



# CITY OF MORRO BAY CITY COUNCIL Agenda

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

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## **Notice of Special Meeting** **Tuesday, June 27, 2023 @ 3:30 PM** **Veterans Memorial Hall** **209 Surf St., Morro Bay, CA**

### **Public Participation:**

Public participation is allowed in the following ways:

- Community members may attend the meeting in person at the Morro Bay Community Center.
- 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=aWZpTzcwTHlRTk9xaTlmWVNWRFUQT09>

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 City Council at [council@morrobayca.gov](mailto:council@morrobayca.gov) prior to the meeting. Agenda Correspondence received at [council@morrobayca.gov](mailto:council@morrobayca.gov) by 10 a.m. on the meeting day will be posted on the City website.

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

SPECIAL MEETING AGENDA:

- I. REGIONAL HOUSING & INFRASTRUCTURE PLAN (HIP) REVIEW; (COMMUNITY DEVELOPMENT DEPARTMENT)

**RECOMMENDATION:** It is recommended that the City Council:

1. Discuss and consider support for the Regional Housing and Infrastructure Plan, as a recommitment to the 2020 San Luis Obispo Countywide Regional Compact.
2. Direct Staff to return with a discussion on ways to utilize and implement the Regional Housing and Infrastructure Plan.

- II. APPROVAL TO AMEND THE IRONMAN 70.3 MORRO BAY DATES FOR YEARS 2024 & 2025; (POLICE DEPARTMENT)

**RECOMMENDATION:** City Council authorize the City Manager and City Attorney to execute the contract amendment with IRONMAN of current dates of IRONMAN 70.3 Morro Bay from Saturday, May 18, 2024, to Sunday, May 19, 2024; and from Saturday, May 17, 2025, to Sunday, May 18, 2025.

ADJOURNMENT

DATED: June 22, 2023

Carla Wixom

Carla Wixom (Jun 22, 2023 11:59 PDT)

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Carla Wixom, Mayor

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.



The HIP is intended to help accelerate housing development where it makes the most sense given regional conditions and community readiness. The HIP inventories infrastructure barriers to housing, identifies funding opportunities to implement infrastructure priorities, studies housing affordability in the region, and develops foundational information for the future 2027 Regional Housing Needs Assessment (RHNA) and other future regional programs.

This staff report is organized into three main sections:

1. Prior Actions to Formalize Regional Collaboration for Housing
2. Creation of the Regional Housing and Infrastructure Plan
3. Today’s Action & Future Growth Steps

**Section 1. Prior Actions to Formalize Regional Collaboration for Housing**

**1.1 Fostering Regional Collaboration: Regional Compact (2020)**

The seven Cities, County and SLOCOG adopted the San Luis Obispo Countywide Regional Compact in early 2020 (see Appendix D). The Regional Compact is an aspirational document that sets goals for future recommended plans and actions among the local agencies. It “establishes a united regional framework to unlock the potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity.” By adopting the Regional Compact, the seven Cities, County and SLOCOG embraced six shared regional goals listed below and supported aligning resources and policies to make progress towards acting on them.

Table 1. Regional Compact Goals

Goal 1. Strengthen Community Quality of Life	<i>We believe that our Region’s quality of life depends on four cornerstones to foster a stable and healthy economy for all: resilient infrastructure and resources, adequate housing supply, business opportunities, and educational pathways.</i>
Goal 2. Share Regional Prosperity	<i>We believe that our Region should share the impacts and benefits of achieving enduring quality of life among all people, sectors and interests.</i>
Goal 3. Create Balanced Communities	<i>We believe that our Region should encourage new development that helps to improve the balance of jobs and housing throughout the Region, providing more opportunities to residents to live and work in the same community.</i>
Goal 4. Value Agriculture & Natural Resources	<i>We believe that our Region’s unique agricultural resources, open space, and natural environments play a vital role in sustaining healthy local communities and a healthy economy, and therefore should be purposefully protected.</i>
Goal 5. Support Equitable Opportunities	<i>We believe that our Region should support policies, actions, and incentives that increase housing development of all types, available to people at all income levels.</i>
Goal 6. Foster Accelerated Housing Production	<i>We believe that our Region must achieve efficient planning and production of housing and focus on strategies that produce the greatest impact.</i>

These six regional goals created a path for compatibility among the eight local land use planning agencies’ Housing Elements, built a basis for the HIP, and drove future recommendations for collaborative actions. Signatories to the Regional Compact committed to acting as partners in aligning

actions with these regional goals and agreed to develop the first HIP. By taking collaborative actions to further these goals, this region can solve critical issues and become a statewide leader in sustaining vibrant communities.

**1.2 Aligning Land Use Planning Documents: Housing Elements (2020)**

The eight local land use planning agencies (the seven Cities and County) were each required to update their jurisdiction's Housing Elements to reflect how local communities are planning for the State's 6<sup>th</sup> Cycle Regional Housing Needs Allocations (2020 - 2028). The Housing Elements were submitted to the Housing and Community Development (HCD) by December 2020. As a step towards the regional goal of aligning land use planning documents, each agency's Housing Element included a regional chapter that included an initial list of aspirational regional policies that, if implemented, could further the Regional Compact goals (see Appendix D). The regional chapter also recognized the importance of ongoing collaboration moving forward and pointed to future collaborative efforts to be identified in the HIP. It was the first time all eight land use planning agencies included a regional chapter in the Housing Elements—an important step for aligning land use planning documents.

**Section 2. Creation of the Regional Housing and Infrastructure Plan**

The final goal of the regional collaborative initiative was developing the HIP. Due to emergency response needs, the County put the HIP on hold during the COVID-19 Pandemic. In June 2022, the HIP was revived with the establishment of a Memorandum of Understanding between the County and SLOCOG, under which SLOCOG took over as the project manager of the effort and sub-recipient of the County's Senate Bill 2 Planning Grant Program funding award for HIP development. With Senate Bill 2 grant funding sunseting in September 2023, the HIP needed to move at an accelerated pace.

Making progress on the region's strategic goals for addressing housing and infrastructure needs can only be achieved through the actions of many stakeholders; therefore, communication and stakeholder engagement were critical pieces of the HIP development. SLOCOG contracted with REACH and Koble Collaborative, Inc. to conduct the HIP's communications and stakeholder engagement. The primary outreach goals were:

- Foster ongoing collaboration and buy-in among private and public stakeholders
- Remind government of the Regional Compact, laying the groundwork for HIP effort
- Build public sentiment in support of solutions and regional planning efforts

The stakeholder groups and meetings were designed to convene diverse perspectives and have honest conversations about what each organization can and needs to do to realize those goals, across sectors and industries. Key stakeholder groups included:

<b>Regional Managers / Key Staff</b>	<b>Housing Action Team</b>	<b>Builders &amp; Developers</b>	<b>Housing Advocacy Group</b>	<b>City &amp; County Elected Officials</b>
<b>30 attendees, 3 meetings</b>	<b>15-20 attendees, monthly meetings</b>	<b>20-35 attendees, 3 meetings</b>	<b>15-20 attendees, 2 meetings</b>	<b>40 elected officials 1 meeting per agency</b>
County of SLO, 7 Cities (+ Santa Maria), SLOCOG Leadership	County of SLO, 7 Cities, SLOCOG Planning/Comm Dvpm. Staff	Builders, Engineers, Developers, Econ. Dvpm., Architects, Real Estate, etc.	Nonprofit builders, Home Builders Assoc, Chambers, etc.	Seven City Councils County of SLO Board SLOCOG Board

**HIP Steering Committee**  
**10 attendees, 3 meetings**

*City Manager, Elected Officials, County Regional Planner, Developer, Low Income Lender, Architect, Engineer, Advocate, Water Resources and Cal Poly met collaboratively to consider ways to integrate feedback from all stakeholder perspectives*

These stakeholder groups helped to review and shape the HIP. On May 19, 2023, SLOCOG published the attached Draft HIP, including Appendices A-D and a mapping tool. There are seven major components of the HIP (listed in Table 2 and further described below). These components intertwine and build upon one another. As with each prior phase of the regional collaborative efforts to address the housing and infrastructure shortage, stakeholder engagement was key.

Table 2. HIP Components

HIP Components	What Each Component Is	Possible Individual Agency Use
1. Housing Highlights	Communication tool: Understanding the need for housing, affordability, and opportunities	<i>Voluntary</i> use of a communication tool to convey housing challenge and community call to action
2. Data and Project Inventory	Infrastructure barriers to housing	Recognizes community's needs and connects to regional inventory
3. HIP Mapping Tool	Living strategic analysis tool used to show the interrelation between housing and infrastructure	Visual tool connecting each community's plans to overall regional scale
4. Housing Efficiency Analysis	Housing Efficient Areas in HIP	Recognizes community's plans and serves as leverage for future infrastructure funding sources
5. Infrastructure Prioritization	Region's highest priority projects to unlock housing	Identify importance of community's needs in supporting regional housing supply
6. Funding Strategies Assessment	Funding the region could pursue for priority infrastructure projects	Identifies <i>possible</i> funding sources that each community or partners could pursue to cover funding gaps
7. Affordable-by-Design Study	Menu of possible policies to increase housing attainability	<i>Voluntary</i> use of menu of options for possible policies to implement

**2.1 HIP Component 1–Housing Highlights**

A communication tool designed to unify the region's focus on the challenges and successes that local agencies, the building and development community and other stakeholders face related to the housing supply needs. This document will serve to reinforce the commitment to the Regional Compact and expand on opportunities each stakeholder has to address housing needs within their area of control and span of influence. The draft Housing Highlight document will be available by June 28, 2023. The final document will be included with the final HIP in July 2023.

## 2.2 HIP Component 2–Data and Project Inventory

The HIP analyzes the transportation, water and wastewater infrastructure barriers to housing development. This HIP element included compiling infrastructure and housing data from across individual agencies as briefly described in Table 3 below:

Table 3. Major HIP Inputs

<b>Housing Data</b>	Proposed residential developments of all income categories were collected from Planning and Community Development staff of the seven Cities and the County in 2021. This data includes specific plans, proposed residential and mixed-use projects projected to be built between now and 2045. Residential development that has been completed or is near completion was removed from the HIP analysis.
<b>Transportation Data</b>	The 2023 Regional Transportation Plan included a list of 350+ transportation investments submitted by Public Works staff of the seven Cities and County and transit providers. Transportation infrastructure was studied using the Transportation Efficiency Analysis (TEA). The TEA identified transportation barriers to housing production and was used in the HIP analysis.
<b>Water/Wastewater Data</b>	The HIP inventory is based on responses from 44 water and wastewater agencies, local capital improvement project lists, 2021 Regional Water Infrastructure Resiliency Plan findings, and information from the County’s Water Resources team. Available, detailed GIS based data was limited. However, to the extent needs are known, key infrastructure projects, estimated costs and timing were included in the HIP analysis.
<b>Additional Contextual Data</b>	The HIP analysis provides the data that connects infrastructure and housing on a regional scale for the first-time. When planning for housing, land conditions are carefully considered. To provide a fuller picture, flood risk, sensitive habitat, open space, prime farmland, and fire risk were all included as additional reference information. However, these additional datasets were <i>not used</i> to remove or prioritize infrastructure projects from the HIP list, but simply to provide additional context.

The HIP is a living tool and can adapt as new information becomes available. Future updates to the HIP may incorporate two key datasets:

- *Water data update:* The County’s Master Water Report update is underway, which may be leveraged to provide updated water capacity information for a future HIP update.
- *Economic data:* It is anticipated that a future HIP update will incorporate economic data. A concurrent effort, led by REACH, is underway which may be leveraged to provide economic/jobs information for a future HIP update.

## 2.3 HIP Component 3–HIP Mapping Tool

The HIP Mapping Tool was created to display the GIS analysis and foster future collaboration. It is an interactive tool, compiling the complex data and inventoried projects from across the region. The mapping tool makes it easier to visualize connections between infrastructure and housing, see project priorities, and quickly access more information about each community’s priority projects and housing efficient areas, within a regional context. This component is completed and included in the draft HIP.

## 2.4 HIP Component 4–Housing Efficiency Analysis

The Housing Efficiency Analysis looks at three efficiency factors: (1) transportation access, (2) water capacity and (3) wastewater capacity. By analyzing these efficiency factors, housing efficient areas were identified as efficient, potential or limited. Any infrastructure projects located in an area deemed “efficient” or “potential” moved on to the Infrastructure Prioritization element. All projects located in

areas deemed “limited” housing efficiency were removed from further analysis. There were 440 infrastructure projects collected as part of the data inventory. Of those, 18% (80 projects) were located within Housing Efficient Areas (i.e. areas deemed “efficient” or “potential”). This component is completed and included in the draft HIP.

### 2.5 HIP Component 5—Infrastructure Prioritization

The premise of the HIP is to help accelerate new housing development, so the current prioritization factors relate solely to the amount of proposed housing that benefits from a community’s infrastructure project. The 80 infrastructure projects identified through the processes described in HIP Components 2-4 were ranked as high, medium or low priority based on three factors: (1) if the project is needed for new housing, (2) benefit/cost (i.e. investment cost per additional potential housing units served), and (3) whether there are significant barriers to development. The total estimated cost for all 80 HIP projects is over \$1 billion, as shown in Table 4.

Table 4: Draft HIP Priority Projects Summary

	Estimate (\$ Millions)	Projects
<b>Estimate for all HIP Projects</b>	<b>\$ 1,015</b>	<b>80</b>
High	\$ 348	54
Medium	\$ 385	10
Low	\$ 281	16

This component is completed and included in the draft HIP. Details of each community’s infrastructure priorities can be found in the HIP’s Appendix A. Table 5 includes a summary of infrastructure priority projects summarized by sub-region.

Table 5. Priority Projects by Subregion

Subregion	Total Proposed Dwelling Units	HIP Projects	High	Medium	Low	Total Investment needed per proposed unit	Total Estimated Investment Needed (\$ millions)
North County	6,540	31	21	4	6	\$ 61,927	\$ 405
Central County	6,171	29	25	3	1	\$ 51,693	\$ 319
North Coast	127	6	0	1	5	\$ 354,331	\$ 45
South County	2,876	13	7	2	4	\$ 85,535	\$ 246

### 2.6 HIP Component 6—Funding Strategies Assessment

SLOCOG contracted with BKF Engineers to conduct a Funding Strategies Assessment. The Funding Strategies Assessment is currently underway and seeks to identify funding sources that can reasonably implement water, wastewater and transportation infrastructure priorities included in the HIP (for all high, medium and low priorities). This component is underway, but not completed yet. The HIP’s Appendix C includes preliminary information; however, the draft assessment is expected in July 2023 will include a project-by-project detailed breakdown covering funding requirements, potential funding sources, projected grant funding, and residual funding gap.

Local agencies will be encouraged to review the assessment and pursue funding opportunities for priority infrastructure projects in order to voluntarily contribute to the regional housing effort in a manner that best fits within their agency’s goals.

## **2.7 HIP Component 7–Affordable-by-Design Study**

SLOCOG contracted with ECONorthwest to conduct the Affordable-by-Design (ABD) Study. The ABD Study is currently underway and will evaluate housing affordability characteristics for the seven Cities as well as unincorporated areas. The intent is to identify whether housing units in this region can be built to meet low to moderate income RHNA categories (as rentals or for-purchase) without being income- or rent-restricted. Initial findings include:

- Design helps, but does not guarantee affordability.
- Market rate rental housing is close to affordability targets in some areas, but regulatory changes are necessary for most areas of the county.
- Only manufactured housing met target price points for new for-sale housing.
- Factors that make for-sale housing more affordable in other areas may not translate to this region’s current market.

The ABD Study notes that there are generally four factors that come together in the housing market to produce lower-cost housing, including: (1) simple design with lower-cost materials, (2) lower cost locations, (3) efficient production, and (4) smaller units with higher density. Due to the limited findings of housing affordability, the ABD Study includes development of a simple menu of policy options that could help to incentivize ABD units in the region. This component is underway, but not completed. The HIP’s Appendix B includes preliminary information; however, the draft study is expected in July 2023.

Recognizing that there is no single solution to the challenge of affordability, the forthcoming menu of policy options will be provided for each local agency to consider. Local agencies will be encouraged to adopt what fits their community’s needs in order to voluntarily contribute to the regional housing effort in a manner that best fits within their agency’s goals.

## **Section 3. Today’s Action & Future Growth Steps**

On June 7, 2023, the SLOCOG Board of Directors directed SLOCOG staff (via the HIP engagement consultant team, REACH and Koble Collaborative, Inc.) to present this item to member jurisdictions for comment and seek general support of regional collaboration moving forward. The seven City Councils and County Board of Supervisors will receive a presentation on the HIP and provided an opportunity to support the HIP between June 27 - August 8, 2023. SLOCOG Board of Directors will consider adoption of the HIP on August 2, 2023.

### **3.1 Recommended Action**

Today’s recommended action signifies a recommitment to the Regional Compact by taking the next step in its implementation, creation of the HIP. Pending discussion today, staff recommends that City Council support the Regional Housing and Infrastructure Plan, and direct staff to return with a discussion on ways to utilize and implement the Regional Housing and Infrastructure Plan.

It is worth emphasizing that the recommended action recognizes that there is no “one size fits all” when it comes to this region’s planning and that while local agencies plan for housing, they do not build or develop housing. Therefore, nothing in the HIP mandates action by any of the Cities or the County, it simply offers voluntary opportunities for action that could accelerate the development of needed housing in the region. Implementation relies on each agency’s voluntary actions moving forward, such as:

- Agency(ies) may consider pursuing funding opportunities identified for a priority infrastructure project to cover funding gaps.
- Agency(ies) may consider implementation of affordable-by-design policies appropriate to each unique community and its needs.
- Agency may consider programmatic changes to improve approval process timelines such as directing staff to identify ways to improve response time for housing project approval or coordinating with other agencies to align and streamline processes.
- Agency may consider updating its analysis approach to prioritizing the community's needed infrastructure projects in order to most impactfully increase housing supply.
- Agency may consider using the HIP to help justify the benefit of a community's priority infrastructure project towards increasing the region's future housing supply, making it more competitive in a number of State and Federal funding programs.
- SLOCOG and agencies may consider using the HIP as a foundation for negotiating where the region's housing needs are best met (e.g future RHNA cycle allocations).

### **3.2 Alignment with Agency's Policies**

Today's action signifies another milestone on this path to regional collaboration and fulfilling the Regional Compact adopted by the City Council on April 14, 2020. In addition, support of the HIP is consistent with the City of Morro Bay 2023-2025 adopted Goals and Short Term Actions including the following:

- Public Infrastructure: Complete Capital Needs Assessments, Complete Development Impact Fee Study
- Economic Vitality: Streamline permit processing for residential (including ADU's) and commercial development
- Housing – Homelessness Response: Housing Element Program Implementation (Housing by Right and Objective Design Standards), Review possible upzone of Seashell Estates property for proposed housing project
- Continue participation in the County's 5-year Housing & Infrastructure Plan
- Continue participation in the Countywide 5-year Strategic Plan to address homelessness
- Identify affordable housing incentive program

### **3.3 Future of the HIP**

Since 2019, this region's stakeholders have taken incremental steps to build a strategic, unified regional collaboration to address housing and infrastructure needs. These incremental steps led to the draft HIP before your Council today.

As stated before, the housing, infrastructure and economic challenges that the region faces are larger than any one entity can solve alone and will require the collective actions of all local partners. The HIP is the first of its kind, and it is intended to be a living document. The HIP's future implementation and use are wholly dependent on the voluntary actions of many—the seven Cities, County, SLOCOG, organizations who develop and build housing, as well as local community members.

Pending adoption of the HIP, SLOCOG is committed to: updating the data in the HIP Mapping Tool in sync with the Regional Transportation Plan/Sustainable Community Strategies development's public processes; using the HIP as a factor in future grant programming cycles; and leveraging the HIP as a foundational tool during the next RHNA cycle.

As stated throughout Section 2, the HIP offers tools and information related to strategic actions and priorities that can make the largest impact on accelerating housing supply. The City of Morro Bay is

encouraged to take voluntary actions aligned with the HIP, considering what will best fit their unique community's vision and this agency's goals. Through these voluntary actions, this agency, along with other key stakeholders, can voluntarily contribute to fulfilling the Regional Compact goals and creating a more vibrant and livable region.

