be noted that the maximum floor area allowable on the project site was determined solely based on the allowed FAR. The maximum floor area allowable does not take into account other development standards, such as setbacks or building height limits, that would further limit the development potential on the project site.

EXHIBIT B

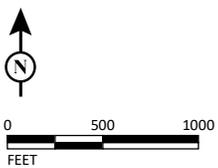
Many of the uses that would be allowed within the proposed Community Commercial land use designation would be contingent upon issuance of a use permit, which would be subject to CEQA. The requirements and processes for obtaining a use permit are detailed in the Morro Bay Zoning Code Chapter 17.40, Use Permits. Use permits involving land uses and/or activities must be reviewed by the City of Morro Bay and may require a public hearing. As prescribed in the Morro Bay Zoning Code, when a use permit requires a public hearing, the public must be provided notice of the hearing which contains hearing information; project (proposed use) information; and a statement that the review authority will consider a negative declaration or certification of a final environmental impact report, if either document has been prepared for the project (in compliance with CEQA and the City's Environmental Review Procedures). The public notices are distributed to the affected property owner or applicant, local agencies that would provide services or facilities for the project, and property owners or renters located near the project site.

EXHIBIT B



L&A

FIGURE 1



1260 Main Street Project
Regional Location

SOURCE: National Geographic (c)2019.

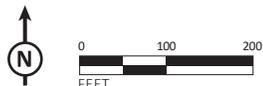
I:\MRB2101(2)\GIS\Maps\Figure 1_Regional Location.mxd (12/10/2021)

EXHIBIT B



FIGURE 2

LSA



 Project Site

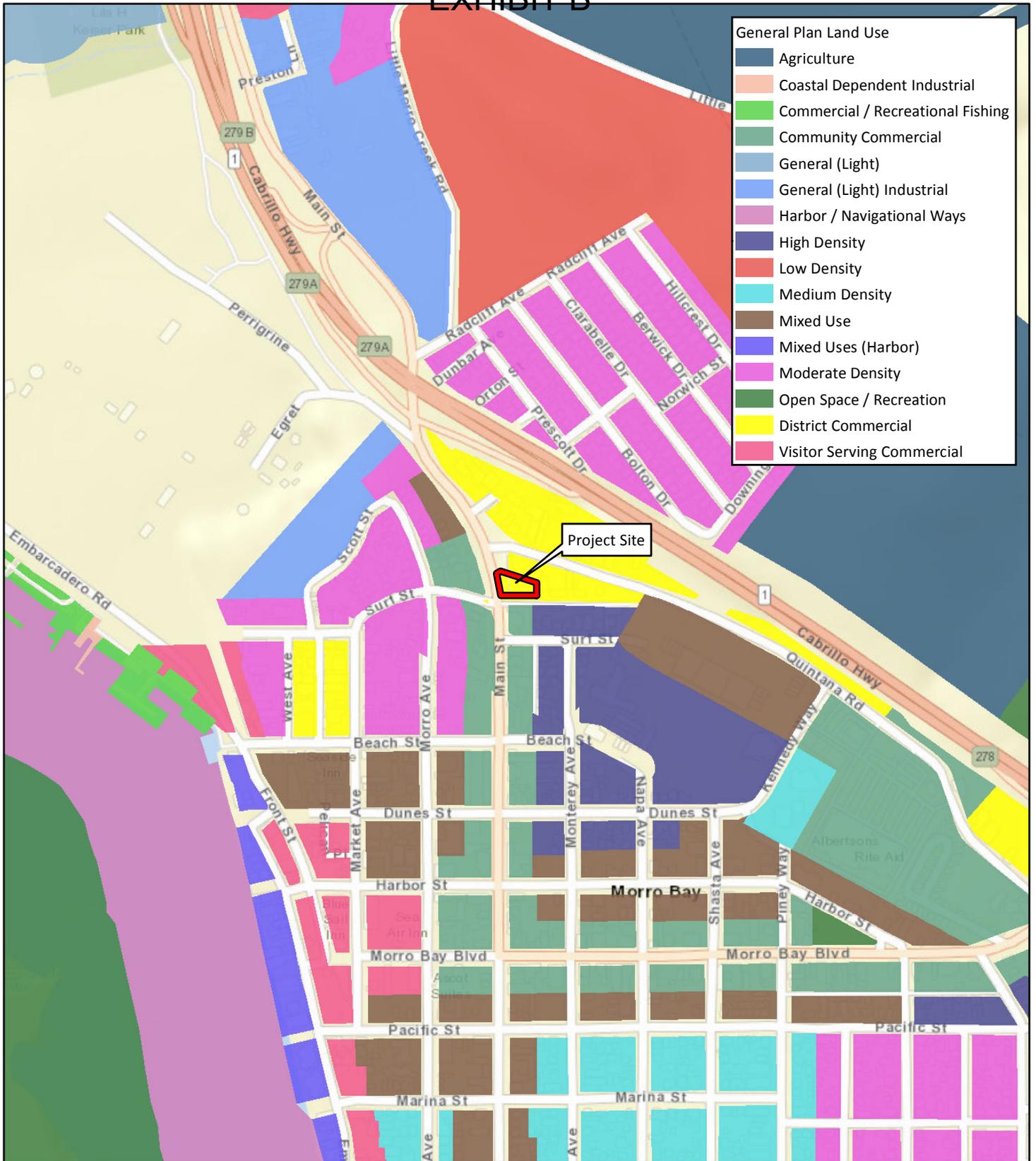
1260 Main Street Project

Aerial Photograph of the Project Site and Surrounding Land Uses

SOURCES: Google Earth, 2/26/2021; LSA, 2021

\\acorp04\SLO\Projects\MRB2103 Morro Bay GP Addendum\PRODUCTS\Graphics\Figure 2_Aerial Photograph of Site & Surrounding LU.ai (12/8/2021)

EXHIBIT B



- General Plan Land Use**
- Agriculture
 - Coastal Dependent Industrial
 - Commercial / Recreational Fishing
 - Community Commercial
 - General (Light)
 - General (Light) Industrial
 - Harbor / Navigational Ways
 - High Density
 - Low Density
 - Medium Density
 - Mixed Use
 - Mixed Uses (Harbor)
 - Moderate Density
 - Open Space / Recreation
 - District Commercial
 - Visitor Serving Commercial

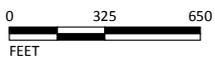
Project Site

LSA

LEGEND

Project Site

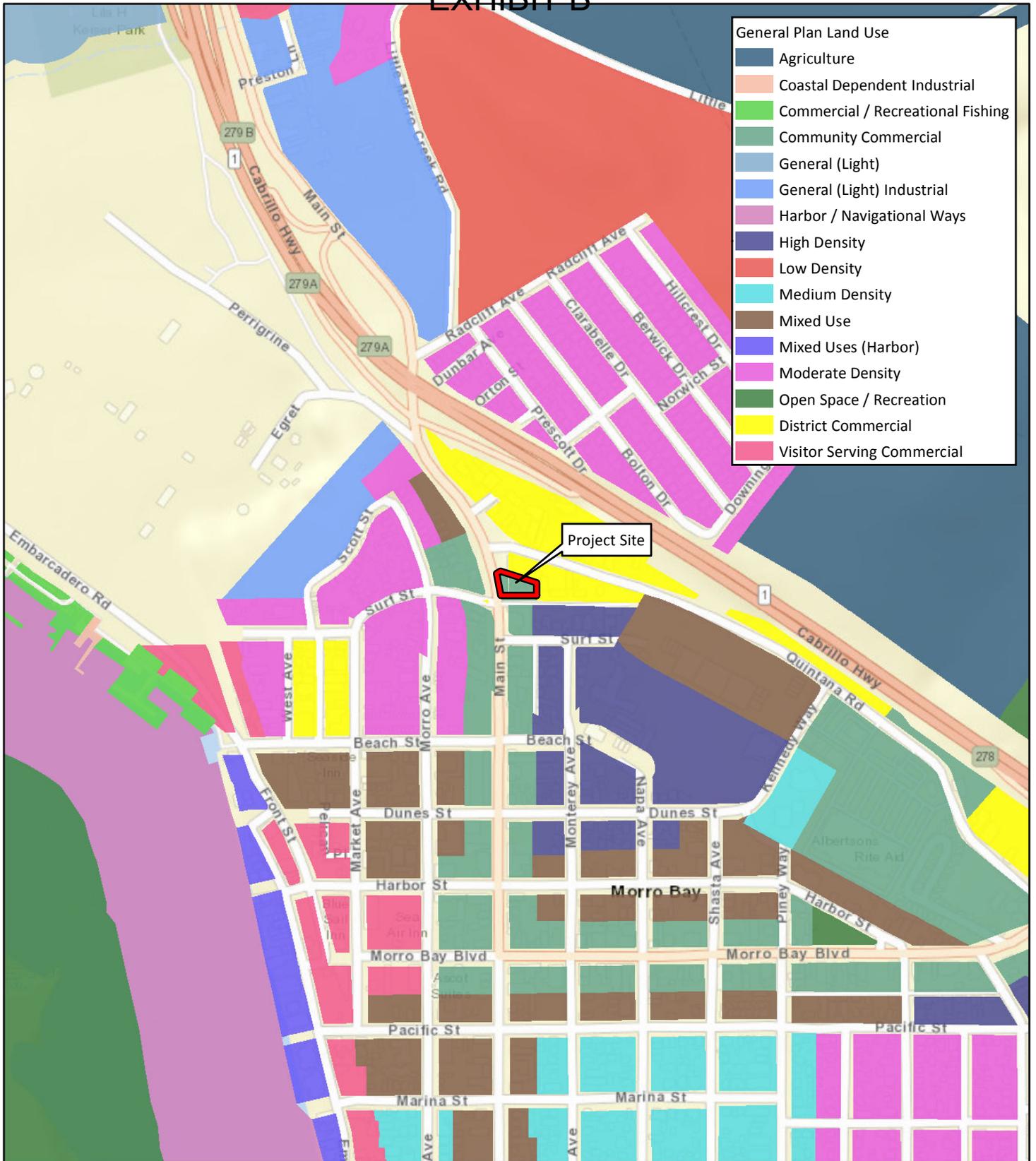
FIGURE 3



SOURCE: Esri/National Geographic (2021); City of Morro Bay (2021)
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1260 Main Street Project
 Existing General Plan Land Use Designation

EXHIBIT B



LSA

LEGEND

 Project Site

FIGURE 4



SOURCE: Esri/National Geographic (2021); City of Morro Bay (2021)
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1260 Main Street Project
 Proposed General Plan Land Use Designation

ATTACHMENT B

ENVIRONMENTAL CHECKLIST PURSUANT TO CEQA GUIDELINES SECTION 15168

CEQA Guidelines Section 15168(c)(4) recommends using a written checklist or similar device to confirm whether the environmental effects of a subsequent activity were adequately covered in a previous environmental evaluation. This checklist confirms that the proposed 1260 Main Street Project (proposed project) described in Attachment A is within the scope of the Morro Bay General Plan and Local Coastal Plan Update Environmental Impact Report (General Plan EIR)¹ and will have no new, previously unconsidered significant impacts or substantially more severe previously identified impacts and no new mitigation measures are required.

