

May 2020 | Initial Study

INITIAL STUDY FOR MORRO BAY 2020-2028 HOUSING ELEMENT UPDATE

City of Morro Bay

Prepared for:

City of Morro Bay

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INITIAL STUDY FOR MORRO BAY 2020-2028 HOUSING ELEMENT UPDATE, MORRO BAY

DETERMINATION

On the basis of this Initial Study:

- ☒ I find that the proposed project COULD NOT have a significant effect on the environment and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions to the project and mitigation measures have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT will be required.



Nancy Hubbard,
Contract Planner

Date

Project Title:	Morro Bay 2020-2028 Housing Element Update, Initial Study, Morro Bay
Lead Agency Name and Address:	City of Morro Bay 595 Harbor Street Morro Bay, CA 93442
Project Location:	Citywide
Proponent's Name and Address:	City of Morro Bay Planning Division 595 Harbor Street Morro Bay, CA 93442
General Plan:	Citywide – various
Zoning:	Citywide – various
Authority:	City of Morro Bay

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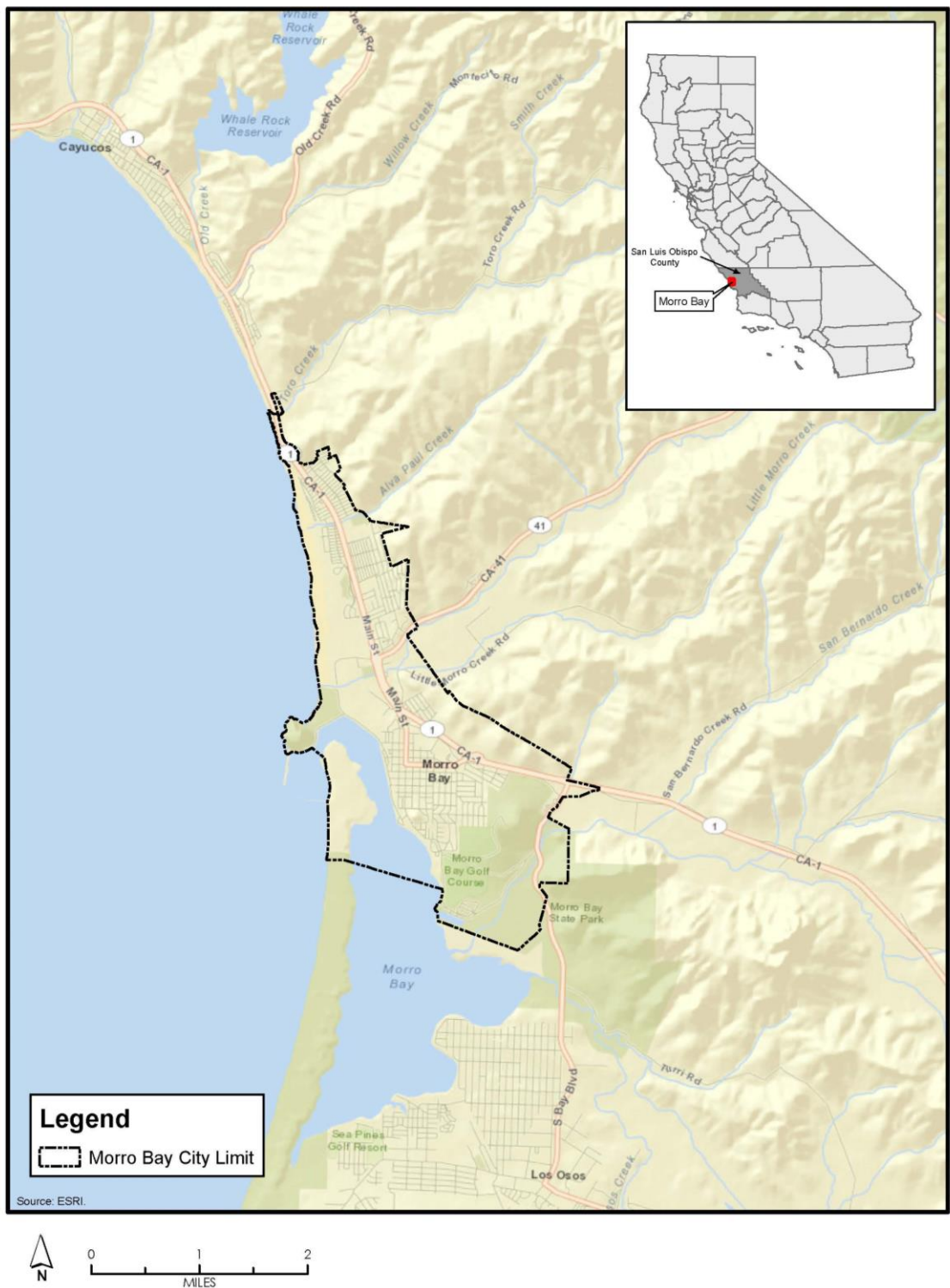
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ATTACHMENT

1. Draft 2020-2028 Morro Bay Housing Element (available on the City Website:
<https://www.morrobayca.gov/997/Housing-Element>

Figure 1. Project Location Map



Project Description

Under the requirements of state law, every city and county in California must prepare a housing element as part of its general plan. The housing element must document in detail existing conditions and projected needs in accordance with state housing law provisions. The element is also required to contain goals, policies, programs, and quantified objectives that address housing needs over the next eight-year period. As part of the proposed project, the proposed 2020-2028 Housing Element will serve as the City's guiding policy document that meets future needs of housing for all of the City's economic groups. The proposed 2020-2028 Housing Element will replace the existing 2014 Housing Element. The Housing Element update identifies the potential for development of up to 441 new housing units at full buildout of the city's existing vacant lot inventory. The projected number of units considers development of existing vacant lots and one non-vacant lot under current land use designations and zoning.

The Housing Element is a policy document that does not result in physical changes to the environment but encourages the provision of housing. While policies could require changes to the zoning ordinance or result in actions of the City that could result in physical change, none of the policies in the proposed project would result in physical changes to the environment.

The proposed project would also potentially involve updating the City's zoning on one parcel to allow projects that have at least 20 percent affordable (extremely low, very low or low) units without discretionary review or "by right." The parcel with APN 068-323-034 at 405 Atascadero Road has been included in the vacant land inventories of the 4th and 5th Round Morro Bay Housing Elements as suitable for extremely low, very low, or low units of the City's RHNA. However, per Government Code 65583.2(c), in order to continue to include this parcel in that portion of the land inventory for this 6th Round Housing Element the City is committing to update the zoning to allow projects that have at least 20 percent affordable units "by right." Thus, any "by right" project in compliance with the aforementioned changes to the City's zoning would not be subject to CEQA. The vacant parcel encompasses approximately 0.74 acres and is currently zoned mixed commercial/residential/multiple residential-hotel-professional/planned development/ specific plan (MCR/R4/PD/SP). The site's general plan designation is high density which allows for a density of 27 units per acre. If not developed sooner, rezoning of the vacant parcel would be required to be completed within three years of the beginning of the 6th Round Housing Element planning period which would be on or before December 31, 2023. All development in the City is required to comply with the General Plan, Zoning Ordinance, and City standards. In addition, any discretionary actions require independent and project-specific environmental review.

Government Code, Section 65588(a)(2) "Review and Revision" requires that a newly proposed 2020-2028 Housing Element review the goals, policies and programs of the previous housing element, and report on the attainment and disposition of the programs. In some instances, the programs from the previous Housing Element are continued through to the proposed 2020-2028. Many existing programs have been amended and continued to reflect current conditions in the City. Table 1-1 includes changes in goals, policies, or programs between the existing Housing Element and the proposed 2020-2028 Housing Element.

Table 1-1 Summary of Policy Changes Between Existing Housing Element and 2020-2028 Housing Element

