



# 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 JOINT MEETING OF THE CITY COUNCIL AND PLANNING COMMISSION

**Tuesday, September 26, 2023 @ 3:00 PM**  
**Veterans Memorial Building - 209 Surf Street, 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 ITEMS:

- I. STATUS UPDATE ON OFFSHORE WIND DEVELOPMENT; (HARBOR DEPARTMENT)

**RECOMMENDATION:** Staff recommends the City Council and Planning Commission receive the presentation and provide questions as appropriate.

- II. STATUS UPDATE ON THE VISTRA BATTERY ENERGY STORAGE (BESS) PROJECT; (CITY MANAGER/COMMUNITY DEVELOPMENT DEPARTMENT)

**RECOMMENDATION:** Staff recommends the City Council and Planning Commission (PC) review the staff report and presentation and provide questions as appropriate.

*Limited Council and PC BESS Discussion*

*It should be noted that Council Members and Planning Commissioners are limited, for reasons of due process, in their ability to review and publicly discuss BESS related items at this time. They are compelled by due process mandates to remain neutral and not express any positions on projects - until such time when the project applications are brought before the Planning Commission and the Council for discretionary review, at a noticed public hearing, where consideration and discussion of project merits is appropriate. City Council and PC may ask questions related to the material presented in the staff report and presentation. However, Council Members and Planning Commissioners are urged to not discuss the merits of the BESS project, or provide public opinions on the BESS project, so as to preserve that opportunity for the proper time and place of anticipated public hearings to be held on the BESS project in 2024.*

- III. STATUS UPDATE FOR THE DOWNTOWN DESIGN DISTRICT AD HOC COMMITTEE EFFORTS AND UPDATE OF THE 2023-2025 GOALS AND SHORT-TERM ACTION ITEMS RELATED TO COMMUNITY DEVELOPMENT; (CITY MANAGER/COMMUNITY DEVELOPMENT)

**RECOMMENDATION:** Staff recommends the City Council and Planning Commission review the staff report and presentation and provide comments/questions as appropriate.

ADJOURNMENT

DATED: September 22, 2023

  
Carla Wixom (Sep 22, 2023 12:45 PDT)  
\_\_\_\_\_  
Carla Wixom, Mayor

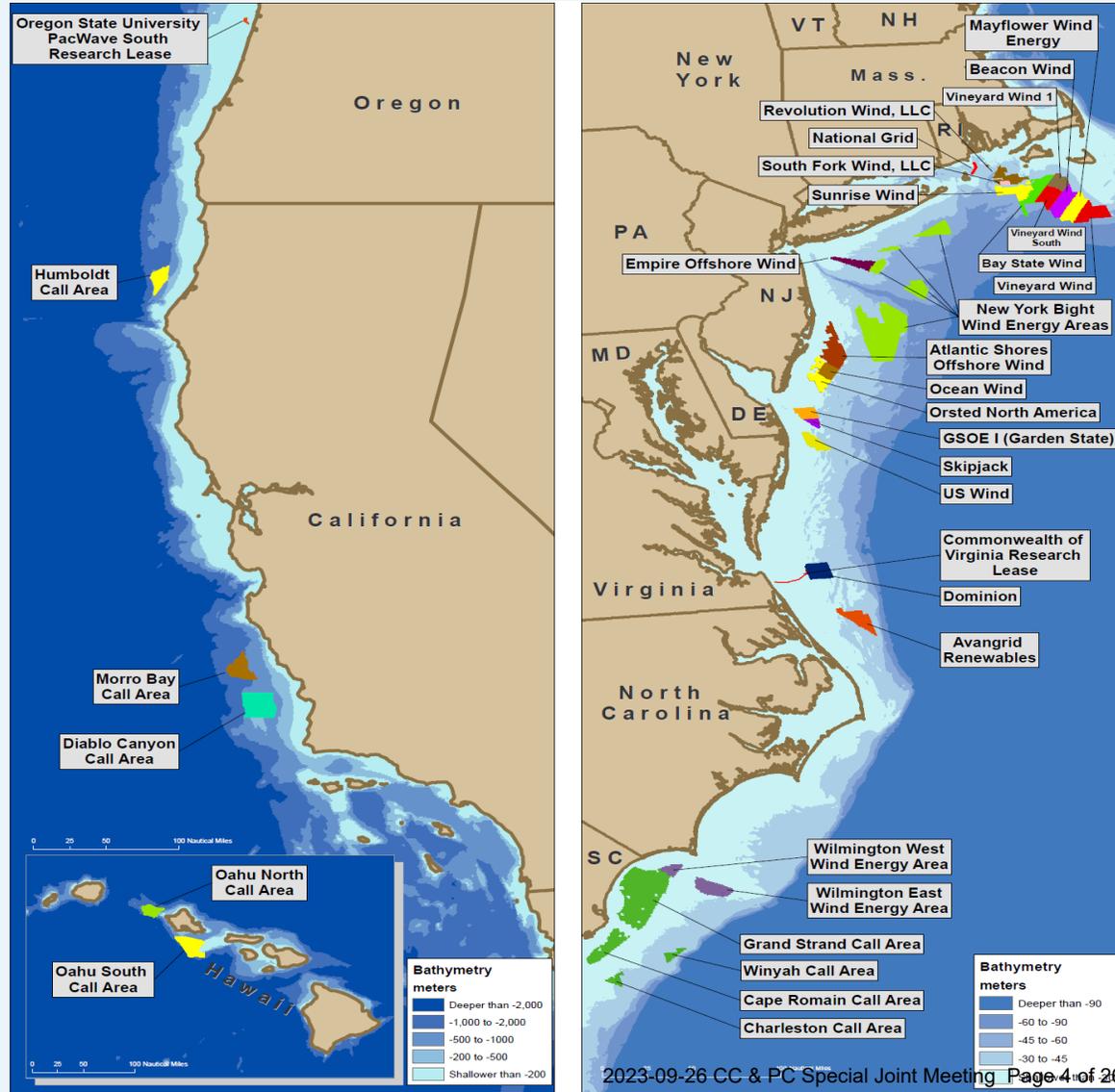
IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