### **ATTACHMENT AND LINKS**

1. Draft Regional Housing & Infrastructure Plan  
Appendix A: Link: to Draft List of HIP Infrastructure Priorities: [F-3\\_AppendixA\\_Draft List of HIP Infrastructure Priorities.xlsx - Google Sheets](#)  
Appendix B: Affordable-by-Design Study Preliminary Information  
Appendix C: Link to Funding Strategies Assessment Preliminary Information: [F-3\\_AppendixC\\_Funding Strategies Assessment Preliminary Information.xlsx - Google Sheets](#)  
Appendix D: Regional Compact & Housing Element Regional Chapter Stakeholder Process
2. Staff Presentation

**Link to HIP Mapping Tool:**

<https://experience.arcgis.com/experience/8de457c7d27b440187c891790926e8cc/>



*DRAFT* **MAY 2023**



SAN LUIS OBISPO COUNTY

**REGIONAL HOUSING &  
INFRASTRUCTURE PLAN**

**ACKNOWLEDGEMENTS PAGE**

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## HIP SUMMARY

The Regional Housing & Infrastructure Plan (HIP) is a collaborative action plan between nine local jurisdictions in response to the San Luis Obispo region's growing housing and infrastructure shortage. The HIP is intended to help accelerate housing development where it makes the most sense given regional conditions and readiness. The HIP inventories infrastructure barriers to housing, identifies funding to implement infrastructure needs, and develops foundational information for the future 2027 Regional Housing Needs Assessment (RHNA).

In 2018, the County of San Luis Obispo recognized the need to work regionally in solving the critical shortage of infrastructure resources and housing attainability in San Luis Obispo County. This challenge is larger than any one jurisdiction can solve alone. In January 2019 the County Board of Supervisors approved the kick off of this effort. Since inception, the HIP has always been a phased approach with the goals of regional collaboration, strategic action planning, and aligning land use planning documents.

### *The Regional Compact (April 2020)*

The County, seven Cities, and San Luis Obispo Council of Governments (SLOCOG) approved the first major milestone of the HIP - the San Luis Obispo Countywide Regional Compact. The Regional Compact is an aspirational document that sets the tone and goals for future recommended plans and actions among the local agencies. It establishes a united regional framework to unlock the potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity. It recognizes that people, water, transportation, connectivity, and housing form the foundation of the San Luis Obispo region's healthy, livable communities and thriving economic opportunity.

### *Housing Element Alignment (June 2020)*

The County and the seven Cities were each required to update their jurisdiction's Housing Elements to reflect how local communities are planning for the State's 6<sup>th</sup> Cycle Regional Housing Needs Allocations through 2028. The Housing Elements were submitted to the Housing and Community Development (HCD) in December 2020. As part of the Housing Element update process, the regional approach section was developed to showcase the ongoing commitment of each agency to the HIP collaboration. This section presents a regional vision and policies focused specifically on fostering regional collaboration to plan and develop housing and supportive infrastructure. It was the first time all seven jurisdictions included a regional approach chapter in their required housing elements.

### *Regional Housing and Infrastructure Plan (2022-2023)*

Put on hold during the Pandemic, the HIP was revived in June 2022 with the establishment of a Memorandum of Understanding between the County of San Luis Obispo and SLOCOG. SLOCOG became the project manager of the effort. With Senate Bill 2 funding sunseting in September 2023, the HIP began moving at an accelerated pace. There are seven elements of

the HIP and they are listed in Figure 1: HIP Elements. These elements intertwine and build upon one another.

**Figure 1: HIP Elements**

HIP Element	Informs
Data and Project Inventory	Infrastructure barriers to housing
Housing Efficiency Analysis	Housing Efficient Areas in HIP
Infrastructure Prioritization	Region’s highest priority projects to unlock housing
HIP Mapping Tool	Living strategic analysis tool used to show the interrelation between housing and infrastructure
Affordable-by-Design Study	Menu of possible policies to increase housing attainability
Funding Strategies Assessment	Funding the region could pursue for priority infrastructure
Housing Highlights	Communication tool: Understanding the need for housing, affordability, and opportunities

There were 430 infrastructure projects collected as part of the data inventory. Of those, 18% (78 projects) were located within Housing Efficient Areas. The 78 projects were ranked using a three-tiered prioritization process based on potential new housing units served. The estimated cost for all 78 HIP projects is a little under one billion dollars. About one third of the projects are water related with the remaining being transportation improvements. The estimates for each prioritized category are relatively similar around \$300 million.

**Figure 2: Draft HIP Priority Projects Summary**

	Estimate (\$ Millions)	Projects
<b>Estimate for all HIP Projects</b>	<b>\$ 919</b>	<b>78</b>
High	\$ 323	53
Medium	\$ 315	9
Low	\$ 281	16

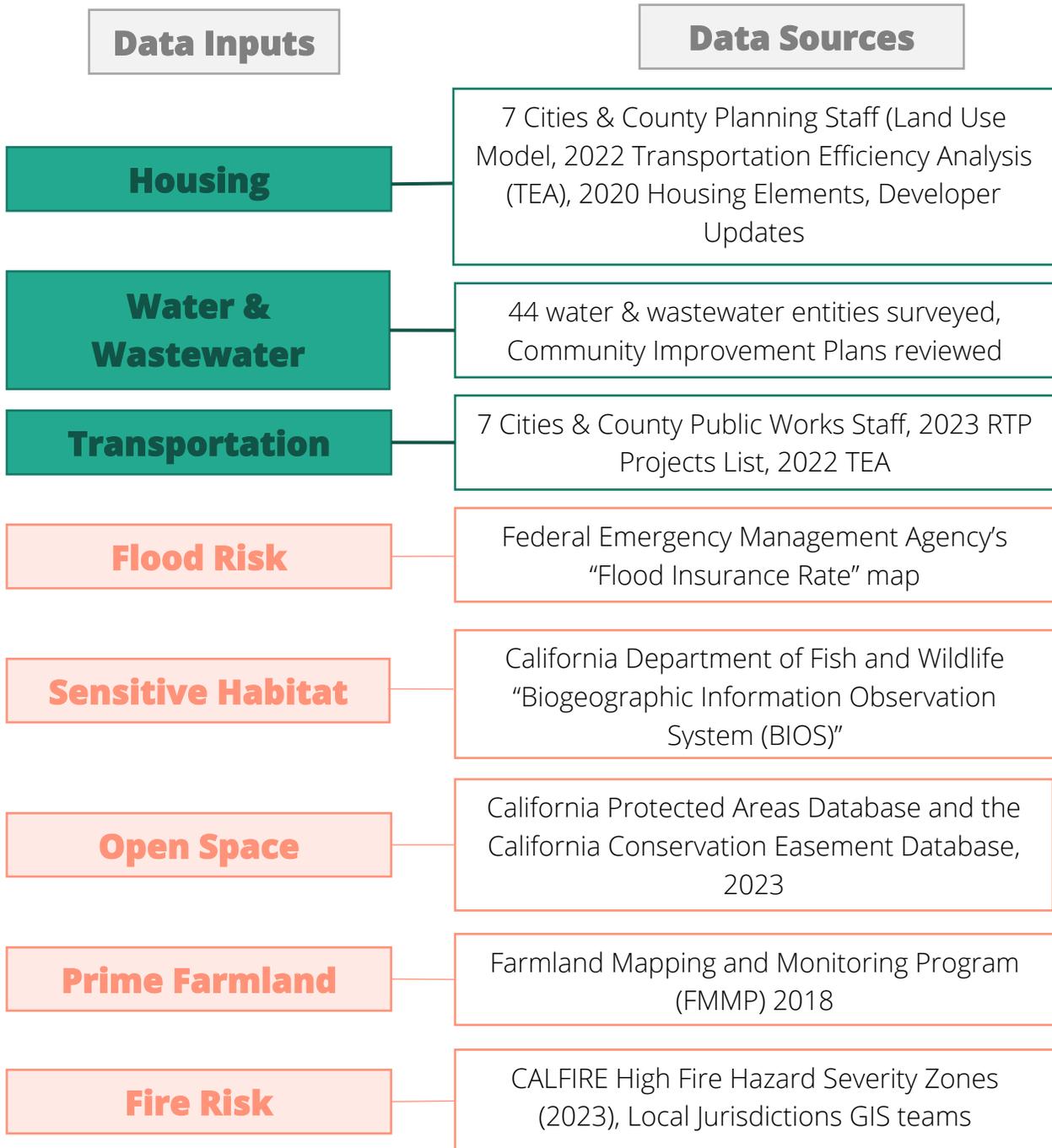
*HIP 2023+*

The HIP is the first of its kind, and it is intended to be a living document. For the last five years, collaboration has continued to build, and these incremental steps have allowed the region to make progress in addressing the monumental challenges of the housing and infrastructure shortage. *Next steps to follow stakeholder guidance during Summer 2023 Outreach.*

## DATA AND PROJECT INVENTORY

The HIP analyzes the transportation, water, and wastewater infrastructure barriers to housing development. Figure 3: Data Inventory Sources, provides the source details on the data used in the HIP analysis.

**Figure 3: Data Inventory Sources**



### *Housing*

Proposed residential developments within the seven cities and unincorporated county were collected from planning staff in 2021. This data includes specific plans, proposed residential and mixed-use projects projected for to be built between now and 2045. Residential development that has been completed or near completion was removed from the HIP analysis.

### *Water & Wastewater*

In early January 2023, SLOCOG staff contacted the 44 water and wastewater agencies found in the 2021 Regional Water Infrastructure Resiliency Plan. Five initial questions were asked to the agencies:

1. Is your agency fulfilling its water/wastewater service demand?
2. Do you have capacity to serve additional housing units?
3. Is your agency experiencing any infrastructure limitations or does it have any infrastructure needs?
4. Have they been planned for?
5. Is there a cost estimate for these improvements?

The data collected includes the findings of the 2021 Regional Water Infrastructure Resiliency Plan, agency responses, local capital improvement project lists, and information from the County of San Luis Obispo's Water Team. Water and wastewater service districts were used as water boundaries. Detailed GIS based data from these agencies is limited and water capacity data will be informed by the County's Master Water Report Update. However, infrastructure projects, estimated costs, and timing were all collected. In 2023, forty-five water and wastewater projects were collected from the agencies.

### *Transportation*

Transportation infrastructure was studied in the Transportation Efficiency Analysis (TEA) which the SLOCOG Board approved in April 2022. The TEA identified transportation barriers to housing production which resulted in a list of transportation projects that were prioritized as either land use necessitated or land use beneficial. Land use necessitated projects were transportation projects required for new housing development. These projects are considered TEA priority projects because they are needed to accelerate housing development. Land use beneficial projects are transportation projects that are not required for housing development but improve the transportation efficiency of an area. Of the 350+ transportation investments contained within in the 2023 Regional Transportation Plan (RTP), 64 transportation investments were identified as TEA projects. The San Luis Obispo Regional Transit Authority (RTA) provided details on transit projects and additional improvements needed to best serve additional housing development. The transportation infrastructure list was further refined in the HIP analysis and prioritized differently.

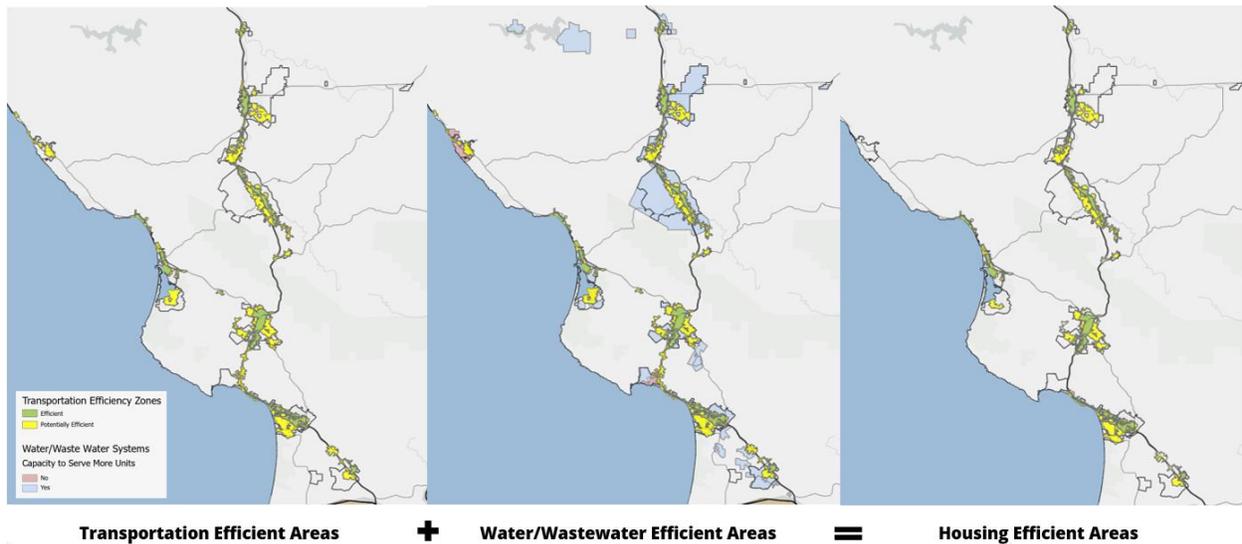
### Bonus Layers

The HIP analysis provides the data that connects infrastructure and housing on a regional scale for the first-time. The 2023 effort is also the first phase of the analysis. When planning for housing, land conditions carefully considered. To provide a fuller picture, flood risk, sensitive habitat, open space, prime farmland, and fire risk were all included as additional reference information. These were not used to remove infrastructure projects from the HIP list but are there to provide additional context.

## HOUSING EFFICIENCY ANALYSIS

The HIP Infrastructure Analysis looks at three efficiency factors: transportation access, water capacity, and wastewater capacity. By combining the three efficiency factors, housing efficient areas were identified. This is graphically represented in Figure 4: HIP Mapping Process. Any infrastructure projects located in the “efficient” or “potential” mapped areas moved on to the prioritization phase. All areas and projects that were considered “limited” were removed from further analysis. The Communities of Shandon, Avila Beach, and Cambria were removed from HIP analysis since they did not meet the efficiency criteria.

**Figure 4: HIP Mapping Process**



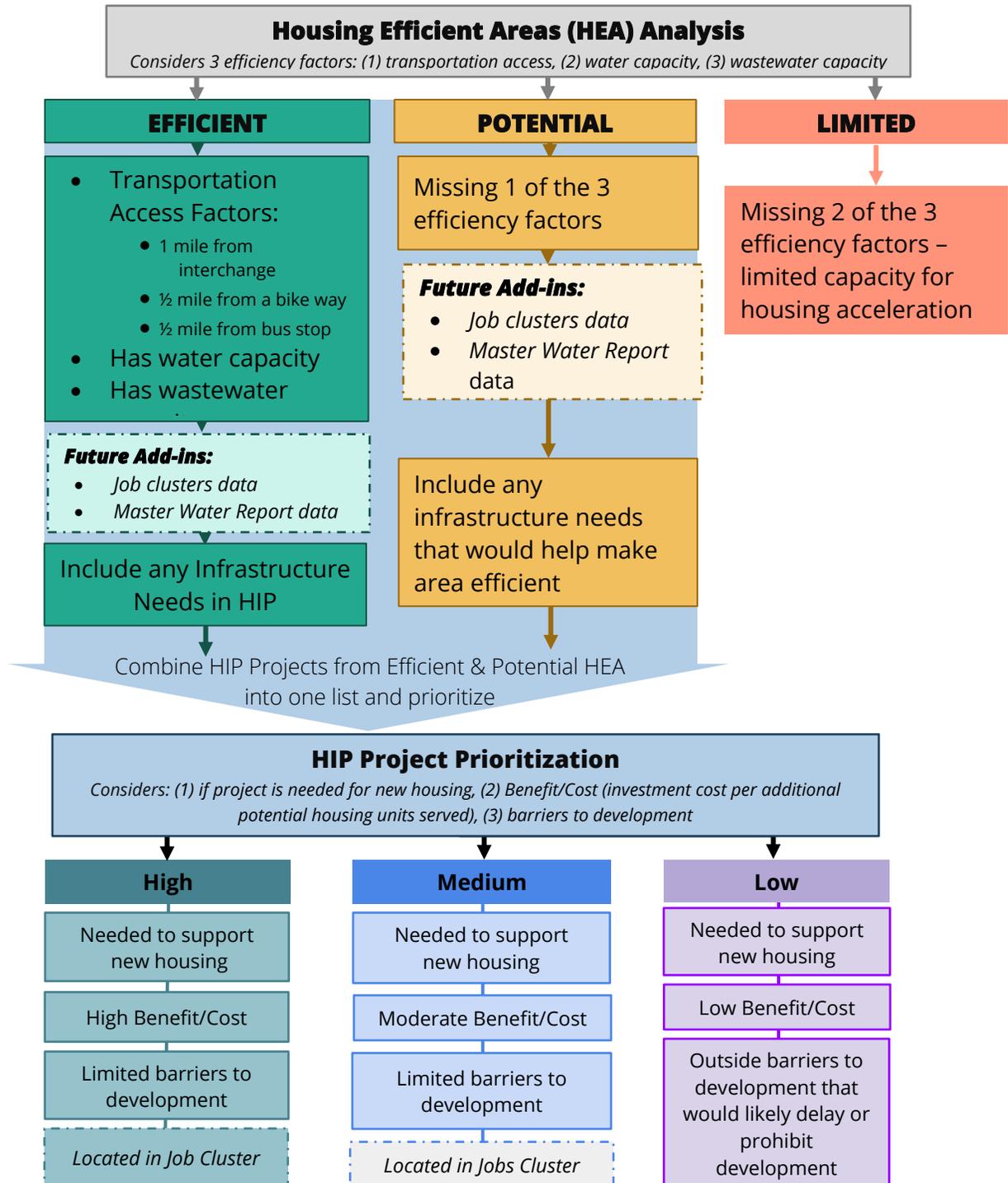
There were 430 infrastructure projects collected as part of the data inventory. Of those, 18% (78 projects) were located within a Housing Efficient Area. The 78 projects moved on to the prioritization phase. The flow of the analysis can be seen in Figure 5: HIP Analysis Process

## INFRASTRUCTURE PRIORITIZATION

After stakeholder outreach in February and March 2023, a three-tiered approach was selected to prioritize projects. Projects were labeled as high, medium, or low depending on three factors: if the project supports new housing, the benefit/cost (project cost per total potential

housing units within community), and barriers to development. Barriers to development include instances such as a building moratorium. These barriers are outside the controls of the HIP and slow housing development. The entire analysis and prioritization process can be seen in Figure 5.

**Figure 5: HIP Analysis Process**



Infrastructure projects were divided into two lists, water and transportation, and then prioritized. It was concluded that transportation projects, in general, could be built at various stages of housing development. Whereas, housing cannot be built without adequate water distribution and collection infrastructure. Each list was sorted by highest benefit/cost. The total funding need for the list was divided by three to categorize projects as high, medium, or low.

The premise of the HIP is to help accelerate housing development, so the current prioritization factors relate solely to the total amount of proposed housing. In the future, other factors like jobs-housing balance factors and proposed housing unit type could be considered.

### Findings

The draft HIP list contains 78 infrastructure projects with an estimated cost of nearly one billion dollars in need. As seen in Figure 6: Draft HIP List Summary, about one third of the needed infrastructure investments are water-related (supply & wastewater) and two-thirds are transportation-related. Interestingly, each priority category (high, medium, low) are relatively similar at around \$300 million. However, the cost of nine medium ranked projects is equivalent to 53 high priority projects.

**Figure 6: Draft HIP List Summary**

	Estimate (\$ millions)	Projects
<b>Total Estimate</b>	<b>\$ 919</b>	<b>78</b>
<b>High</b>	\$ 323	53
<b>Medium</b>	\$ 315	9
<b>Low</b>	\$ 281	16
<b>WATER</b>	\$ 301	19
<b>TRANSPORTATION</b>	\$ 618	59

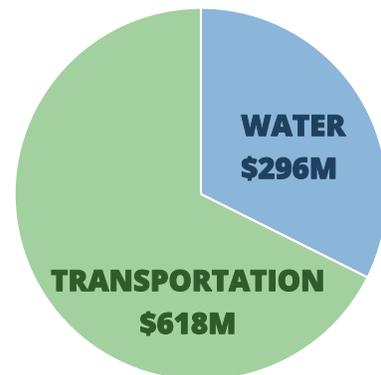


Figure 7: Priority Projects by Community breaks down the total number of HIP priority projects, the total investment needed for each proposed housing unit, and the total estimate investment needed by community. Within the 78 total projects, three are listed as multijurisdictional projects including Central Coast Blue, the Regional Transit Authority Cashless Fare System Conversion, and the North County Transit Charging Facility. In Figure 7, these are listed as a separate row and are not included individually in the "HIP Projects" column for each community. However, multijurisdictional project costs are included in the community's total investment needed. The number of multijurisdictional projects by priority can be seen in Figure 8.