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
GOAL 1. Housing Supply		
Objective: Provide a continuing supply of affordable housing to meet the needs of existing and future Morro Bay residents in all income categories.		
Policy H-1 (Fair Share)		
Maintain land use policies that allow residential growth consistent with the availability of adequate infrastructure and public services.		
<p><u>Program H-1.1</u></p> <p>The City will give the highest priority for residential development to affordable housing projects. These projects will automatically be allowed first priority for the allocation of new residential growth in each year. The priority for affordable units will also include the allocation of water and other resources as consistent with the Local Coastal Plan.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Annually</p> <p><i>Funding:</i> General Fund</p>	<p>In 2014, building permits were issued for new construction of 21 new units of low income senior rental housing in the downtown area. These units were completed and operational at the end of 2015. Two other projects received planning approval during this time frame, each of which included 2 rental or for-sale units affordable to moderate income households. These inclusionary units were available in 2019. In addition, the City advocates for affordable housing by making sure the public is aware of the density bonus programs as well as the opportunities to create additional accessory dwelling units. As new affordable housing projects are proposed, whether rental or home-ownership, they are given highest priority for City review/processing.</p>	<p>Amend and continue.</p>
<p><u>Program H-1.2</u></p> <p>To ensure there is a sufficient supply of multi-family zoned land to meet the City's Regional Housing Needs Allocation (RHNA), the City will help facilitate lot consolidations to combine small residential lots into larger developable lots by annually meeting with local developers to discuss development opportunities and incentives for lot consolidation to accommodate affordable housing units. As developers/owners approach the City interested in lot consolidation for the development of affordable housing, the City will offer the following incentives on a project-by-project basis:</p> <ul style="list-style-type: none"> • Allow affordable projects to exceed the maximum height limits, • Decrease setbacks, and/or • Reduce parking requirements. 	<p>The City works with applicants on a case-by-case basis to identify areas where affordable housing units can be accommodated. The City's Affordable Housing Ordinance does provide incentives for density bonuses and developer incentives, which include options for development standards to be relaxed consistent with State housing law.</p> <p>The City is currently working on processing the application for a project that includes lot consolidation at 405 Atascadero Avenue. Incentives needed are height, additional bonus density increase, setback reduction, and parking.</p> <p>The City informs applicants of this option when they own contiguous parcels that are appropriately zoned for a higher density when combined.</p>	<p>Amend and continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>The City will also consider offsetting fees (when financially feasible) and concurrent/fast tracking of project application reviews to developers who provide affordable housing.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Ongoing, as projects are processed through the Planning Division. Annually meet with local developers to discuss development opportunities and incentives for lot consolidation.</p> <p><i>Funding:</i> General Fund</p>		
<p><u>Program H-1.3</u></p> <p>To ensure affordable multi-family projects meet maximum densities, the City will continue to implement procedures with objective standards to promote flexibility in development standards (height, parking, and setbacks) and promote the use of density bonuses to increase densities. The City will biannually review the multi-family development standards in the Zoning Ordinance and revise as necessary to ensure they don't act as a constraint to the development of affordable housing in the city. The City will give priority to projects that provide extremely low-, very low-, and low-income housing.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Work with developers on a case-by-case basis to provide flexibility in development standards and promote density bonuses to increase densities as projects are processed through the Planning Division and Bi-annually review the multifamily development standards in the Zoning Ordinance.</p> <p><i>Funding:</i> General Fund</p>	<p>The City is in the process of doing a comprehensive update of the General Plan, Local Coastal Plan (LCP), and Zoning Ordinance to better accommodate this goal. The draft GP/LCP, known as Plan Morro Bay, was completed in 2018 and a draft was submitted for review to the Coastal Commission. In addition, a draft Zoning Ordinance was also submitted to Coastal Commission for review after being reviewed by the City's Planning Commission. Draft policy language has been developed which establishes mixed use overlay districts, which will allow increased residential development in the downtown area and other commercial areas that have the existing infrastructure to accommodate higher density uses.</p> <p>Also, the draft documents include new standards which would allow for increased building heights in the downtown area, specifically to assist with providing additional housing opportunities while also maintaining the commercial core of the downtown area. In addition, the City's Zoning Ordinance was amended previously and certified by the Coastal Commission to prohibit single family residential development in high density zones (R-3 and R-4) in order to ensure high density developments.</p> <p>Projects since 2014 that have received a density bonus include the project at 555 Main Street, an affordable senior housing project approved with a density bonus that equated to 53 units per acre. That project was completed and opened for occupancy in 2015. Currently, a project proposed by the Housing Authority of San Luis Obispo (HASLO) has a pending application for a 35-unit project that is asking for a density bonus that would result in a project with a density equivalent to 37 units per acre. The project is proposed to be 100 percent affordable.</p>	<p>Amend and continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p><u>Program H-1.4</u></p> <p>In order to create a vibrant, pedestrian- and bicycle-friendly small urban atmosphere in the downtown area and ensure optimal access to services and public transportation, the City will encourage the development of new high-density housing in and adjacent to the downtown commercial district. To facilitate this goal, the City will inventory vacant and underutilized lots in and adjacent to the downtown business district, identify sites or areas where re-zoning to high-density residential or mixed-use categories might be desirable and modify the City's zoning map as appropriate.</p> <p><i>Responsible Agency/Department:</i> City Council, Public Services Department</p> <p><i>Time Frame:</i> Conduct inventory by July 2018. If decision is made to revise Zoning Ordinance, revise by December 2018.</p> <p><i>Funding:</i> General Fund</p>	<p>The City initiated preparation of a comprehensive update to the General Plan and Local Coastal Program in 2016 including a zoning ordinance update. These updates will better address this program. Known as Plan Morro Bay, the effort has included a Downtown Waterfront Strategic Plan that identified opportunity sites in downtown and along the waterfront. The draft Zoning Ordinance identifies an area in the downtown where greater heights (three stories) will be allowed to facilitate additional density in that area and make mixed use residential/commercial developments more feasible. The draft policies and zoning changes encourage development of new high-density housing in and adjacent to the downtown commercial district. Plan Morro Bay is expected to be adopted in 2020.</p> <p>The City applied for funding under the Senate Bill (SB) 2 Planning Grant Program in Fall 2019. The grant work program includes an independent investigation into how the City can better achieve this goal. The City has received a letter providing notice that they have been awarded the grant funding. The work under the grant will begin in 2020.</p>	Continue.
<p><u>Program H-1.5</u></p> <p>The City will consider establishing minimum residential density requirements for the R-3, R-4, and MCR zoning districts.</p> <p><i>Responsible Agency/Department:</i> City Council, Public Services Department</p> <p><i>Time Frame:</i> Prepare recommendation on whether to revise zoning by July 2018. If decision is made to require minimum densities, revise Zoning Ordinance by December 2018.</p> <p><i>Funding:</i> General Fund</p>	<p>The City's Zoning Ordinance was amended to prohibit single-family residential development in high density zones (R-3 and R-4) in order to ensure high density developments. In addition, the draft Zoning Ordinance released in 2018 includes standards addressing minimum density.</p> <p>Additionally, the City, through the planning review process, has been requiring higher density development when discretionary review is required and the site is capable of a greater density through a mix of housing types.</p>	Amend and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
Policy H-2 (Water Resources) Continue to pursue additional water resources identified in the Water Management Plan.		
<u>Program H-2.1</u> The City will, to the extent feasible, allocate water resources to allow maximum growth to full buildout consistent with limitations contained in the certified Local Coastal Plan, General Plan, and Ordinance 266 as amended. At least annually, the Public Services Department will provide an update to the City Council on available water supplies, projected demand under the General Plan, and the status of projects to ensure adequate supply to meet the needs of the community in accordance with the Water Management Plan, the General Plan, and this element. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Annually <i>Funding:</i> Water Fund	The City has continued to work on maintaining sufficient water resources. The City prepared the OneWater Morro Bay Plan in 2018 to update data and combine planning efforts for water supply, wastewater, and stormwater infrastructure. The Community Development Department gives annual updates to the City Council. This includes identifying annual water allocations as required. Additionally, the City continues to identify areas that require upgraded sewer and water line infrastructure to accommodate the higher capacity service necessary to serve a higher density development. The City continues to work with affordable housing developers to determine options that will address the capacity shortfall issues short term or long term without a delay in the project approvals.	Continue.
Policy H-3 (Funding) To the extent feasible, solicit housing assistance funds from the state and federal governments in conjunction with nonprofit and for-profit developers to be used in the construction of new and rehabilitation of existing secondary units and very low- and low- income housing units.		
<u>Program H-3.1</u> The City will continue to work with the private sector, nonprofit agencies and to secure funds and be supportive of others pursuing funds through state and federal programs for development of new lower-income housing and rehabilitation of existing lower-income households (including mobile homes). As funding becomes available, the City will prioritize a portion of the funds to encourage the development of housing for extremely low-income households. In addition, in light of budget constraints and reduced staffing levels, it is unlikely that the City will pursue grant funds for affordable housing acquisition or new construction projects. Housing grant funds will be pursued for energy efficiency audits and retrofits and infrastructure repairs. Pursuit of funds for	Staff regularly engages with outside agencies to promote affordable housing goals in the city. This includes coordinating with cities and the County. Staff previously used Civic Spark intern assistance—through funding by the County Air Pollution Control District and the County’s Energy Watch Program—to increase awareness of energy efficiency audit programs for residential development. The City applied for funding under the SB 2 Planning Grant Program in fall 2019 and received a letter providing notice that it has been awarded the grant funding. The work under the grant will begin in 2020.	Amend and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>rehabilitation will occur when it is determined there is a sufficient level of interest in this type of program.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Apply for funding annually</p> <p><i>Funding:</i> CDBG, HOME, others</p>		
<p>Policy H-4 (Methods)</p> <p>Continue to explore alternative methods for increasing its affordable housing stock with the goal of providing adequate extremely low-, very low-, and low-income, senior, and ADA accessible housing.</p>		
<p><u>Program H-4.1</u></p> <p>The City will contact HCD, housing advocates, affordable housing providers, and other appropriate information resources on an annual basis in order to stay current with the latest options for providing affordable housing.</p> <p><i>Responsible Agency/Department:</i> Planning Division</p> <p><i>Time Frame:</i> Annually</p> <p><i>Funding:</i> General Fund</p>	<p>The City reviews monthly newsletters from HUD, California Housing Consortium, and Peoples' Self-Help Housing Corporation regarding funding programs and latest options consistent with State law. City staff also attended a HUD-hosted workshop regarding HOME, CDBG, and CalHome programs. Staff also attends conferences to stay abreast of housing laws.</p> <p>In addition, the City is participating in the Regional Infrastructure and Affordable Housing Strategic Action Plan (RIHP) being coordinated by San Luis Obispo County in order to work on a regional approach to housing solutions.</p>	Continue.
<p><u>Program H-4.2</u></p> <p>Most recent housing developments in Morro Bay have not been constructed to the maximum densities allowed by zoning. Market conditions, bank financing, and insurance requirements have favored the construction of single-family detached houses. To increase housing supply and obtain densities closer to those envisioned by zoning policies, the City will do the following:</p> <p>Implement Section 17.21.70 of the City Zoning Code (Additional Incentives) that offers incentives for developing greater than the minimum densities in the multiple-family zones. The City is sensitive to the loss of multi-family- zoned land to less intensive uses, particularly given the limited number of vacant multi-family sites remaining in Morro Bay and their potential contribution toward meeting the City's housing needs.</p> <p><i>Responsible Agency/Department:</i> City Council, Planning Division</p>	<p>In 2015 and 2016 the City amended the entirety of the City's Affordable Housing Ordinance, which is in the Zoning Ordinance Chapter 17.50 and offers a number of incentives for increasing density and providing flexibility. The ordinance was subsequently certified by Coastal Commission as a Local Coastal Plan (LCP) amendment. Included in the Affordable Housing Ordinance update was amendment to prohibit single-family development in the R-3 and R-4 high density zoning districts in order to ensure multifamily development is provided.</p> <p>In 2018, the City completed a draft comprehensive Zoning Ordinance update which, consistent with State law, includes incentives for increasing density and adding a mixed use overlay to allow for additional housing. The density bonus regulations will be updated to be consistent with State law as part of this update. As part of the work funded by the SB funding, the City will also establish parameters for projects that may receive density bonuses beyond the requirements of State law. In addition, the SB 2 grant will fund a targeted study to create planned-unit developments with an overlay allowing mixed residential uses with a variety of density ranges, resulting in an overall</p>	Amend and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<i>Time Frame:</i> Ongoing <i>Funding:</i> General Fund	density significantly greater than the current zoning maximums. In addition to the 555 Main Street project, another mixed commercial/retail and housing project was approved for a density bonus at 600 Morro Bay Boulevard. That project was approved for a density bonus that equates to 41 units per acre.	
Policy H-5 (Housing Costs) Ensure that the City’s adopted policies, regulations, and procedures do not add unnecessarily to the cost of housing, while still attaining other important City objectives.		
<u>Program H-5.1</u> The City will review its user charges for public services and facilities to ensure the charges are consistent with the costs of improvements and maintenance. <i>Responsible Agency/Department:</i> Public Services Department, Finance Department <i>Time Frame:</i> Starting in 2015, then every three years <i>Funding:</i> General Fund	The City reviews fees, etc. on an annual basis to ensure user charges for Community Development and facilities are consistent with the costs of improvements and maintenance. The City of Morro Bay’s fees are generally considered low compared to other cities in the county. The City reviews and updates fees annually through the Master Fee Schedule and has updated or increased fees when it was necessary to ensure charges are consistent with costs of improvements and maintenance. For deed-restricted affordable housing projects that provide housing for lower-income households, the City will consider alternate funding options, including waivers and/or deferral agreements, so that the project is not constrained by the City charges.	Amend and continue.
Policy H-6.a (General Affordability) Continue to require a percentage of new housing units built in the city be affordable to very low-, low-, and moderate-income households.		
Policy H-6.b (Variable Density) In order to encourage development of small units, development of a greater number of residential units than otherwise allowed under the existing land use and/or zoning designation may be permitted, provided that (1) at least 65 percent of the units are developed as studio or one-bedroom units; (2) the population density at full buildout of the project does not exceed the population density that corresponds with the existing land use designation and/or zoning or 1 person for every 500 square feet, whichever is less; and (3) the proposed project complies with all applicable zoning regulations, except as modified by the decision-maker through discretionary review.		
<u>Program H-6.1</u> The City will continue to implement the inclusionary requirements of Section 17.50 of the Municipal code which requires that all new residential development projects of 5 or more for-sale units provide a minimum of one unit or 10 percent of the total number of units, whichever is greater, to be affordable to families with incomes in the very low-, low- or moderate-income ranges, depending on the needs of the City at the time of approval. The lower-income units may be either for rent or for sale, but shall remain affordable for at least 30 years,	The City reviews applications on a case-by-case basis for affordable housing potential. Projects are conditioned accordingly to ensure compliance with the Affordable Housing Ordinance. Affordable units that have provided on-site for-sale units or for-rent units have recorded covenants against the property to ensure compliance with the conditions for a minimum of 30 years or more, depending on funding source. The Morro Mist project includes two for-sale units, affordable to moderate-income households. These projects are currently finished and available for sale. The two units are deed restricted for 30 years. The Black Hills Villas project includes two rental units affordable to	Continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>or such other term approved by the City, consistent with state law.</p> <p><i>Responsible Agency/Department:</i> City Council/Planning Division</p> <p><i>Time Frame:</i> Ongoing, as projects are processed through the Planning Department</p> <p><i>Funding:</i> General Fund</p>	<p>moderate-income households.</p>	
<p><u>Program H-6.2</u></p> <p>As an alternative to building inclusionary units, the City will allow a development to pay an in-lieu fee. Currently, the fee amount is determined with the following method: (construction cost x percentage of fee based on project size, where construction costs include all expenses related to the development of housing units, including land, construction, on- and off-site infrastructure, and associated soft costs). The City will conduct an analysis on the current method to determine whether the current fees are appropriate. If they are found to not be appropriate, the City will conduct a nexus study. Once established, the in-lieu fees will be collected and held in an affordable housing trust fund. To ensure any modifications to the City's Inclusionary Program as a result of the nexus study do not adversely impact market-rate housing, the City will also evaluate whether the Inclusionary Program poses a constraint to the development of housing. If this is found to be the case, the City will revise the program to ensure it is not a constraint to development.</p> <p><i>Responsible Agency/Department:</i> Public Services Department, Finance Department</p> <p><i>Time Frame:</i> Determine whether fees are appropriate and identify constraints (if needed) by June 2016; make any recommended revisions to the fee calculations and Inclusionary Program by December 2016</p> <p><i>Funding:</i> General Fund</p>	<p>The City's updated Affordable Housing Ordinance allows payment of an in-lieu fee where a developer/applicant can show that affordable units cannot be provided as part of the proposed project. Developments which have paid in-lieu fees have been required to pay all fees prior to issuance of any building permits. The in-lieu fees have been used to provide both new affordable units elsewhere or preserve existing affordable units at risk of conversion and thereby extend years of affordability.</p> <p>The City plans to review the inclusionary fees and increase the projects that are subject to the fees, such as single-family homes over a certain size (i.e. over 2,000 sf of livable space). Additionally, the City will revise the ordinance to make the payment in-lieu option harder to achieve (i.e. encourage actually providing the housing vs. payment of a fee. Additionally, the income groups to be served should be reduced in general and specifically for concessions received for proposed developments.</p>	<p>Amend and continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p><u>Program H-6.3</u></p> <p>The City will continue to require affordable housing developments to be designed consistent with the surrounding neighborhood in order to enhance the sense of belonging to the community. Forms, materials, and proportions should be utilized that are compatible with the character of the surroundings.</p> <p><i>Responsible Agency/Department:</i> City Council, Planning Division</p> <p><i>Time Frame:</i> Ongoing, as projects are processed through the Planning Division</p> <p><i>Funding:</i> General Fund</p>	<p>The City adopted Residential Design Guidelines in July of 2015 which included design criteria for both affordable housing developments and other residential development.</p> <p>In addition, the City continues to require that affordable housing be consistent with surrounding housing types unless the surrounding design types are dated and/or do not comply with the Residential Design Guidelines.</p> <p>Affordable housing designs should not be substandard in appearance compared to the surrounding neighborhood, but can be more modern in design and function, especially when that allows higher density and/or a better-designed housing unit.</p>	<p>Combine with Program H-6.4 and continue.</p>
<p><u>Program H-6.4</u></p> <p>The City will codify neighborhood preservation guidelines for affordable units in Section 17.28.200 of the Morro Bay Municipal Code when the Zoning Ordinance is amended.</p> <p><i>Responsible Agency/Department:</i> City Council, Planning Division</p> <p><i>Time Frame:</i> August 2015</p> <p><i>Funding:</i> General Fund</p>	<p>The City adopted Residential Design Guidelines in July of 2015. The guidelines have not been codified because to do so would also require an LCP amendment with the Coastal Commission. Approving the requirements as guidelines allowed for flexibility. The City is currently updating its General Plan, LCP, and zoning, which will include a Community Design Element. The draft Zoning Ordinance update includes Section 17.38.080, Design Review Criteria, which refers to the 2015 Residential Design Guidelines. This section specifically covers scale, massing (proportion and compatibility to surrounding homes), site plan, exterior design, landscaping, and inclusion of sustainable features. Design review authority is the Planning Commission for projects requiring Planning Commission hearings, and the Community Development Director for all other projects.</p>	<p>Combine with Program H-6.3 and continue.</p>