In accordance with CEQA Section 21083 and 21166 and CEQA Guidelines Section 15164, this document (including the Memorandum and Attachment A) serves as an Addendum to the General Plan EIR, certified in August 2021, which is hereby incorporated by reference. This checklist describes and evaluates potential changes to environmental impacts from the proposed project as they relate to impacts identified in the General Plan EIR. As noted in Attachment A, Project Description, implementation of the proposed project would result in a General Plan Amendment to change the land use designation on the project site from District Commercial to Community Commercial. As shown in Table A in Attachment A, the Community Commercial designation would allow for more intense development as compared to the District Commercial.

This environmental checklist is used to: 1) compare the environmental impacts of the proposed project with impacts expected to result from development evaluated in the General Plan EIR; 2) identify whether the proposed project would result in new or more severe significant environmental impacts; and 3) identify if substantial changes with respect to the circumstances under which the project would be undertaken since the General Plan EIR was certified would result in new or more severe significant environmental effects.

Mitigation measures are measures that would minimize, avoid, or eliminate a significant impact. The analysis contained herein evaluates each topic to identify whether additional mitigation measures beyond those identified in the General Plan EIR would be warranted. As discussed for each topic in the checklist, no new mitigation measures would be required for the proposed project.

For all environmental topics addressed in the checklist as identified in each topical section, there have been no substantial changes in environmental circumstances that would result in new or more severe significant environmental effects than were evaluated and identified in the General Plan EIR. Therefore, a subsequent Environmental Impact Report (EIR) does not need to be prepared as there are no new, previously unconsidered or more severe impacts that result from the modified project, or the circumstances under which the project is undertaken, that would require major revisions to the General Plan EIR.

¹ Morro Bay, City of. 2020. *Morro Bay General Plan and LCP Update Draft Environmental Impact Report*. State Clearinghouse No. 2017111026. October.

EXHIBIT B



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EXHIBIT B

1.1 AESTHETICS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Except as provided in Public Resources Code Section 21099, would the project:				
a. Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from a publicly accessible vantage point.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

Scenic Vistas

The General Plan EIR did not identify any designated scenic vistas within the planning area but did identify views toward Morro Rock, Morro Bay Estuary, Los Osos and the Irish Hills, and Cayucos that function as scenic vistas within the city. The General Plan EIR determined that uses consistent with the General Plan Update would largely preserve the existing pattern of land uses and, thus, scenic views from these vistas in the planning area, with the exception of the proposed redevelopment of the former Morro Bay Power Plant and wastewater treatment plant, which could affect views of scenic resources such as Morro Rock. Implementation of the proposed project would continue to allow commercial uses on the project site consistent with the General Plan Update, and the project site is not located within the former Morro Bay Power Plant or wastewater treatment plant. Therefore, no new or substantially more severe impacts related to scenic vistas beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Scenic Resources within State Scenic Highways

The General Plan EIR determined that SR 1 is a designated scenic highway corridor and that new infill development and redeveloped properties could block views of scenic resources, including trees, rock outcroppings, and historic buildings. However, the General Plan EIR found that implementation of the goals and policies in the General Plan would minimize adverse effects on scenic resources.

The project site would be visible to those travelling in either direction on SR 1, though only partially due to the existing topography and vegetation in the vicinity of the project site. Implementation of the proposed project would allow for new uses on the project site that are larger than those currently allowed. Therefore, implementation of the proposed project could block or adversely affect scenic resources visible from SR 1, including Morro Rock and the ocean. However, any future

development on the project site would be required to comply with General Plan Policies C-9.2, C-9.4, C-9.7, and C-9.12, which are described below. All of these policies require the protection of public views and viewsheds, including through building siting, bulk and scale limitations, and requiring landscaping that does not obstruct public views. Therefore, compliance with these policies would ensure that no new or more substantially severe impacts related to scenic resources within State Scenic Highways beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Scenic Quality

As described in Attachment A, Project Description, the project site is located in an urbanized area. The General Plan EIR determined that development facilitated by the General Plan Update would result in visual changes to the community, but that development and redevelopment would be governed by the goals and policies included in the General Plan as well as the standards within the City's Zoning Code. As previously described, the proposed project would allow for more intense development on the project site. However, consistent with the findings of the General Plan EIR, any future development allowed by the proposed project would be required to comply with the standards contained in the City's Zoning Ordinance. Therefore, no new or substantially more severe impacts related to scenic quality beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Light and Glare

The General Plan EIR determined that the General Plan Update would facilitate new development that could introduce new sources of light and glare, but that any future development would be required to comply with policies within the General Plan that would prevent new sources of light and glare. Consistent with the findings of the General Plan EIR, any new development facilitated by the proposed project would be required to comply with General Plan Policy C-9.5, which is described below. Additionally, similar to the General Plan Update, any future development facilitated by the proposed project would require an independent environmental review that would determine the project-specific light and glare effects and subsequent mitigation measures, if required, to comply with the standards for lighting and building materials to prevent glare. Therefore, no new or substantially more severe impacts related to light and glare beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy C-9.2 Public View Protection.** Public views to and along the ocean and scenic coastal areas shall be protected and enhanced, and alteration of natural landforms shall be minimized.

Additionally, development in visually prominent settings, including all development seen from Highway 1, shall be sited and designed to avoid blocking or having a significant adverse impact on public views. Methods to achieve this may include building and road siting, building size, design and lighting that is integrated with the environment, and clustering of development.

- **Policy C-9.4 Viewshed Protection Guidelines.** Designate and protect official viewsheds through viewshed protection design guidelines. The guidelines shall include special siting and design criteria including placing accessory development such as fences away from public view as much as possible, height and story limitations, bulk and scale limitations, screening and landscaping requirements, natural materials and color requirements, minimizing lighting that spills into nighttime public views, avoiding glares from windows and reflective surfaces, and requirements to prepare landscaping plans using drought-tolerant and native plants that protect and enhance scenic resources; minimizing land coverage, grading, and structure height; and maximizing setbacks from adjacent open space areas.
- **Policy C-9.5 Lighting Standards.** Development shall be sited and designed to avoid illuminating, reduce glare, protect and enhance skyward nighttime public views, and minimize lighting in open spaces and natural areas. New lighting fixtures shall be mounted at low elevations and fully shielded to direct lighting downward. Lighting along walkways should be mounted on low bollards or ground buttons. Lighting shall be focused on targeted use areas and shall be limited to what is necessary for public safety. Floodlighting shall be prohibited. Exterior lighting fixtures should complement the architectural style of structures.
- **Policy C-9.7 Massing, Height, and Orientation Requirements.** Require massing, height, and orientation of new development or construction to be sited and designed to preserve public coastal views to and along the ocean and scenic areas.
- **Policy C-9.12 Public and Private Landscaping.** Ensure new public or private landscaping considers public views and vistas, and encourage landscape installations that protect or enhance those views and vistas, including ensuring that such landscaping does not obstruct public scenic views and vistas at maturity.

Conclusion

The General Plan EIR adequately evaluated the aesthetic impacts of the proposed project. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.2 AGRICULTURE AND FORESTRY RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that agricultural uses are limited and primarily located on the east side of SR 1 near the southeast end of the city. Potential uses and activities that could be allowed as a result of implementation of the proposed project would not involve or affect agriculture or forestry uses. The project site is located in an urban area and is designated as “Urban and Built-Up Land” by the California State Department of Conservation.² Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

² California Department of Conservation. 2016. California Important Farmland Finder (map). Website: <https://maps.conservation.ca.gov/dlrp/ciff/> (accessed January 2022).

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the agriculture and forestry impacts of the proposed project. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.3 AIR QUALITY

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations.

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that the General Plan Update would result in an increase in vehicle miles traveled (VMT) that would exceed the projected rate of population growth in the city, which would be inconsistent with the San Luis Obispo Air Pollution Control District (SLOAPCD) Clean Air Plan, and that this impact would be significant and unavoidable. The General Plan EIR found that impacts related to increases in criteria pollutants could be reduced to a less-than-significant level with the implementation of General Plan EIR Mitigation Measure AQ-2, and that impacts related to substantial pollutant concentrations and other emissions adversely affecting people would be less than significant with compliance with General Plan policies.

The proposed project would allow more intense development on the project site than what is currently allowed. As previously discussed, any future development facilitated by the proposed project would require an independent environmental review that would determine the project-specific air quality impacts during the review of the specific development proposal. Individual projects that could result in substantial air quality impacts, including by substantially increasing VMT, would require to implement mitigation measures to reduce any potential air quality impacts to a less-than-significant level. Regardless of potential air quality impacts, any future development on the project site would be required to implement General Plan EIR Mitigation Measure AQ-2, which requires standard mitigation for all construction equipment. Therefore, no new or substantially more severe impacts related to air quality beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

With implementation of General Plan EIR Mitigation Measure AQ-2, no substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

General Plan EIR Mitigation Measure AQ-2: Standard Mitigation for Construction Equipment.

Proponents of individual land use projects, or other projects requiring grading or building permits, shall require construction contractors to incorporate the following standard mitigation measures, as applicable, to reduce ROG, NOX, and DPM emissions from construction equipment. Mitigation measures shall be listed on project construction plans and the project proponent shall perform periodic site inspections during construction to ensure that mitigation measures are being implemented.

- Maintain all construction equipment in proper condition according to manufacturer's specifications
- Fuel all off-road and portable diesel powered equipment with ARB-certified motor vehicle diesel fuel (non-taxed version suitable for use off-road)
- Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State Off-Road Regulation
- Use on-road heavy-duty trucks that meet ARB's 2007 or cleaner certification standard for onroad heavy-duty diesel engines, and comply with the State On-Road Regulation
- Construction or trucking companies with fleets that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NOX exempt area fleets) may be eligible by proving alternative compliance
- All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5 minute idling limit
- Diesel idling within 1,000 feet of sensitive receptors is not permitted
- Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors
- Electrify equipment when feasible
- Substitute gasoline-powered in place of diesel-powered equipment, where feasible
- Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel

EXHIBIT B



Conclusion

The General Plan EIR adequately evaluated the impacts related to air quality of the proposed project. The proposed project would not result in substantial construction- or operational-period emissions above those previously analyzed in the General Plan EIR. Additionally, site-specific measures would be identified during the CEQA review of specific development proposals allowed by the proposed General Plan Amendment. Therefore, with implementation of General Plan EIR Mitigation Measure AQ-2, the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR and potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.4 BIOLOGICAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that biological resources, including special-status species, habitats, wetlands, and other sensitive natural communities are primarily associated with areas identified as Environmental Sensitive Habitat Area (ESHA) within the General Plan, and that the planning area is not located within the boundaries of an adopted Habitat Conservation Plan, Natural Communities Conservation Plan, or other local, regional or state conservation plan. The General Plan EIR concluded that new development or redevelopment facilitated by the General Plan Update would be subject to the policies in the General Plan and Municipal Code related to sensitive natural communities, ESHA, wetlands, and riparian areas within the city.