**Figure 7: Priority Projects by Community**

Community	Total Proposed Dwelling Units	HIP Projects	High	Medium	Low	Total Investment needed per proposed unit	Total Estimated Investment Needed (\$ millions)
<i>Multijurisdictional*</i>		3	2	1			\$ 95
<b>Arroyo Grande</b>	600	1			1	\$ 227,254	\$ 136
<b>Atascadero</b>	722	2	1	1		\$ 23,734	\$ 17
<b>Grover Beach</b>	624	4	3		1	\$ 85,920	\$ 54
<b>Morro Bay</b>	120	1			1	\$ 183,368	\$ 22
<b>Paso Robles</b>	4,959	17	16	1		\$ 37,055	\$ 184
<b>Pismo Beach</b>	297					\$ 61,179	\$ 18
<b>San Luis Obispo</b>	6,171	26	23	3		\$ 43,197	\$ 267
<b>County</b>	2,221	22	6	3	13	\$ 77,286	\$ 172
Cayucos	7	2		1	1	\$ 1,185,714	\$ 8
Los Osos	-	3			3	\$ -	\$ 15
Nipomo	1,351	6	4	1	1	\$ 25,171	\$ 34
Oceano	4	1			1	\$ 950,000	\$ 4
San Miguel	152	1			1	\$ 269,737	\$ 41
Santa Margarita	514	1	1			\$ 2,918	\$ 2
Templeton	193	7	1	1	5	\$ 341,647	\$ 66
<b>Cal Poly</b>	2,780	2	2			\$ 17,986	\$ 50
<b>Total Projects</b>	<b>15,714</b>	<b>78</b>	<b>53</b>	<b>9</b>	<b>16</b>	<b>\$ 58,547</b>	<b>\$ 920</b>
Priority Category Total Cost Estimate (\$ millions)			\$ 323	\$ 315	\$ 281		

**Figure 8: Multijurisdictional Projects by Priority**

Community	Multijurisdictional HIP Projects	High	Medium	Low
<b>Arroyo Grande<sup>1,2</sup></b>	2	1	1	
<b>Atascadero<sup>2,3</sup></b>	2	2		
<b>Grover Beach<sup>1,2</sup></b>	2	1	1	
<b>Morro Bay<sup>2</sup></b>	1	1		
<b>Paso Robles<sup>2,3</sup></b>	2	2		
<b>Pismo Beach<sup>1,2</sup></b>	2	1	2	
<b>San Luis Obispo<sup>2</sup></b>	1	1		
<b>County<sup>2,3</sup></b>	2	2		

The 3 multijurisdictional projects include the following: *Central Coast Blue<sup>1</sup>*, *Cashless Fare System Conversion<sup>2</sup>*, *North County Charging Facility<sup>3</sup>*

Ninety-nine percent of the region’s population lives in four out of five subregions: North County, Central County, North Coast, and South County. Both North and Central County have 29 HIP projects. Even though projects in these two regions make up the majority of the HIP list, North County and Central County combined make up 81% of the proposed new housing units in the region.

**Figure 9: Priority Projects by Subregion**

Subregion	Total Proposed Dwelling Units	HIP Projects	High	Medium	Low	Total Investment needed per proposed unit	Total Estimated Investment Needed (\$ millions)
North County	6,540	29	20	3	6	\$ 47,401	\$ 310
Central County	6,171	29	25	3	1	\$ 51,693	\$ 319
North Coast	127	6	0	1	5	\$ 354,331	\$ 45
South County	2,876	13	7	2	4	\$ 85,535	\$ 246

The draft list can be viewed in Appendix A: HIP Project List.

*Future Data Considerations*

Creating balanced communities is one of the six 2020 Regional Housing Compact goals. The 2023 Sustainable Communities Strategy defines a jobs-housing balanced community as

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*A community where residents can both live and work. With jobs and housing in close proximity, vehicle trips and commute times reduce and active transportation and transit use increase. These balanced communities also provide a broad mix of housing options to accommodate households with a range of incomes.*

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As a proactive measure, the jobs-housing balance of communities was analyzed using live/work percentages. A live/work percentage is the total number of employees living and working in the city or community boundaries divided by the total workers living in that boundary. In future iterations of the HIP, jobs-housing balance could be integrated through the live/work percentage and additional job cluster data as mentioned in Figure 5: HIP Analysis Process. The data displayed in

Figure 10 and Figure 11 was not used to prioritize projects in the 2023 HIP. The information is for reference purposes only. This information is included since it relates to goals found in the 2020 Regional Housing Compact, HIP stakeholder interest, and or relates to the 2023 Affordable-by-Design Study. The 2023 Affordable-By-Design Study has shown that units within the multi-family category are more aligned units in the low- and moderately-priced income

categories. Understanding the proposed multi-family percentage of each community provides better insight on how the region will fulfill the needs of working households.

**Figure 10: Future Data Considerations by Community**

<i>Community</i>	<i>Number of Total Proposed Dwelling Units</i>	<i>% of Multi-family units proposed</i>	<i>Live Work Percentage</i>
<i>Arroyo Grande</i>	600	18%	14%
<i>Atascadero</i>	722	75%	21%
<i>Grover Beach</i>	624	81%	9%
<i>Morro Bay</i>	120	47%	21%
<i>Paso Robles</i>	4,959	42%	28%
<i>Pismo Beach</i>	297	30%	12%
<i>San Luis Obispo County</i>	6,171	58%	41%
<i>Cayucos</i>	7	0%	13%
<i>Los Osos</i>	-	0%	11%
<i>Nipomo</i>	1,351	34%	9%
<i>Oceano</i>	4	100%	4%
<i>San Miguel</i>	152	0%	3%
<i>Santa Margarita</i>	514	10%	2%
<i>Templeton</i>	193	19%	12%
<b>Total</b>	<b>15,714</b>		

Source: Longitudinal Employer-Household Dynamics (LEHD) 2019, SLOCOG GIS

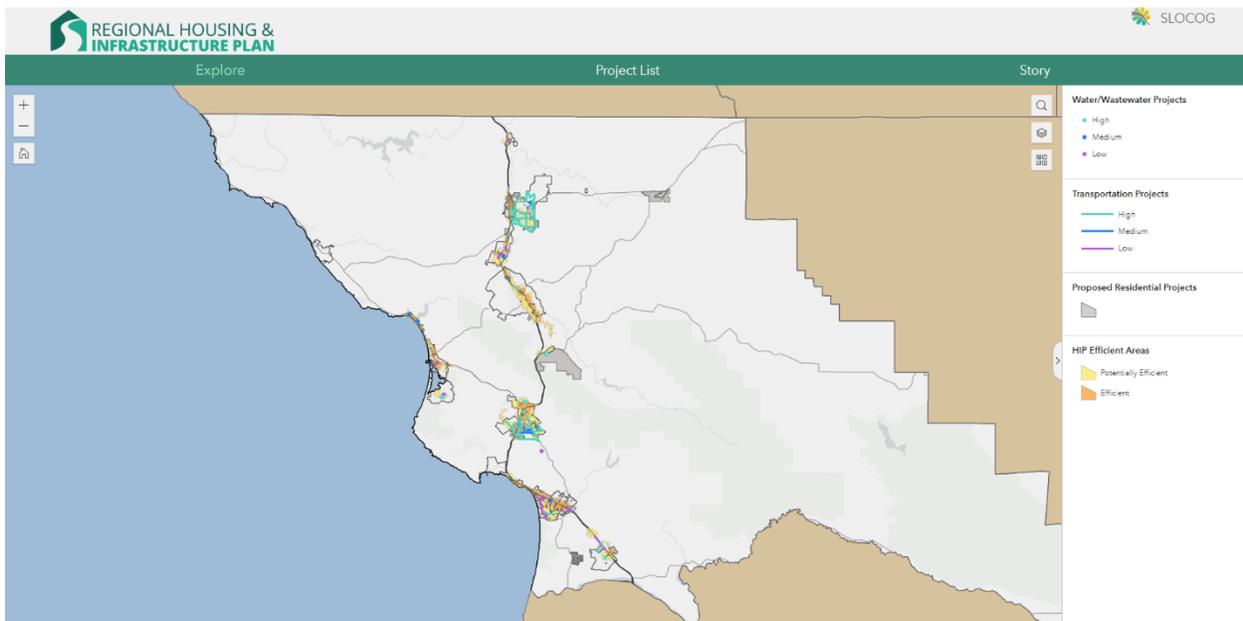
**Figure 11: Future Data Considerations by Subregion**

<i>Subregion</i>	<i>Number of Total Proposed Dwelling Units</i>	<i>% of Multi-family units proposed</i>	<i>Live Work Percentage</i>
<i>North County</i>	6,540	42%	40%
<i>Central County</i>	6,171	58%	44%
<i>North Coast</i>	127	44%	27%
<i>South County</i>	2,876	41%	27%

Source: Longitudinal Employer-Household Dynamics (LEHD) 2019, SLOCOG GIS

## HIP MAPPING TOOL

The [HIP Mapping Tool](#) was created to display GIS analysis and foster future collaboration. The tool was created using ArcGIS Experience Builder, ArcGIS Online, and ArcGIS Storymaps. Users have the ability to pan around the map in the "Explore" tab and turn map layers on and off. The "Project List" tab allows the user to browse through HIP projects categorized by transportation or water projects and is color coded by priority category. When a project is selected on the list, the map will zoom to the project. The user may also click on projects from the map to view a pop-up showing the name, description, and estimated cost. The "Story" tab of the tool gives a summary of the HIP and provides the four-step process of how the analysis was carried out in GIS. Individual layers are shown along with project tables.



## AFFORDABLE-BY-DESIGN STUDY

The Affordable-by-Design (ABD) Study evaluates housing affordability characteristics for the seven incorporated Cities and unincorporated San Luis Obispo County. The intention of the ABD study is to show certain units (built without financial assistance or deed restrictions) as either low- or moderate-income units in annual Housing and Community Development RHNA reports. For purposes of the ABD Study, “affordable by design” (ABD) is defined as new housing that is not income- or rent-restricted, but where typical market rents or sales prices would be affordable to low or moderate-income households (earning 50-120% of Area Median Income). The San Luis Obispo County’s published rent and sale price limits by income level define the rent and price range affordable at this income level as seen in Figure 12.

**Figure 12: San Luis Obispo County’s Rent and Sale Price Limits (May 2022)**

**Maximum rents: (see footnotes)**

Unit Size (Bedrooms)	Acutely Low	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Workforce
Studio	\$287	\$573	\$956	\$1,147	\$2,102	\$2,867
1	\$328	\$655	\$1,092	\$1,310	\$2,402	\$3,276
2	\$369	\$737	\$1,229	\$1,475	\$2,703	\$3,686
3	\$410	\$819	\$1,365	\$1,638	\$3,003	\$4,095
4	\$442	\$885	\$1,474	\$1,769	\$3,244	\$4,423

Note 1: The maximum rent limits shown above do not include adjustments for utilities. Refer to the utility allowance bulletin posted on the website of the Housing Authority of the City of San Luis Obispo.

Note 2: Rent limits are updated when the State issues its annual update to median incomes, generally in April of each year.

**Sample maximum sales prices: (see footnotes)**

Unit Size (Bedrooms)	Acutely Low	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Workforce
Studio	17,000	\$54,000	\$100,000	\$151,000	\$292,000	\$406,000
1	23,000	\$64,000	\$120,000	\$175,000	\$337,000	\$466,000
2	28,000	\$75,000	\$137,000	\$199,000	\$381,000	\$527,000
3	33,000	\$85,000	\$154,000	\$224,000	\$426,000	\$587,000
4	37,000	\$93,000	\$168,000	\$243,000	\$461,000	\$636,000

Note 1: Homeowner association due (HOA) assumption per month is 150.00

Note 2: Mortgage financing assumed at a fixed rate for 30 years (HSH Associates) is 6.43%

Note 3: Prices shown are preliminary estimates and may be revised. Round to the nearest 1000th.

The ABD Study includes the following approach:

1. Identify common physical characteristics for ABD housing
2. Interviews with local housing developers
3. Consider whether ABD housing examples from other regions could meet ABD criteria in SLO County's market
4. Financial feasibility analysis of illustrative "prototypical" development examples
5. Identify regulatory barriers to development to ABD housing
6. Highlight potential policy measures to support ABD housing

EcoNorthwest used development "prototypes" to highlight characteristics of housing that could potentially meet the Study's ABD definition. These are prototypical developments informed by (or extrapolated from) actual development. Each development prototype is a specific combination of key characteristics, such as number of units and configuration (e.g., detached, attached side-by-side, stacked), Lot size / density, height, unit size and parking. In May 2023, preliminary findings were presented to five stakeholder groups. The following information provides a brief summary and more preliminary information can be viewed in Appendix B: Affordable-by-Design Study Preliminary Information. The final report will be completed in July for SLOCOG Board consideration in August.

### *Rental Preliminary Findings*

On the rental side of new development (within the last 5 years), some new apartments are affordable at a moderate-income level. This may include some mixed-income buildings but 1-bedroom units are most likely to be affordable whereas no 3-bedroom units are categorized as affordable. Design helps but does not guarantee affordability. Most of the buildings that fit within the ABD definition are 3-story, they have a smaller average unit sizes, but not all small units are affordable to moderate-income households.

EcoNorthwest looked at examples from other housing markets within California, Washington, and Oregon to add a few possibilities to a financial feasibility analysis. These prototypes included:

- A. 3-story walk-up apartments—standard
  - Larger units (~880 sf average)
  - Typical density, parking ratio, and landscaping
- B. 3-story walk-up apartments—compact
  - Smaller units (~620 sf average)
  - Higher density, lower parking ratio, less landscaping
- C. 4-story micro-unit apartments
  - Very small units (~300 sf, shared kitchens, individual kitchenettes)
  - Very high density, no parking, no landscaping

**Figure 13: Feasibility of Rental Prototypes by Subregion**

# Summary of Results by Market Area

- Key:
-  Very Likely to Meet Criteria
  -  Likely to Meet Criteria
  -  May Meet Criteria
  -  Unlikely to Meet Criteria
  -  Very Unlikely to Meet Criteria

Central County	Affordability	Feasibility
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		
North Coast	Affordability	Feasibility
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		
North County	Affordability	Feasibility
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		
South County	Affordability	Feasibility
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		

The financial feasibility analysis uses a metric called “return on cost” (ROC), which reflects the income potential of the completed development<sup>1</sup> divided by the total cost of development. This ratio is often used as an initial indicator of development feasibility for rental developments, as it provides a preliminary indication of whether the completed property will provide competitive financial returns that could attract investors and meet loan underwriting requirements. More data on the Market Assumptions can be found in Appendix B: Affordable-by-Design Study Preliminary Information.

**Figure 14: Key Takeaways from Financial Feasibility Analysis (Rental)**

Central County	North Coast	North County	South County
<ul style="list-style-type: none"> <li>• Smaller units help achieve affordability</li> <li>• Market likely to support feasibility</li> </ul>	<ul style="list-style-type: none"> <li>• Market rents provide affordability</li> <li>• Feasibility is difficult</li> </ul>	<ul style="list-style-type: none"> <li>• Market rents likely affordable except for largest units</li> <li>• Market likely to support, except for the smallest units</li> </ul>	<ul style="list-style-type: none"> <li>• Market rents likely affordable except for largest units</li> <li>• Market support is borderline</li> </ul>

<sup>1</sup> Net Operating Income (NOI), the revenue after accounting for vacancy and operating expenses.

### *For-Sale Preliminary Findings*

In the last five years, only manufactured housing in manufactured home parks met target price points for new for-sale housing using County calculations. This does not factor in the lot cost associated with manufactured home parks. There are few small detached homes that came close and could potentially meet the City of San Luis Obispo's affordability standards since they calculate income limits differently. Looking at examples from other housing markets:

- A. Small detached units
  - ~350-800 square feet units
  - Shared yards with clustered parking
  - Smallest units may be affordable at close to 120% of AMI in that market
  - **Affordability:** Comparable Units in SLO region exceed target price
- B. Small condo units
  - ~325-600 square feet units
  - Little or no on-site parking
  - Can be affordable to Moderate Income households in portions of some high-cost regions
  - **Feasibility:** May not be viable in SLO region's market
- C. Simple condo development
  - ~600-1000 square feet units
  - Little or no on-site parking with few shared amenities
  - Can be affordable to Moderate Income households in portions of some high-cost regions.
  - **Feasibility:** May not be viable in SLO region's market
- D. Smaller townhouse units
  - ~1,000-1,600 square feet units
  - Can be affordable to Moderate Income households in portions of some high-cost regions
  - **Affordability:** Comparable units in SLO region exceed target price
- E. Smaller single-detached homes
  - 3BR, ~1200-1500 square feet units
  - Can be affordable to moderate-income households in moderate-cost areas (e.g., Central Valley)
  - **Affordability:** Comparable units in SLO region exceed target price

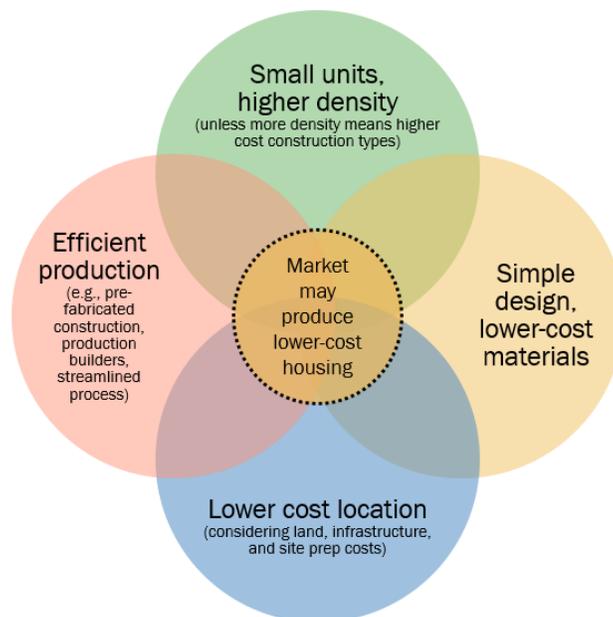
San Luis Obispo's regional market conditions do not support new for-sale housing at prices affordable to moderate-income households, with the possible exception of manufactured homes in housing parks. A few developments have attempted to produce ABD for-sale housing, but even with very small homes, prices are still too high for the moderate-income target price range. Factors that make for-sale housing more affordable in other areas may not translate to the SLO County market (lower land cost, no parking, few amenities, micro units).

### Market Conditions

In summary, the rental market is close and regulatory change could help with smaller units in cost-effective developments. The market is not close in the for-sale side and a longer-term approach is needed. Increasing the housing production overall can help bring supply and demand into balance and make ABD achievable over the longer term. These preliminary findings are not surprising but sobering. Looking at a wide-angle view, ECONorthwest looked at what conditions make for lower-cost housing.

**Figure 15: Market Conditions for Lower-Cost Housing**

## What allows the market to produce lower-cost housing?

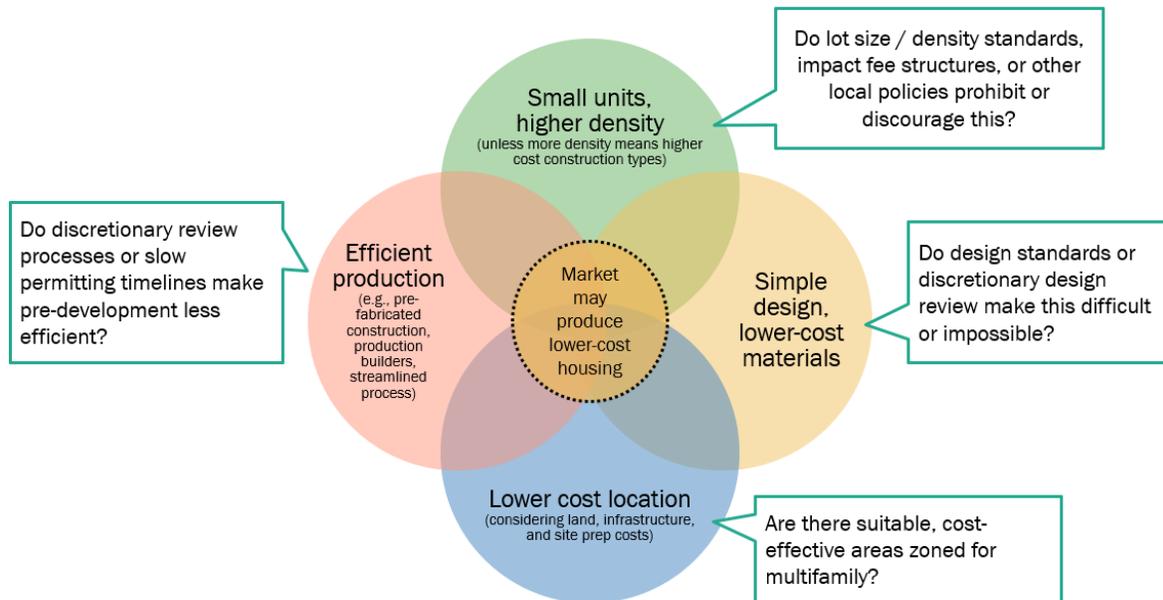


As seen in Figure 15: Market Conditions for Lower-Cost Housing, there are four factors that have to come together in the housing market to product lower-cost housing including simple design with lower-cost materials, lower cost locations, efficient production, and smaller units with a higher density.