<p><u>Program H-6.5</u></p> <p>The City may, on a case-by-case basis, allow for modifications/incentives to development standards, such as common access driveways, building height restrictions, parking, distance between buildings, setbacks, lot coverage, screening, varying lot sizes, open space requirements, fast-track permitting, density bonuses, variable densities on multi-family zones property, transfer of development credits, fee assistance, and any other modifications/incentives or combination of modifications/incentives, which are jointly agreed upon by the</p>	<p>The City works with applicants on a case-by-case basis to identify areas where development standards may be relaxed in order to provide the maximum number of housing units, pursuant to the City's Affordable Housing Ordinance, which allows for development incentives in exchange for enhanced affordability standards. In addition, the City's current Zoning Ordinance includes a Planned Development (PD) overlay on certain properties in town, which also allows for modification or deviation of standards by Planning Commission upon findings of public benefit.</p>	<p>Continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>applicant and the decision-maker, as an incentive for constructing specific affordable housing projects. This is not intended to be an exhaustive list of modifications/incentives available to the applicant and/or decision-maker. The City will prepare public outreach materials, including adding information to the City's website to inform the public of a variety of types of modifications or incentives offered.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Ongoing, as projects are processed through the Planning Division</p> <p><i>Funding:</i> General Fund</p>		
<p><u>Program H-6.6</u></p> <p>The City will consider amending the Community Housing Ordinance to require that housing units developed under the terms of this code section be priced for sale or rental to persons of moderate or lower income.</p> <p><i>Responsible Agency/Department:</i> City Council, Public Services Department</p> <p><i>Time Frame:</i> Prepare recommendation on whether to adopt an ordinance by July 2018. If decision is made to adopt an ordinance, adopt by December 2018.</p> <p><i>Funding:</i> General Fund</p>	<p>In March 2015, the Community Housing Ordinance was replaced by the Affordable Housing, Density Bonus, and Incentives Ordinance.</p>	<p>Delete.</p>
<p>Policy H-7 (Housing Trust Fund)</p> <p>Develop a Housing Trust Fund to be used for the development of affordable housing projects.</p>		
<p><u>Program H-7.1</u></p> <p>This fund will be used to assist nonprofit and for-profit developers to construct lower-income housing, purchase land, write down land or financing costs, rehabilitate or preserve existing units, prepare other implementation measures consistent with this element, and/or monitor housing policies and programs on an ongoing basis. Assuming that the current market conditions will continue to exist during the 5-year Housing Element time frame, the City estimates that it will assist two to</p>	<p>City staff sits on the board of the County Housing Trust Fund and coordinates with other public agencies and with private and nonprofit developers of affordable housing to advocate for and support affordable housing. City in-lieu fees have been used to preserve existing affordable units that were at risk of conversion. In 2018, an award of \$50,000 was approved as a local match for a tax credit application for the Sequoia Street Apartment, a low- and very low-income family rental development. This assisted with extending years of affordability and preserves existing affordable units at risk within the next few years. The period of affordability</p>	<p>Amend and continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
seven units. <i>Responsible Agency/Department:</i> Public Services Department, Finance Department <i>Time Frame:</i> Modify by 2012 <i>Funding:</i> General Fund	for that project has been extended to 2053.	
Policy H-8 (Mixed Housing Types) Encourage the mixing of affordable housing throughout the community rather than concentrating affordable units in a few locations.		
<u>Program H-8.1</u> The City will allow the conversion of older motels to residential use, subject to discretionary review, outside the Visitor-Serving Commercial (C-VS) and Waterfront (WF) zones. Criteria for approving residential uses will be stated in the Zoning Ordinance. These conversions will also receive a priority in the unit allocation list. <i>Responsible Agency/Department:</i> City Council, Planning Division <i>Time Frame:</i> Ongoing; codify criteria by August 2015 <i>Funding:</i> General Fund	In compliance with SB 745, the City Zoning Ordinance includes supportive and transitional housing as a residential use in residential zones and mixed use zones that allow residential uses, with the same review processes as any residential use in that zone—i.e., if a duplex is allowed with an administrative review process, a supportive/transitional housing application would allow the same. An application has been submitted for conversion of an older motel to provide supportive housing. The project has 27 residential units available to a population who needs housing and programs to assist with becoming self-supporting. The program is voluntary. The project is anticipated to be approved in early 2020.	Continue.
Policy H-9 (Mixed Use) Continue to promote a policy of mixed uses by allowing housing in conjunction with compatible commercial uses in appropriate mixed-use designations located throughout the city. The allowance of these mixed-use designations will require additional findings to ensure new projects do not change the character of the neighborhood.		
<u>Program H-9.1</u> The City will develop criteria for determining the appropriate compatible mix of residential and commercial development to ensure neighborhood consistency. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Codify criteria by June 2016 <i>Funding:</i> General Fund	Draft Plan Morro Bay addresses this goal by providing clearer policies. The draft Zoning Ordinance also provides this criteria and establishes a mixed use overlay to allow for additional residential development in commercial areas. In addition, the draft Zoning Ordinance includes an area in the downtown core that will allow increased building heights to encourage higher density for residential without compromising the desire and need for ground-floor retail/commercial development.	Amend and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
Policy H-10 (Secondary Units) Allow for the development of secondary housing units as an affordable housing option throughout the city.		
<u>Program H-10.1</u> To comply with AB 1866, the City will continue to permit secondary dwelling units ministerially (by right) in all residential zones. An administrative coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, is required for new secondary units in or outside the coastal appeals jurisdiction. <i>Responsible Agency/Department:</i> Planning Division <i>Time Frame:</i> Ongoing, as projects are processed through the Planning Division <i>Funding:</i> General Fund	The City implements State law with regard to accessory dwelling units. Because the city is located in the coastal zone, an ADU requires an Administrative Coastal Development Permit but does not require Planning Commission approval. The City also encourages ADUs when communicating to the public or providing guidance on potential housing projects. The City is currently updating its Zoning Ordinance. Once adopted, the ADU regulations will be consistent with current State law for ADUs.	Amend to reflect current State requirements and continue.
GOAL 2: Conservation and Rehabilitation		
Objective: Conserve and rehabilitate the city's current stock of affordable housing.		
Policy H-11 (Section 8 Subsidies) Continue to maintain Section 8 rent subsidies.		
<u>Program H-11.1</u> The City will coordinate its efforts with the appropriate agencies to continue receiving Section 8 subsidy monies. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Ongoing, 2014–2019 <i>Funding:</i> General Plan	The City supports Section 8 housing subsidies and has continued to coordinate with the Housing Authority of San Luis Obispo (HASLO) to administer Section 8 Housing Choice Vouchers in the city.	Amend and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
Policy H-12 (Special Needs Groups) Provide financial assistance for rehabilitation of homes for elderly, disabled, and disadvantaged persons.		
<u>Program H-12.1</u> The City will encourage local private organizations to assist elderly, disabled, and disadvantaged persons in the repair and rehabilitation of their housing. Responsible Agency/Department: Public Services Department Time Frame: Meet with organizations annually Funding: CDBG, HOME, other funding sources to be determined	Staff regularly engages with outside agencies to promote affordable housing goals in the city.	Amend and continue.
Policy H-13 (Minimizing Impact) Ensure that public projects are planned to minimize their impact on the quality and stability of residential neighborhoods.		
<u>Program H-13.1</u> The City is considering adopting neighborhood compatibility standards for new developments in existing neighborhoods. The City will consider developing a standard set of criteria to use in determining whether proposed projects are compatible with the existing neighborhoods in which they are proposed, the purpose of which is to give project proponents clear direction for project design and to provide staff and the Planning Commission with clear guidelines for decision- making. These criteria could include a pre-application process to provide clear direction for the project. Responsible Agency/Department: Public Services Department Time Frame: Consider developing standards and adopt standards if determined they are needed by June 2015 Funding: General Fund	The City developed draft Residential Design Guidelines in 2015. The City also developed design guidelines as part of the Downtown Waterfront Strategic Plan in 2018. Draft Plan Morro Bay calls for the development of citywide design guidelines and design standards in areas that do not already have them.	Delete.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
Policy H-14 (Mobile Home Park Upkeep) Maintain the city's mobile home parks.		
<u>Program H-14.1</u> The City will promote the continued upkeep of existing economically viable mobile home parks by keeping park owners informed of opportunities through HCD to maintain mobile home parks through energy retrofits, housing rehabilitation, and weatherization programs. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Inform owners every two years beginning in 2015 <i>Funding:</i> General Fund	The City works with local mobile home park owners on a case-by-case basis to assist with park improvements. In 2018, the Planning Commission approved Coastal Development permits for two separate parks where development was proposed. In addition, other mobile home parks have received building permits from HCD for miscellaneous improvements to update and improve the parks. The City is currently preparing a mobile home study to identify funding sources and mechanisms to maintain the City's mobile home housing stock.	Continue.
<u>Program H-14.2</u> The City will when feasible apply for a grant to conduct a feasibility study to determine the possibility of a mobile home park conversion program. The study will include an inventory of the number of units that are RVs, trailers, or mobile homes on a chassis (not on permanent foundation), the condition of the units, and the identification of opportunities to replace them with new permanent affordable housing units. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> As funding sources become available; consider applying for funds by October 2014 <i>Funding:</i> CDBG, HOME, other funding sources to be determined	The City has not developed an inventory of mobile home parks or applied for grant funding. The City is currently preparing a mobile home study, which will provide some of the information called for in this program, including identifying funding sources. Full implementation of this program has been infeasible due to the City's undertaking of a comprehensive update of its General Plan/ Local Coastal Plan (Plan Morro Bay) and Zoning Ordinance, which is a multiyear effort.	Delete.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
GOAL 3: Protect and conserve existing affordable housing stock in Morro Bay.		
Objective: Preserve all affordable housing units in the city.		
Policy H-15 (At-Risk Units) Cooperate with other governmental, for-profit, and nonprofit entities to ensure no lower- income residents are adversely impacted by the conversion of existing affordable housing projects to market-rate rents.		
<u>Program H-15.1</u> The City will maintain a list of all dwellings in the city that are subsidized by government funding or low-income housing developed through local regulations or incentives. The list will include, at least, the number of units, the type of government program, and the date on which the units may convert to market-rate dwellings. No units have been identified as at-risk of converting to market rate within 10 years of the beginning of the 5th cycle Housing Element planning period. The City will require all property owners to provide at least 2 years' notice prior to the conversion of any units for lower-income households to market-rate units in any of the following circumstances: <ul style="list-style-type: none"> • The units were constructed with the aid of government funding. • The units were required by the City's Affordable Housing Program. • The project was granted a density bonus. • The project received other incentives. Such notice will be given at least to the following: <ul style="list-style-type: none"> • The City • HCD • Housing Authority of the City of San Luis Obispo • Residents of at-risk units • Any others deemed appropriate 	The City maintains a list of subsidized housing units. Information regarding properties at risk of conversion is included in this Housing Element (assisted units are listed in Chapter 2). Since the adoption of the previous Housing Element, the properties that are closest to affordability expiration have been in contact with the City and have submitted for tax credits to finance project renovations. In addition, the City Council has approved the use of the affordable housing in-lieu funds to assist with local match and local support to extend the affordability commitment.	Amend to reflect updates to state law and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Ongoing <i>Funding:</i> General Fund		
Policy H-16 (Conversion to Condominiums) Continue to protect existing lower-income apartment units from loss through conversion to condominiums.		
<u>Program H-16.1</u> The City will continue to comply with Government Code Section 65590 et seq. that sets forth the requirements for conversions, demolitions, and replacement housing in the coastal zone. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Ongoing, 2014–2019 <i>Funding:</i> General Fund	The City currently implements Government Code Section 65590.	Continue.
Policy H-17 (Demolished Units) Require the replacement of very low-, low-, and moderate-income housing that is demolished with similar affordable housing.		
<u>Program H-17.1</u> The City will require the abatement of unsafe structures, while giving property owners ample time to correct deficiencies. Residents displaced by such abatement should be provided relocation assistance. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Ongoing, 2014–2019 <i>Funding:</i> General Fund	The City currently follows this requirement. In addition, since the last Housing Element was adopted, the City has added two part-time code enforcement officers to assist the Building Division with code violations related to Municipal Code requirements.	Amend and continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
GOAL 4: Special Needs		
Objective: Meet the housing needs of special groups of Morro Bay residents, including seniors, disabled persons, and single parents.		
Policy H-18 (Senior Housing) Provide more senior housing opportunities throughout the city.		
<u>Program H-18.1</u> The City will utilize CDBG and other state or federal monies to assist in the development of lower-income senior rentals. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Apply for funding as Notices of Funding Availability (NOFA) are released <i>Funding:</i> CDBG/federal monies	The City is a member of the County of San Luis Obispo's Urban County Consortium, which receives federal entitlement funds from the CDBG and HOME programs. In 2016, the City awarded in-lieu funds to Peoples' Self-Help Housing as local match for a state tax credit application to preserve 40 units of existing low-income senior rentals (HUD Section 202). This funding also allowed a major renovation of the property in 2016 to refurbish the low income senior rental housing apartments.	Continue.
Policy H-19 (Special Housing Needs) Promote the development of special housing needs, such as transitional housing, housing for seniors, housing for persons with physical, developmental, or mental disabilities, farmworker housing, and housing for extremely low-income persons.		
<u>Program H-19.1 (Developmental Disability Needs)</u> The City will work with housing providers to ensure that special housing needs and the needs of lower-income households are addressed for seniors, large families, female-headed households with children, persons with disabilities and developmental disabilities, extremely low-income households, and homeless individuals and families. The City will seek to meet these special housing needs through a combination of regulatory incentives, zoning standards, new housing construction programs, and supportive services programs. The City will promote market-rate and affordable housing sites, housing programs, and financial assistance available from the City, county, state, and federal governments. In addition, as appropriate, the City will apply for or support others' applications for funding under state and federal programs designated specifically for special needs groups. <i>Responsible Agency/Department:</i> Public Services Department, City Council	The Planning Commission has conditioned apartment projects to provide a fully accessible apartment unit and require marketing efforts to attempt to rent the unit to a suitable tenant who can benefit from the accessible features.	Continue.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p><i>Time Frame:</i> Seek funding opportunities beginning in 2014–2015 and annually thereafter; all program components are ongoing</p> <p><i>Funding:</i> Federal Housing Opportunities for Persons with AIDS, California Child Care Facility Financing Program, and other state and federal programs designated specifically for special needs groups</p>		
<p>Policy H-20 (Family Housing)</p> <p>Promote the development of special housing needs, such as transitional housing, housing for seniors, housing for persons with physical, developmental, or mental disabilities, farmworker housing, and housing for extremely low-income persons.</p>		
<p><u>Program H-20.1</u></p> <p>As part of the process of assessing a proposed residential development, the City will evaluate the potential to incorporate other uses within the project or in conjunction with the project, including, but not limited to, project-serving retail, job centers, or services such as childcare.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> As projects are processed through the Planning Division</p> <p><i>Funding:</i> Affordable Housing Fund</p>	<p>The City’s Zoning Ordinance allows for incentives if a development provides community space or childcare for residents and neighbors. Housing for large families has not been identified as a need in the draft Housing Element or by the City. This program will not be continued.</p>	<p>Delete.</p>
<p>GOAL 5: The Homeless</p>		
<p>Objective: Reduce the incidence of homeless persons in the community, work with other cities, the County, and various nonprofits to continue to operate a convenient homeless shelter for the region.</p>		
<p>Policy H-21 (Regional Homeless Shelters)</p> <p>Participate in the operations and maintenance of the regional homeless shelter facility. The City will continue to provide information about housing opportunities and services for homeless persons through the Police Department as well as at City Hall.</p>		
<p><u>Program H-21.1</u></p> <p>The City will cooperate with other cities, the County, and other agencies in the development of programs aimed at providing homeless shelters and related services, including medical service for walk-in cases. The City will continue to implement the regional plan to end homelessness entitled “Housing for All:</p>	<p>The 40 Prado Homeless Campus opened in San Luis Obispo in 2018. It is operated by Community Action Partnership of San Luis Obispo (CAPSLO) and provides a regional shelter and a day center and services to homeless people. In Morro Bay, supportive and transitional housing in existing facilities (such as older motels) provides housing for homeless and programs to help educate and rehabilitate residents.</p>	<p>Continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>A Plan to End Homelessness.”</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Ongoing; meet with homeless service providers and other county jurisdictions annually</p> <p><i>Funding:</i> General Fund</p>		
GOAL 6: Energy Conservation		
Objective: Increase the efficiency of energy use in new and existing homes, with a concurrent reduction in housing costs to Morro Bay residents.		
Policy H-22 (Energy Efficiency Requirements)		
Require all new dwelling units to meet current state requirements for energy efficiency. The retrofiting of existing units will be encouraged.		
<p><u>Program H-22.1</u></p> <p>The City will continue to implement Title 24 of the California Code of Regulations on all new development and will continue to ensure that local building codes are consistent with state mandated or recommended green building standards. The City will also continue to encourage the use of additional innovative energy conservation techniques such as active and passive solar systems, orientation, and project layout in an endeavor to further reduce dependence on outside energy sources. The City will make handouts and literature available to the public outlining measures that they can take to reduce energy use.</p> <p><i>Responsible Agency/Department:</i> Building Division, Public Services Department</p> <p><i>Time Frame:</i> Ongoing; ensure consistency with state green building standards triennially when the California Building Code is adopted</p> <p><i>Funding:</i> Plan check fees and General Fund</p>	<p>The City continues to implement Title 24 of the California Code of Regulations and ensures that local building codes are consistent with State-mandated and -recommended green building standards. The City strongly encourages solar, EV charging stations, and other innovations to improve design and function in residential projects.</p>	<p>Amend and continue.</p>
<p><u>Program H-22.2</u></p> <p>The City will work with the Pacific Gas and Electric Company (PG&E) and the Southern California Gas Company to encourage existing residents to participate in energy efficiency retrofit programs. The City will consider sponsoring an energy awareness program in conjunction with PG&E and the Southern</p>	<p>This program did not require the City involvement because in the last five years much has changed with energy efficiency awareness and utility providers are creating programs and incentives that are directly available to citizens. Additionally, PG&E and So Cal Gas provide residents with statistics on how their energy use compares to the average and an ‘efficient’ home, as well as providing tips and recommendations for reductions in</p>	<p>Delete.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>California Gas Company to educate residents about the benefits of various retrofit programs.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Ongoing, as projects are processed through the Planning Division</p> <p><i>Funding:</i> General Fund/PG&E</p>	energy use.	
<p><u>Program H-22.3</u></p> <p>To promote residential energy efficiency retrofits, the City will pursue membership in a property assessed clean energy (PACE) program. PACE programs allow property owners to install water and energy efficiency and renewable energy projects with low interest financing that rides with the property instead of the homeowner. The City will coordinate with the County or statewide PACE program providers to identify and enroll in an appropriate program.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> Enroll in a PACE program by 2015</p> <p><i>Funding:</i> General Fund</p>	As of 2019 PACE can loan directly to private households in California.	Delete.
<p><u>Program H-22.4</u></p> <p>The City will consider adopting an ordinance to require all new residential construction to incorporate active or passive solar energy features or other renewable energy generating systems.</p> <p><i>Responsible Agency/Department:</i> City Council, Public Services Department</p> <p><i>Time Frame:</i> Prepare recommendation on whether to adopt an ordinance by December 2016. If decision is made to adopt an ordinance, adopt by August 2017.</p> <p><i>Funding:</i> General Fund</p>	The City has not adopted an ordinance to require all new residential construction to incorporate active or passive solar energy features or other renewable generating systems. However, it is a strong recommendation. The City is following requirements in the State building code to ease requirements for homeowners to add solar which is a requirement in the 2019 building code.	Delete.