# Offshore Wind Morro Bay



Ted Schiafone  
Harbor Director  
September 26, 2023  
Item I

# Current U.S. Leases and Wind Areas



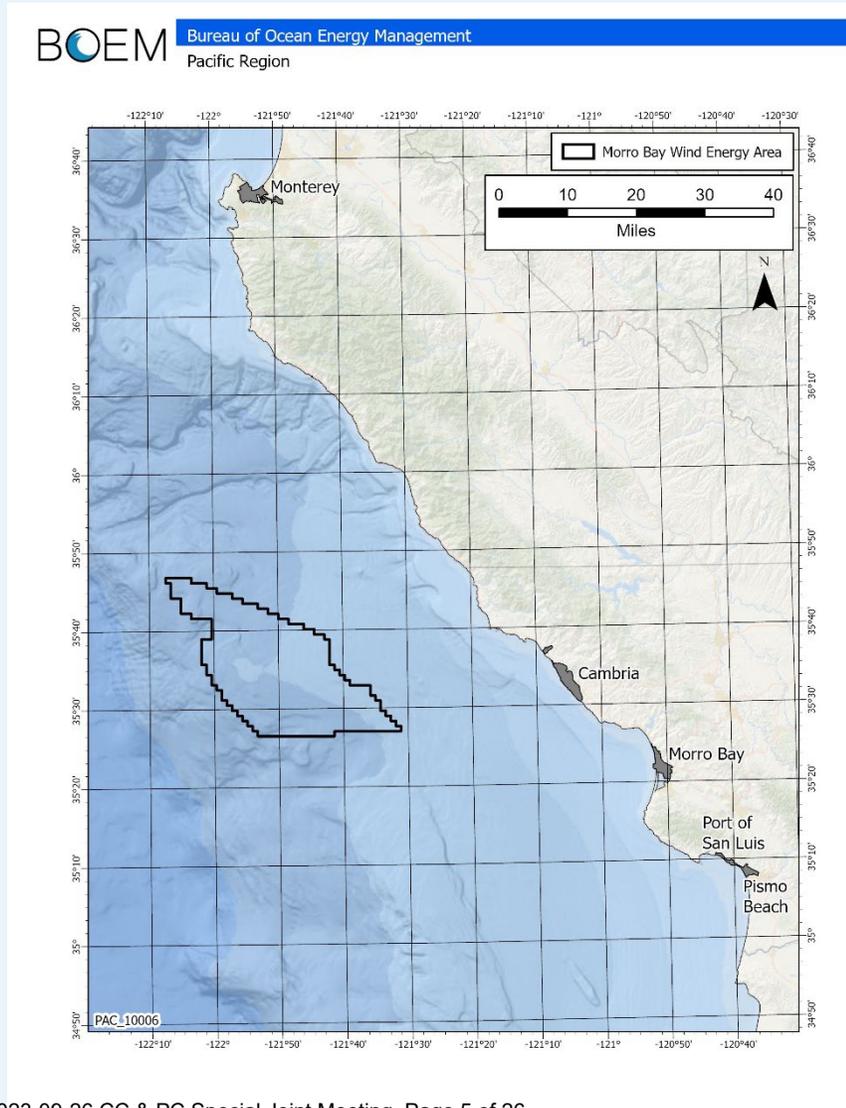
# Morro Bay Wind Energy Area (WEA)