A primary deliverable for the ABD Study is to create a menu of policy change options that will incentivize ABD units in the region. Figure 16 depicts how the public sector impacts the conditions for ABD. ECONorthwest interviewed six developers that work within the San Luis Obispo Region. Those interviews provided four market barrier themes to ABD Development including land cost, demand for high-end housing, construction costs, and demand for parking. They also identified six regulatory barrier themes to ABD development including: discretionary review, density caps, minimum unit sizes, parking requirements that exceed market demand, impact fees and inclusionary zoning, and required infrastructure improvements. More of these details will be made available in July.

**Figure 16: Public Sector and ABD Market Conditions**

**How does the public sector impact market production of lower-cost housing?**



In coordination with HIP stakeholders, ECONorthwest identified potential policies and incentives that local governments in the region could implement to support ABD housing development. In the next few months, the consultant will identify relevant case studies from jurisdictions that have implemented programs or policies similar to the relevant incentives, and, where possible, the impact they have had on housing production for ABD housing.

**FUNDING STRATEGIES ASSESSMENT**

The Funding Strategies Assessment seeks to identify funding and financing sources that can reasonably implement the water, wastewater, and transportation infrastructure needs of the HIP. BKF Engineering has drafted a grant inventory that connects each specific HIP project to various public sources of funding. They also include a grant glossary with factors such as eligibility requirements, deadlines, funding amounts available. These draft pieces can be reviewed in Appendix C: Funding Strategies Assessment Preliminary Information.

A Gap Analysis is currently being conducted which aims to determine the difference between the required funding for the projects and the potential funding that can be secured through grants and other funding sources. The Gap Analysis approach includes:

1. Assessing the Projects & Determining Funding Requirements:
2. Identifying Potential Funding Sources
3. Estimating Potential Grant Funding
4. Calculating the Funding Gap
5. Proposing Strategies to Bridge the Funding Gap

The Funding Strategies Assessment will include a detailed breakdown on a project-by-project basis, covering funding requirements, corresponding funding sources, projected grant funding, and the residual funding gap, including shortfalls and match requirements. An actionable timeline and a roadmap, along with recommendations for implementing the proposed strategies aimed to maximize the probability of securing the requisite funds for HIP projects.

The complete Funding Strategies Assessment will be available in July/August.

## HOUSING HIGHLIGHTS

### Stakeholder Engagement Strategy

The HIP engagement strategy established four outreach objectives:

- Foster ongoing collaboration and buy-in among private and public stakeholders.
- Remind government/elected officials of the Regional Compact and the motives behind it to lay groundwork for their commitment to the 2023 regional HIP.
- Build public sentiment in support of solutions and regional planning efforts related to HIP.
- Support effective coordination with and communication among SLOCOG, HIP consultants and the Comprehensive Economic Development Strategy (CEDS) teams.

The San Luis Obispo region has strategic goals for the future of housing and infrastructure, but they can only be achieved through the decisions and actions of organizations and stakeholders. The stakeholder meetings are designed to have honest conversations about what each organization can and needs to do to realize those goals. The December 2022 Regional Managers Retreat guided the stakeholder engagement process which is depicted in Figure 17: HIP Stakeholder Process.

**Figure 17: HIP Stakeholder Process**



The following list are the key stakeholder groups engaged – totaling approximately 100 individuals that participated during the HIP development process in January - June 2023:

*Regional Managers/ Key Staff:* A key driving force behind developing this plan has been regional leadership, including eight City Managers, County Administrative Officer, SLOCOG Executive Director (and key directors from their organizations).

*Elected Officials:* Two City Council Members with knowledge of regional differences bring the various perspectives and concerns voiced by their respective constituents for this Steering Committee. The full 40 elected officials within the region will have an opportunity to hear about the plan through public updates to SLOCOG Board as well as through presentations of the recommended HIP to their Councils and Boards in Summer 2023.

*Building & Development Cluster:* Leaders in the building and development industry that convene quarterly with the goal of regional coordination focused on aligning housing and infrastructure needs to create a strong local economy.

*Housing Advocacy Group:* Organizations and individuals that have significant influence in the community, with representation from the non-profit builders, local chambers of commerce and various advocate organizations.

*Housing Action Team:* Existing work group made up of planning/ community development staff from Cities, County, and SLOCOG.

*Community Stakeholders:* The broader community will be engaged in partnership with the SLO Chamber of Commerce Housing Summit in Spring 2023. Feedback from this event will be brought to the HIP Steering Committee to discuss and adjust the communications plan accordingly.

*HIP Steering Committee:* Formed to oversee the vision for the HIP Outreach Strategy and to bring leaders in each of these areas together, aligning and integrating the various interests that will lead to action on the region's priorities.

A HIP Steering Committee was selected to represent broader interests and to allow for cross-sector collaboration and cohesion. It is a small group of representatives with a balance of public and private backgrounds and a variety of expertise in issues related to development around the region. The HIP Steering Committee guided the development of a balanced plan, and helped to identify paths for the plan's successful adoption and implementation. The HIP Steering Committee includes Matthew Bronson (Grover Beach), Mayor Heather Moreno (Atascadero), Councilmember Andy Pease (SLO City), Trevor Keith (County of SLO), Aaryn Abbott (Abbott | Reed), Lenny Grant (RRM), Jeff Eckles (SLOCHTF), Courtney Howard (SLO Flood Control & Water Conservation District), Anthony Palazzo (Cal Poly), and Jorge Aguilar (Wallace Group).

## **Regional Housing Success Stories**

Available following Summer 2023 Outreach

## **NEXT STEPS**

Available following Summer 2023 Outreach

## **APPENDIX**

### **Appendix A: Draft List of HIP Infrastructure Priorities**

### **Appendix B: Affordable-by-Design Study Preliminary Information**

### **Appendix C: Funding Strategies Assessment Preliminary Information**

### **Appendix D: Regional Compact & Housing Element Regional Chapter**

### **Appendix E: Additional Housing Data *July 2023***

DATE: May 5, 2023  
TO: Regional Housing and Infrastructure Plan (HIP) Members  
FROM: Becky Hewitt and Emmanuel Lopez (ECONorthwest)  
SUBJECT: SLOCOG Affordable-by-Design Market Assumptions

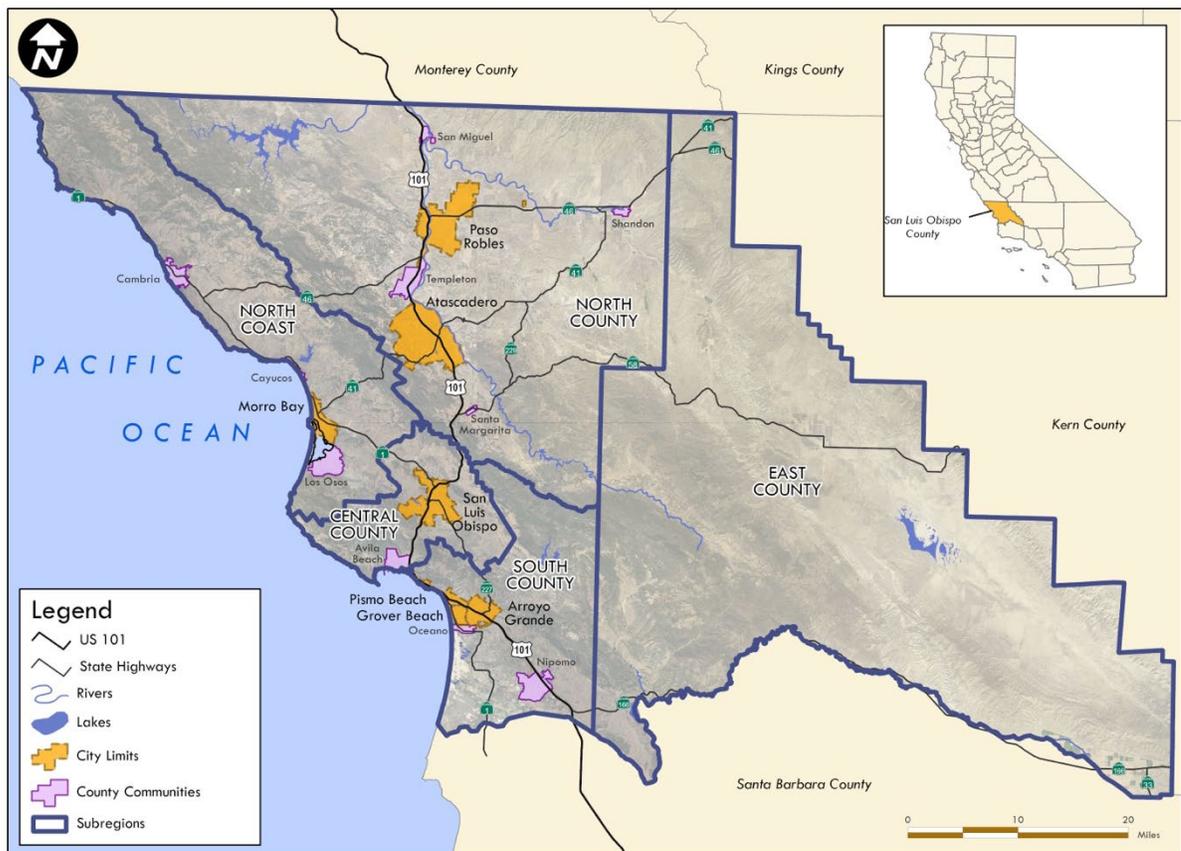
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As part of the Affordable-by-Design project, ECONorthwest is testing financial feasibility of various prototypical multifamily developments across four submarkets in San Luis Obispo (SLO) County. This memo outlines our assumptions regarding the physical characteristics of the prototypes, estimated development costs, and market rents.

## Key Market and Financial Assumptions

The four market areas are:

- North Coast
- North County
- South County
- Central County



We did not include East County in our analysis because there is little development or development opportunity in that area.

## Development Prototypes

Our analysis focuses on multifamily development that could potentially be affordable to moderate-income households. We used built examples from SLO County and elsewhere to inform the unit size, unit mix, and other physical characteristics of the developments. The prototypes tested are summarized in brief below:

- 3-story walk-up apartments—standard
  - Larger units (~880 sf average)
  - Typical density, parking ratio, and landscaping
- 3-story walk-up apartments—compact
  - Smaller units (~620 sf average)
  - Higher density, lower parking ratio, less landscaping
- 4-story micro-unit apartments
  - Very small units (~300 sf, shared kitchens, individual kitchenettes)
  - Very high density, no parking, no landscaping

The table below provides additional detail of the assumptions for each prototype.

Prototype #	A	B	C
Description	3-story walkup - standard	3-story walkup - compact	4-story micro units
Site Size (sf)	65,340	65,340	8,000
# of Units	51	91	71
Density (DU/Ac)	34.0	60.7	386.6
Parking location	surface	surface	none
Parking ratio	1.54	1.00	0.00
<b>Unit Mix (% of units)</b>			
Studio	5%	30%	100%
1-bed	40%	40%	0%
2-bed	45%	30%	0%
3-bed	10%	0%	0%
<b>Unit Size (net sf)</b>			
Studio	500	425	300
1-bed	675	575	
2-bed	1,000	875	
3-bed	1,350		
Average Unit Size	880	620	300
Hard cost per GSF	\$169	\$178	\$241

Note the estimated construction “hard cost” includes all vertical and horizontal development costs on-site, divided by the total gross square footage (GSF) of the building.

## Estimated Market Rents by Market Area

The estimated market rents for each prototype in each market were estimated based on comparable developments (in markets with comparable development) and adjusted to reflect differences between market rents in the different areas. The market rents for our analysis were estimated for 2023 dollars with an estimated 3% annual escalation prior to opening.

Market Area	Bedroom Type	3-story walkup - standard	3-story walkup - compact	4-story micro units
Central County	Studio	\$ 4.50	\$ 4.90	\$ 4.90
	1-bed	\$ 3.60	\$ 3.75	\$ -
	2-bed	\$ 2.95	\$ 3.20	\$ -
	3-bed	\$ 2.50	\$ -	\$ -
North Coast	Studio	\$ 3.24	\$ 3.93	\$ 4.90
	1-bed	\$ 0.70	\$ 0.65	\$ 0.65
	2-bed	\$ 3.15	\$ 3.19	\$ 3.19
	3-bed	\$ 2.52	\$ 2.44	\$ -
North County	Studio	\$ 2.07	\$ 2.08	\$ -
	1-bed	\$ 1.75	\$ -	\$ -
	2-bed	\$ 2.27	\$ 2.55	\$ 3.19
	3-bed	\$ 0.89	\$ 0.84	\$ 0.80
South County	Studio	\$ 3.60	\$ 3.75	\$ 3.92
	1-bed	\$ 3.18	\$ 3.30	\$ -
	2-bed	\$ 2.65	\$ 2.80	\$ -
	3-bed	\$ 2.40	\$ -	\$ -

Region - Bedroom Size	3-story walkup - standard	3-story walkup - compact	4-story micro units	Moderate-Income Rent Limit
Central County	\$ 2,750	\$ 2,327	\$ 1,470	\$ -
Studio	\$ 2,250	\$ 2,083	\$ 1,470	\$ 2,047
1-bed	\$ 2,430	\$ 2,156	\$ -	\$ 2,329
2-bed	\$ 2,950	\$ 2,800	\$ -	\$ 2,597
3-bed	\$ 3,375	\$ -	\$ -	\$ 2,877
North Coast	\$ 1,925	\$ 1,513	\$ 956	\$ -
Studio	\$ 1,575	\$ 1,354	\$ 956	\$ 2,047
1-bed	\$ 1,701	\$ 1,402	\$ -	\$ 2,329
2-bed	\$ 2,065	\$ 1,820	\$ -	\$ 2,597
3-bed	\$ 2,363	\$ -	\$ -	\$ 2,877
North County	\$ 2,465	\$ 1,972	\$ 1,176	\$ -
Studio	\$ 1,800	\$ 1,594	\$ 1,176	\$ 2,047
1-bed	\$ 2,147	\$ 1,898	\$ -	\$ 2,329
2-bed	\$ 2,650	\$ 2,450	\$ -	\$ 2,597
3-bed	\$ 3,240	\$ -	\$ -	\$ 2,877
South County	\$ 2,289	\$ 1,747	\$ 956	\$ -
Studio	\$ 1,450	\$ 1,275	\$ 956	\$ 2,047
1-bed	\$ 1,856	\$ 1,639	\$ -	\$ 2,329
2-bed	\$ 2,600	\$ 2,363	\$ -	\$ 2,597
3-bed	\$ 3,038	\$ -	\$ -	\$ 2,877

## Other Development Costs and Return Expectations by Market Area

Impact and permit fees were developed by taking housing element development fee estimates for multifamily and aggregating them at the sub-regional level.

Land costs are estimated based on developer interviews as well as review of land value data for selected example developments and land sales transactions in SLO County. Land values are highly variable, but the assumptions are intended to reflect the rough market cost of unimproved residential land in each area.

<b>Impact &amp; Permit Fees</b>		
<b>Market Area</b>	<b>Per Unit</b>	<b>Per Project</b>
<b>Central County</b>	\$ 39,518	\$ 20,000
<b>North Coast</b>	\$ 10,650	\$ 20,000
<b>North County</b>	\$ 28,825	\$ 20,000
<b>South County</b>	\$ 16,821	\$ 20,000
<b>Land Cost</b>		
<b>Market Area</b>	<b>Per Acre</b>	<b>Per SF of Land</b>
<b>Central County</b>	\$ 2,000,000	\$ 46
<b>North Coast</b>	\$ 800,000	\$ 18
<b>North County</b>	\$ 1,000,000	\$ 23
<b>South County</b>	\$ 900,000	\$ 21

### Return Metrics by Market Area

The financial feasibility analysis uses a metric called “return on cost” (ROC), which reflects the income potential of the completed development<sup>1</sup> divided by the total cost of development. This ratio is often used as an initial indicator of development feasibility for rental developments, as it provides a preliminary indication of whether the completed property will provide competitive financial returns that could attract investors and meet loan underwriting requirements. Because both lenders and investors will expect higher returns for riskier investments, market areas that have stronger demand fundamentals will likely have a lower threshold for ROC to make development viable. The estimated return requirements (Target ROC) for each market area are summarized below.

<b>Market Area</b>	<b>Target ROC</b>
<b>Central County</b>	6.00%
<b>North Coast</b>	7.00%
<b>North County</b>	6.50%
<b>South County</b>	7.00%

<sup>1</sup> Net Operating Income (NOI), the revenue after accounting for vacancy and operating expenses.



# REGIONAL HOUSING & INFRASTRUCTURE PLAN

## San Luis Obispo County Affordable-by-Design Study

May 2023

**ECONorthwest**

ECONOMICS • FINANCE • PLANNING

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# Study Overview

# What do we mean by Affordable by Design?

For purposes of study:

- Market-rate housing, no public subsidy
- Market rents or sales prices affordable to Low or Moderate Income households
  - <120% of Median Family Income (MFI)
  - Market conditions vary within the County; affordability criteria do not

Persons in Household	Acutely Low	Extremely Low	Very Low Income	Low Income	Median Income	Moderate Income	Workforce
1	\$11,500	\$23,000	\$38,300	\$61,250	\$76,450	\$91,750	\$122,320
2	\$13,100	\$26,250	\$43,800	\$70,000	\$87,350	\$104,850	\$139,760
3	\$14,750	\$29,550	\$49,250	\$78,750	\$98,300	\$117,950	\$157,280
4	\$16,400	\$32,800	\$54,700	\$87,500	\$109,200	\$131,050	\$174,720
5	\$17,700	\$35,450	\$59,100	\$94,500	\$117,950	\$141,550	\$188,720
6	\$19,000	\$38,050	\$63,500	\$101,500	\$126,650	\$152,000	\$202,640
7	\$20,350	\$41,910	\$67,850	\$108,500	\$135,400	\$162,500	\$216,640
8	\$21,650	\$46,630	\$72,250	\$115,500	\$144,150	\$173,000	\$230,640

**Income limits: The state defines family income groups as follows:**  
**Acutely Low** is defined by Section 50063.5 as 30% times 15% of county median income adjusted for family size appropriate for the unit  
**Extremely Low** is defined by Section 50106 as 30% of county median income  
**Very Low Income** is defined by Section 50105 as 50% of county median income  
**Low Income** is defined by Section 50079.5 as 80% of county median income  
**Moderate Income** is defined by Section 50093 as 120% of county median income  
**Workforce** is defined by Title 22 of the County Code as 160% of county median income

# What do we mean by Affordable by Design?

## Maximum rents: (see footnotes)

Unit Size (Bedrooms)	Acutely Low	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Workforce
Studio	\$287	\$573	\$956	\$1,147	\$2,102	\$2,867
1	\$328	\$655	\$1,092	\$1,310	\$2,402	\$3,276
2	\$369	\$737	\$1,229	\$1,475	\$2,703	\$3,686
3	\$410	\$819	\$1,365	\$1,638	\$3,003	\$4,095
4	\$442	\$885	\$1,474	\$1,769	\$3,244	\$4,423

Note 1: The maximum rent limits shown above do not include adjustments for utilities. Refer to the utility allowance bulletin posted on the website of the Housing Authority of the City of San Luis Obispo.