The project site does not include any ESHA, is not located near any other sensitive natural communities as mapped in the General Plan EIR, and is currently developed and does not contain any established wildlife movement corridors. As previously discussed, any future development facilitated by the proposed project would require an independent environmental review that would determine the project-specific impacts related to biological resources. In addition, future development on the project site would be required to comply with General Plan Policies C-1.14 and

C-1.16, which are described below. These policies require the protection of any natural resources that are not ESHA and requires a Coastal Development Permit for the removal of all native trees and other protected trees. Therefore, no new or substantially more severe impacts related to biological resources beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy C-1.14: Natural Resource Protection.** Natural resources that are not ESHA shall also be protected as much as feasible.
- **Policy C-1.16: Tree Planting and Removal.** Certain trees are “major vegetation,” where the removal of which constitutes development and requires a Coastal Development Permit. A Coastal Development Permit is required for removal of all native trees and all trees that measure 6 inches in diameter at 54 inches above grade. Replanting of a tree as replacement of an existing tree is required. Dead trees (snags) on City property in the coastal zone should be retained, where possible, to provide habitat, including for cavity-nesting birds. No permit is required for removal of dead, dying, and diseased trees or trees that pose a health, life, and safety issue. These trees must be inspected and verified by an International Society of Arboriculture (ISA) certified arborist or Registered Professional Forester (RFP).

Conclusion

The General Plan EIR adequately evaluated the impacts related to biological resources for the proposed project. No known special-status species, ESHA or other sensitive natural communities or wetlands are located within or adjacent to the project site, and the proposed project would be required to comply with General Plan Policies C-1.14 and C-1.16. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.5 CULTURAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that future development facilities by the General Plan Update could result in adverse effects to known or unknown historic resources, and the ground-disturbing activities associated with development facilitated by the General Plan Update would have the potential to damage or destroy previously unknown historic or prehistoric archaeological resources. General Plan EIR Mitigation Measures CR-1(a) and CR-1(b), which are described below, were identified to reduce potential impacts to historical and unique archaeological resources to a less-than-significant level. The General Plan EIR determined that impacts related to the disturbance of human remains would be less than significant, as all future development facilitated by the General Plan Update would be required to comply with the requirements of Public Resources Code (PRC) Section 5097, which includes specific provisions for the protection of human remains and establishes procedures to be implemented if Native American skeletal remains are discovered.

The proposed project would not include any new development on the project site. However, consistent with the General Plan Update, implementation of the proposed project would facilitate new development on the site that could have an impact on historical and unique archaeological resources, either through demolition or alteration of the existing building or uncovering previously unknown archaeological resources during ground-disturbing activities. Any future development on the project site would be required to comply with General Plan Policy C-2.3 which, as fully described below, requires the protection of cultural resources. Finally, compliance with PRC Section 5097 would ensure future development on the project site would have a less-than-significant impact related to human remains. Therefore, no new or substantially more severe impacts related to cultural resources beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

With implementation of General Plan EIR Mitigation Measures CR-1(a) and CR-1(b), no substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

General Plan EIR Mitigation Measure CR-1(a): Avoidance or Minimization of Historic, Cultural, and Archaeological Resources Impacts. Policy C-2.3 of the General Plan and LCP Update shall be revised to read:

Policy C-2.3: Protection of Cultural Resources. Ensure the protection of historic, cultural, and archeological resources during development, construction, and other similar activities. Development shall avoid, to the maximum extent feasible, adversely impacting historic, cultural, and/or archaeological resources, and shall include adequate BMPs to address any such resources that may be identified during construction, including avoidance, minimization, and mitigation measures sufficient to allow documentation, preservation, and other forms of mitigation. If the resource(s) in question are of Native American origin, develop avoidance or minimization measures in consultation with appropriate Native American tribe(s).

General Plan EIR Mitigation Measure CR-1(b): Cultural Resources Study Implementation Action. The following implementation action for Goal C-2 shall be added to the General Plan and LCP Update:

Require all discretionary proposals within the cultural resources overlay to consider the potential to disturb cultural resources. If preliminary reconnaissance suggests that cultural resources may exist, a Phase I cultural resources study shall be performed by a qualified professional meeting the Secretary of the Interior's (SOI) Professional Qualification Standard (PQS) for archaeology and/or architectural history, as appropriate (NPS 1983).

A Phase I cultural resources study shall include a pedestrian survey of the project site and sufficient background research and field sampling to determine whether subsurface prehistoric or historic remains may be present. Archival research should include a records search at the Central Coast Information Center (CCIC) and a Sacred Lands File (SLF) search with the Native American Heritage Commission (NAHC). Where identified or potential resources are of Native American origin, the appropriate Native American tribe(s) will participate with the qualified professional. The technical report documenting the study shall include recommendations to avoid or, if avoidance is not feasible, reduce impacts to cultural resources.

Applicable Policies

General Plan Policies

- **Policy C-2.3: Protection of Cultural Resources.** Ensure the protection of historic, cultural, and archeological resources during development, construction, and other similar activities. Development shall avoid, to the maximum extent feasible, adversely impacting historic, cultural, and/or archaeological resources, and shall include adequate BMPs to address any such resources that may be identified during construction, including avoidance, minimization, and mitigation measures sufficient to allow documentation, preservation, and other forms of mitigation. If the resource(s) in question are of Native American origin, develop avoidance or minimization measures in consultation with appropriate Native American tribe(s)

EXHIBIT B

Conclusion

The General Plan EIR adequately evaluated the impacts related to cultural resources for the proposed project. No known historic or archaeological resources or human remains are located within or adjacent to the project site, and the proposed project would be required to comply with General Plan EIR Mitigation Measure CR-1(b) and General Plan Policy C-2.3. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.6 ENERGY

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR found that the General Plan Update would not result in the inefficient, wasteful, or unnecessary consumption of energy during construction or operational activities as there are policies and implementation actions that would result in indirect energy conservation and would promote greater energy efficiency in municipal and community operations and development. In addition, the General Plan EIR found that the General Plan Update would allow for more efficient use of existing infrastructure and would improve citywide efforts to reduce greenhouse gas (GHG) emissions, and therefore would facilitate the consistency of future development projects with both mandatory and voluntary measures of the Morro Bay Climate Action Plan (Morro Bay CAP).

The proposed land uses that would be allowed on the project site would allow for a mix of uses, while the existing land use only allows for commercial development. Therefore, the proposed project would have a beneficial impacts as it would further policies within the General Plan Update related to encouraging infill and mixed-use development to reduce transportation impacts, including Policy CIR-2.1, which is described below. As noted in Attachment A, the project site currently contains commercial uses. Therefore, future development allowed by the proposed project would be replacing existing uses, and therefore is not expected to substantially increase the consumption of energy resources at the project site. In addition, site-specific measures to conserve energy would be identified during the CEQA review of specific development proposals allowed by the proposed project.

As described in Section 1.8, Greenhouse Gas Emissions, future development allowed by the proposed project would be required to comply with the applicable strategies from the Morro Bay CAP, which includes various strategies that promote the efficient use of energy, such as building performance strategies and strategies to increase participation in energy efficiency programs. Therefore, no new or substantially more severe impacts related to energy beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

Applicable Policies

General Plan Policies

- **Policy C-6.2: Renewable Energy in Home and Commercial Uses.** Encourage the use of solar energy systems in homes and commercial businesses as a form of renewable energy, including in support of zero net energy goals.
- **Policy CIR-2.1: Compact Development.** Support mixed-use, compact-style, and other land use development patterns within existing developed areas so as to facilitate easy active transportation and transit use.

Conclusion

The General Plan EIR adequately evaluated the impacts related to energy for the proposed project. The proposed project would allow for a mix of uses on the project site and future development would be required to comply with the Morro Bay CAP. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.7 GEOLOGY AND SOILS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that potential impacts related to geology and soils would be less than significant with compliance with the California Building Code (CBC) and implementation of General Plan Policies PS-2.2, PS-2.8, PS-2.9, PS-2.10, and PS-2.12. The General Plan EIR also determined that potential impacts related to paleontological resources would be less than significant with implementation of the policies and mitigation measures discussed in Section 1.5, Cultural Resources.

Fault Rupture and Strong Seismic Groundshaking

The project site is located in a seismically active area of California and is subject to seismic-related hazards, including but not limited to, earthquakes and fault rupture. As shown on Figure 4.5-2 of the General Plan EIR, there are no fault traces located within or immediately adjacent to the project site, and therefore potential impacts related to fault rupture would be less than significant.

As required by General Plan Policy PS-2.13, the proposed project would be required to comply with the most recent CBC, which provides for stringent construction requirements on projects in areas of high seismic risk. The project design and construction are required to conform with, or exceed,

current best standards for earthquake resistant construction in accordance with the CBC and with the generally accepted standards of geotechnical practice for seismic design in California. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Ground Failure, Erosion, and Unstable Soils

As shown on Figure 4.5-4 of the General Plan EIR, the project site is located within an area of low potential for landslide hazards. However, as shown on Figure 4.5-3 of the General Plan EIR, the project site is located within an area of high potential for liquefaction. Therefore, any future development on the project site would be required to comply with General Plan Policy PS-2.2 and PS-2.9, which limits new development in areas subject to liquefaction and requires a detailed design review and the incorporation of additional structural safety measures. Additionally, as noted above, any future development would be required to comply with the CBC, which would ensure that potential impacts related to ground failure, soil erosion, and unstable or expansive soils would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Alternative Wastewater

As described in the General Plan EIR, new development under the General Plan Update would occur where existing roads, water, and sewer systems are in place, minimizing the need to develop new wastewater disposal systems. The project site is currently developed and served by existing wastewater systems. Therefore, any future development allowed by the proposed project would connect to the existing wastewater infrastructure and would not require the use of alternative wastewater systems. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Paleontological Resources

While the project site has been disturbed by past development, there is the potential that undiscovered paleontological significance may still exist. Ground disturbing activities associated with the future development allowed by the proposed project would have the potential to adversely affect these resources, especially if excavation extends to new depths. As described in the General Plan EIR, implementation of Policy C-2.3 and Mitigation Measure CR-1(b), which are discussed in Section 1.5, Cultural Resources, would also apply to paleontological resources (i.e., a paleontology study would be required for areas with known paleontological sensitivity) and would ensure that any potential impacts would be reduced to a less-than-significant level. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

Applicable Policies

General Plan Policies

- **Policy PS-2.2 New Development in High-Risk Areas.** Require new development to be located outside of areas subject to natural hazards from tsunami, geologic, flood, and wildfire conditions to the maximum feasible extent. If development must occur in such high-risk areas, including if development cannot be feasibly sited in a manner that avoids such areas entirely, ensure that such development is sited, designed, and conditioned to minimize risks to life and property while mitigating the development's impacts to coastal resources, particularly to public recreational beach access. Development shall also ensure stability and structural integrity; shall not create nor contribute significantly to erosion, geologic instability, or destruction of the site; shall not substantially alter natural landforms; and shall not include shoreline protective devices.
- **Policy PS-2.8 Structural Stability.** Require new development to ensure structural stability while not creating or contributing to erosion or geologic instability or destruction of the site or surrounding area.
- **Policy PS-2.9 New Development in High-Risk Areas.** Require that new development in areas subject to liquefaction and/or landslide hazards is located in a manner that will minimize risks to life and property.
- **Policy PS-2.10 Building Retrofits.** Encourage building retrofits that improve resiliency to geologic and seismic hazards.
- **Policy PS-2.11 New Development Proposals.** Require new development proposals in seismic hazard areas to consider risks caused by seismic activity and to include project features that minimize these risks.
- **Policy PS-2.12 Grading and Cut-and-Fill Operations.** Require new development to minimize grading and cut-and-fill operations.
- **Policy PS-2.13 Additional Standards for Development Subject to Geologic and Seismic Hazards.** In addition to other hazard requirements that may apply, development in areas that are potentially subject to geologic hazards, (including Alquist-Priolo earthquake hazard zones and areas subject to landslides, liquefaction, steep slopes averaging greater than 30 percent, and unstable slopes regardless of steepness) shall comply with the seismic safety standards of the Alquist-Priolo Act (California Public Resources Code Sections 2621. et seq.) and all applicable seismic provisions and criteria in the most recent version of State and County codes; shall incorporate siting and design techniques to mitigate any such geologic hazards; and shall not create a hazard or diminish the stability of the area.