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p><u>Program H-22.5</u></p> <p>The City will consider establishing a rotating fund to provide low-interest loans to Morro Bay residents for the purpose of:</p> <p>Installing solar or other renewable energy generating systems on existing residential structures, or Retrofitting existing residential structures with insulation, double pane windows, passive solar features, or other features that will materially reduce energy consumption.</p> <p>Initial capitalization of the fund might be provided by a local tax on the sale of electricity, natural gas, propane, automotive fuels, or other traditional energy industries, or by an environmental mitigation fee charge levied on parcels occupied by facilities for electrical generation or transmission, natural gas extraction or transportation, or production or distribution of liquefied propane.</p> <p><i>Responsible Agency/Department:</i> City Council, Public Services Department, Finance Department</p> <p><i>Time Frame:</i> Research program by December 2015</p> <p><i>Funding:</i> General Fund or County of San Luis Obispo funding sources</p>	<p>The City has not established a rotating fund to provide low-interest loans to Morro Bay residents to do solar energy or other energy efficiency retrofits.</p>	<p>Delete</p>
<p><u>Program H-22.6</u></p> <p>The City will consider adopting an ordinance that would require, as a condition for approval of any permit for the expansion or modification of a residential dwelling within the City of Morro Bay, that the entire residence, including both the existing structure and the proposed addition or modification be brought into compliance with the currently-enacted requirements of Title 24 of the California Code of Regulations to the greatest degree feasible. In the event that full compliance with the requirements of Title 24 is asserted to be less than feasible by the applicant for such permit or by the Planning Department of the City of Morro Bay, approval of the requested permit should be granted only by action, in a duly-noticed public hearing, of the Planning Commission or City Council of</p>	<p>The City has not adopted this ordinance. This program doesn't make sense under the current 2019 Building Code.</p>	<p>Delete.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
<p>the City of Morro Bay.</p> <p><i>Responsible Agency/Department:</i> City Council, Public Services Department</p> <p><i>Time Frame:</i> Prepare recommendation on whether to adopt an ordinance by December 2016. If decision is made to adopt an ordinance, adopt by August 2017.</p> <p><i>Funding:</i> General Fund</p>		
Policy H-23 (Energy-Efficient Land Use) Encourage energy efficiency in new land use patterns, to the extent feasible.		
<p><u>Program H-23.1</u></p> <p>The City will continue to implement the subdivision ordinance which requires that new subdivisions incorporate design features reducing vehicle dependence and encouraging pedestrian and bicycle circulation through the development of transit stops and bicycle and pedestrian routes, where feasible and appropriate.</p> <p><i>Responsible Agency/Department:</i> Public Services Department</p> <p><i>Time Frame:</i> As projects are processed through the Planning Division</p> <p><i>Funding:</i> General Fund</p>	<p>Incorporating these design features continues to be a goal in subdivisions. However, is not well received by neighbors of proposed projects. Projects are encouraged to design for more pedestrian- and bicycle-dependent travel.</p>	<p>Continue.</p>
GOAL 7: Equal Opportunity		
Objective: Ensure equal access to sound, affordable housing for all persons regardless of race, creed, age, or sex.		
Policy H-24 (Fair Employment and Housing) Promote the enforcement of the policies of the California Department of Fair Employment and Housing. The City declares that all persons, regardless of race, creed, age, or sex, will have equal access to sound and affordable housing.		
<p><u>Program H-24.1</u></p> <p>The City will continue to provide information from the California Department of Fair Employment and Housing regarding housing and tenant rights at City Hall and other prominent locations in the city, including the Public Services Department. The City will refer persons experiencing discrimination in housing to California Rural Legal Assistance</p>	<p>The City refers persons experiencing discrimination to California Rural Legal Assistance (CRLA). The City does not receive many complaints/inquiries. The City has forms available at the front kiosk for tenant complaints and substandard housing reporting and the Department of Fair Employment and Housing brochure on complaints and housing rights/protections.</p>	<p>Continue.</p>