December 7, 2022

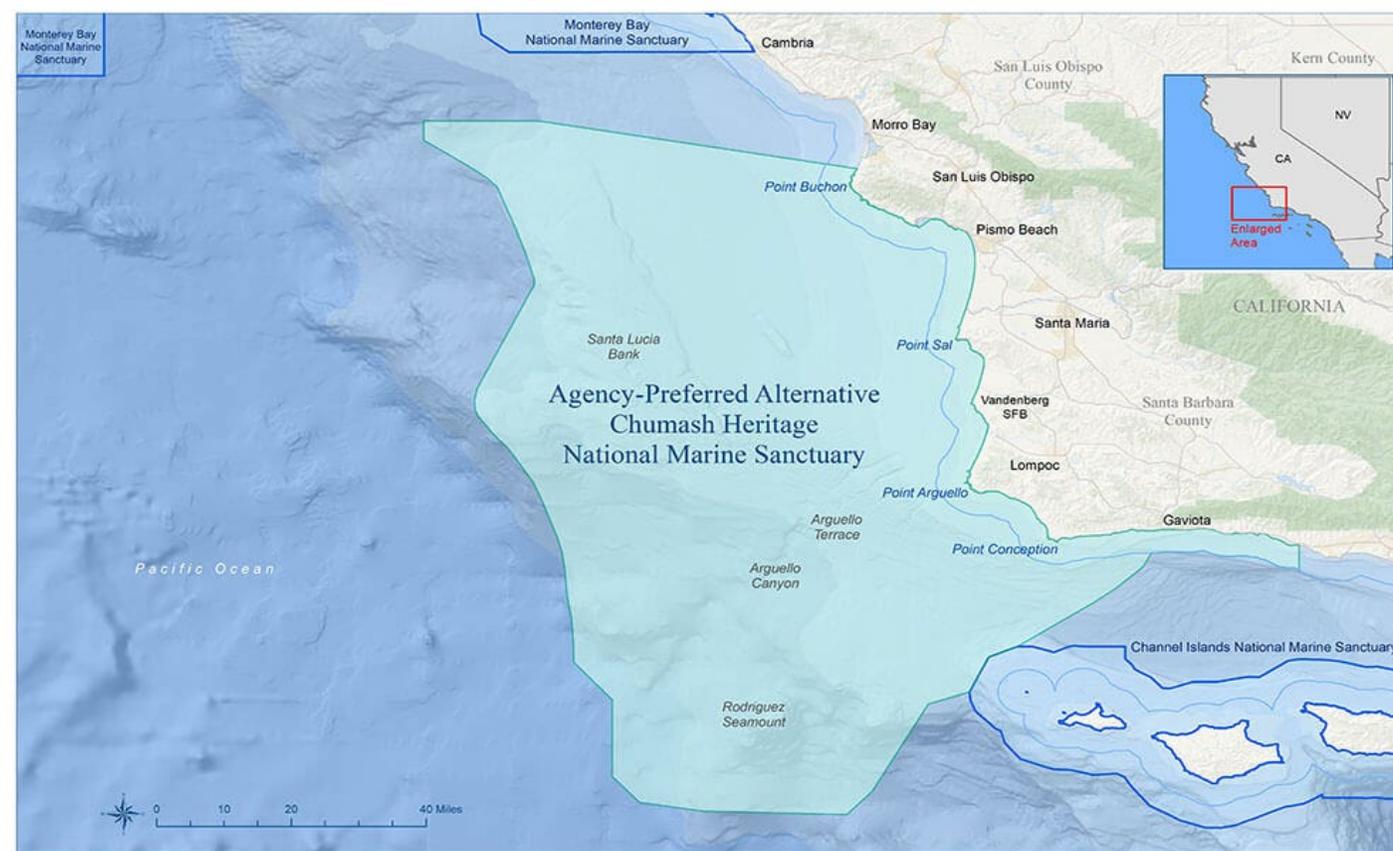
The federal government has announced the five companies who won leases today to develop offshore wind turbines in California's coastal waters.

Three of the five areas of ocean are in the Morro Bay Wind Energy Area, while the other two are further north in the Humboldt Wind Energy Area near Eureka. In total, California's planned offshore wind sites cover about 370,000 acres of ocean.