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Conclusion

The General Plan EIR adequately evaluated the impacts related to cultural resources for the proposed project. No known historic or archaeological resources or human remains are located within or adjacent to the project site, and the proposed project would be required to comply with General Plan EIR Mitigation Measure CR-1(b) and General Plan Policies PS-2.2, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, and C-2.3. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.8 GREENHOUSE GAS EMISSIONS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that buildout of the General Plan would be consistent with SLOAPCD’s adopted annual efficiency threshold of 4.9 metric tons (MT) of carbon dioxide (CO₂) equivalent (CO₂e) per service population. However, the General Plan EIR notes that new individual development projects within the city could result in GHG emissions that would be inconsistent with statewide per capita emissions goals, as individual project details are not known. Individual projects would be required to complete Appendix C of the Morro Bay CAP, which is the CAP Compliance Worksheet, and implement mandatory measures to be found consistent with the CAP. Any project that is found to not be in compliance with the CAP would be required to demonstrate that it’s GHG emissions would fall below SLOAPCD’s adopted GHG significance thresholds.

As previously described, the proposed land uses that would be allowed on the project site would allow for a mix of uses, while the existing land use only allows for commercial development. As previously described, allowing a mix of uses on the project site would further General Plan policies related to infill and mixed-use development, which in turn would reduce vehicular trips and encourage alternative transportation (i.e., walking or bicycling), thereby reducing GHG emissions within the city.

As noted in Attachment A, the project site currently contains commercial uses, and future development facilitated by the proposed project would allow up to approximately 18,512 square feet of commercial uses and 9 residential uses. However, based on the existing constraints on the project site (i.e., topography, setbacks, height limits, etc.), it is unlikely that the site would be developed at the maximum allowable density. Therefore, based on the size of future development at the project site, it is unlikely that any new GHG emissions generated would be substantial when compared to the city and the region. In addition, future development allowed by the proposed project would be replacing existing uses, and therefore is not expected to substantially increase GHG emissions at the project site during operation.

In addition, site-specific measures would be identified during the CEQA review of specific development proposals allowed by the proposed project. In particular, development allowed by the proposed project would be required to be consistent with the Morro Bay CAP, either by implementing the mandatory measures and documenting them in the CAP Compliance Worksheet, or by demonstrating that it’s GHG emissions would fall below SLOAPCD’s adopted GHG significance

EXHIBIT B

thresholds and that the project would not substantially interfere with implementation of the CAP. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

Conclusion

The General Plan EIR adequately evaluated the impacts related to energy for the proposed project. The proposed project would allow for a mix of uses on the project site and future development would be required to comply with the Morro Bay CAP. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.9 HAZARDS AND HAZARDOUS MATERIALS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that compliance with existing regulations and implementation of policies included in the General Plan Update would ensure potential impacts related to the transport, use, or disposal of hazardous materials, hazardous material releases related to accidents, the emission of hazardous materials within one-quarter mile of a school, and sites included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 would all be less than significant. The General Plan EIR also determined that the planning area is not located within an airport land use plan or associated safety zone and that implementation of the General Plan Update would include policies that would ensure adequate evacuation routes and emergency response is available throughout the city.

Routine Use and Accident Conditions

The General Plan EIR notes that development of mixed use areas within the city could result in new residential units adjacent to commercial and industrial land uses, which could use and store hazardous materials. New development facilitated by the proposed project would be required to comply with the regulations, standards, and guidelines established by the United States

Environmental Protection Agency, the State of California, San Luis Obispo County, and the City related to storage, use and disposal of hazardous materials. Therefore, adherence to these existing regulations would ensure that any potential impacts related to the use, transport, storage, or disposal of hazardous materials would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Hazardous Emissions within One-Quarter Mile of an Existing or Proposed School

The Morro Bay Montessori Charter School is located approximately 0.2 miles southeast of the project site. New development facilitated by the proposed project could include uses that use, store, and/or dispose of hazardous materials. However, compliance with existing federal, State, and local regulations related to hazardous materials would minimize the risks associated with exposure of sensitive receptors to hazardous materials. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Cortese List

The project site is not included on any list of hazardous materials sites compiled pursuant to Government Code Section 65962.5.³ Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Airport Safety Hazards

The closest airport to the project site is the San Luis Obispo County Regional Airport located approximately 17.5 miles southeast the project site and, as noted above, is not within an airport land use plan or associated safety zone. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Emergency Response

The proposed land use designation change would not result in the alteration of any roadways in the area, and therefore would not impact the emergency access routes or impair implementation of an emergency response plan or emergency evacuation plan. Any future development allowed by the proposed project would be subject to review by the Morro Bay Fire and Police departments for compliance with adopted emergency response plans. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

³ California Environmental Protection Agency. 2022. Cortese List Data Resources. Website: <https://calepa.ca.gov/sitecleanup/corteselist/> (accessed January 2022).

Wildland Fires

As described in Section 1.20, Wildfire, the project site is not located within or near a very high fire hazard zone. Therefore, the proposed project would have no impact related to wildfire. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation would be required.

Applicable Policies

General Plan Policies

- **Policy PS-4.3 Use, Storage, and Transportation of Hazardous Materials.** Require businesses that use, store, or transport hazardous materials to take adequate measures to protect public health and safety. Restrict access to these materials through setbacks and other measures.
- **Policy PS-5.7: Passive Resiliency.** Ensure, to the greatest extent possible, that new and significantly remodeled buildings will maintain livable conditions in the event of extended loss of power or heating.
- **Policy PS-2.7 Additional Fire Protection Standards for All Development.** In addition to other hazard requirements that may apply, the following fire protection standards apply to all development:
 - **New Development and Fire Safety.** New development shall meet all applicable fire safety standards and shall be sited and designed to minimize fuel modification and brush clearance to the maximum feasible extent, and to avoid such activities within ESHA and ESHA buffers on-site and on neighboring property, as well as parkland. All such requirements shall be applied as conditions of approval applicable for the life of the development.
 - **Existing Development and Fire Safety.** Removal of major vegetation adjacent to existing development for fire safety purposes shall only be allowed upon a finding that fuel modification and brush clearance techniques are required in accordance with applicable fire safety regulations and are being carried out in a manner which reduces coastal resource impacts to the maximum feasible extent. In addition to the foregoing requirements, removal of ESHA, or removal of materials in an ESHA buffer, shall only be allowed for fire safety purposes if it is not already prohibited by coastal permit conditions; if there are no other feasible alternatives for achieving compliance with required fire safety regulations; and if all ESHA and related impacts are mitigated in a manner that leads to no net loss of ESHA resource value.

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Conclusion

The General Plan EIR adequately evaluated the impacts related to hazards and hazardous materials for the proposed project. The proposed project would allow for a mix of uses on the project site and future development would be required to comply existing regulations related to the transport, use, storage, and disposal of hazardous materials. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.10 HYDROLOGY AND WATER QUALITY

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Result in substantial erosion or siltation on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv. Impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that the General Plan Update would have a less than significant impact related to hydrology and water quality with compliance with the National Pollutant Discharge Elimination System (NPDES) permit requirements, the Central Coast Regional Water Quality Control Board's (RWQCB) post-construction permit requirements for stormwater management, the policies included in the General Plan Update, and the Morro Bay Municipal Code.

Water Quality Standards, Waste Discharge Requirements, Surface or Groundwater Quality, and Erosion

The project site is largely developed with a commercial building and associated surface parking lot. This area is mostly covered with impervious surfaces, and therefore allowing different uses under a new land use designation on the project site would not alter existing drainage patterns, and would not alter the course of any stream or river. The potential for erosion and sedimentation resulting from ground-disturbing activities associated with new allowable uses on the project site would not be different than any development allowed under the current land use designation.

The project site is not located within a flood hazard zone designated by the Federal Emergency Management Agency (FEMA).⁴ Therefore, any future development allowed by the proposed project would not impede or redirect flood flows or risk the release of pollutants as a result of flood conditions.

All future development allowed by the proposed project would be required to comply with the requirements of the NPDES General Permit for Storm Water Discharges from Small MS4s, Order No. 2013-0001-DWQ NPDES No. CAS000004 as amended by order WQ 2015-0133-EXEC, Order WQ 2016-0069-EXEC, WQ order 2017-XXXX-DWQ, order WQ 2018-0001-EXEC, and order WQ 2018-0007-EXEC (MS4 Permit). The MS4 Permit requires that Regulated Projects implement Low Impact Development, source control, site design, and stormwater treatment BMPs. As such, BMPs would be required to be incorporated into project design to capture, treat, and reduce pollutants of concern onsite before stormwater runoff enters the City's system. Required compliance with the MS4 Permit including incorporation of post-construction BMPs to target pollutants of concern, would reduce operation impacts related to waste discharge requirements, water quality standards, degradation of water quality, and erosion to less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Groundwater Supplies and Recharge, and Sustainable Groundwater Management Plan

The proposed land use designation change would not result in any changes to the existing on-site land use; the project site is and would continue to be connected to existing water infrastructure on the project site and would not require the use of groundwater or require groundwater extraction. Furthermore, because the proposed project would not result in any changes to the existing on-site land uses, it would not interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level. For these reasons, there would be no impacts related to decrease in groundwater supplies or interference with groundwater recharge.

The Sustainable Groundwater Management Act (SGMA) was enacted in September 2014.⁵ SGMA requires governments and water agencies of high- and medium-priority basins to halt overdraft of groundwater basins. SGMA requires the formation of local groundwater sustainability agencies (GSAs), which are required to adopt Groundwater Sustainability Plans to manage the sustainability of the groundwater basins. The City has access to and water rights permits for the Morro and Chorro Groundwater Basins.⁶ Both basins are identified by the California Department of Water Resources as very low priority; therefore, development of a Groundwater Sustainability Plan is not required. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

⁴ Federal Emergency Management Agency. 2017. Map No. 06079C1026H. May 16.