2014-2019 Housing Element Goals, Objectives, Policies and Programs	Status/Effectiveness	Continue/ Amend/ Delete in 2020-2028 Housing Element
(CRLA). <i>Responsible Agency/Department:</i> Planning Division and all City departments that receive complaints <i>Time Frame:</i> Ongoing <i>Funding:</i> General Fund		
GOAL 8: Public Participation		
Objective: Ensure participation of all economic segments of the community in the development of housing policy for Morro Bay.		
Policy H-25 (Public Participation)		
Encourage the participation of all citizens of Morro Bay in the development of housing policies for the city.		
<u>Program H-25.1</u> Prior to any public hearing where the City is considering amending or updating the housing element, the City will directly notify People’s Self-Help Housing Corporation, the Housing Authority of the City of San Luis Obispo, California Rural Legal Assistance, the Chamber of Commerce and Business Bureau, and local churches, as well as post notices on the City’s website and at significant public locations. <i>Responsible Agency/Department:</i> Public Services Department <i>Time Frame:</i> Ongoing <i>Funding:</i> General Fund	The City makes every effort to provide more than adequate public notification related to changes in affordable housing goals/programs.	Delete.
<u>Program H-25.2</u> The City will advocate for affordable housing by educating the Planning Commission, the City Council, and the public on the benefits of affordable housing. <i>Responsible Agency/Department:</i> Public Services Department, City Manager, Community Groups <i>Time Frame:</i> Ongoing <i>Funding:</i> CDBG/General Fund	The City advocates for affordable housing through education of members of the city’s Planning Commission, City Council, and the general public regarding the benefits of affordable housing.	Delete.