The three provisional winners of the Morro Bay leases are Invenergy California Offshore, Central California Offshore Wind and Equinor Wind US.



# Proposed Chumash Heritage National Marine Sanctuary



<https://www.noaa.gov/> COMMENTS PERIOD OPEN UNTIL OCTOBER 25, 2023

# Morro Bay Provisional WEA Leaseholders

**Equinor** – Headquartered in Norway. Operating in US since 1987. Currently developing offshore wind facilities on the US East Coast.

**Energize Ventures (formerly Invenergy)** – US based company headquartered in Chicago. Currently developing offshore wind facilities on the US East Coast.

**Golden State Wind (formerly Central California Offshore Wind)** – Headquartered in Madrid, Spain this company is a partnership between Ocean Winds and the Canada Pension Plan Investment Board.

# Federal, State and Local Agencies

**REACH** Regional Economic Action Coalition – Central Coast Economic Development

**BOEM** Bureau of Ocean Energy Management – Lead Agency

**BSEE** Bureau of Safety and Environmental Enforcement – Lease Management

**CEC** California Energy Commission – Energy Policy and Planning

**CCC,OPC,CSLC,CPUC** – California Coastal Commission, California Ocean Protection Council, California State Lands Commission, California Public Utilities Commission.

# Morro Bay Offshore Wind Activity

## February 2023

- D.C. Visits – CMANC Conference
  - Dredge
  - BOEM
  - Dept. of Transportation
  - Congressional Leaders – House and Senate

## March 2023

- REACH Meetings
- ZOOM Legislative OSW Overview
- Consultant Visit – Bard Mansager – Transmission Lines

## April 2023

- Congressman Panetta – Aid Visit
- Congressman Carbajal – Aid Visit

# Morro Bay Offshore Wind Activity

May 2023

- SLO Tribune OSW – Morro Bay High School
- Pacific Offshore Wind Conference
  - REACH
  - Norwegian Delegation
  - Central Coast
  - Contractors/Consultants
- Scott Lathrop Visit – TYY Northern Chumash Tribe
- CMANC Conference – Morro Bay
- Energize Ventures Visit (Invenergy)
- ZOOM – Community Benefits Discussion – UC Berkeley
- Consultant Visit – Brian Sabina, Former NJ Economic Development

# Morro Bay Offshore Wind Activity

## June 2023

- Offshore Wind Company Visit/Orientation
  - o Equinor
  - o Energize Ventures
  - o Golden State Wind
- ZOOM- OSW/Fishing Community Engagement
- REACH Debrief of OSW Company Visit
- ZOOM- AB 525 Introduction
- Fishing Community Engagement – Vets Hall, Morro Bay

## July 2023

- Consultant – Coastal Resilience – Survey Vessel Inquiry

## August 2023

- Equinor Team Meeting
- Equinor Water Tour

# Public / Legislative Actions

## Regional

- **REACH** produces Waterfront Siting and Infrastructure Study

## State

- **SB100** – Requires California to achieve 100% of total retail electricity sales from renewable energy and zero-carbon resources by 2045.
- **AB205** – The California Energy Commission (CEC) has been authorized under Assembly Bill (AB) 205 (Chapter 61,2022) to establish a new certification program for eligible non-fossil-fueled power plants and related facilities to optionally seek certification from the CEC, using emergency rulemaking authority provided by AB 205.

# Public / Legislative Actions (continued)

## State (continued)

- **SB286** - This bill would require the State Lands Commission to be the lead agency for purposes of CEQA for offshore wind energy projects and to prepare, or cause to be prepared, all environmental documents required by law. The bill would require the California Coastal Commission and the State Lands Commission to coordinate with relevant local, state, and federal agencies to encourage and facilitate the preparation of joint environmental documents pursuant to CEQA and the federal National Environmental Policy Act of 1969 for proposed offshore wind energy projects.

# Public / Legislative Actions (continued)

## State (continued)

- **AB525** – Requires the California Energy Commission (CEC), in coordination with State Lands Commission, Coastal Commission, Oceans Protection Council, Governor’s Office of Business and Economic Development, Independent System Operator, and Public Utilities Commission to develop a strategic plan for offshore wind development in federal waters.
- **State Lands Commission** produces Port Readiness Plan

# Public / Legislative Actions (continued)

## Federal

- **Biden Administration** sets goal; 30 GW of OSW energy by 2030
- **The Inflation Reduction Act** grants \$100 million for planning, modeling, and analysis of interregional electric transmission generated power by OSW and \$760 million in grants for onshore and offshore interstate transmission lines
- **BOEM** produces California Offshore Wind Ports Assessment