⁵ California Department of Water Resources. 2022. SGMA Groundwater Management. Website: water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management (accessed January 2022).

⁶ California Department of Water Resources. 2019. SGMA Basin Prioritization Dashboard. Website: gis.water.ca.gov/app/bp-dashboard/p2 (accessed January 2022).

Surface Runoff, Flooding, Storm Drain Capacity, and Polluted Runoff

As discussed previously, construction and post-construction BMPs would be required for all future development on the project site to address surface runoff, flooding, storm drain capacity, and to reduce pollutants in stormwater runoff. With implementation of BMPs, impact related to the introduction of additional sources of polluted runoff would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy C-7.5 New Development and Reuse Projects.** Manage new development and reuse projects and existing land uses to mitigate impacts and/or facilitate improvements to the City's water systems.
- **Policy C-7.13 Drainage Technologies.** Require that new development projects employ innovative and efficient drainage technologies that comply with federal and state water quality requirements and reduce runoff and water quality impacts to downstream environments.
- **Policy C-7.14 Pollutant Runoff.** Reduce pollutants in runoff from agriculture and new development by requiring the use of the most effective best management practices currently available. All runoff shall be filtered and treated to remove expected pollutants prior to being directed to infiltration areas and/or stormwater systems. Where runoff cannot be adequately accommodated onsite through on-site systems, any excess runoff shall be conveyed inland in a nonerosive manner. Also encourage green infrastructure on designated "Green Streets" where stormwater and runoff would be managed, captured and cleansed in public rights-of-way. Main Street should be studied for potential as a Green Street.
- **Policy C-7.15 Water Quality.** To reduce the potential for degradation or impairment of water quality, the City shall continue to investigate and implement new measures to reduce potential pollutants in stormwater and irrigation runoff and require the following:
 - To the maximum extent feasible, development shall include specific measures to help reduce potential pollutants and water quality impairment, including controlling the disposal of chemicals and hazardous materials, controlling the use of pesticides and herbicides, maintaining existing stormwater capture programs, applying low-impact development designs, and requiring on-site retention and/or reuse of runoff. The City shall utilize ecologically responsible pest control methods and integrated pest management to the extent feasible on public property and encourage this practice on private property.

- Drainage plans and erosion, sediment, and pollution control measures shall be required as conditions of approval of every application for new development that has the potential to impair water quality.
- Construction phase stormwater pollutant controls shall be required for development with the potential for water quality impairment, including erosion controls, sediment traps and filtering of off-site stormwater flows, capture of site-generated pollutant sources, street sweeping of dirt tracked off-site, litter control, post-construction monitoring, and other best management practices. Construction-phase water quality impacts shall be avoided by minimizing the disturbed area, phasing grading activities, implementing soil stabilization and pollution prevention measures, and preventing unnecessary soil compaction. Development with the potential for water quality impairment shall, at a minimum, be designed to meet National Pollutant Discharge Elimination System stormwater runoff requirements.
- Additionally, development shall be planned, sited, and designed in a manner that maintains or enhances on-site infiltration, reduces runoff, minimizes the transport of pollutants in runoff generated from the development, and recharges groundwater. Development shall ensure that runoff is appropriately collected, filtered, and treated by best management practices (BMPs) to minimize pollutant loading to the maximum degree feasible.
- **Policy C-7.17 Impervious Surfaces.** Development shall minimize new impervious surfaces, especially impervious areas directly connected to water and marine resources, and, where feasible, increase the area of pervious surfaces in redevelopment to reduce runoff.

Conclusion

The General Plan EIR adequately evaluated the impacts related to hydrology and water quality for the proposed project. Future development facilitated by the proposed project would be required to comply with NPDES permit requirements, the Central Coast RWQCB post-construction permit requirements for stormwater management, the policies included in the General Plan Update, and the Morro Bay Municipal Code. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

EXHIBIT B

1.11 LAND USE AND PLANNING

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

Divide an Established Community

The General Plan EIR determined that impacts related to the physical division of a community would be less than significant, as the General Plan Update would include policies to improve connectivity within the city. Projects that have the potential to physically divide an established community include projects such as new freeways and highways, major arterials, streets, and railroad lines. The proposed project would result in changes to land use designations on the project site. Future development is not anticipated to result in the alteration of existing roadways adjacent to the site or other conditions which could physically divide an established community. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Conformance with Land Use Plans

According to CEQA, policy conflicts do not, in and of themselves, constitute a significant environmental impact. Policy conflicts are considered to be environmental impacts only when they would result in direct physical impacts or where those conflicts relate to avoiding or mitigating environmental impacts. As such, associated physical environmental impacts are discussed in this Initial Study under specific topical sections. The project's conformance with applicable General Plan and zoning requirements are discussed in this land use section and is also discussed under specific topical sections.

As described in Attachment A, Project Description, the proposed project would consist of changing the General Plan land use designation on the project site from District Commercial to Community Commercial. Future development allowed by the proposed project would allow for community-oriented uses including retail stores, restaurants, professional and medical offices, and personal services with a maximum floor area ratio (FAR) of 1.25. In addition, the Community Commercial land use designation allows for residential uses both above and behind commercial uses at a density of 15.1 to 27 dwelling units per acre.⁷

The project site is located within the Community Commercial (CC) zoning district, which allows residential uses above and behind commercial uses and as stand-alone development in certain

⁷ Morro Bay, City of. 2021. *Plan Morro Bay*. May 25.

areas. The CC zoning district allows a maximum FAR of 1.25 and a density of 15.1 to 27 dwelling units per acre.⁸ The CC zoning district allows buildings up to 30 feet in height and requires buildings to be built within 10 feet of street-facing property, with no minimum setbacks, when it is not adjacent to a residential use. Therefore, implementation of the proposed project would be consistent with the FAR and density allowed in the CC zoning district.

Future development allowed by the proposed project would be required to undergo site-specific review pursuant to CEQA, which would ensure that future projects would not result in conflicts with the General Plan that would result in environmental impacts. Therefore, because the proposed project would be required to comply with all of these development standards, and because future development would require site-specific CEQA review, there would be no new or more severe impacts related to land use plans beyond those previously identified in the General Plan EIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the impacts related to land use and planning. The proposed project would not result in the removal or modification of any public rights-of-way in the vicinity of the project site and future development allowed by the proposed project would be required to comply with the development standards in the General Plan and Zoning Ordinance. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

⁸ Morro Bay, City of. 2021. *City of Morro Bay Zoning Code/Implementation Plan*. December.

EXHIBIT B

1.12 MINERAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that there are no existing mineral extraction operations within the city. The project site does not contain any known mineral resources and is not used as a mineral resource recovery site. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the impacts to mineral resources. The project site is not located in an area where mineral resources are known to occur. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.13 NOISE

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project result in:				
a. Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within 2 miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that implementation of General Plan policies related to noise control and reduction would reduce noise and avoid generation of excessive noise and vibration and that noise-sensitive uses would not be exposed to aircraft noise.

Ambient Noise Levels and Vibration

Future development on the project site that includes any construction activities would be required to comply with Section 9.28.030 of the Morro Bay Municipal Code which restricts the timing of construction activities authorized by a City permit to the hours of 7:00 a.m. to 7:00 p.m. Monday through Friday and 8:00 a.m. to 7:00 p.m. on weekends and holidays. In addition, as required by Policy NOI-3.5, if vibratory rollers are required for construction of a future project they would not be used near vibration-sensitive receptors.

As described in Attachment A, Project Description, implementation of the proposed project would allow commercial and residential uses on the project site at a higher density than what is currently allowed. Redevelopment of the project site could result in increased vehicle trips on roadways near the project site, which could expose noise-sensitive land uses to incremental increases in traffic noise. Future development on the project site would be required to comply with General Plan Policies NOI-1.1 through NOI-1.4, described below, which would provide for compliance with Noise standards and enforcement of the City's stationary noise standards. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Airport Noise

As described in Section 1.9, Hazards and Hazardous Materials, the closest airport to the project site is the San Luis Obispo County Regional Airport located approximately 17.5 miles southeast the project site and, as noted above, is not within an airport land use plan or associated safety zone.

Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy NOI-1.3 Noise-Reducing Project Features.** Incorporate design and construction features into residential and mixed-use projects that shield noise-sensitive land uses from excessive noise.
- **Policy NOI-1.4 Acoustical Studies.** Require an acoustical study for proposed projects in areas where existing or projected noise levels exceed or would exceed the maximum allowable levels established in this element. Adopt procedures to ensure project compliance with mitigation measures and enforcement of noise standards.
- **Policy NOI-2.1 Transportation Noise Standards.** Mitigate noise created by any existing or new transportation noise source so that it does not exceed the exterior or interior sound levels specified in this element. Routes for use by heavy trucks will be located away from noise-sensitive land uses when feasible.
- **Policy NOI-2.3 Project Design Techniques.** Prioritize use of site planning and project design techniques to mitigate excessive noise. The use of noise barriers shall be considered a means of achieving the noise standards only after all other practical design-related noise mitigation measures have been integrated into the project.
- **Policy NOI-3.1 Source Reduction.** Reduce construction, maintenance, and nuisance noise at the source as the first and preferred strategy to reduce noise conflicts.
- **Policy NOI-3.3 Construction Shielding.** Encourage shielding for construction activities to reduce noise levels and protect adjacent noise-sensitive land uses.
- **Policy NOI-3.4 Construction Hours.** Limit allowable hours for construction activities and maintenance operations located adjacent to noise-sensitive land uses.
- **Policy NOI-3.5 Vibration Control.** Control construction vibration by avoiding the use of vibratory rollers near vibration-sensitive receptors and scheduling construction activities with the highest potential to produce vibration to hours with the least potential to affect sensitive land uses.
- **Policy NOI-3.6 Construction Vibration Notification.** Developers shall notify neighbors of scheduled construction activities that would generate vibration.

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Conclusion

The General Plan EIR adequately evaluated the impacts related to noise. Future development allowed by the proposed project would be required to comply with existing General Plan policies related to noise, including those listed above, which would ensure that construction- and operational-period noise would remain less than significant. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.14 POPULATION AND HOUSING

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR found that buildout of the General Plan Update would result in an increase in total population from 10,714 to 12,062 (1,348 new residents) and an increase in residential units from 6,414 to 7,295 (881 new residential units) by 2040. The San Luis Obispo Council of Governments (SLOCOG) regional growth forecast projections anticipate an increase in total population from 10,714 to 12,092 (1,378 new residents) and an increase in residential units from 4,988 to 5,660 (678 new residential units).⁹ Both projections are equivalent to an average annual population growth of approximately 0.5 percent through the year 2040. Additionally, any growth in the city must be consistent with Measure F, which limits the city population to 12,200 residents.

As described in Attachment A, Project Description, residential uses would be allowed on the project site as a result of implementation of the proposed project. Based on the size of the project site, between 5 to 9 residential units would be allowed on the project site under the Community Commercial land use designation. Based on the existing population and residential units within the city, the average household includes 2.15 persons.¹⁰ Therefore, the proposed project could introduce up to 19 more residents than were considered by the General Plan EIR if the project site were built out to the maximum density possible. However, even with this increase, buildout of the General Plan Update would still be below SLOCOG’s regional growth projects and less than 12,200. Therefore, implementation of the proposed project would be consistent with local and regional growth projections and would not cause the City’s projected population growth to exceed allowable limits.