Note 2: Rent limits are updated when the State issues its annual update to median incomes, generally in April of each year.

## Sample maximum sales prices: (see footnotes)

Unit Size (Bedrooms)	Acutely Low	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Workforce
Studio	17,000	\$54,000	\$100,000	\$151,000	\$292,000	\$406,000
1	23,000	\$64,000	\$120,000	\$175,000	\$337,000	\$466,000
2	28,000	\$75,000	\$137,000	\$199,000	\$381,000	\$527,000
3	33,000	\$85,000	\$154,000	\$224,000	\$426,000	\$587,000
4	37,000	\$93,000	\$168,000	\$243,000	\$461,000	\$636,000

Note 1: Homeowner association due (HOA) assumption per month is 150.00

Note 2: Mortgage financing assumed at a fixed rate for 30 years (HSH Associates) is 6.43%

Note 3: Prices shown are preliminary estimates and may be revised. Round to the nearest 1000th.

# Approach



# What's Next?

## This week's meetings:

- Feedback on our findings to date
- Feedback on potential policy measures of greatest interest



Deeper dive on selected policy measures



Recommendations to support ABD in SLO  
County

# **ABD Rental Housing**

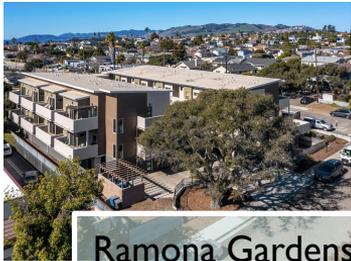
# Recently Built ABD Rental Housing in SLO



Connect SLO



La Plaza



Ramona Gardens



Laurel Lane

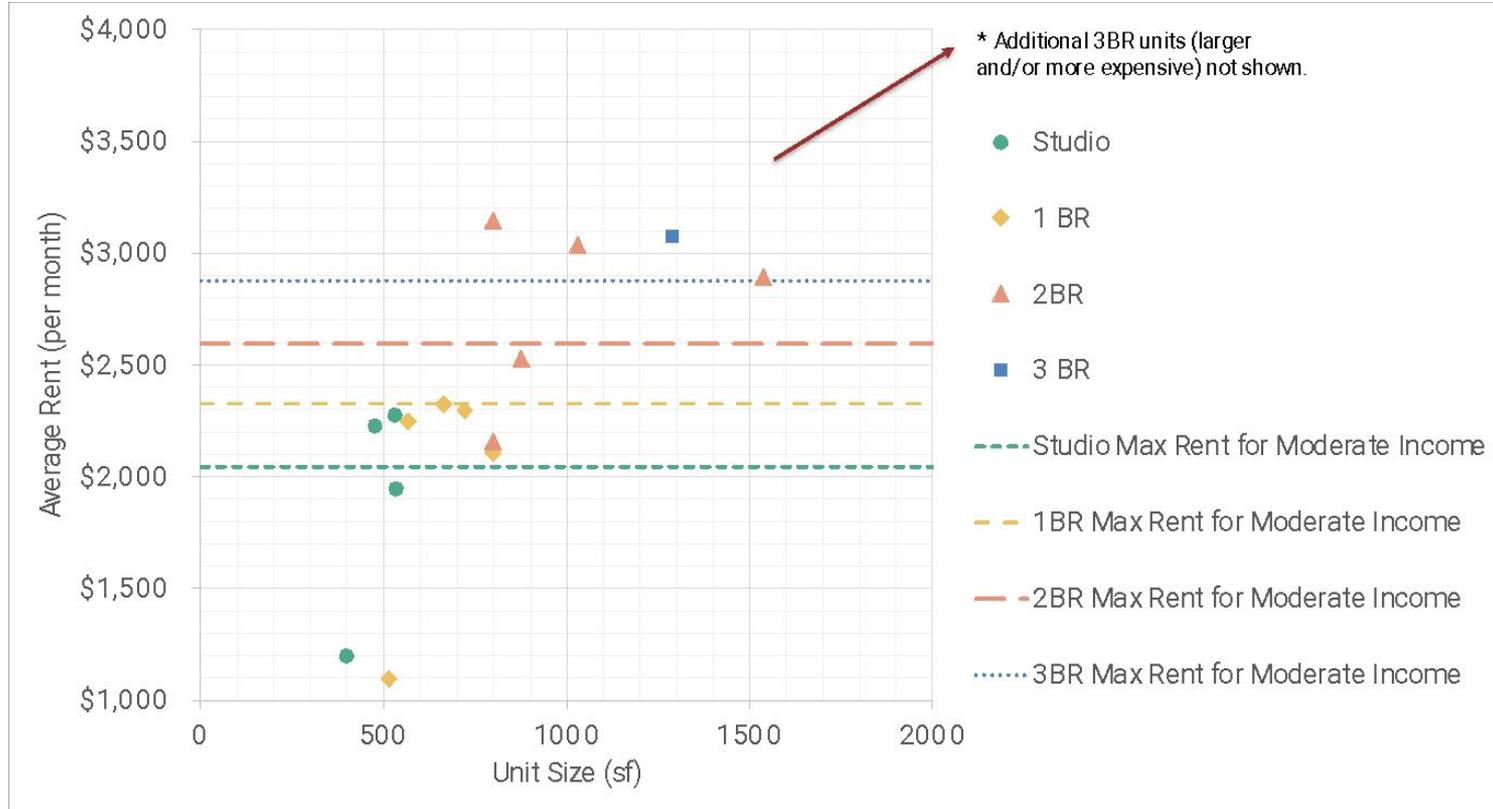


The Junction

\*CoStar does not isolate market rents in mixed-income buildings. Reported average rents may be artificially low due to some units being below market rate, particularly where inclusionary housing regulations apply.

	Connect SLO	La Plaza	Laurel Lane	Ramona Gardens	The Junction
Jurisdiction	San Luis Obispo	Atascadero	San Luis Obispo	Grover Beach	San Luis Obispo
Land Area (AC)	Not Available	1.83	Not Available	0.51	1.58
# Units	78	42	22	19	69
# Stories	3	3	3	3	3
Studio Affordability	Above Moderate	Moderate	N/A	Moderate	Above Moderate
Studio Unit Size	477 sf	534 sf	N/A	400 sf	531 sf
1 BR Affordability	Moderate*	Moderate	Low/Moderate*	Moderate	Moderate*
1 BR Unit Size	664 sf	721 sf	514 sf	800 sf	568 sf
2 BR Affordability	Above Moderate	Above Moderate	Moderate*	Moderate	Above Moderate
2 BR Unit Size	1,032 sf	1,537 sf	877 sf	800 sf	799 sf
3 BR Affordability	N/A	Above Moderate	Above Moderate	N/A	N/A

# Unit Size vs. Rent and Affordability for Newer Apartments



# Findings from SLO County Recent Development (Rental)

Some new apartments affordable at Moderate Income

- May include some mixed-income buildings
- 1 BR units most likely to be affordable
- No 3BR units affordable

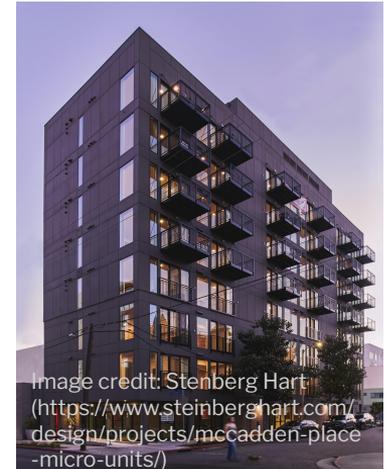
Design helps, but does not guarantee affordability

- Mostly 3 story buildings
- Mostly smaller average unit sizes
- Not all small units are affordable to Moderate Income households

# Examples from Other Housing Markets

## Micro Units

- ~150-350 sf
- Individual kitchenettes, shared kitchens
- No parking, bike storage
- Generally 4+ stories, high density, minimal setbacks/landscaping
- Highly walkable and desirable locations
- Typically affordable to Moderate Income households in respective region



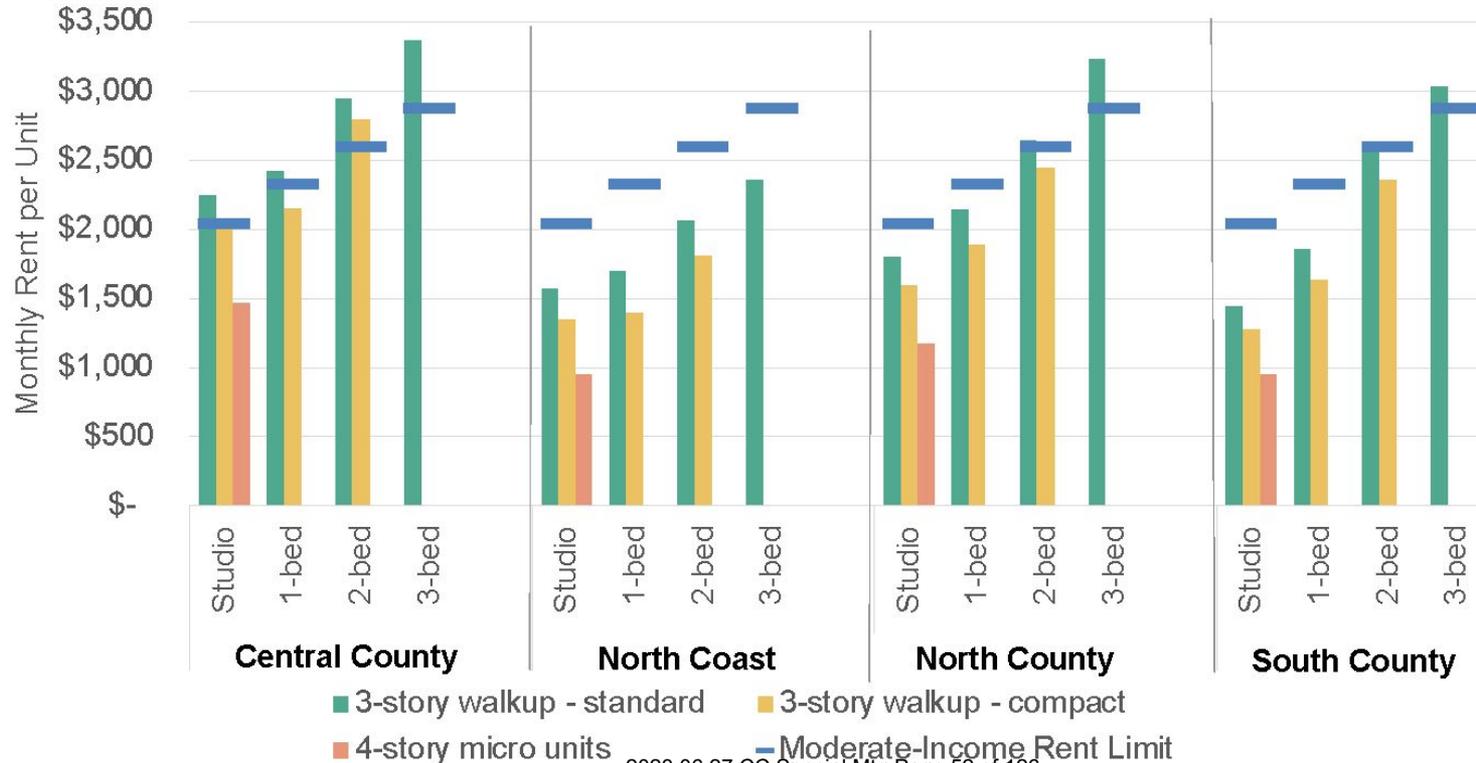
# Financial Feasibility Analysis

## Development “Prototypes”

- A. 3-story walk-up apartments—standard
  - Larger units (~880 sf average)
  - Typical density, parking ratio, and landscaping
- B. 3-story walk-up apartments—compact
  - Smaller units (~620 sf average)
  - Higher density, lower parking ratio, less landscaping
- C. 4-story micro-unit apartments
  - Very small units (~300 sf, shared kitchens, individual kitchenettes)
  - Very high density, no parking, no landscaping

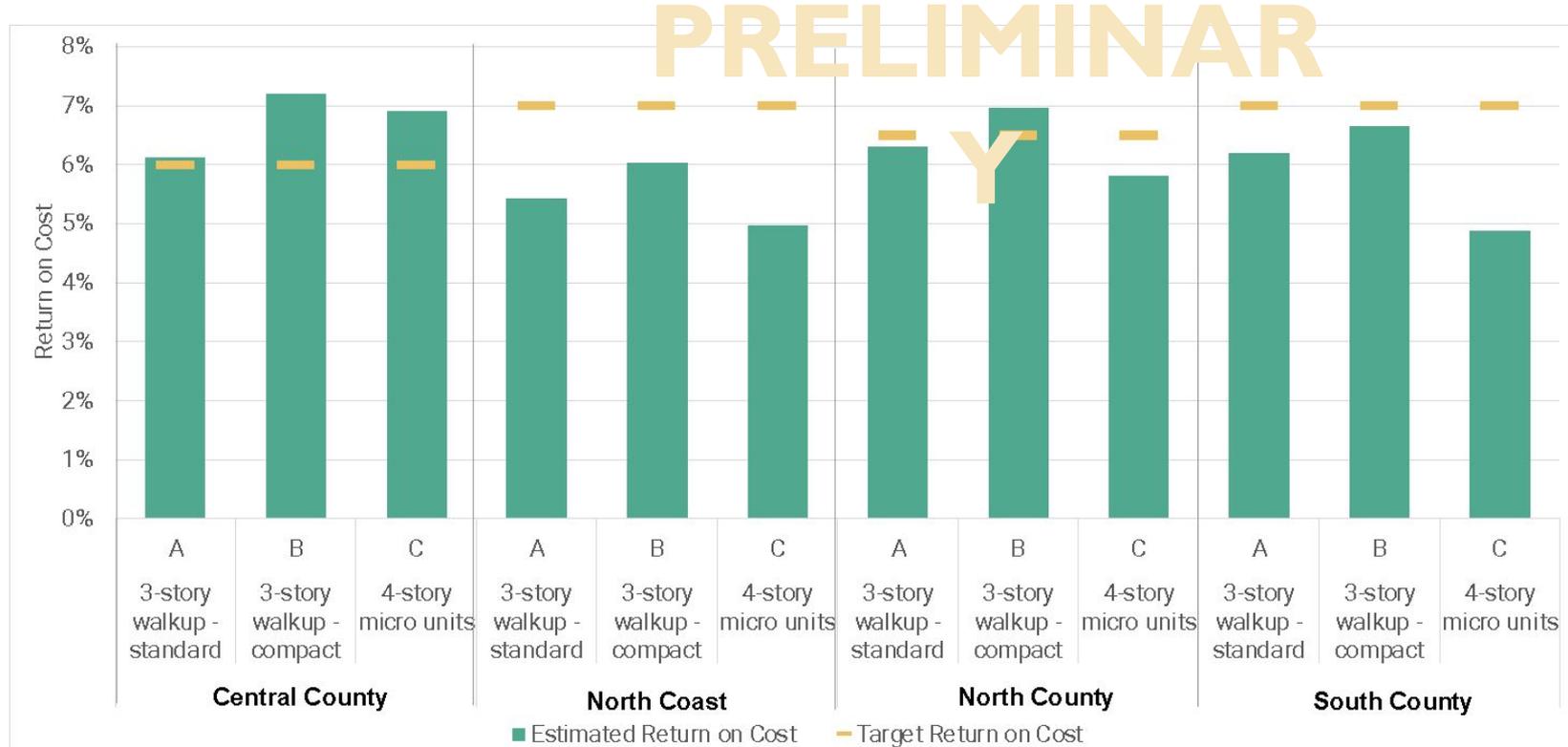
# Financial Feasibility Analysis

## Market Rent Affordability by Market Area



# Financial Feasibility Analysis

## Results



# Financial Feasibility Analysis

## Summary of Results by Market Area

Key:

-  Very Likely to Meet Criteria
-  Likely to Meet Criteria
-  May Meet Criteria
-  Unlikely to Meet Criteria
-  Very Unlikely to Meet Criteria

<b>Central County</b>	<b>Affordability</b>	<b>Feasibility</b>
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		

<b>North Coast</b>	<b>Affordability</b>	<b>Feasibility</b>
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		

<b>North County</b>	<b>Affordability</b>	<b>Feasibility</b>
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		

<b>South County</b>	<b>Affordability</b>	<b>Feasibility</b>
3-story walkup - standard		
3-story walkup - compact		
4-story micro units		

# Financial Feasibility Analysis

## Key Takeaways

### Central County

- Smaller units help achieve affordability
- Market likely to support feasibility

### North Coast

- Market rents provide affordability
- Feasibility is difficult

### North County

- Market rents likely affordable except for largest units
- Market likely to support, except for the smallest units

### South County

- Market rents likely affordable except for largest units
- Market support is borderline

# ABD For-Sale Housing

# Recently Built ABD For-Sale Housing in SLO County



Only manufactured housing in manufactured home parks met target price points for new for-sale housing using County calculations

# Recently Built ABD For-Sale Housing in SLO County

A few small detached homes came close, and potentially could meet City of SLO affordability standards.



# Examples from Other Housing Markets

## Small detached units

- ~350-800 sf units
- Shared yards
- Clustered parking
- Smallest units may be affordable at close to 120% of AMI in that market
- Comparable units in SLO region exceed target price



# Examples from Other Housing Markets

## Small condo units

- ~325-600 sf
- Little or no on-site parking
- Can be affordable to Moderate Income households in portions of some high-cost regions
- May not be viable in SLO region's market



# Examples from Other Housing Markets

## Simple condo development

- ~600-1000 sf
- Little or no on-site parking
- Few shared amenities
- Can be affordable to Moderate Income households in portions of some high-cost regions
- May not be viable in SLO region's market



# Examples from Other Housing Markets

## Smaller townhouse units

- ~1,000-1,600 sf
- Can be affordable to Moderate Income households in portions of some high-cost regions
- Comparable units in SLO region exceed target price



# Examples from Other Housing Markets

## Smaller single-detached homes

- 3BR, ~1200-1500 sf
- Can be affordable to moderate-income households in moderate-cost areas (e.g., Central Valley)
- Comparable units in SLO region exceed target price