# What to Expect in the Future

- **2022:** Initial leases were auctioned and granted in December 2022.
- **2023:** Pre-survey meetings and planning stage. Lessees will submit their Public Engagement Plan.
- **2024-2028:** Lessees will submit their site assessment plan, which will be reviewed and approved by BOEM. Site assessment and field surveys on commercial fishing impacts will then be conducted. At the end of this period, the Construction and Operations Plan (COP) will be submitted with an optional project design envelope.
- **2028-2029:** BOEM will decide whether the COP is complete and sufficient, and NEPA/environmental and technical reviews will begin. These reviews will concurrently ensure Coastal Zone Management Act consistency.
- **2030:** BOEM will approve the COP, if it meets requirements. Design and installation reports will then be submitted. If approved, installation of the wind turbines may begin.



AGENDA NO: II  
MEETING DATE: September 26, 2023

# Staff Report

**TO:** Honorable Mayor and City Council  
Planning Commissioners **DATE:** September 19, 2023

**FROM:** Scot Graham, Community Development Director  
Yvonne Kimball, City Manager

**SUBJECT:** Status update on the Vistra Battery Energy Storage System (BESS) Project

## RECOMMENDATION

Staff recommends the City Council and Planning Commission (PC) review the staff report and presentation and provide questions as appropriate.

### ***Limited Council and PC BESS Discussion***

*It should be noted that Council Members and Planning Commissioners are limited, for reasons of due process, in their ability to review and publicly discuss BESS related items at this time. They are compelled by due process mandates to remain neutral and not express any positions on projects - until such time when the project applications are brought before the Planning Commission and the Council for discretionary review, at a noticed public hearing, where consideration and discussion of project merits is appropriate. City Council and PC may ask questions related to the material presented in the staff report and presentation. However, Council Members and Planning Commissioners are urged to not discuss the merits of the BESS project, or provide public opinions on the BESS project, so as to preserve that opportunity for the proper time and place of anticipated public hearings to be held on the BESS project in 2024.*

## BACKGROUND/DISCUSSION

This staff report is written to provide an update to the City Council and Planning Commission on the status of the proposed BESS project as related to its planning applications.

Project scope: Vistra, the property owner of the previous “Morro Bay Power Plant” property located at 1290 Embarcadero Road, has proposed a project that includes development of a 600 megawatt BESS project, demolition of the three stacks and main power building and development of a Master Plan for the entire property. Vistra submitted an application to the City’s Community Development Department for this proposed project. The application includes a Conditional Use Permit, Coastal Development Permit, Master Plan and Environmental Impact Report (EIR).

Application review process: The City’s Community Development Department is processing Vistra’s application, that includes a Conditional Use Permit, Coastal Development Permit, Master Plan and

Prepared By: SG Dept Review: SG  
City Manager Review: YK City Attorney Review: CFN

Environmental Impact Report (EIR). The application was initially submitted on December 28, 2020 with staff review and an incomplete letter sent on January 21, 2021. Following Vistra's application resubmittal in February 2021, the planning application was deemed complete on February 23, 2021. With the permit application deemed complete, the project then commenced the environmental review portion of the project which was revised in February 2022 to incorporate demolition of the main power plant building and the 3 stacks. The Master Plan has also started; it is a requirement of the General Plan policy. A workshop and a community survey for the master plan were conducted. The survey result (and other project application information) is available on city website: [Current Planning Projects | City of Morro Bay - Official Website \(morrobayca.gov\)](https://www.morrobayca.gov/current-planning-projects)

### **Environmental Impact Report (EIR)**

The EIR is being prepared by Rincon Consultants and includes environmental review of the BESS project which is proposed on 24 acres of the overall 107-acre property previously developed with above-ground fuel oil storage tanks. The EIR covers demolition of the power plant building and stacks, and development of a Master Plan for the entirety of the 107-acre Power Plant property. City has identified the following topics that will be addressed in the project EIR:

Aesthetic/Visual • Agricultural Land • Air Quality • Archaeological/Historical • Biological Resources • Coastal Zone • Drainage/Absorption • Economic/Jobs • Flood Plain/Flooding • Forest Land/Fire Hazard • Geologic Seismic • Land Use • Minerals • Noise • Population/Housing Balance • Public Services/Facilities • Recreation/Parks • Schools/Universities • Sewer Capacity • Soil Erosion/Compaction/Grading • Solid Waste • Toxic/Hazardous • Traffic/Circulation • Vegetation • Water Quality • Water Supply/Groundwater • Wetland/Riparian

The EIR information can be found on the above-mentioned city website.