The project site does not currently contain any residential uses, and therefore future on-site development would not necessitate the construction of replacement housing elsewhere. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

⁹ The SLOCOG 2040 Housing Unit Projections are based on occupied units, and therefore is lower than the City’s projected residential units as it included both occupied and unoccupied units.

¹⁰ $10,714 / 4,988 = 2.15$

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the potential population and housing impacts for the proposed project. The proposed project would result in an increase in the amount of residential units that would be allowed on the project site, but this increase would be consistent with local and regional growth projections, and would not result in the demolition of any existing residential units. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.15 PUBLIC SERVICES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i. Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv. Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v. Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that potential impacts associated with public services would be less than significant with no mitigation required. Potential uses that would be allowed under the proposed project could introduce new or increase needs for public services, as discussed below.

Compliance with existing City ordinances and policies would ensure the allowable uses under this proposed project would not increase demand for public services. As noted below, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Fire and Police Protection. Fire protection at the project site is provided by the Morro Bay Fire Department (MBFD), and police protection services are provided by the Morro Bay Police Department (MBPD). As described in Section 1.14, Population and Housing, implementation of the proposed project could result in an increase in population beyond what was considered by the General Plan EIR. However, this increase would be minimal (19 persons) and would be consistent with SLOCOG’s regional growth projects and would not increase the citywide population above the limit set by Measure F (12,200). In addition, the project site is currently developed with commercial uses and served by MBFD and MBPD. Finally, all future development would be required to comply with General Plan Policy PS-2.6, described below, which would ensure all applicable fire safety standards are met. Therefore, it is not anticipated that fire and police service ratios or response times would be substantially increased such that new or physically altered facilities would be required to maintain performance objectives and, the proposed project would not result in any new or more severe impacts.

Schools. The General Plan EIR determined that development facilitated by the General Plan Update would result in an increase of 184 elementary age students and 82 high school age students to Del Mar Elementary and Morro Bay High School, respectively, based on the San Luis Coastal Unified

School District's (SLCUSD) student yield rates of 0.209 for grades K through 6, and 0.093 for grades 9 through 12. The General Plan EIR determined that the coastal areas of the SLCUSD has capacity for an additional 480 students.

Based on the SLCUSD's student yield rates, full buildout of the project site (i.e., 9 residential units) would result in two additional students at Del Mar Elementary School and one additional student at Morro Bay High School. Therefore, there would be adequate school capacity to serve future development allowed by the proposed project. Additionally, future development would be required to pay City-required public facilities impact fees to offset the impact of developments on public services and facilities. Therefore, the proposed project would not result in any new or more severe impacts related to schools beyond those that were identified in the General Plan EIR.

Parks and Other Public Facilities. As noted above, the uses that would be allowed under the proposed project could facilitate new development and would allow new residential uses on the project site, but the increase in population would be minimal and consistent with SLOCOG's regional growth projections and the limit set by Measure F. Therefore, the proposed project would not result in any new or more severe impacts related to parks or other public facilities in the area beyond those that were identified in the General Plan EIR.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy PS-2.6 Additional Fire Protection Standards for All Development.** In addition to other hazard requirements that may apply, the following fire protection standards apply to all development:
 - **New Development and Fire Safety.** New development shall meet all applicable fire safety standards and shall be sited and designed to minimize fuel modification and brush clearance to the maximum feasible extent, and to avoid such activities within ESHA and ESHA buffers on-site and on neighboring property, as well as parkland. All such requirements shall be applied as conditions of approval applicable for the life of the development.
 - **Existing Development and Fire Safety.** Removal of major vegetation adjacent to existing development for fire safety purposes shall only be allowed upon a finding that fuel modification and brush clearance techniques are required in accordance with applicable fire safety regulations and are being carried out in a manner which reduces coastal resource impacts to the maximum feasible extent. In addition to the foregoing requirements, removal of ESHA, or removal of materials in an ESHA buffer, shall only be allowed for fire safety purposes: if it is not already prohibited by coastal permit conditions; if there are no other

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feasible alternatives for achieving compliance with required fire safety regulations; and if all ESHA and related impacts are mitigated in a manner that leads to no net loss of ESHA resource value.

Conclusion

The General Plan EIR adequately evaluated the potential public services impacts for the proposed project. The proposed project would not result in a substantial increase in population that was not already planned for or substantially increase the need for public services such that new or physically altered facilities would be required. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.16 RECREATION

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR found that new Open Space/Recreational land use designated areas, in combination with Quimby Act in-lieu fees intended to provide additional open space and parkland, would allow the City to meet the parkland ratio included in the General Plan Update as Open Space Element Policy 1.1. Therefore, the General Plan EIR determined that the General Plan Update would contribute to the need for new or expanded park or recreation facilities, but would also provide the policy framework and physical opportunities to provide expanded park or recreational facilities, and found this impact to be less than significant.

As shown in Table C in Attachment A, Project Description, the land uses that would be allowed under the proposed project would increase the population, as residential uses would be allowed on the project site. However, the maximum number of residential units that could be constructed on the project site would be nine, resulting in a maximum population increase of approximately 19 persons. This population increase would be minimal compared to the existing and planned population within the city, and would not result in the accelerated physical deterioration of recreational facilities or require new recreational facilities to be constructed. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the potential recreation impacts for the proposed project. Future development allowed by the proposed project would not result in a substantial increase in population. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.17 TRANSPORTATION

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict or be inconsistent with CEQA Guidelines §15064.3, subdivision (b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that the General Plan Update would have a less than significant impact related to programs and plans addressing the circulation system, design hazards, and emergency access. However, the General Plan EIR did identify a significant and unavoidable impact related to VMT, as buildout of the General Plan Update would result in increased service population VMT and no feasible mitigation is available that would fully address the anticipated increase.

Conflict with an Applicable Plan, Ordinance, or Policy

As described in Attachment A, Project Description, implementation of the proposed project would allow a mix of uses to be developed on the project site, where only commercial uses are currently allowed. Therefore, by allowing for a mix of development, the proposed project would be consistent with General Plan Policy CIR-2.1, which supports mixed-use development within existing areas so as to facilitate easy active transportation and transit use.

Additionally, as also described in Attachment A, future uses within the project site would be contingent upon issuance of a use permit and would be subject to CEQA. As a part of the CEQA process, transportation studies would be prepared for individual projects, where they are determined to be necessary, to determine impacts to transportation and circulation resulting from future projects. If any potential impacts are identified, mitigation measures would be required to ensure these impacts would be reduced to a less than significant level. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

CEQA Guidelines §15064.3

Effective December 28, 2018, the CEQA Guidelines were updated and require the evaluation of VMT as the criteria for analyzing transportation impacts for land use projects. As noted in CEQA Guidelines Section 15064.3(c), the provisions of CEQA Guidelines Section 15064.3 shall apply prospectively as described in CEQA Guidelines Section 15007. The provisions of CEQA Guidelines Section 15064.3 began applying statewide on July 1, 2020.

The City has not yet adopted significance thresholds for evaluating potential VMT impacts. In the absence of a locally-adopted threshold, the Governor's Office of Planning and Research published a technical advisory that includes recommendations for analyzing VMT.¹¹ The technical advisory includes a number of screening thresholds for land use projects, including small projects, map-based screening for residential and office projects, and affordable housing projects.

Based on the maximum allowable development described in Attachment A, Project Description, future development may meet one or more of the screening criteria above, and therefore may be assumed to have a less-than-significant impact related to VMT. However, this determination would be made during site-specific environmental review pursuant to CEQA as individual development projects are proposed. If it is determined that a future project does not meet any of the screening criteria listed above, and therefore would have the potential to result in a significant transportation impact, a VMT analysis would be required. Consistent with Policies CIR-3.2 and CIR-3.3, future development on the project site would require mitigation to reduce VMT where potential environmental impacts are identified to ensure these impacts are reduced to a less-than-significant level. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Design Feature Hazards and Emergency Access

The proposed project would not result in any changes to the existing uses on the project site, or the vehicular access to them. As described in Attachment A, future development on the project site would likely be contingent upon the issuance of a use permit, which would require a review of the design features and emergency access to ensure these impacts would be less than significant.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy CIR-2.1 Compact Development.** Support mixed-use, compact-style, and other land use development patterns within existing developed areas so as to facilitate easy active transportation and transit use.
- **Policy CIR-3.2: VMT Thresholds.** Achieve State-mandated reductions in VMT by establishing and adopting a VMT standard.
- **Policy CIR-3.3: Updating Guidelines.** Regularly update guidelines for transportation impact analyses to ensure consistency with established metrics and standards.

¹¹ California, State of. 2018. Governor's Office of Planning and Research. *Technical Advisory on Evaluating Transportation Impacts in CEQA*. December.

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Conclusion

The General Plan EIR adequately evaluated the potential transportation impacts for the proposed project. Future development allowed by the proposed project would be consistent with General Plan Policy CIR-2.1. Additionally, a VMT analysis and transportation study would be required for future development allowed by the proposed project that does not meet the City's established screening criteria. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.18 TRIBAL CULTURAL RESOURCES

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
i. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code Section 5020.1(k)? Or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that implementation of Mitigation Measures CR-1(a) and CR-1(b) and General Plan Policies C-2.1, C-2.2, C-2.3, and C-2.4 would ensure that potential impacts related to tribal cultural resources would be less than significant.

There are no known tribal cultural resources, as defined by Public Resources Code Sections 5020.1(k) and 5024.1, located within or in the immediate vicinity of the site. As noted in Section 1.5, Cultural Resources, the proposed project would not result in any new or more severe impacts related to cultural resources, and this impact would be less than significant. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the potential tribal cultural resources impacts for the proposed project. There are no known tribal cultural resources located within or in the immediate vicinity of the project site. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.19 UTILITIES AND SERVICE SYSTEMS

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
Would the project:				
a. Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that buildout of the General Plan Update would be consistent with the OneWater Morro Bay Plan, which outlines the availability of water supplies for the city through 2050 for a population of 12,200, and would not require any additional entitlements or water supplies. Additionally, implementation of the OneWater Morro Bay Plan and completion of the new Water Reclamation Facility (WRF), which is designed to meet the needs and future demand associated with General Plan buildout based on a population of 12,200, would ensure adequate wastewater systems and infrastructure to meet future demands. Finally, the General Plan EIR found that Cold Canyon Landfill has adequate capacity to accommodate buildout of the General Plan Update.

Water, Wastewater, Stormwater, Solid Waste Services, and Energy

As described in Attachment A, the project site is currently developed and contains water, wastewater, stormwater, and energy infrastructure. Therefore, any future development allowed by the proposed project would connect to the existing utilities in the vicinity of the project site, and would not require the expansion or relocation of existing utilities.