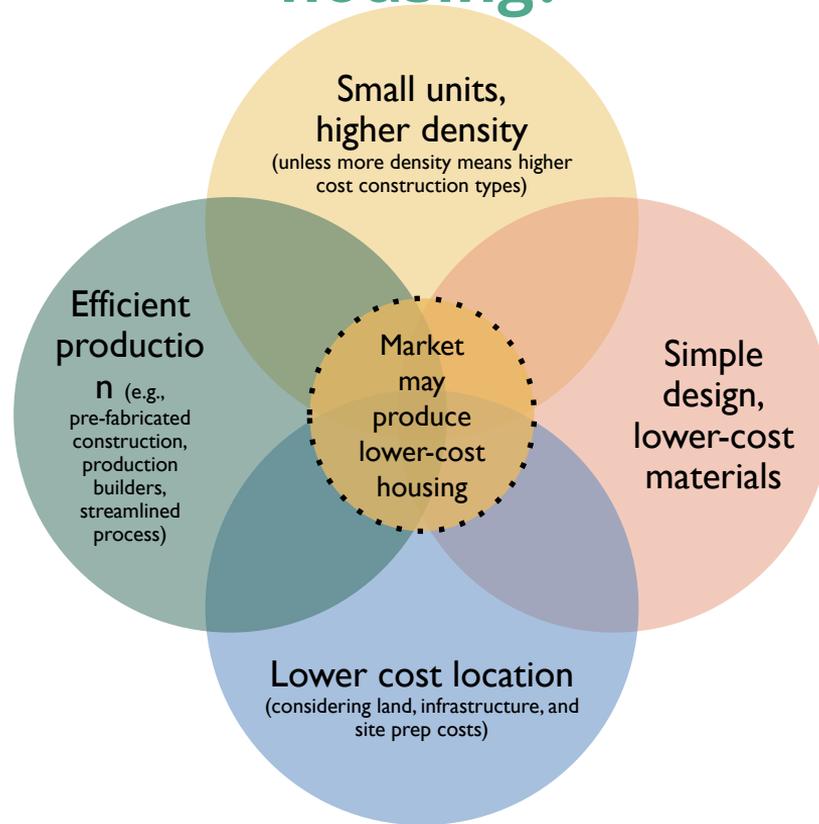


# Key Takeaways

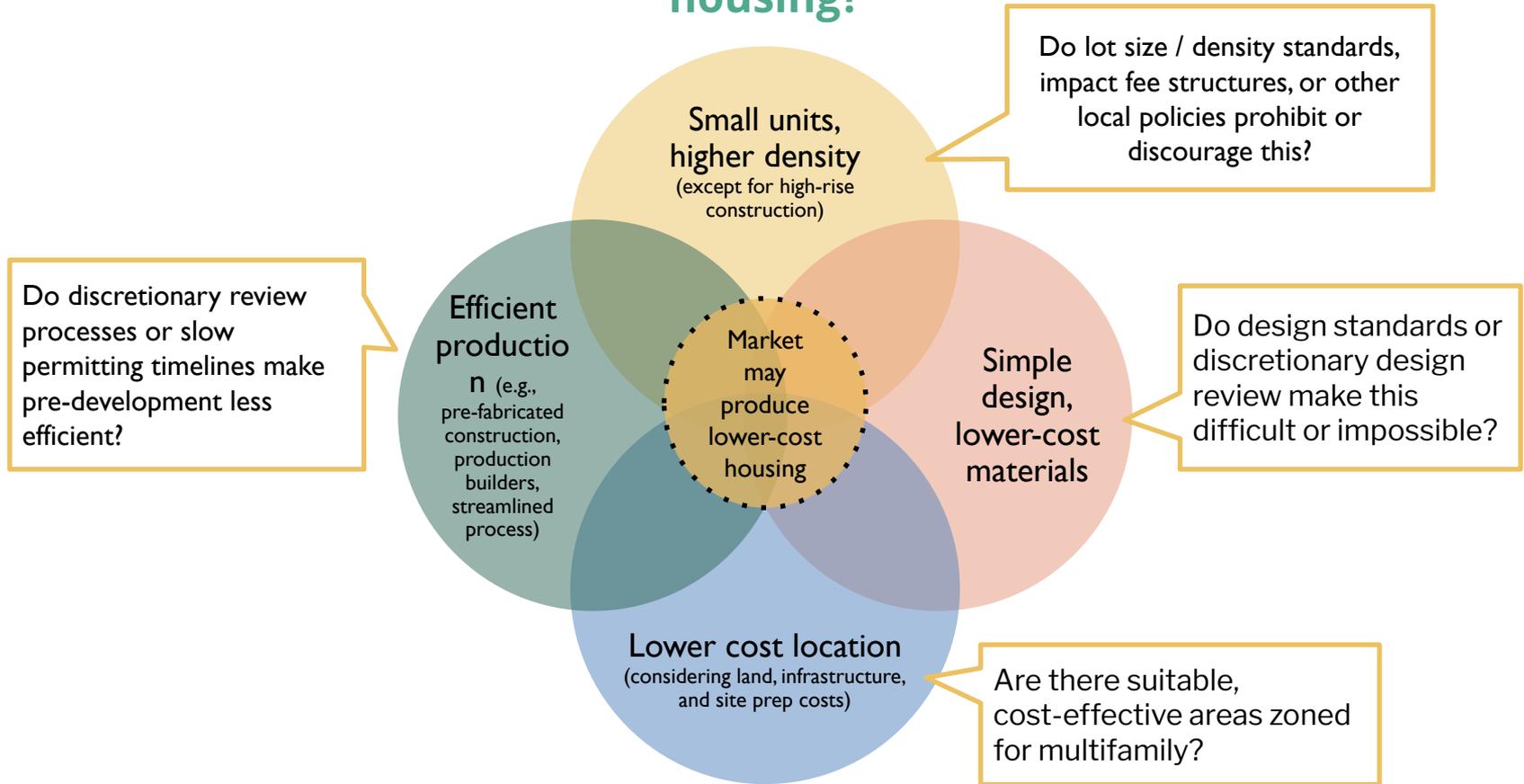
- SLO County market conditions do not support new for-sale housing at prices affordable to moderate-income households, with the possible exception of manufactured housing in parks
- A few developments have attempted to produce ABD for-sale housing, but even with very small homes, prices are still too high for the moderate-income target price range.
- Factors that make for-sale housing more affordable in other areas may not translate to the SLO County market (lower land cost, no parking, few amenities, micro units)

# **Barriers and Policy Recommendations**

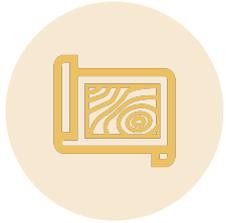
# What allows the market to produce lower-cost housing?



# How does the public sector impact market production of lower-cost housing?



# Market Barriers to ABD Development in SLO County



Land Cost



Demand for high-end housing



Construction costs



Demand for parking

# Regulatory Barriers to ABD Development in SLO County



Discretionary review



Density caps



Minimum unit sizes



Parking requirements that exceed market demand



Impact fees,  
inclusionary zoning



Required infrastructure  
improvements

# Conclusions



**Rental:** Market is close, regulatory change could help

- ABD = smaller units in cost-effective development



**For-Sale:** Market not close, longer-term approach needed

- Increasing housing production overall can help bring supply and demand into balance, make ABD achievable over the longer term

## SAN LUIS OBISPO COUNTYWIDE REGIONAL COMPACT

*A united regional framework to unlock our potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity.*

People, water, transportation, connectivity, and housing form the foundation of San Luis Obispo County Region's healthy, livable communities and thriving economic opportunity.

We are a rural coastal county with seven vibrant cities and numerous unincorporated communities that depend on collaborative relationships between and among government agencies, community organizations, and residents to solve our Region's significant issues, such as limited water supply, disconnects between communities, climate impacts, pressure on agriculture and open space resources, and inadequate access to affordable housing.

To identify actions our agencies can take to solve these issues, we agree to develop our first *Regional Infrastructure and Housing Strategic Action Plan*. This regional effort examines infrastructure and housing needs countywide and integrates efforts to address critical shortages. Our organizations are signing this compact as a first, necessary step toward creating opportunities for our local workforce and families, while preserving the appeal and vitality of our Region.

Our agencies collectively embrace the following six shared regional goals and support aligning resources and policies to make progress towards acting on them. These regional goals will underpin the future *Regional Infrastructure and Housing Strategic Action Plan*, create compatibility among the eight local agencies' *Housing Elements*, and drive future recommendations for collaborative actions.

<b>Strengthen community quality of life</b>	We believe that our Region's quality of life depends on four cornerstones to foster a stable and healthy economy for all: resilient infrastructure, services, and resources, adequate housing supply, business opportunities, and educational pathways.
<b>Share regional prosperity</b>	We believe that our Region should share the impacts and benefits of achieving enduring quality of life among all people, sectors and interests.
<b>Create balanced communities</b>	We believe that our Region should encourage new development that helps to improve the balance of jobs and housing throughout the Region, providing more opportunities for residents to live and work in the same community.
<b>Value agricultural &amp; natural resources</b>	We believe that our Region's unique agricultural resources, open space, and natural environments play a vital role in sustaining healthy local communities and a healthy economy, and therefore should be purposefully protected.
<b>Support equitable &amp; diverse opportunities</b>	We believe that our Region should support policies, actions and incentives that increase the diversity of housing available to people at all income levels.
<b>Foster accelerated housing production</b>	We believe that our Region must achieve efficient planning and production of housing and focus on strategies that produce the greatest impact.

We believe that these regional goals will help to protect and enhance our communities, build critical infrastructure, protect natural resources and create a forward-thinking future for all of our communities. We believe in the importance of taking responsibility for leading our Region towards a brighter future. By signing this compact on this \_\_\_ day of \_\_\_\_\_ 2020, we commit to act as partners by aligning actions with these regional goals. By taking collaborative actions to further these goals, we believe that our Region will solve critical issues and become a statewide leader in sustaining vibrant communities.



City of Arroyo Grande



City of Morro Bay



City of San Luis Obispo



City of Atascadero



City of Paso Robles



San Luis Obispo County



City of Grover Beach



City of Pismo Beach



SLO Council of Governments

# Regional Vision for Housing

**In early 2020, local agencies adopted a San Luis Obispo Countywide Regional Compact to *establish a united regional framework to unlock our potential to develop an adequate supply of housing and infrastructure that support our economic prosperity.***

## 1. Overview

San Luis Obispo County is a rural coastal county with seven vibrant cities and numerous unincorporated communities that depend on collaborative relationships between and among government agencies, community organizations, and residents to solve the region's significant issues including inadequate supply of affordable housing and resilient water, wastewater, and transportation infrastructure and resources.

The County and all seven Cities are working collaboratively to develop the region's first Regional Infrastructure and Housing Strategic Action Plan (Regional Plan) that will identify actions to address these issues. A key component of the Regional Plan is the integration of efforts to address critical housing and related infrastructure needs. As part of the Housing Element update process, representatives of the County, seven Cities and San Luis Obispo Council of Governments (SLOCOG) developed this chapter to showcase the ongoing commitment of each agency to this collaborative effort. This Chapter presents a regional vision and policies focused specifically on fostering regional collaboration to plan and develop housing and supportive infrastructure.

## 2. Alignment with Regional Compact

This effort is guided by the San Luis Obispo Countywide Regional Compact (Regional Compact). The Regional Compact, adopted by each jurisdiction in early 2020, outlines six shared regional goals to guide collaborative resolution of underlying housing and infrastructure needs:

***Goal 1. Strengthen Community Quality of Life*** – *We believe that our Region's quality of life depends on four cornerstones to foster a stable and healthy economy for all: resilient infrastructure and resources, adequate housing supply, business opportunities, and educational pathways.*

***Goal 2. Share Regional Prosperity*** – *We believe that our Region should share the impacts and benefits of achieving enduring quality of life among all people, sectors and interests.*

***Goal 3. Create Balanced Communities*** – *We believe that our Region should encourage new development that helps to improve the balance of jobs and housing throughout the Region, providing more opportunities to residents to live and work in the same community.*

**Goal 4. Value Agriculture & Natural Resources** – *We believe that our Region’s unique agricultural resources, open space, and natural environments play a vital role in sustaining healthy local communities and a healthy economy, and therefore should be purposefully protected.*

**Goal 5. Support Equitable Opportunities** – *We believe that our Region should support policies, actions, and incentives that increase housing development of all types, available to people at all income levels.*

**Goal 6. Foster Accelerated Housing Production** – *We believe that our Region must achieve efficient planning and production of housing and focus on strategies that produce the greatest impact.*

### 3. Policies

It will take regional collaboration and local actions to realize the vision and goals outlined in the Regional Compact. Below is an initial list of aspirational regional policies that further the Regional Compact vision, in addition to local policies. By listing these below, it does not mandate any individual agency to implement actions, but rather offers ways that the County, cities, SLOCOG, and other partners can consider moving forward, together. In addition, and consistent with each Housing Element cycle, each of the seven cities and the County has the opportunity to choose to implement local policies and programs that help to support their achievement of its RHNA, and if an agency chooses to, can also support the Regional Compact vision and goals in a way that works for its jurisdiction and community. See Section B for local programs and policies for Atascadero’s anticipated actions during this Housing Element cycle.

R-1: Promote awareness and support of regional efforts that further housing and infrastructure resiliency by utilizing community engagement, and consistent and transparent communication.

R-2: Encourage an adequate housing supply and resilient infrastructure, services, and resources to improve the balance of jobs and housing throughout the Region.

R-3: Develop inter-agency partnerships as appropriate to implement goals and policies related to housing and infrastructure.

R-4: Coordinate State, Federal, and other funding opportunities for housing and infrastructure development throughout the Region.

R-5: Encourage developers to sell newly constructed housing units to individuals residing or employed within the area of the development (a city or the County) first before selling to individuals from outside the County, to promote local preference.

R-6: Encourage rental units be prioritized for long term residents rather than short term users or vacation rentals.

R-7: Support housing development that is located within existing communities and strategically planned areas.

R-8: Encourage regional collaboration on a menu of housing types, models, and efforts to support streamlined approvals for such developments (i.e. Accessory Dwelling Units, etc.).

#### **4. Moving Forward**

The County, cities, SLOCOG, and other partners engaged in housing and infrastructure development will continue to collaborate on efforts moving forward – recognizing the benefits of working together to achieve an enduring quality of life among the region’s people, sectors and interests. This ongoing collaboration will include learning from each other and sharing possible tools, policies and actions that can allow the collective region to move towards our adopted Regional Compact vision. Ongoing collaborative efforts will be described in the Regional Plan, anticipated to be complete in 2021, and related regional efforts will live outside of each individual agency’s Housing Element.



# REGIONAL HOUSING & INFRASTRUCTURE PLAN

## Council Presentation

City of Morro Bay 6.27.23

# Presentation Agenda

1. Background & Highlights
2. Stakeholder Engagement
3. Project Overview & Key Findings
4. Future Phases of Regional Strategy
5. Recommended Support



# Morro Bay Housing Highlights



- Partnership between HASLO and the City of Morro Bay fully funded a major affordable housing project
- 35 unit low income rental project at one of the primary entryways to the City
- Streamlined review process by increasing ministerial approvals and adding clarity in the requirements for applications and design review

## Housing & Infrastructure:

the basic building blocks essential to supporting the workforce needed to fuel the expansion of existing companies, proliferation of start-ups and overall economic resilience of our communities.

# Major Housing Roles

## STATE

Sets broad policy, determines growth projections (RHNA) and provides grant funding

## BUILDING

Build units & infrastructure to meet community needs

## DEVELOP & DESIGN

Develop land, design housing to standards and assemble financing structures



## SLOCOG

Divides RHNA between county/cities, prioritizes funding

## COUNTY & CITIES

Control land use planning and policies that direct housing production and direct funding to community benefits

## AGENCIES' PLANNING & PERMITTING

As a subset of Cities/County, outline standards + process, approve development

# Housing & Infrastructure Regional Phased Strategy

*Our region believes that a united framework is necessary to unlock our potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity.*

## Goal 1

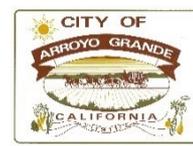
Regional  
Collaboration

## Goal 2

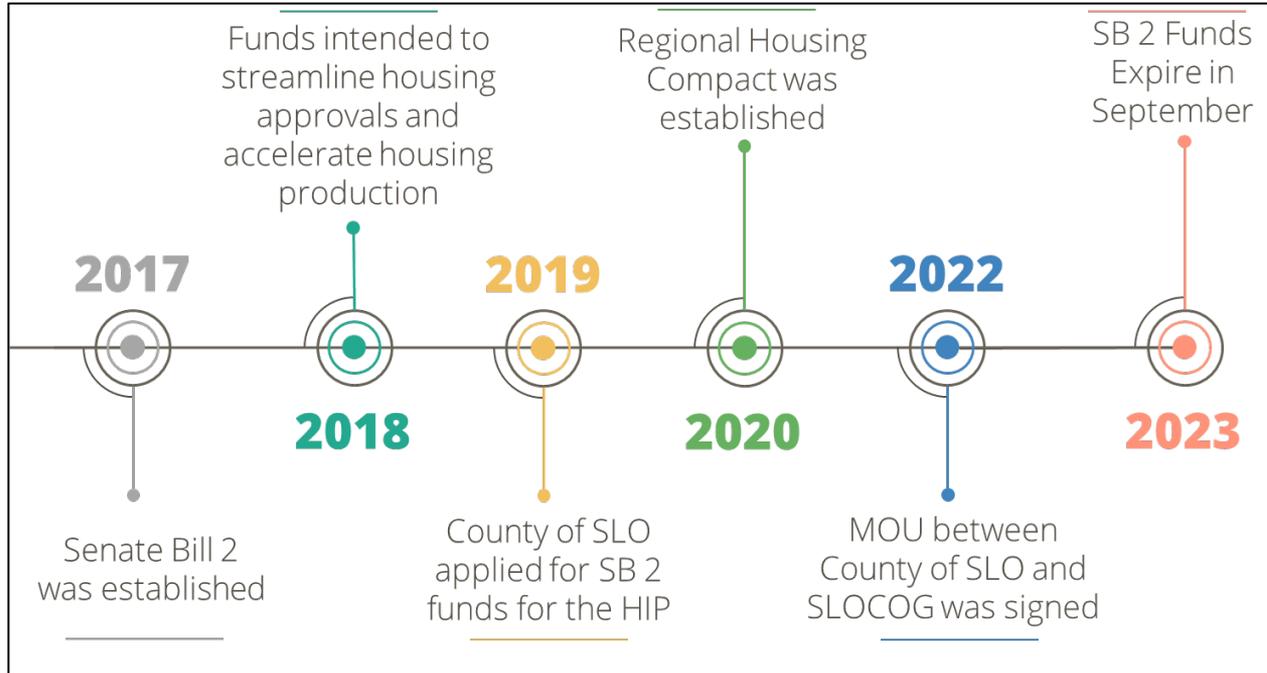
Align Land Use  
Planning  
Documents

## Goal 3

Strategic Action  
Plan



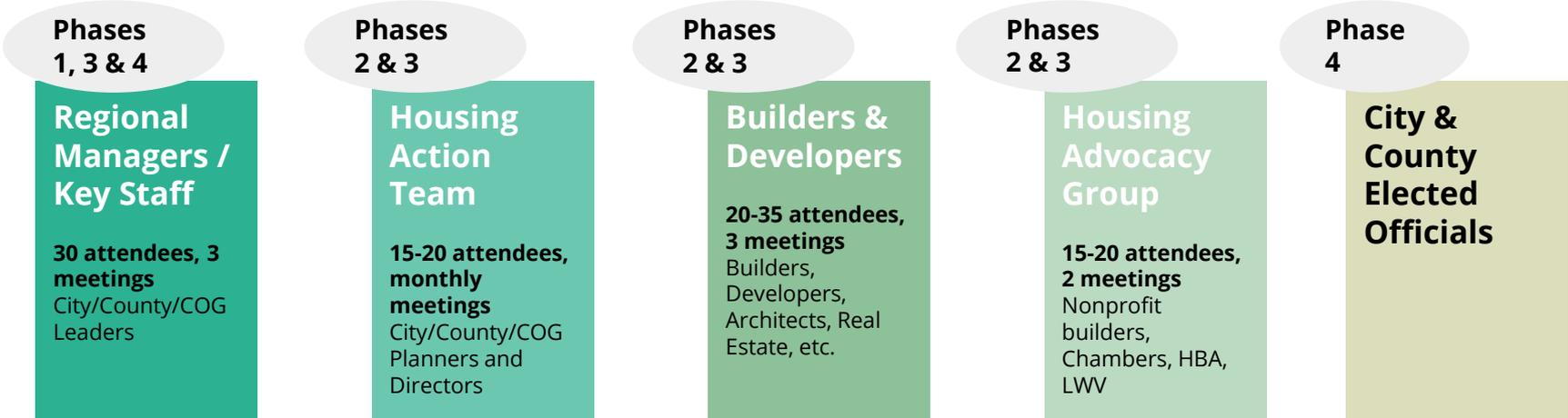
# Key Regional Steps



## Plan's Purpose

- Inventory infrastructure barriers to and priorities for housing
- Identify funding to implement infrastructure needs
- Develop foundational information for the future 2027 RHNA

# Stakeholders Engagement



10/22 - 1/23

2/23 - 4/23

5/23-6/23

6/23 - 8/23

**Phase 1 - Project Architecture**

**Phase 2 - Foundational Collaboration**

**Phase 3 - Setting Priorities**

**Phase 4 - Community Support**

**Steering Committee**  
**10 members, mix of public and private experts**

*City Manager, Elected Officials, County Regional Planner, Developer, Architect, Engineer, Advocate, Water Resources, Cal Poly CIP*

# HIP Presentations

June 7 <sup>th</sup>	SLOCOG Board of Directors Action: Receive update; Request staff present HIP to agencies
June 27 <sup>th</sup>	City of Morro Bay Council
July 11 <sup>th</sup>	City of San Luis Obispo Council City of Atascadero Council
July 18 <sup>th</sup>	City of Paso Robles Council City of Pismo Beach Council
July 24 <sup>th</sup>	City of Grover Beach Council
July 25 <sup>th</sup>	City of Arroyo Grande Council
August 2 <sup>nd</sup>	SLOCOG Board of Directors Action: Adopt plan
August 8 <sup>th</sup>	County Board of Supervisors Action: Accept adopted plan