A summary of the current status of the EIR is provided below.

- Rincon Consultants is the City's consultant currently preparing the EIR. Both Rincon and consultants retained by Vistra have completed technical studies to inform development of the EIR. It is common practice to have environmental background studies prepared by both City hired consultants and applicant hired consultants. By incorporating technical studies prepared by an applicant, it ensures full project disclosure and increases project transparency. Rincon is contracted to provide peer review of all environmental studies provided by the applicant. Those finalized technical studies are available on the City's website at [www.morrobayca.gov/bess](https://www.morrobayca.gov/bess).
- Rincon's most recent schedule on the Draft EIR (DEIR) was received 9/8/23. The tentative schedule anticipates completing the Admin DEIR by 12/22/23.
- Sections completed so far include Introduction, Project Description, Environmental Setting, Env. Analysis Intro, Effects Found not to be Significant, Aesthetics, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, and Transportation.
- Staff received and reviewed these sections of the Administrative DEIR. Staff comments and partial comments from Vistra on the draft files were sent back to Rincon for their review and response on 8/23/23. On large project EIR's, it is common to have the applicant review draft technical studies as well as draft sections of the DEIR prior to release of the document for public review as the applicant is the entity most familiar with the project. This process ensures the DEIR is as accurate as possible prior to it being released for public review/comment. Staff met with Rincon to discuss these preliminary comments on Thursday 8/24/23.

- The Air Quality section was received from Rincon on 9/8/23 and is still being reviewed by Staff; the Biological Resources section was received on 9/4/23 and is also being reviewed by staff. The Greenhouse Gas (GHG) section is anticipated to be received by 9/29/23 and is currently being updated to include discussion of the latest GHG emissions thresholds from the SLO County Air Pollution Control District (SLOAPCD).
- The updated Noise report received from Vistra on 9/15/23 was sent to Rincon for inclusion in the EIR and is being reviewed by staff. The updated street-view visual simulations that show the planned frontage improvements along Embarcadero Road was received from Vistra on 9/17/23 was also forwarded to Rincon.
- Based on Rincon's September schedule, the anticipated Draft EIR completion date is 12/22/23 which would include all sections being completed. Once the draft EIR is received, the next steps would be public review of the Draft EIR which includes a minimum 45 day public comment period as required by State law which would occur between January – February 2024. Planning Commission and City Council public hearings on the item would follow in late spring or early summer of 2024 following release of the Draft EIR.
- Upon completion of the above, the final draft EIR will go before city council for certification and the project (master plan, conditional use permit, coastal development permit and demolition of the stacks) before city council for approval.
- The dates contained within this report are subject to change depending on actual receipt of the final documents and any need for clarification prior to public release. It should be noted that the project schedule has been delayed due to various reasons.
- IR *"Notice of Preparation"* which can be found on city website

**Figure 2 Parcel and Project Site Location**



Imagery provided by Microsoft Bing and its licensors © 2022.  
Additional data provided by Vistra, 2022.

ED-03013-00A, MO 8625 EIR  
Fig 2-2 Parcel and Project Site

## Extra Background Information

The following information is included in response to frequently-asked-questions by the community. The information is not intended for discussion at this meeting as it exceeds the scope of this update.

## Safety Analysis

The City has prepared and issued a Request for Proposal (RFP) to hire a consultant to assist with a safety analysis of the project. The RFP closes on October 10, 2023. Additionally, this report addresses some factors outside the application processing procedures that may impact the BESS project, including a recently filed citizen initiative, AB 205, the Project Reimbursement Agreement, and the June 2021 Memorandum of Understanding (MOU) between Vistra and the City.

## Citizens Initiative

On May 1, 2023, an initiative petition was presented for filing to the City Clerk's office entitled "Initiative Measure to Amend City of Morro Bay's General Plan (Plan Morro Bay), adopted by City Council on May 25, 2021, to prohibit, unless approved by Morro Bay Voters, any change to Land Use Designations of Visitor-Serving Commercial or Commercial/Recreational Fishing, on Certain designated Parcels within the City." The qualified Petition was presented to the City Council at their regularly scheduled meeting held September 12, 2023 and the Council voted to order an election on the proposed ordinance to be held during the General Municipal Election on Tuesday, November 5, 2024.