Project Location, Environmental Setting, and Surrounding Land Uses

In 1988, the Morro Bay City Council adopted the Morro Bay 1988 General Plan, which is a document that constitutes Morro Bay's comprehensive plan for the development of the City. The General Plan is the foundation for zoning, subdivision regulation, and other planning decisions. The Housing Element is one of the seven elements included in the General Plan. The Housing Element has been updated over the years; the 2020-2028 Housing Element is a continuance of this update process. A General Plan amendment would be required to include the 2020-2028 Housing Element, if adopted by the City.

The proposed project would affect land within Morro Bay, which is located north of the Morro Bay estuary on the Pacific Ocean in San Luis Obispo County as shown in Figure 1-1, *Project Location Map*. Morro Bay is bounded on the north by the unincorporated community of Cayucos, on the south by the unincorporated community of Los Osos, on the west by the Pacific Ocean, and on the east by unincorporated land within San Luis Obispo County.

Morro Bay has a total area of 6,528 acres (10.2 square miles), of which 5.2 square miles is land and 5.0 square miles is water. The city is primarily characterized by residential and commercial land uses. The topography of the city is generally hilly to mountainous, with development and agriculture concentrated on the coastal plain and valleys. The primary transportation corridors include State Route (SR) 1 runs north to south through the city and intersects with SR 41, which runs east to west.

ACRES: 6,528 acres

VEGETATION: Citywide – various

WILDLIFE: Citywide – various

HYDROLOGY: Citywide – various

SOILS: Citywide – various

GEOLOGY: Citywide – various

Regulatory Setting

Government Code Section 65583 states that the housing element shall consist of an identification and analysis of existing and projected housing needs, as well as a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.

1. Land Use and Planning

Would the project:

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a - b) **No Impact.** The proposed Housing Element Update is consistent with the land uses detailed in the City's General Plan; the proposed Housing Element Update would not remove policies that protect environmental resources. The proposed Housing Element is a policy-level document that encourages the provision of various housing types and affordability levels. The proposed Housing Element Update does not include any specific development proposals, nor does it permit any entitlements for development. The proposed Housing Element Update anticipates land uses that are consistent with the current land use designations of the General Plan Land Use Element and Land Use Map.

However, the proposed project may involve updating the City's zoning for one parcel to allow projects that have at least 20 percent affordable (extremely low, very low or low) units without discretionary review or "by right." Consequently, changes to the zoning designation for a parcel with APN 068-323-034 at 405 Atascadero Road may occur. The rezoning of the vacant parcel would be required to be completed within three years of the beginning of the 6th Round Housing Element planning period which is on or before December 31, 2023.

Future residential projects, as a result of the proposed Housing Element Update, would be required to comply with the policies in the General Plan regarding land use and Zoning Ordinance requirements associated with zoning districts, allowable uses, and development standards. All future residential development occurring within the City would be required to be evaluated in accordance with local regulations, including the General Plan and Zoning Ordinance. Environmental impacts of subsequent development projects would be considered on a case-by-case basis, pursuant to CEQA. Thus, the implementation of the proposed Housing Element Update would have no impact to physically dividing a community or conflicting with a land use plan, policy, or regulation.

2. Population and Housing

Would the project:

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

Discussion

- a) **Less Than Significant Impact.** The proposed Housing Element Update contains housing goals intended to encourage housing to meet the City's housing needs. The expectation is that as growth occurs consistent with the existing General Plan, housing would be provided that serves all income levels of the City, including both moderate- and low-income residents. The proposed Housing Element is a policy-level document that encourages, but does not require, the provision of a range of housing types and affordability levels. The proposed Housing Element Update does not include specific development proposals, nor does it allow for entitlements for development that would induce population growth. Based on the SLOCOG Final RHNA Plan, the City of Morro Bay will need to allow for 391 new housing units. As of January 2019, there have been 41 housing units constructed or approved since the beginning of the projection period. As a result, the City will need to accommodate an additional 350 housing units to meet Morro Bay's 2019–2028 RHNA.

Based on the average household size in Morro Bay of 2.18 persons per household, the implementation of the proposed Housing Element Update has the potential to increase the City's population by approximately 853 if all of the 391 units were new to the City, and all of the residents were also new to the City (DOF 2019). It is also possible that existing residents that are currently sharing homes may locate to new units. If all new units are occupied by new residents, the change in population represents 8.17 percent of the 2019 population of the City, which is 11,292 people. The population of the City is projected to increase to 11,025 in 2020, which represents an increase of 5.61 percent from the 2019 population. By 2050, the population is expected to increase to 12,261 which is an increase of 17.45 percent from the 2019 population. The property that is subject to a possible change in zone has been estimated to have the potential for 35 housing units

(when combined with two other adjacent parcels). If the parcel was developed without lot consolidation it would accommodate up to 18 units just on the one parcel. While the change in zone will affect the processing of a future development application, the proposed project does not change the total number of units allowed on the property. As the proposed project does not increase the amount of land available for housing, and all development must be consistent with the existing General Plan, subsequent development is considered consistent with the projected growth in the City's General Plan. Therefore, growth-inducing impacts would be less than significant.

- b) **No Impact.** The proposed Housing Element Update is a policy-level document that encourages the provision and preservation of various housing types and affordability levels to meet Morro Bay's housing needs. Implementation of the proposed Housing Element Update would not displace existing people or housing within the city; therefore, no impact would occur.