# Briefing on HIP's Major Outcomes

<b>HIP Elements</b>	<b>What it informs</b>
Housing Highlights	Communication tool: Understanding the need for housing, affordability, and opportunities
Data and Project Inventory	Infrastructure barriers to housing
Mapping Tool	Living strategic analysis tool Show how housing-infrastructure interrelates
Efficiency Analysis	Housing Efficient Areas in HIP
<b>Infrastructure Prioritization</b>	Region's highest priority projects to unlock housing
<b>Funding Strategies Assessment</b>	Funding the region could pursue for priority infrastructure
<b>Affordable-by-Design Study</b>	Menu of possible policies to increase housing attainability

# Infrastructure Prioritization

Regional Infrastructure  
Projects & Data

.....  
Collection of 440 projects across the County  
and Seven Cities

Housing Efficient Areas

.....  
**Considered Housing Efficient if area has:**

- Transportation Access
- Water Capacity
- Wastewater Capacity

Low Priority

Medium Priority

High Priority

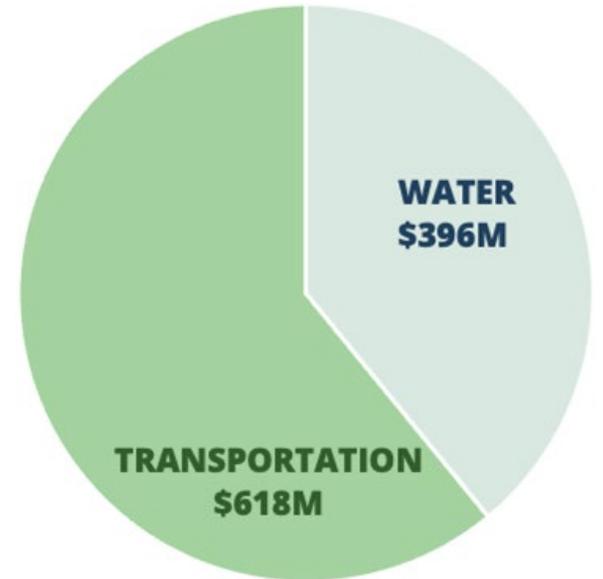
**80**  
**Housing**  
**Efficient**  
**Projects**

**Project Prioritization considered:**

- (1) if project is needed for new housing,
- (2) benefit/cost (investment cost per additional potential housing units served),
- (3) barriers to development

# Key Findings

	<b>Estimate (\$ millions)</b>	<b>Projects</b>
<b>Total Estimate</b>	<b>\$ 1,015</b>	<b>80</b>
<b>High Priority</b>	\$ 348	54
<b>Medium Priority</b>	\$ 385	10
<b>Low Priority</b>	\$ 281	16
<b>WATER</b>	\$ 396	21
<b>TRANSPORTATION</b>	\$ 618	59



# Snapshot of Prioritized Projects

## North County



**Water treatment facility (PFAs), North County Charging Facility, 101/Del Rio interchange improvements**

## North Coast



**Morro Bay water/wastewater improvements, Cashless Fare System, Cayucos Wastewater**

## Central County



**Broad St/Tank Farm Rd Intersection Improvements, Cal Poly Water Reclamation Facility**

## South County



**Central Coast Blue, South County Transit connection to Urban Reserve, Interchange Improvements at Willow Rd**

# Funding Priority Infrastructure

## Current Findings:

- Assessed the list of HIP projects to determine *estimate* of funding requirements
- Map of funding needs to prioritized projects
- List of existing grant funding opportunities

## Next Steps:

- Create funding hierarchy based on suitability for each HIP project
- Develop grant calendar with deliverable and submission schedule
- Identifying other broad based funding mechanisms
- Calculating funding gap for each HIP project
- Proposing strategies to bridge the funding gap

# Affordable-by-Design Study

## Study Elements:

- Identified common physical characteristics for ABD housing
- Financial feasibility analysis of “prototypical” development examples that could work in regions
- Identified regulatory barriers to development of ABD housing
- Highlighted potential policy measures to support ABD housing



**Rental:** Market is close, regulatory change could help  
ABD is possible with smaller units and cost-effective development



**For-Sale:** Market not close, longer-term approach needed  
Increasing housing production overall can help bring supply and demand into balance, make ABD achievable over the longer term

# Potential Policy Options

Study will include a menu of possible policies for consideration:

- Streamline development review and permitting
- Align development standards to support ABD housing
- Allow ABD housing in cost-effective locations
- Adjust fee rates and policies to incentivize ABD housing

**Next Steps:** Deeper analysis of up to 6 policies and localized implications

# Future Phases of Regional Strategy

*Our region believes that a united framework is necessary to unlock our potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity.*

## Goal 1

Regional  
Collaboration

## Goal 2

Align Land Use  
Planning  
Documents

## Goal 3

Regional Housing  
& Infrastructure  
Plan

## Future

Each agency and  
stakeholder  
**voluntarily** takes  
actions

# Council Action

Consider support for the *Regional Housing and Infrastructure Plan*, as a recommitment to the 2020 Regional Compact.

ADD ACTION IF CITY CHOOSES TO



# THANK YOU



**AGENDA NO: II**

**MEETING DATE: June 27, 2023**

# Staff Report

**TO: Honorable Mayor and City Council**

**DATE: June 21, 2023**

**FROM: Amy Watkins, Police Chief**

**SUBJECT: Approval to amend the IRONMAN 70.3 Morro Bay Dates for Years 2024 & 2025**

## **RECOMMENDATION**

City Council authorize the City Manager and City Attorney to execute the contract amendment with IRONMAN of current dates of IRONMAN 70.3 Morro Bay from Saturday, May 18, 2024, to Sunday, May 19, 2024; and from Saturday, May 17, 2025, to Sunday, May 18, 2025.

## **ALTERNATIVES**

Keep current IRONMAN 70.3 dates as stated in the contract.

## **BACKGROUND/DISCUSSION**

The inaugural Ironman 70.3 Morro Bay 2023 Triathlon was held this past month on Saturday, May 20, 2023. The event was successful, safe, organized, and enjoyed overall community support. The event welcomed two thousand athletes and an additional five thousand spectators to our community during the weekend. Athletes and their families arrived the week prior to settle in, register, and practice the course. The event took place on Saturday bringing thousands of people to the Embarcadero.

Prior to the event, the City team hosted two community meetings, and met one-on-one with businesses along the Embarcadero and the racecourse to discuss road closures, potential impacts, and opportunities for businesses to capitalize on the increased visitors to the community. This year being the inaugural event, City staff, tourism, and businesses prepared for the event to have a large impact on businesses on the Embarcadero and along the racecourse.

As the event started, we saw a large impact on the Embarcadero with about 50% of the businesses seeing an increase in overall business because of the event. The other 50% of the businesses saw fewer customers and less business because of the road closures and the shortened run course creating an opportunity for spectators to see their athletes more often than initially anticipated. The event closed Embarcadero Road from the Rock Parking lot to Pacific Street from 4:00 am to 4:00 pm.

Michael Wambolt, Executive Director of Visit Morro Bay, is exploring ideas to maximize the Morro Bay Ironman 70.3. One of the options is to move the race from Saturday to Sunday.

Prepared By:   AW  

Dept Review: \_\_\_\_\_

City Manager Review:   GC  

City Attorney Review:   LNL

The race was originally contracted to take place on a Saturday due to the transition area using the Tidelands Boat Launch Ramp. At the time, it was believed that holding the race on a Saturday at the Tidelands location would lessen the impact on the boat ramp during open fishing season. During planning and after the contract was finalized the transition area was moved to Morro Rock's parking area.

According to Mr. Wambolt, the lodging segment during this year's race did show an overall positive impact as it brought compression which supported rate growth and overall revenue. Race week (May 14- May 20) was the third highest RevPAR when compared to the same weeks going back to 2018. However, some properties were left with rooms to sell on Saturday due to some athletes departing Morro Bay after the race concluded. As a result of this, the travel window was inverted: Friday was the busiest day and Saturday was a little soft.

Additionally, Mr. Wambolt advised Morro Bay is one of the top cross-visited destinations within SLO CAL, thus moving the race to Sunday could help support non-lodging businesses on the peak weekend day of Saturday. There would not be road closures until the evening of Saturday and early Sunday morning which would provide for an open travel path for cross visitation and day travelers to Morro Bay on Saturday and therefore help support retail and restaurants during what should be their busiest day of the week.

The move from Saturday to Sunday is not an unusual change as many Ironman 70.3 races typically take place on Sundays. Ironman Group has approved the change from Saturday to Sunday and in addition to this, they will also add an IronKids event on Saturday where kids from around the area and athletes' kids will be invited to compete in a small race that promotes health, fun, and community.

Current Contracted Dates:

- Saturday, May 18, 2024
- Saturday, May 17, 2025

Proposed Dates:

- Sunday, May 19, 2024
- Sunday, May 18, 2025

The Morro Bay Chamber of Commerce submitted a survey to local businesses to gather information regarding the impacts of this year's event. The information below is a summary of the results, full questionnaire with results have been attached to this staff report.

Respondents by Area:

- 51% Waterfront/Embarcadero
- 40% Downtown
- 10% North Morro Bay

Respondents by Industry:

- 36% Retail
- 36% Food and Beverage
- 14.5% Lodging

Sales Comparison - Saturday 2023 to Saturday 2022

- 40% reported Higher or About the Same
- 47% reported Lower

Sales Comparison - Saturday 2023 to Saturday 2019

- 40% reported Higher or About the Same
- 38% reported Lower

Sales Comparison - Week 2023 to Week 2022

- 44% reported Higher or About the Same
- 44% reported Lower

Sales Comparison - Week 2023 to Week 2019

- 49% reported Higher or About the Same
- 31% reported Lower

**CONCLUSION**

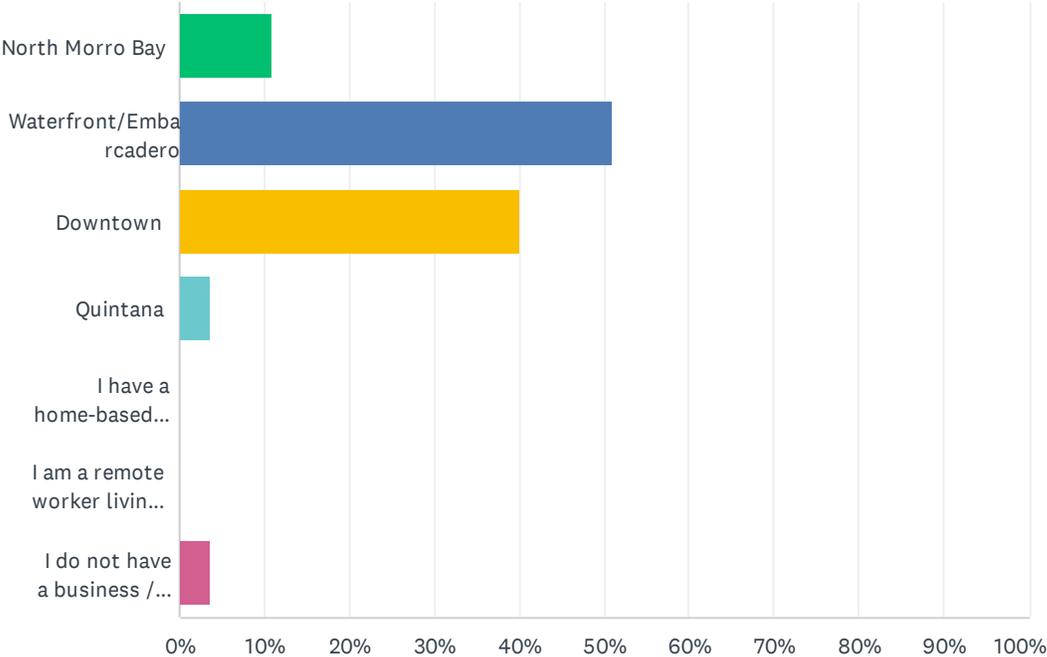
The City has two remaining contracted races with Ironman 70.3. The City team, including Visit Morro Bay and the Chamber of Commerce, identified areas of success and areas that could allow for some improvement to make this event a financial benefit for more businesses in the City and garner more support from the business community.

**ATTACHMENTS**

1. 2023 Ironman Survey Results Summary
2. Chamber of Commerce Business Survey regarding date change
3. 1<sup>st</sup> Amendment to Host Venue Agreement

# Q1 Where is the business you own or manage located?

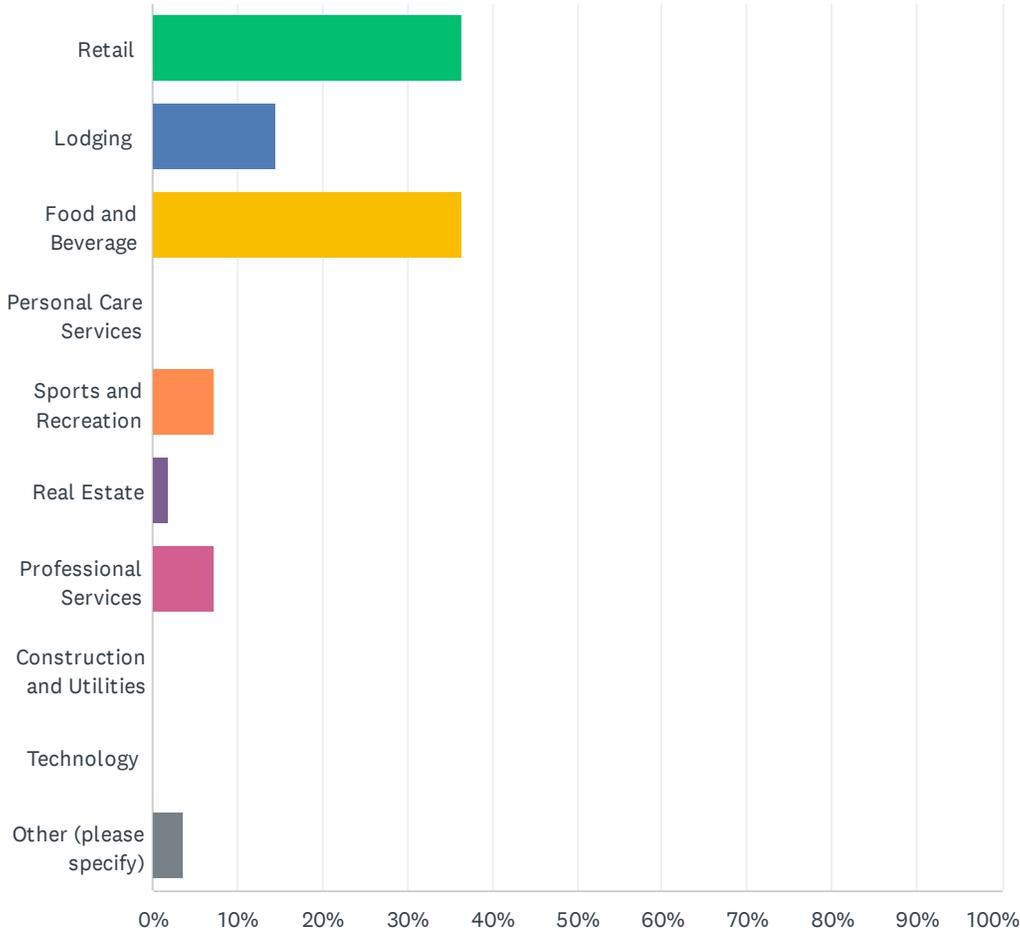
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
North Morro Bay	10.91%	6
Waterfront/Embarcadero	50.91%	28
Downtown	40.00%	22
Quintana	3.64%	2
I have a home-based business.	0.00%	0
I am a remote worker living in Morro Bay.	0.00%	0
I do not have a business / I am not in the workforce / I am retired / I am a volunteer	3.64%	2
Total Respondents: 55		

## Q2 Which of the following industries best describes your business?

Answered: 55 Skipped: 0

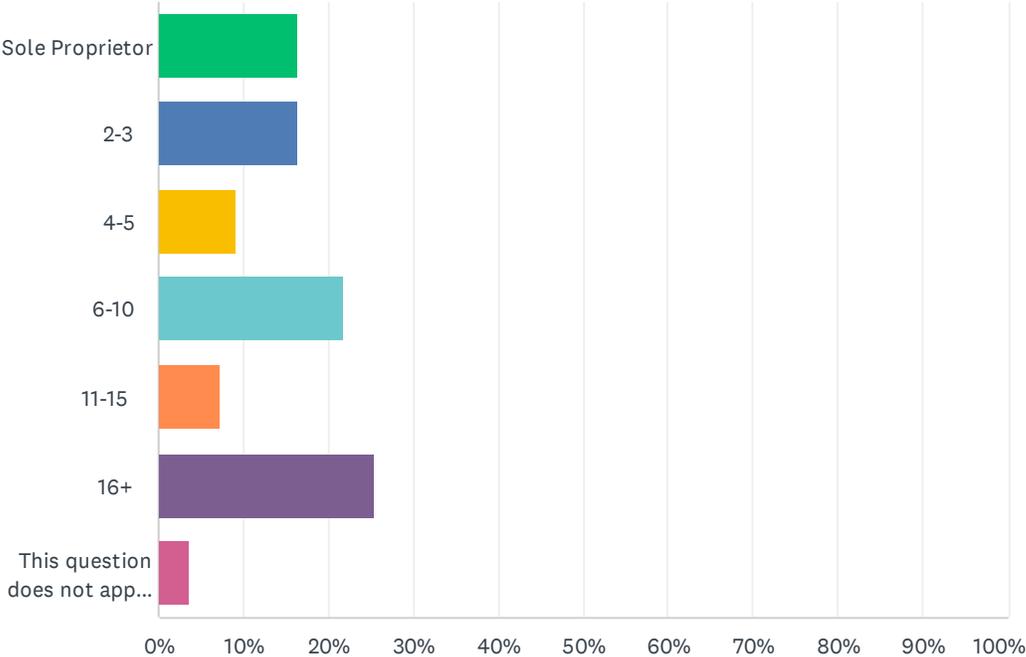


## Ironman Impact Survey

ANSWER CHOICES	RESPONSES	
Retail	36.36%	20
Lodging	14.55%	8
Food and Beverage	36.36%	20
Personal Care Services	0.00%	0
Sports and Recreation	7.27%	4
Real Estate	1.82%	1
Professional Services	7.27%	4
Construction and Utilities	0.00%	0
Technology	0.00%	0
Other (please specify)	3.64%	2
Total Respondents: 55		

### Q3 How many employees does your business have?

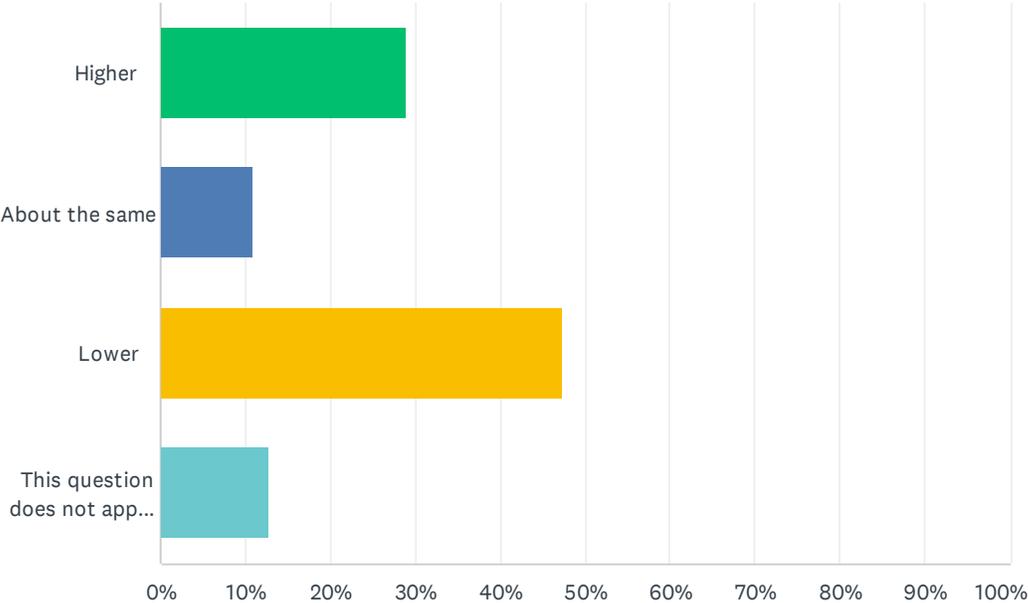
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Sole Proprietor	16.36%	9
2-3	16.36%	9
4-5	9.09%	5
6-10	21.82%	12
11-15	7.27%	4
16+	25.45%	14
This question does not apply to me	3.64%	2
<b>TOTAL</b>		<b>55</b>