New uses on the project site may result in additional demand for water supply. As noted above, the General Plan EIR found that sufficient water supplies would be available through implementation of the OneWater Morro Bay Plan, which assumes a maximum population of 12,200. As described in Section 1.14, Population and Housing, development facilitated by the proposed project could result in an increase in population beyond that which was analyzed in the General Plan EIR. However, this increase would be minimal (a maximum of 19 persons) and would result in the citywide population

exceeding 12,200 by 2040. Similarly, the new WRF is design have capacity for a population of 12,200. Therefore, sufficient water and wastewater capacity would be available for future development facilitated by the proposed project.

Potential uses that would be allowed under the proposed general plan amendment may nominally increase wastewater generation at the site but are not expected to generate surface runoff that could not be accommodated by existing stormwater drainage facilities. Additionally, potential new solid waste generated by new uses would be accommodated by existing solid waste disposal facilities and the nominal increase in energy demand would be accommodated by existing infrastructure and suppliers, as noted in the General Plan EIR.

Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe significant impacts, and no new mitigation measures are required.

Applicable Policies

General Plan Policies

- **Policy C-7.4 Sustainable Water Supply and Wastewater Capacity.** Development shall only be approved if it is first clearly demonstrated that the development will be served by an adequate existing water allocation and sustainable long-term public water supply, as well as adequate wastewater capacity. Consistency with Housing Element Program H-1.1 shall be maintained to prioritize allocation of water to projects containing affordable housing on existing legal lots of record. In addition, priority shall be given to Coastal Act priority uses.
- **Policy C-7.5 New Development and Reuse Projects.** Manage new development and reuse projects and existing land uses to mitigate impacts and/or facilitate improvements to the City's water systems.
- **Policy C-7.7 Water Conservation Features.** New development shall incorporate and utilize feasible and innovative water conservation features. Minimize economic hardship on existing residents and businesses.

Conclusion

The General Plan EIR adequately evaluated the potential utilities impacts for the proposed project. The General Plan EIR determined that adequate utility capacity and supply would be available for future development allowed by the proposed project. Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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1.20 WILDFIRE

	New Potentially Significant Impact	New Mitigation Required	Reduced Impact	No New Impact
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a. Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

The General Plan EIR determined that the entire planning area is within a Local Responsibility Area (LRA) wherein the City has responsibility for fire protection. In addition, the majority of the developed portion of the city, including the project site, is located outside of a mapped fire hazard severity zone. The General Plan EIR determined that any new development located in a very high fire hazard zone in an LRA would be required to comply with the standards in California Government Code Section 51182 to minimize fire risk.

The project site is not located within a State Responsibility Area for fire service¹² and is not located within a very high fire hazard zone. Therefore, the proposed project would have no impact related to wildfire. Therefore, no new or substantially more severe impacts beyond those identified in the General Plan EIR would result from implementation of the proposed project.

Applicable Mitigation

No substantial changes in environmental circumstances have occurred for this topic, nor revisions to the project, nor new information that could not have been known at the time the General Plan EIR was certified leading to new or more severe impacts, and no new mitigation measures are required.

Conclusion

The General Plan EIR adequately evaluated the wildfire impacts of the proposed project. The project site is not located in within an SRA and is not located within a very high fire hazard severity zone.

¹² California, State of. 2022. Office of the State Fire Marshal. FHSZ Viewer. Available online at: <https://egis.fire.ca.gov/FHSZ/> (accessed January 2022).

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Therefore, because the proposed project would not result in any new, previously unconsidered significant impacts or substantially more severe impacts than those analyzed in the General Plan EIR, potential impacts would be less than significant and additional mitigation is not required.

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2.0 LIST OF PREPARERS

LSA Associates, Inc.

157 Park Place

Point Richmond, CA 94801

Pam Reading, Principal in Charge

Matthew Wiswell, AICP, Project Manager

Patty Linder, Associate/Graphics Manager

Justin Roos, Associate/GIS Manager

Ameara Martinez, Document Management

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EXHIBIT B



1260 MAIN STREET PROJECT
MORRO BAY, CALIFORNIA

ATTACHMENT B: ENVIRONMENTAL CHECKLIST
FEBRUARY 2022

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AGENDA NO: D-1

MEETING DATE: April 19, 2022

Staff Report

TO: Planning Commissioners DATE: April 13, 2022

FROM: Scot Graham, Community Development Director

SUBJECT: Public Benefits Subcommittee Report

RECOMMENDATION

Review the Public Benefits Subcommittee report, discuss and provide direction on desired next steps.

BACKGROUND

The Planning Commission formed the Public Benefits subcommittee in 2021 to look at developing a list of possible public benefits for use when considering exception requests for projects that require extra public benefit be provided to be approved. This process would be utilized in association with waterfront development and the Waterfront Masterplan and in relation to the City's Planned Development Overlay. The subcommittee consists of Commissioners Rodriguez and Ingraffia as well as Morro Bay resident Sean Green. The Public Benefits Report is provided as Attachment 1 to the staff report.

ATTACHMENT'(S)

1. Planning Commission Subcommittee Report
2. Public Benefits Menu

Planning Commission Subcommittee Report
“Public Benefits Menu”

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

Background

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

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

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

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

Subcommittee Formation

Historically, developers of certain project types within specific Morro Bay zones who are required by code to demonstrate “significant public benefits” have operated without precise guidance as to what exactly “significant public benefits” means. There does exist in the Morro Bay zoning code ([17.40.30.D](#)) language that states the following:

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

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

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

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

Sub-Committee Members

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

Process/Meetings

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

Introduction to Public Benefits Discussion: Case Studies

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

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



Case Study A: 833 Embarcadero (mixed-use hotel; PD/WF zone; Area A above)

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

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

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

Case Study B: Vistra Battery Plant (M-2/PD/I zone; Area B above)

At the north end of Morro Bay’s Embarcadero Road (**Area B**) sits the former Morro Bay power plant site that is likely to play an important role in the city’s future. The Public Benefits Subcommittee recognizes this importance and considers the public benefits process essential to the success of any future development at this site. Because the

Planning Commission's general role in large-scale development is to provide recommendations to city council, the subcommittee hopes and expects that city council will actively engage the Planning Commission and the general public in a meaningful public benefits process in order to generate a site-specific list of potentially significant public benefits appropriate to the site and project (not unlike the public benefits list conditioned to successful Case Study A above).

On January 26, 2021, Vistra Energy, the site's current owner, presented an early [concept plan to city council](#) for potential development of a 273,000 s.f., 600MW battery storage facility. Subsequent to Vistra's presentation to council, a two-member subcommittee of City Council was formed, consisting of Mayor Headding and Councilmember Addis, that has begun preliminary discussions regarding the future of the former power plant site. It is the Public Benefits Subcommittee's understanding that public benefits will be part of these discussions over the coming months; we are prepared to contribute a site-specific list of suggested public benefits to the Planning Commission, to city council, or to the Vistra subcommittee of council upon request. **The Public Benefits Subcommittee will not present Vistra-specific public benefits recommendations at today's meeting but asks the Planning Commission to discuss if, when, and how it wishes to receive these recommendations and/or engage proactively in such a discussion moving forward.** For the purposes of today's Public Benefits Subcommittee's report, suffice it to say that any future project at the former Morro Bay power plant site, if requesting modifications to city standards in a Planned Development (PD) zone, would likely be subject to the same public benefits process and methodology as other development applicants, commensurate with size and scope of proposed modifications of city standards and the project itself.

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

During staff and Planning Commission reviews and public hearings, the absence of specific city guidance regarding "significant public benefits" was expressly discussed with respect to the triggering request for building height modification. Without prescriptive guidance from the City, it was and remains understandably difficult for

development applicants to “guess” the kinds of public benefits that may offset the public burdens resulting from modifications to city standards. In the case of 295 Atascadero Road, the applicant, with assistance from city staff and Planning Commissioners, eventually proposed **improvements to pedestrian safety, bicycle parking, and public EV charging stations** as part of their development application and hearing presentation. After some deliberation about whether to require Level 1 versus Level 2 charging stations, the Planning Commission ultimately settled for Level 1 chargers (or applicant’s choice), along with the other items listed above, and approved the project’s height modification with required finding of “significant public benefits.”

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

Introduction to Public Benefits Discussion: What Other Jurisdictions Have Done

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

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

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

Redwood City’s report briefly answers these questions before moving on to their “Calculating the Value of Incentives and Benefits” discussion and related table (p. 8). Through a detailed points system, Redwood City attempts to quantify each type of

benefit proposed by an applicant, an ambitious effort that seeks to reduce subjectivity and negotiation as much as possible. While Morro Bay is still early in the process of developing public benefits guidance specific to Planned Development zones, the examples above are worth exploring in greater detail as our efforts evolve.

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

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

Important to note, some of these categories pertain to on-site upgrades that, in addition to providing private advantages, benefit the public more indirectly than, say, an off-site physical improvement to city infrastructure. **The Public Benefits Subcommittee believes there are many ways for the public to benefit both indirectly and directly from “upgrades” located on or off-site, as long as conscientious developers and city staff engage proactively in public benefits discussions early on.** Such is the primary aim of this report.

Public Benefits Discussion: General Morro Bay Applicants

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

The subcommittee believes that Planning Commission and Council approval of public benefits guidance, even if non-prescriptive in nature, may help encourage applicants to proactively engage in public benefits discussions and brainstorming in advance of submitting requests for modifications within Planned Development zones. Further, with public benefits guidance in hand, possibly in the form of a “public benefits menu” as described above and below, applicants and city staff should be better equipped to work

together in the early planning stages so as to properly balance public burdens and benefits, and to maximize likeliness of project approval at the Planning Commission and Council levels.

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

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

- I. Triggering mechanism for public benefits review
- II. Project size, scope, or other determining factors
- III. Size, scope, or nature of requested modifications
- IV. Public input opportunities specific to public benefits

Each item will be discussed in greater detail below.

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

As mentioned earlier in this report, the subcommittee’s efforts to date have been focused on Planned Development (PD) zones in which an applicant seeks modifications of city standards. The triggering mechanism that currently requires a formal public benefits process be initiated is a developer’s submission of a development application that seeks one or more modifications within a PD zone. At present, that process is case-by-case, time-consuming, and subjective, and city staff and the applicant engage in ongoing negotiations prior to the Planning Commission hearing at which Planning Commissioners weigh public benefit against public burden to determine whether or not to approve the requested modification(s) and project overall.

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

II. Project Size, Scope, or Other Determining Factors

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

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

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

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

The table below is the result of that discussion:

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

As shown above, building square footage was the easiest to identify via public records and without much research. Lots size, project valuation, and other factors are certainly worth considering as determining factors of project size or scope, as the subcommittee considered as well, yet the subcommittee consistently returned to the idea that **building square footage is likely the most useful determining factor if, in fact, a multi-pathway approach to public benefits review were to be implemented.** After all, parcel size is less indicative of a project’s physical size and scope than the building itself, a project’s valuation as determining factor would create much more room for subjectivity than the more objective calculation of building size, and no other determining factor rose to the level of reasonable consideration during the subcommittee’s discussion.