## AB 205

City received questions regarding whether and how AB 205 would impact Vistra's BESS project. While staff is unable to predict the unknown, here is a summary of staff's understanding of AB 205 and its impacts. On June 30, 2022 Governor Newsom signed Assembly Bill 205 ("AB 205"), which contains a variety of energy measures, and expands the California Energy Commission's ("CEC") siting authority to include additional types of generating facilities. These include solar and onshore wind projects with a capacity of 50 MW or more; **energy storage facilities with a capacity of 200 MW hours or more (in comparison, Vistra proposes the development of a 600 megawatt BESS)**; powerplants using any source of thermal energy, with a generating capacity of 50 MW or more, excluding fossil- or nuclear-fueled plants; and transmission lines carrying electricity from any of those types of facilities to the first point of interconnection. In expanding the CEC's siting authority, AB 205 allows those proposing to construct any of aforementioned types of facilities to file an application for certification (approval) with the CEC on or before June 30, 2029. AB 205 gives CEC exclusive siting authority over eligible projects if a developer submits an application to CEC under the certification process instead of an application for entitlements (Conditional Use Permit/Coastal Development Permit) from the local jurisdiction in which the project is located. CEC's siting certification is in lieu of any permit, approval, or similar document required by any state, local, or regional agency, or federal agency to the extent permitted by federal law. AB 205 specifically provides that the certification does not supersede the authority of the California State Lands Commission, the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, the California State Water Resources Control Board or the applicable regional water quality control boards, local air quality management districts, or the California Department of Toxic Substances Control.

### **Reimbursement Agreement**

For proposed development projects cities often enter into reimbursement agreements with the project applicants to ensure full cost recovery for processing the application. The City entered into a Deposit and Reimbursement Agreement (“Agreement”) with Vistra in early 2022 that makes Vistra responsible for all project associated costs including, City Staff time spent on the project, legal, and consultant fees incurred in the processing of the project entitlements and approvals including all CEQA related work. The City retains full control of all aspects of processing the project application.

### **June 2021 Memorandum of Understanding (MOU)**

The City entered into an MOU with Vistra dated June 9, 2021. This MOU enables the *purchase of necessary WRF easements for \$1, settles eminent domain lawsuit, amends encumbrance on development of shuttered power plant site and address possible development.* The MOU and a detailed staff report from the June 9, 2021 special meeting can be found here: <https://www.morrobayca.gov/ArchiveCenter/ViewFile/Item/5674>



AGENDA NO: III

MEETING DATE: September 26, 2023

# Staff Report

**TO:** Honorable Mayor and City Council  
Planning Commissioners

**DATE:** September 19, 2023

**FROM:** Scot Graham, Community Development Director  
Yvonne Kimball, City Manager

**SUBJECT:** Status update for the Downtown Design District Ad Hoc Committee Efforts and Update of the 2023-2025 Goals and Short-Term Action Items Related to Community Development

## RECOMMENDATION

Staff recommends the City Council and Planning Commission review the staff report and presentation and provide comments/questions as appropriate.

## BACKGROUND/DISCUSSION

This staff report is written to provide an update of the 2023-2025 Goals progress from the perspective of the Community Development Department, including efforts made on the Downtown Design District Ad Hoc Committee

### **Downtown Design District**

City Council adopted the new zoning code in November of 2022. As part of the zoning code adoption process, City Council expanded the height requirements from thirty feet to thirty-seven feet, for property both zoned Community Commercial (CC) and located along the Morro Bay Boulevard corridor running west from the roundabout and turning north on Main Street and ending at Beach Street. See figure below.

Prepared By: \_\_SG\_\_ Dept Review: \_\_SG\_\_  
City Manager Review: \_\_YK\_\_ City Attorney Review: \_\_CFN\_\_



As part of the height increase, Council also added consideration of the formation of a future committee to look at height increase impacts in the downtown. Council subsequently directed the formation of a Downtown Design District (DDD) ad hoc committee to investigate design options for the downtown area impacted by the height increase. The DDD ad hoc committee is comprised of Council Members Landrum and Edwards. Advisor to the ad hoc committee include Planning Commissioners Bill Roschen and Joseph Ingrassia, Jeff Eckles (CEO of the SLO Housing Trust Fund), Paul Boisclair (owner of the Siren), Betty Winholtz (Resident) and Carrie Raya (owner Buttercup Bakery).

The ad hoc committee with input from Planning Commissioners Roschen and Ingrassia has met on a couple of occasions in order to put a draft framework behind the effort that includes the following items:

- Outcomes
  - Development of DDD guidelines
  - Creation of possible incentives that may include affordable housing, economic development and improved pedestrian experience
- Meeting Structure & Schedule
  - 6 main meetings
  - Two public meetings

The first meeting with all the advisors to the ad hoc committee will be held on October 18<sup>th</sup>.