3. Geology and Soils

Would the project:

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

Setting

Geology and Seismic Hazards

The surface geology within the Coastal Franciscan domain consists of a northwest-trending sliver of largely Franciscan formation rocks, bounded by the Hosgri fault and West Huasna fault on the west and the Nacimiento fault and the Rinconada fault on the east. The Franciscan complex is a mixture of igneous, metamorphic, and sedimentary rocks. Cretaceous-age (65 to 140 million years old) and Tertiary-age (2 to 65 million years old) sedimentary rocks, including an unnamed Cretaceous sandstone and a relatively small amount of Lospe, Vaqueros, Rincon, Monterey, and Pismo formations, overlie the Franciscan Formation basement rocks in some parts of the region. The domain is characterized by moderate earthquake activity during the Quaternary period and has numerous northwest-striking, mainly northeast-dipping faults, with uncertain potential to generate future earthquakes.

While the City of Morro Bay is in a seismically active area, there are no known active faults within or adjacent to the community. The nearest active faults include the Nacimiento Fault, Rinconada Fault, and Hosgri Fault. The San Andreas Fault is active and could be the source of strong ground shaking in Morro Bay. As a result, strong ground shaking could cause significant damage to older structures.

Nonetheless, the primary geologic hazards associated with this domain are ground shaking, liquefaction or seismic-related settlement of alluvium in the low-lying areas of the coastal portion of the domain, tsunami and coastal erosion in ocean-front areas, and severe landslide potential on moderate to steep hillsides. The Franciscan Formation and other Cretaceous-age rocks that are considered to be the formations most susceptible to landslides in the county underlie the slopes of the Santa Lucia Mountains.

New development in the city would be subject to the requirements of the California Building Code, which provides specific requirements for seismic safety.

Soils

Expansive soils have the potential to significantly shrink or swell with changes in moisture content. The type and amount of the silt and clay content in the soil will determine the amount of shrink or swell associated with the various levels of water content. Soils comprising of sand and gravel are not expansive. Expansive soils are most likely to be found in basins and basin rims, and any structure located on expansive soils can be significantly damaged should the soil suddenly shrink or swell.

The most fertile areas in the Morro Bay area can be found in the valleys where most of the agriculture occurs. Streams have eroded soils upstream and have transported and deposited them along the valleys. There are two types of alluviums in Morro Bay. The older alluvium, characterized by coarse-textured soils, is generally found in the Los Osos Creek Valley and coastal plain of Morro Bay. Consisting of old stabilized dunes, the soils are subject to excessive

drainage, rapid permeability, and wind and water erosion. The soils are generally not fertile and are used mainly for urban uses and only marginal agriculture. The newer alluvium can be found in the Toro, Morro, and Chorro Valleys. These soils are characterized by level, but poorly drained clays (Morro Bay 2014).

Discussion

- a - f) **No Impact.** The proposed Housing Element Update provides policies and programs designed to facilitate the construction and conservation of housing that is already designated for development within the City. Construction of new housing could have the ability to increase people and structures to the exposure of seismic hazards, including rupture of a fault, strong seismic shaking, and seismic-related ground failure. Similarly, future development could result in construction on expansive or erosive soils, or be proposed in areas subject to landslide or collapse. The General Plan addresses geology and soils as part of the safety element, and the City has adopted the California Building Code that includes provisions for construction in seismically active areas, and on different soil types. The City ensures compliance with these requirements occurs at the time of building permit issuance and would therefore continue even after the change in process that would allow some units to be developed by-right. The proposed project does not change the requirement that all existing and future development in the City must comply with the General Plan policies, and the California Building Code. While compliance with these policies may alter design by requiring additional strengthening, over excavation of soil, or other project-specific design elements, the proposed project has no impact on these requirements.

4. Hydrology and Water Quality

Would the project:

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

Setting

Surface Hydrology and Flooding

A watershed is the area of land that drains to a specific body of water. The city lies within several watersheds including Chorro Creek Basin watershed, Morro Creek Basin watershed, Toro Creek watershed, Alva Paul Creek watershed, Noname Creek drainage area, and small unnamed watersheds. The major watersheds within the city are the Morro and Chorro Basin watersheds. The Morro Basin watershed is approximately 15,400 acres, while the Chorro Basin watershed is approximately 27,670 acres including approximately 2,300 acres of mudflats, tidal wetlands, and open water habitat (Morro Bay 2011).

According to flood insurance rate maps for the city prepared by the Federal Emergency Management Agency (FEMA), the northern and central portions of the city are located within the 1 percent Annual Chance Flood Hazard area (FEMA 2012).

Stormwater Drainage

Drainage within the city consists primarily of overland to surface drainage ways draining into the storm drain conveyance system and then draining to the bay or ocean. Some areas of the city drain directly to the bay or ocean (i.e., Embarcadero area) or to a creek that then drains to the bay or ocean (Morro Bay 2011).

Groundwater Hydrology

The city overlies two groundwater basins: the Morro and Chorro basins. These basins are shallow alluvial basins which behave similar to an underground stream. Rainfall in the watershed percolates into the ground and flows underground to the ocean. As a result, the basins have limited storage capacity (Morro Bay 2015).

The City obtains a portion of its potable water supply from groundwater. In 1995, the State Water Resources Control Board (SWRCB) approved water right permits for up to 1.2 cubic feet per second (cfs) and 581 acre-feet per year (afy) from the Morro Creek subterranean stream underflow, and up to 3.171 cfs and 1,142.5 afy annually of Chorro Creek subterranean stream underflow. The Chorro Creek water right includes a condition that the City can only pump its wells when the Chorro Creek flow exceeds 1.4 cfs. This condition can limit the availability of the resource for use as a water supply. In accordance with water right permits, Morro Bay may pump up to 1,723.5 afy of groundwater in normal years, but only 1,150 afy in severe drought years. (Morro Bay 2015).

Discussion

- a - e) **No Impact.** Future residential development within the City could result in construction and operational impacts to water quality and discharge standards. Potential impacts during construction include grading and vegetation removal which could expose soil to erosion during construction activities, and operational impacts may include the use of fertilizers, herbicides, and pesticides as well as motor vehicle operation and maintenance. As required by state law, all new residential development projects within the City would be subject to the City's National Pollutant Discharge Elimination System (NPDES) Stormwater Permit (No. CA-0047881) enforced by the Regional Water Quality Control Board (RWQCB). The NPDES Stormwater Permit requires that the City impose water quality and watershed protection measures for all development projects and prohibits discharges from causing violations of applicable water quality or from resulting in conditions that create a nuisance or water quality impairments in receiving waters (Morro Bay 2020a).

Compliance with the provisions of the NPDES and best management practices (BMPs) would reduce erosion and siltation impacts of future development. New development would be required to implement construction and post-construction BMPs in accordance with the City's Stormwater Management Plan. Compliance with the NPDES and the implementation of BMPs such as erosion, runoff, and sediment control would ensure that the proposed Housing Element Update would not conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan.

While the potential to expose structures or people to flood hazards, or inundation by seiche or mudflow exists, the proposed Housing Element Update is a policy-level document that encourages the provision of a range of housing types and affordability levels. The proposed Housing Element Update does not include site-specific design or development proposals, nor does it permit development entitlements. All future development within the City would be required to comply with local regulations, including the General Plan and Zoning Ordinance. Environmental impacts as a result of new development would be considered pursuant to CEQA on a case-by-case basis. Thus, the implementation of the proposed Housing Element Update would have no impact on hydrology and water quality.

5. Air Quality

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

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

Setting

The city is located within the South Central Coast Air Basin and the boundaries of the San Luis Obispo County Air Pollution Control District (APCD). The APCD regulates air quality through its Clean Air Plan (CAP), Particulate Matter (PM) Report, and construction monitoring, among other measures. Throughout the county, ozone and PM₁₀ are the pollutants of primary concern, since exceedances of state health-based standards for those pollutants are experienced in the county during most years. San Luis Obispo County is designated as a nonattainment area for the state PM₁₀ standards. Sources of PM₁₀ emissions include agricultural operations, construction activities, and vehicular emissions, of which vehicular emissions are the primary source of precursors to ozone. The major stationary source of air pollutant emissions affecting the city is Hanson Concrete. Other sources of air pollutant emissions are small- and large-scale businesses and facilities including dry cleaners, gas stations, the wastewater treatment plant, and harbor dredging operations.

Discussion

- a - d) **No Impact.** If a project is inconsistent with the growth assumptions of the regional air quality attainment plans, then it would conflict with or obstruct the implementation of such plans. Projects that result in an increase in population growth, as identified in local general plans and/or community plans, would be considered inconsistent with the air

quality attainment plan (AQAP). Because the proposed Housing Element does not change the land use designation or development assumptions of the General Plan, the proposed project remains consistent with growth projections used by APCD for its air quality attainment plan.

Future development consistent with the General Plan could result in an increase in criteria pollutants during construction activities, such as excavation and grading, and operational activities, which could also contribute to the nonattainment status of the South Central Coast Air Basin. Moreover, future residential development would potentially increase population in the City and add sensitive receptors that could be exposed to pollutant concentrations; residential developments are not considered a source of emission, such as odors, that would adversely affect a substantial number of people. Future development would be required to comply with local regulations such as the General Plan policies related to air quality, conform with the AQAP, and meet the thresholds of the National Ambient Air Quality Standards (NAAQS) and APCD during construction and operation. While the CEQA process lists the Air District policies that apply to each project, compliance with the policies is part of the construction rather than entitlement process. Measures such as dust control and equipment type are applied to grading or clearing permits. As such, even with the proposed change in zone, these measures would continue to apply. Therefore, the Housing Element would have no potential to result in the emission of air pollutants or objectionable odors or otherwise affect air quality. There would be no impact.

6. Transportation

Would the project:

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

Setting

Road System

Morro Bay is primarily a residential and commercial community that is traversed by a major regional roadway, State Route 1. SR 41 also terminates in Morro Bay, bringing travelers from the east. SR 1 and Main Street carry the highest levels of traffic in the community and are used for intra-community trips. Traffic flows well on these facilities during most periods. The bulk of the city's traffic is generated at the local residential road level and then flows to the arterials that connect to the adjacent highways.