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

III. Size, Scope, or Nature of Requested Modifications

Just as it feels reasonable to categorize proposed projects by building size to determine the extent to which public benefits review must specifically take place, it also feels reasonable for city staff, project applicants, and approving boards to consider the magnitude or severity of requested modifications of city standards. For example, it feels reasonable to say that a requested modification of one inch (1”) above maximum building height in a Planned Development (PD) zone, while still not allowed by code, is less burdensome to the public than, say, a building height modification request of 10

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

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

IV. Public Input Opportunities Specific to Public Benefits

At present, the general planning review process for most new development projects in Morro Bay, particularly those that would be considered "small" per the categories above, culminates in a single public hearing at the Planning Commission level. It is at that hearing that the public is invited to provide comments in person, by phone, or over Zoom. Additional comments can be emailed to the Planning Commission, though emailed comments to the Planning Commission are only posted to the agenda if received by 10am the day of the meeting. Notice of Planning Commission hearings are posted as yellow signage on the proposed project site in advance of the hearing, yellow paper notices are mailed to owners of properties located within 500 feet of the proposed project approximately 7-10 days prior to the hearing, notice is placed in the Tribune newspaper 10-days prior to the meeting.

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

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

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

Public Input Opportunities Specific to Public Benefits

If the Planning Commission does indeed consider the Public Benefits Subcommittee's recommendation to create one or more additional public input opportunities specific to public benefits for "medium" and/or "large" projects requesting modifications to city standards in Planned Development (PD) zones, then the next step would be to formulate one or more new pathways for impacted projects to be routed through. Because the primary aim of such pathways would remain as is (the achievement of "greater than normal public benefit" to offset deviations from code), no philosophical changes are being proposed. Instead, the public benefits subcommittee focused on

practical approaches to public benefits review (and public input) that may streamline the overall planning review process while also increasing clarity, positivity, and transparency for all stakeholders, the general public included.

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

One Size Fits All

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

Case by Case

Another possible approach to receiving outside input during public benefits review that the subcommittee considered would be a case-by-case, customized approach whereby city staff, in conjunction with the overall planning review process, may seek out or solicit input regarding public benefits, if staff feels it appropriate and useful to do so in order to increase a project's overall application and chances of Planning Commission approval. That additional input could be sought out in whatever way staff sees fit, whether formally through public forums, formally through public agenda items at the Planning Commission level separate from the project's hearing date, less formally through subcommittee or ad hoc committee efforts, informally through local experts, neighbors, or active citizens, or by other means. The upside of a case-by-case approach is that city staff reserves the flexibility to engage the public as much or as little in the public benefits review process as they deem appropriate and useful given the size, scope, or magnitude of the project and/or of the requested deviations from city code. The downsides of such a customized approach would be the strain on city staff in terms of time, effort, and responsibility, as well as the general's public's uncertainty surrounding public benefits review in terms of when or if the public's feedback regarding public

benefits would be additionally considered beyond the usual opportunities at scheduled public hearings.

Pathway Approach

And the last approach considered (and embraced) by the subcommittee is a pathway (or pipeline) approach using the same “small,” “medium,” and “large” categories described in previous sections of this report. **In this pathway approach, once an applicant’s project application (1) has been received, (2) has been determined to be located in a Planned Development (PD) zone, and (3) has been determined to include one or more modifications to city standards, city staff would then use whatever factor the Planning Commission deems most appropriate in order to categorize the project (the subcommittee recommends building square footage) to route the project through the proper public benefits review pathway with respect to public participation opportunities specific to public benefits.**

If the subcommittee’s recommended pathways for “small,” “medium,” and “large” projects were to be adopted, the public benefits review process—a process that is not a separate process from the overall planning review process but rather a component of it—may appear as follows with respect to public participation:

NOTE: Numbered items below represent public participation opportunities.

“Small” Projects

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

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

“Medium” Projects

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during negotiations. **(1) City publishes 30-day window of public input opportunity to actively solicit public input. Public**

provides written input regarding public benefits. Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(2) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

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

“Large” Projects

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

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

In summary, the subcommittee feels that “small” projects may continue to follow a similar process to what is currently in place regarding public participation in public benefits discussions, which is the opportunity to provide public comment in person or in writing during or immediately prior to scheduled hearings at the Planning Commission and/or Council levels. “Medium” projects would include the same public participation opportunities as “small” projects but add an additional public participation opportunity in the form of a 30-day public input window regarding public benefits. And “large” projects would offer the same public participation opportunities as “medium” projects but add an additional public forum (or more) specifically designed to solicit public input regarding public benefits. The underlying logic behind a pathway (or pipeline) approach would be to get all stakeholders on the same page early on in the overall planning review process, to standardize and codify the public benefits review process, to simplify and

streamline negotiations between applicants and city staff, to solicit public input well in advance of Planning Commission hearings, and to maximize approval rates of projects we can all be proud of.

Categories of Public Benefits

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

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

While the subcommittee appreciated the underlying logic of these categories, we generally favored categories that felt more tangible than those listed above. An early draft of the subcommittee’s efforts to categorize potential public benefits used the various Morro Bay city departments as category headings (Public Works, Parks, etc.). Unfortunately, because the vast majority of brainstormed benefits seemed to fall under Public Works, a better organizational system was sought out. In the end, the seven (7) categories below felt most appropriate at this early stage, seemed to suit Morro Bay well, and offered developers a healthy range of choices from which to choose.

Draft A (prelim)

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

Draft B (proposed)

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

*Further discussion of Category 7 (Tourism and Economic Development) can be found later in this document but can be summarized as such: **increases to city sales tax, property tax, or transient occupancy tax (TOT), or other financial certainties of any successfully operated business are not to be considered “significant public**

benefits” or “greater than normal public benefits” for the sake of public benefits review.

The subcommittee acknowledges that many items on the “public benefits menu” could likely fall into multiple categories listed above, but we still found value in grouping similar types of benefits into larger categories for the sake of staff, Planning Commission, and developer ease of use. The subcommittee recommends that, after reading this subcommittee report, the Planning Commission and staff discuss the appropriateness of said groupings and propose alternative categories or language as desired. Should Morro Bay opt for similar (or equally theoretical) groupings as those implemented in Emeryville, the subcommittee believes a potential disconnect between on-site upgrades proposed by applicants (subjectively private) and off-site upgrades sought by city stakeholders (objectively public) may prevail. Because the primary aim of the “significant public benefits” requirement for PD-zoned projects requesting modifications of city standards is to offset the potential public burdens of deviations from city code, the subcommittee found it appropriate to focus as much of the public benefits menu as possible on tangible, off-site benefits as opposed to less tangible and/or on-site benefits. As such, our preliminary categories remain the seven (7) listed in Draft B above.

Public Benefits Menu (spreadsheet draft)

Attached in Appendix A is a preliminary list of “significant public benefits” put forth by subcommittee members (and a handful of public commenters) that may serve as a starting point for the Planning Commission and, eventually, for a “public benefits menu” to be utilized by city staff, development applicants, and others involved in the planning review process (See Public Benefits Menu provided in Attachment 2).

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

Tax Revenues as “Greater Than Normal Public Benefit”?

In the past, some developers seeking modifications of city standards in Planned Development (PD) zones have argued that increased city tax revenue should be considered a public benefit that partially or wholly offsets the public burdens brought on by deviations from code. While the subcommittee recognizes that city budgets benefit

from increased tax revenue, the subcommittee strongly rejects the argument that increased tax revenue resulting from a commercial entity operating in the normal course of business represents “greater than normal public benefit” for the purposes of planning review and recommends that the Planning Commission does as well. Further, the subcommittee sees value in explicitly stating that **any proposed commercial development that positively impacts city collection of Transient Occupancy Tax (lodging), Sales Tax, Property Tax, or other fees should not receive consideration for providing “significant public benefits” simply by conducting their proposed business in a way that any such business would normally be conducted.** In other words, Morro Bay can reasonably expect to receive TOT from every lodging entity, just as we can reasonably expect to receive sales tax revenue from every entity that lawfully charges sales tax. Thus, these tax revenues ought not to constitute “significant public benefits” or “greater than normal public benefit” for the purposes of planning review.

Mitigation, Proportionality, and Nexus

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

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

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

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

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

Next Steps

After meeting six (6) times and generating this report, the Public Benefits Subcommittee of the Planning Commission asks the Commission and staff to discuss our results and findings for potential improvements or implementation. In particular, the subcommittee suggests that the Commission's 4/19/22 discussion focus on the five areas below:

1. Building square footage as determinant of "small," "medium," and "large" projects
2. Pathway or pipeline approach to public participation for each project size/scope
3. Public Benefits Menu (inclusions/exclusions/revisions)
4. Financial contributions (including tax revenues) vs. physical improvements

Closing Remarks

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

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

Public Benefits Subcommittee

Sean Green (at large)

Joseph Ingraffia (PC)

Mike Rodriguez (PC)

Attachment 2

Public Benefits Menu

No.	Public Benefit Menu (general; ideally w/in 500ft of proposed project where possible)
1	Tree planting in public spaces
2	Public tree custodianship (cutting/maintenance/safety)
3	Public vegetation custodianship (cutting/maintenance/safety)
4	Public restrooms (install or upgrade)
5	Public drinking fountains (install or upgrade)
6	Public trash enclosures (install or upgrade)
7	Public art/installations
8	Public history/installations
9	Public culture/installations
10	Wayfinding signage (install or upgrade)
11	Street lighting (general)
12	Pedestrian lighting (general)
13	Pedestrian lighting along secluded bike paths
14	Emergency call boxes in remote/unlit spaces
15	Pedestrian sidewalk (install or upgrade)
16	Pedestrian safety features (beyond required min)
17	Sidewalk repairs within 500ft of proposed project
18	Pedestrian pathway (install or upgrade)
19	Pedestrian repairs or improvements within 500ft or proposed project
20	Bike pathway upgrades or installations (per MB/Cayucos coastal route)
21	Bike safety upgrades or installations
22	Intersection improvements (crosswalks, signage, bulbouts, bumps)
23	Electric vehicle charging stations with public signage (on public property)
24	Bus stop physical upgrades
25	Bus stop signage/beautification
26	ADA improvements (general)
27	Affordable housing units (onsite)
28	Affordable housing units (offsite dedication)

29	Affordable housing land dedication
30	Sport court repairs or installation
31	Playground repairs or installation
32	Dog park upgrades or installation
33	Public seating repairs or installation
34	Teen Center repairs or improvements
35	Nature trail creation or upgrades
36	Pubic parking repairs or upgrades
37	Harborwalk repairs or upgrades
38	Embarcadero street-end improvements (in public right of way)
39	Granting of designated open space to city
40	Granting of easements to city that benefit the public
41	Senior housing considerations
42	Public safety improvements (general)
43	Alternative energy upgrades (onsite)
44	Alternative energy upgrades (offsite)
45	Alternative energy considerations (general)
46	Water conservation upgrades (onsite)
47	Water conservation upgrades (offsite)
48	Youth sports/ativities considerations (general)
49	Educational considerations (general)
50	Senior activities/upgrades (general)
51	Public piers (general)
52	Public fishing amenities (general)
53	Parking improvements (general)
54	Waterfront historical/informational panels
55	Paired efforts with Morro Bay nonprofit