**2023-2025 Goals Update as related to the Community Development Department**

The information provided below is taken from the City’s 2023-2025 Goals and Short-Term Actions document approved by City Council in April of 2023. There are four primary goals and 27 Action items. Thirteen of the Action items involve significant work by the Community Development

Department (CDD). This Goals update is focused on just those Action items that fall either entirely or partially within the purview of the CDD. The information below is formatted to include the relevant Short-Term Action item followed by red text indicating status on the item.

○ **City Council Goal: Economic Vitality**

- Market Plaza development opportunities (currently under negotiations) We have been working for several years to redevelop the City-owned property at 781 Market into a mixed use high end hotel project. We are currently in negotiations for sale of the property. Staff is currently working on an update to the appraisal of the property.
- Monitor and stay engaged in offshore wind development. The Harbor Department is currently lead on this item, but CDD is involved in discussions regarding potential development of operations and maintenance facilities in MB to support offshore wind.
- Pursue grant opportunities, including:
  - Climate Action Plan & Waterfront Master Plan CDD is in the process of putting together an application for a Coastal Commission grant in the amount of \$500,000 to update the City's Waterfront Master Plan. This Item is going to Council for grant application authorization on September 26, 2023. The CDD is also working with Michael Boswell's CALPOLY graduate planning studio to develop an update to the City's Climate Action Plan. Michael will provide a brief presentation to City Council on this effort at the October 10, 2023 Council meeting.
- Review of City-owned properties, strategy to optimize use or revenues. Explore use of commercial realtor to manage commercial rental property. We are currently exploring opportunities with the School District for reuse of the Morro Bay Elementary School property. These discussions are in the early stages.
- Streamline permit processing for residential (including ADUs) and commercial development (also supports Housing goal) Within the last eighteen months CDD has implemented an online portal that connects to Citywork our permitting application for Building and Planning permits that allows applicants to submit applications electronically. The plans can also be plan checked electronically removing the need for paper plans. City is also in the process of completing final update to the new Zoning Code (ZC). The New ZC significantly reduces the number of projects that are required to go to Planning Commission. Council adopted the ZC update in November of 2022; however, when it was sent to the California Coastal Commission for certification, Coastal staff requested edits in May 2023 and Staff has been working with them to address desired changes. The ZC edits will go to Planning Commission for review on September 19, 2023 and to Council in the October/November timeframe for final approval before sending back to the Coastal Commission for certification.

○ **City Council Goal: Housing / Homelessness Response**

- Housing Element Program Implementation (Housing by-right Policy and Objective Design Guidelines projects underway – \$275K received in grant funding) Staff has been working on Housing Element implementation for the past two years. The grants will expire in September and November of 2023. The last grant deliverable is the development of Objective Design Standards, which is scheduled for City Council review in October 2023.
- Continue participation in County's 5-year Housing & Infrastructure Plan We have been working collaboratively with the other jurisdictions in the County to

develop a Housing and Infrastructure plan. The Plan is almost complete and, once complete, Staff will return to Council to discuss implementation opportunities for Morro Bay. SLOCOG is the lead on plan preparation.

- Review of possible upzone for Seashell Estates property for proposed housing project. Staff have been working with the property owner to upzone the property from low density residential to medium or high density residential. Planning Commission has reviewed the concept plan on two occasions. The first review by PC of the land use change resulted in denial of the land use change and a request by PC that it be brought back with the overall project. The PC later reviewed a conceptual development plan for the project and provided feedback on design to the property owner. The property owner would prefer the Land Use change approval take place in advance of submitting development plans for the project. Project is currently paused pending resubmittal by the applicant.
- Identify affordable housing incentive program. Staff are currently working with the DDD Committee on creation of development/design guidelines for the downtown that may serve to incentivize affordable housing.
- Speed up processing of ADU permits to increase availability of affordable housing (Also covered under permit streamlining) See earlier comments related to permit streamlining under Economic Vitality Goal.
- **City Council Goal: Community Engagement**
  - Ad hoc Committee review of Planning Process. Not formed yet. Need ZC update approval before we start this effort as planning process differs significantly in the new ZC.
  - Conduct joint Council/advisory board meetings periodically and consider biannual or annual advisory board reports to Council. Joint CC/PC meeting is scheduled for September 26th.
  - Develop Historic Preservation Ordinance using draft ordinance prepared by Historical Society as a starting point. PC recently completed a series of Historic Preservation meetings but work on the ordinance has not started. Anticipate this work will begin in 2024.

## **CONCLUSION**

The City Council and Planning Commission should review the staff report and presentation by staff as well as any public comment provided and provide questions/comments as appropriate.