### Q4 How did your gross sales for SATURDAY May 20th 2023 compare to Saturday, May 21st 2022?

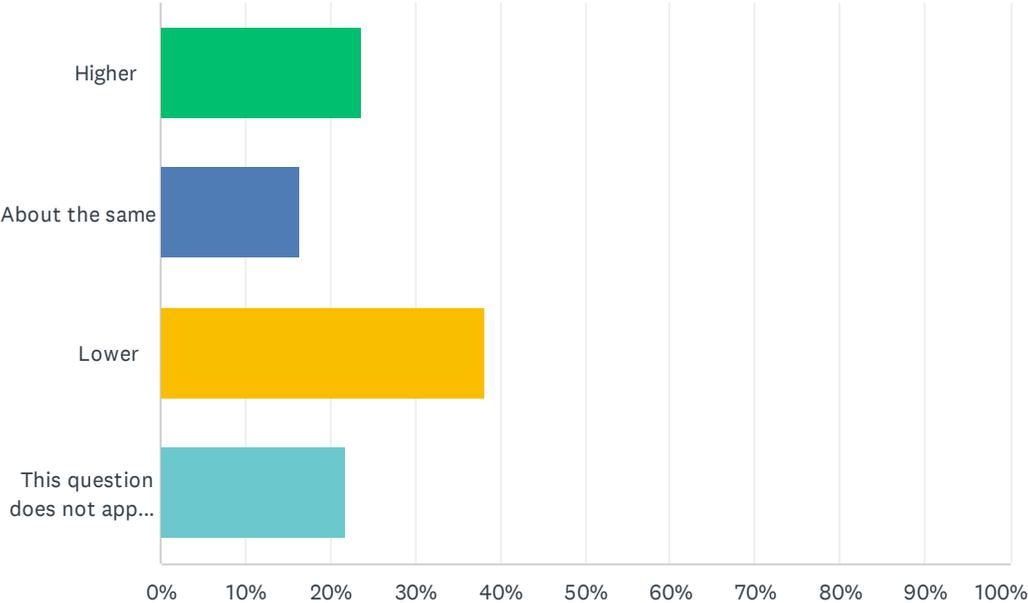
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES
Higher	29.09% 16
About the same	10.91% 6
Lower	47.27% 26
This question does not apply to me	12.73% 7
TOTAL	55

### Q5 How did your gross sales for SATURDAY, May 20th 2023 compare to Saturday, May 18th 2019?

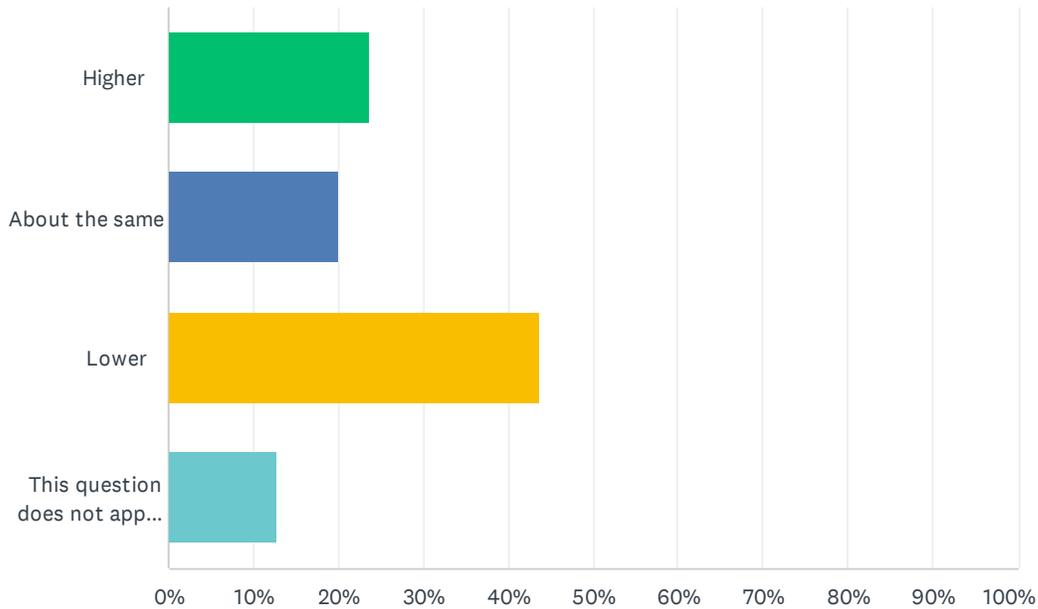
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Higher	23.64%	13
About the same	16.36%	9
Lower	38.18%	21
This question does not apply to me	21.82%	12
TOTAL		55

### Q6 How did your ONE WEEK cumulative gross sales from MONDAY, May 15th THROUGH SUNDAY May, 21st 2023 compare to Monday, May 16th through Sunday, May 22nd, 2022?

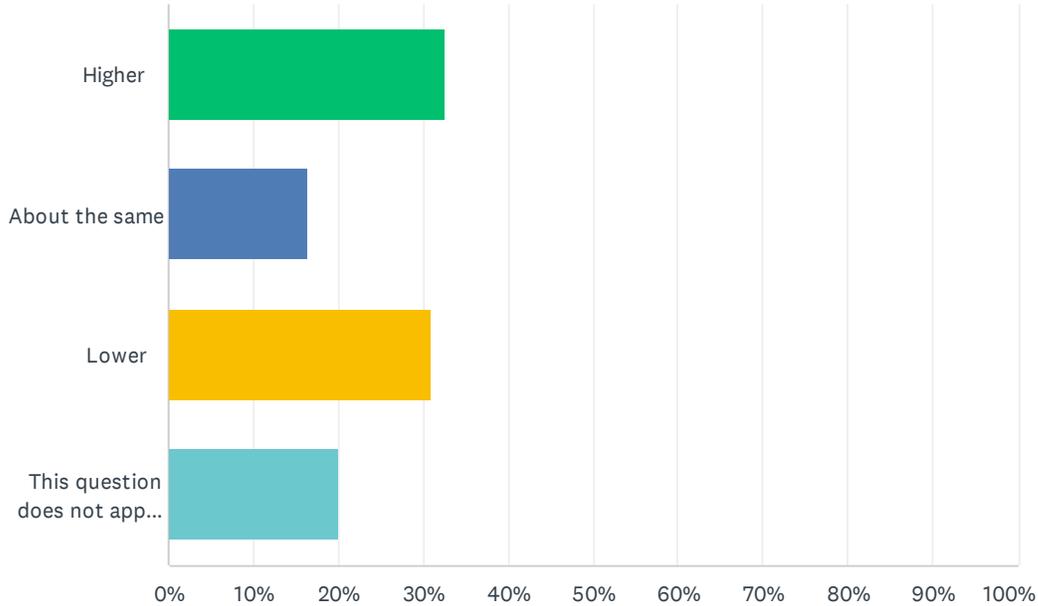
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Higher	23.64%	13
About the same	20.00%	11
Lower	43.64%	24
This question does not apply to me	12.73%	7
<b>TOTAL</b>		<b>55</b>

### Q7 How did your ONE WEEK cumulative gross sales from MONDAY May 15th THROUGH SUNDAY May 21st 2023 compare to Monday, May 13th through Sunday, May 19th, 2019?

Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Higher	32.73%	18
About the same	16.36%	9
Lower	30.91%	17
This question does not apply to me	20.00%	11
<b>TOTAL</b>		<b>55</b>

## Q8 What could be done to improve the IRONMAN event in 2024?

Answered: 55 Skipped: 0

**Q9 What worked for you about the 2023 IRONMAN event? What did you like about it?**

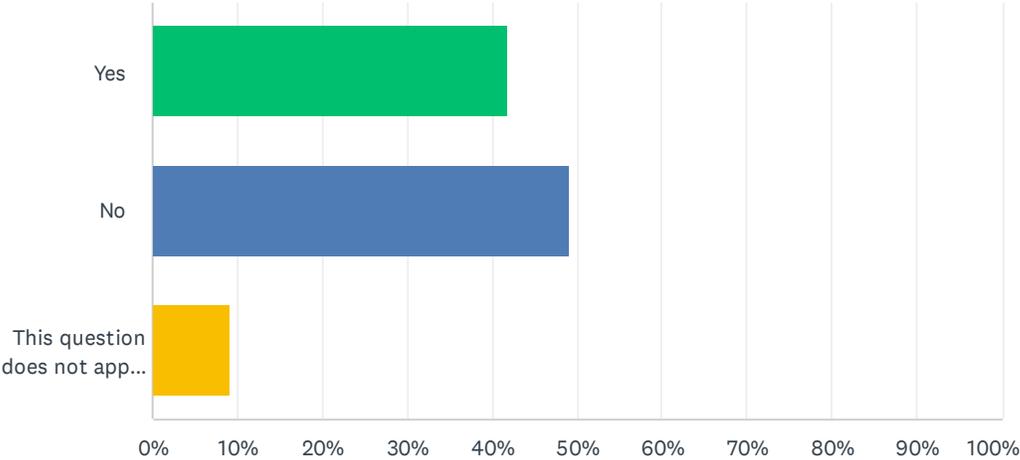
Answered: 55 Skipped: 0

Q10 What did not work for you? What did you dislike about the 2023 IRONMAN event?

Answered: 55 Skipped: 0

### Q11 Did you do anything special or different to your business to prepare for or accommodate the IRONMAN event?

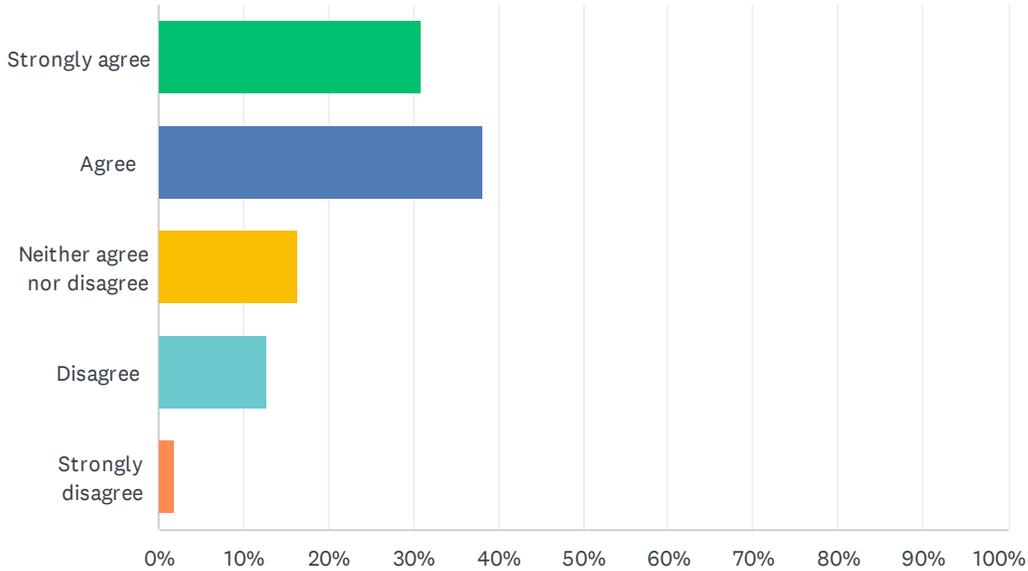
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	41.82%	23
No	49.09%	27
This question does not apply to me	9.09%	5
TOTAL		55

## Q12 Do you agree with this statement: "I think that IRONMAN introduced Morro Bay to people who had never visited our city before."

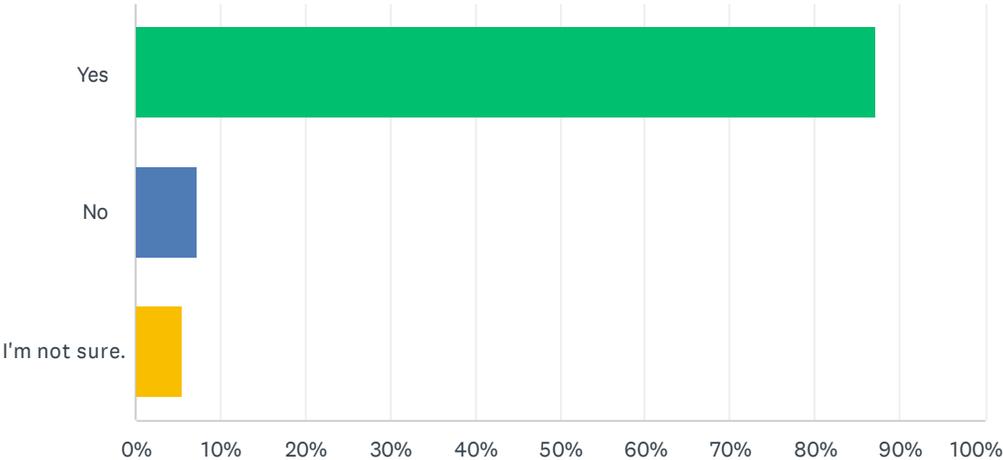
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	30.91%	17
Agree	38.18%	21
Neither agree nor disagree	16.36%	9
Disagree	12.73%	7
Strongly disagree	1.82%	1
<b>TOTAL</b>		<b>55</b>

# Q13 Is your business a member of the Morro Bay Chamber of Commerce

Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	87.27% 48
No	7.27% 4
I'm not sure.	5.45% 3
TOTAL	55

#1

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 2:39:30 PM  
**Last Modified:** Tuesday, June 13, 2023 2:39:53 PM  
**Time Spent:** 00:00:23

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Page 1

**Q1**

**Yes**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

#2

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 2:42:46 PM  
**Last Modified:** Tuesday, June 13, 2023 2:42:53 PM  
**Time Spent:** 00:00:07

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Page 1

**Q1**

**Yes**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

#3

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 3:01:17 PM  
**Last Modified:** Tuesday, June 13, 2023 3:01:23 PM  
**Time Spent:** 00:00:06

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Page 1

**Q1**

**Yes**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

# #4

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 3:30:12 PM  
**Last Modified:** Tuesday, June 13, 2023 3:30:19 PM  
**Time Spent:** 00:00:07

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Page 1

## Q1

Yes

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

#5

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 3:41:11 PM  
**Last Modified:** Tuesday, June 13, 2023 3:41:37 PM  
**Time Spent:** 00:00:26

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Page 1

**Q1**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

**Yes,**

Comments:

Friday may actually be the best for athletes and the city!

---

#6

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 4:27:05 PM  
**Last Modified:** Tuesday, June 13, 2023 4:27:23 PM  
**Time Spent:** 00:00:17

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Page 1

**Q1**

**Yes**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

#7

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 4:28:13 PM  
**Last Modified:** Tuesday, June 13, 2023 4:29:06 PM  
**Time Spent:** 00:00:52

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Page 1

**Q1**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

**No,**

Comments:  
If it aint broke don't fix it

---

#8

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Tuesday, June 13, 2023 4:33:12 PM  
**Last Modified:** Tuesday, June 13, 2023 4:34:47 PM  
**Time Spent:** 00:01:34

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Page 1

**Q1**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

**No,**

Comments:

We would probably lose the hangover business we saw both sat and sun night

---

#9

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Wednesday, June 14, 2023 1:10:32 PM  
**Last Modified:** Wednesday, June 14, 2023 1:11:30 PM  
**Time Spent:** 00:00:58

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Page 1

**Q1**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

**No,**

Comments:

Would dramatically reduce longer stay travelers who would opt to leave for the work week rather than staying the weekend.

---

# #10

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Wednesday, June 14, 2023 1:11:40 PM  
**Last Modified:** Wednesday, June 14, 2023 1:11:48 PM  
**Time Spent:** 00:00:08

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Page 1

**Q1**

**No**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

#11

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Wednesday, June 14, 2023 1:12:00 PM  
**Last Modified:** Wednesday, June 14, 2023 1:12:10 PM  
**Time Spent:** 00:00:09

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Page 1

**Q1**

**No**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

# #12

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Wednesday, June 14, 2023 1:12:15 PM  
**Last Modified:** Wednesday, June 14, 2023 1:12:56 PM  
**Time Spent:** 00:00:41

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Page 1

## Q1

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

## No,

Comments:  
Weekend events draw in larger crowds. I would expect sales to suffer dramatically compared to 2023.

---

# #13

**COMPLETE**

**Collector:** Direct Email to Members (Web Link)  
**Started:** Thursday, June 15, 2023 11:37:50 AM  
**Last Modified:** Thursday, June 15, 2023 11:38:12 AM  
**Time Spent:** 00:00:21

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Page 1

## Q1

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

## No,

Comments:  
People need to travel home on Sunday.

---

#14

COMPLETE

**Collector:** Direct Email to Members (Web Link)  
**Started:** Saturday, June 17, 2023 12:34:56 PM  
**Last Modified:** Saturday, June 17, 2023 12:42:17 PM  
**Time Spent:** 00:07:20

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Page 1

**Q1**

**Yes**

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

---

# #15

**COMPLETE**

**Collector:** Direct Email to Members ([Web Link](#))  
**Started:** Saturday, June 17, 2023 1:40:32 PM  
**Last Modified:** Saturday, June 17, 2023 1:41:14 PM  
**Time Spent:** 00:00:42

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Page 1

## Q1

IF there is an option to move the Ironman 2024 to a Sunday, rather than a Saturday, would you support that move?

**Yes,**

Comments:

The location also has to be moved - we cannot have a closed Embarcadero and no parking for visitors.

---



**FIRST AMENDMENT**

to

**HOST VENUE AGREEMENT**

***IRONMAN® 70.3® Morro Bay (2023-2025)***

This FIRST AMENDMENT TO HOST VENUE AGREEMENT (this “**First Amendment**”) is effective as of \_\_\_\_\_, 2023 the (“**First Amendment Date**”) by and between **WORLD TRIATHLON CORPORATION**, a Florida corporation *d/b/a* IRONMAN (“**WTC**”) and **CITY OF MORRO BAY**, a California corporation (“**City**”) and **VISIT MORRO BAY**, a California nonprofit corporation (“**VMB**”) (collectively, City and VMB are know as “**Host**”). WTC and Host are sometimes referred herein individually as “**Party**” and collectively as “**Parties**”.

**RECITALS**

- A. This First Amendment amends that certain HOST VENUE AGREEMENT, dated September 28, 2022, between WTC and Host (the “**Agreement**”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.
- B. The Parties desire to amend the Agreement to update the Race Dates for years 2024 and 2025, and make certain modifications and amendments to the Agreement provided herein.

The Parties agree as follows:

**AMENDMENTS TO THE AGREEMENT**

- 1. **Section 1(d)** of the Agreement is hereby deleted in its entirety and replaced with the following:

(d) **Race Dates**. The Race each year of the Term will occur on the following applicable dates (each, a “**Race Date**”):

- (i) May 20, 2023
- (ii) May 19, 2024
- (iii) May 18, 2025

**OTHER PROVISIONS**

- 2. **No Other Changes**. Except as expressly provided in this First Amendment, the Agreement is not otherwise amended, modified, or affected by this First Amendment, and all other terms of the Agreement remain unchanged and in full force and effect.
- 3. **Miscellaneous**. The Agreement, as amended by this First Amendment, constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all prior or contemporaneous agreements, arrangements, and understandings, written or oral, between or among the Parties, except as may be specifically provided herein. No modifications, amendments, cancellations, renewals, or extensions of or to this First Amendment or the Agreement will be binding upon the Parties unless modified, amended, cancelled, renewed, or extended in a writing and signed by both Parties. This First Amendment will be binding upon, and enure to the benefit of, the Parties and their respective successors and assigns. Subject to the immediately preceding sentence, no third party will have any rights or remedies under the Agreement or this First Amendment. This First Amendment may be executed in counterparts, each of which will be deemed an original binding document and all of which will constitute one and the same instrument. An electronic (e.g., PDF) or facsimile copy of this executed First Amendment



or counterpart hereof will be deemed, and will have the same legal force and effect as, an original document.

This First Amendment has been executed and delivered by each Party's duly authorized representative as of the First Amendment Date.

**HOST:**

**CITY OF MORRO BAY**, a California municipal corporation

By: \_\_\_\_\_  
Name:  
Title:

**VISIT MORRO BAY**, a California nonprofit corporation

By: \_\_\_\_\_  
Name:  
Title:

**WTC:**

**WORLD TRIATHLON CORPORATION**

By: \_\_\_\_\_  
Name: SHANE FACTEAU  
Title: COO