Public Transit

Transit service within the city limits consists of dial-a-ride services (DAR). DAR is a door-to-door public transit system for all ages and is also accessible to disabled persons.

Airports

There are no airports in proximity to the city.

Discussion

No Impact. New development in the city consistent with the General Plan could result in increased vehicle traffic in Morro Bay, potentially degrading the performance of the roadway system. The proposed project does not include any site-specific designs or proposals or grant any entitlements for development. However it would involve a possible update to the City's zoning on one parcel to allow projects that have at least 20 percent affordable (extremely low, very low or low) units without discretionary review or "by right." Consequently, changes to the zoning designation for a parcel with APN 068-323-034 at 405 Atascadero Road may occur. Additionally, prior to issuance of any building permit, a project applicant is required to pay development impact fees which would address potential traffic impacts. According to Morro Bay Municipal Code 15.20.020, each application shall be accompanied by the fees established by the Master Fee Schedule (Morro Bay 2019). Therefore, the proposed Housing Element Update would not conflict with any a program, plan, ordinance, or policy addressing the circulation system; no impact would occur.

- a) **No Impact.** The proposed Housing Element Update does not provide for specific development or design proposals, nor does the proposed project result in the change of location or density of housing allowed by the existing General Plan. Thus, the project does not result in changes to the level of service or vehicle miles traveled. Therefore, as the proposed Housing Element Update does not result in changes to existing conditions, no impact would occur.
- c-d) **No Impact.** The proposed Housing Element is a policy-level document that does not grant development entitlements, nor does it provide for specific development or design proposals such as emergency access, site design, or parking. Future development would be required to comply with General Plan policies related to traffic and circulation, as well as City development standards for roadway improvements and driveway design. Compliance with these requirements is verified at the time of development permit approval (i.e. grading, building) and would therefore remain unaffected by the proposed change in development process. As a result, the proposed Housing Element Update would have no impact to increasing hazards due to design features and incompatible uses or resulting in inadequate emergency access.
- e) **No Impact.** The proposed Housing Element is a policy-level document, and does not include specific development or design proposals, nor does it permit development entitlements. Future development as a result of the proposed project would not impact rail, waterborne, or air traffic in the city as all development must be within private property.

7. Biological Resources

Would the project:

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

Setting

The City of Morro Bay has many sensitive habitat areas within and immediately adjacent to the community (see existing Local Coastal Program Figure 28). These areas include critical habitat for several rare and endangered plant and animal species. Morro Bay and its estuary comprise a large wetland within the city, which is one of the most important wetlands on the central coast of California. Morro, Chorro, Toro, Alva Paul, and Los Osos creeks provide habitat for fish and other aquatic organisms, and food and shelter for migratory birds and other animals. Associated with these creeks are riparian scrub and riparian woodland communities. These communities are characterized by sparse to dense corridors of vegetation occurring adjacent to the streams.

Sensitive habitats within the city include those described below.

Morro Bay Estuary

The estuary supports one of the most important wetland systems on California's coast. Rich in natural diversity, Morro Bay sustains a wide variety of habitats as well as numerous sensitive and endangered species of plants and animals. Its rich resources support the state's largest waterfowl habitats. Morro Bay is a crucial stop on the Pacific Flyway, attracting vast numbers of migrating birds to the area. Morro Bay Estuary encompasses about 2,300 acres of mudflats, tidal wetlands, and open water habitat and supports a rich eelgrass resource.

The Morro Bay watershed contains about 48,000 acres, including the estuary, and provides habitat for a number of endangered and/or threatened species, including but not limited to, steelhead trout, California red-legged frog, tidewater goby, Morro Bay kangaroo rat, southern sea otter, and western snowy plover.

Morro Rock

Morro Rock is located near the mouth of Morro Bay and is the northernmost visible igneous plug in a chain of peaks that extend from Islay Hill in San Luis Obispo to Morro Rock. The rock is connected to the mainland by a strand that comprises fill materials, much of it dredged from the bay during past operations. The ecological preserve located on Morro Rock serves as a nesting site for the federally endangered peregrine falcon (*Falco peregrinus*). It is a resting site for many other bird species.

Fairbanks Point

Fairbanks Point is part of Morro Bay State Park and is located at the southern end of Morro Bay's city limits. The grove of eucalyptus trees located at the point serves as a major nesting site for herons, egrets, and cormorants.

Black Hill Natural Area

This upland area of Morro Bay State Park is located southeast of the developed part of the city. The golf course is southwest of Black Hill. The dominant plant community in the Black Hill Natural Area is coastal sage scrub. Within the coastal sage scrub community are such species as California sagebrush, deerweed, and buckwheat. The community also contains species characteristic of chaparral and grasslands. As is typical of coastal foothill areas, the grasslands are characterized by pastureland and scattered grass openings in the chaparral. The rare (federal species of concern) Jones's layia (*Layia jonesii*) is located here.

Western Snowy Plover Critical Habitat

The western snowy plover (*Charadrius alexandrinus nivosus*) is a small shorebird, listed as federally threatened. This bird occurs on the Washington, Oregon, and California coasts including beaches within the City of Morro Bay. The US Fish and Wildlife Service has designated critical habitat areas for the threatened western snowy plover that include portions of Morro Strand State Beach and the Morro Bay Sand Spit.

Bird Sanctuary

The City has designated itself as a "bird sanctuary." The bay and nearby areas are home to hundreds of species, both as residents and migrants. Morro Bay is nationally known for the abundance of avian species and usually ranks near the top of the Audubon Society's annual count.

Future residential development projects in the city would be required to comply with the City's policies related to biological resources, including General Plan Policies LU-50 through LU-62 and associated programs which require development to comply with the Coastal Act and encourage the preservation of open space and sensitive habitats.

Discussion

- a - f) **No Impact.** The proposed Housing Element Update does not include specific development designs or proposals, nor does it grant development entitlements. The proposed Housing Element Update does not propose policies or programs that would conflict with the existing policies regarding the protection of biological resources in the General Plan. Future development, as a result of the implementation of the proposed Housing Element Update, would be required to analyze environmental impacts and comply with the environmental reporting requirements pursuant to CEQA, on a case-by-case basis.

Future development as a result of the implementation of the proposed Housing Element Update could result in adverse impacts to sensitive natural communities such as riparian habitat and federally protected wetlands. However, as the proposed Housing Element Update is a policy-level document and there are no sensitive natural communities within

the boundaries of parcel APN 068-323-034, no impacts would occur. Moreover, the implementation of the proposed Housing Element Update would not cause adverse impacts to special-status species. There are no adopted habitat conservation plans (HCP) or natural community conservation plans (NCCP) within the city. Therefore, the proposed Housing Element would not conflict with any such plans. Thus, there would be no impacts to biological resources.

8. Mineral Resources

Would the project:

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

Setting

In 1957, Congress passed a law preventing federal agencies from using Morro Rock as a quarry source. Since the US Army Corps of Engineers concluded its mining of Morro Rock, there are no known mineral resources extracted in Morro Bay (USACE 2020).

Discussion

- a-b) **No Impact.** The proposed project is policy-level action that either identifies sites in the City that could accommodate the RHNA, or modifies the zoning process to expedite certain types of housing. It does not include any site-specific designs or proposal or grant any entitlements for development. Therefore, the proposed project would have no impact on mineral resources and mineral resource recovery sites.

9. Hazards and Hazardous Materials

Would the project:

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

Setting

Due to the quantity and frequency with which hazardous materials are shipped through the region, transportation-related accidents pose a significant hazardous materials risk to the city. Major modes of hazardous material transportation include the use of State Routes 1 and 41 and numerous underground pipelines (San Luis Obispo County 1998). In addition to the potential for transportation-related releases of hazardous materials, potential exposure of the public to hazardous materials can result from their use by industry, agriculture, commercial, and service establishments. Household use of hazardous materials also has the potential to result in their release into the environment.

The Diablo Canyon Power Plant is the primary radiation hazard risk in the region. An uncontrolled release of radioactive material would have the potential to result in significant impacts. To prepare for potential emergency situations that might develop at the power plant, extensive warning, reporting, and response plans have been developed. Updated information regarding the Emergency Response Plan is distributed to the public each year. Additional potential radiation hazards include low-level radioactive waste from medical facilities and elsewhere. The hauling, handling, and disposal of these materials are governed by federal regulations.

The Morro Bay Fire Department provides fire response and prevention services. The low-density urban development predominant in the city helps to minimize potential urban fire hazards. The California Department of Forestry and Fire Protection (Cal Fire) is responsible for preventing and controlling wildland fires.

Discussion

- a-d) **No Impact.** The proposed Housing Element is a policy-level document that encourages the provision of a range of housing types and affordability levels and does not include specific development proposals or development entitlements. However, future development of residential units constructed consistent with the General Plan could create a significant hazard to future residents through the exposure to the routine transport, use, or disposal of hazardous materials; through exposure to reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment; through the exposure of the handling or emission of hazardous materials, or by locating residential development on a site included on a list pursuant to Government Code Section 65962.5.

All businesses in the city handling hazardous materials are subject to the hazardous materials and regulations of the San Luis Obispo County Environmental Health Department. The San Luis Obispo County Environmental Health Department, which is the Certified Unified Program Agency (CUPA) for the City of Morro Bay, issues permits to and conducts inspections of businesses that use, store, or handle quantities of hazardous materials and/or waste greater than or equal to 55 gallons, 500 pounds, or 200 cubic feet of compressed gas at any time (San Luis Obispo County 2020). The Hazardous

Material Management Plans, that include an inventory of hazardous materials used, handled, or stored at any business in the City, are implemented by CUPA. The department also issues permits to and inspects businesses that handle acutely hazardous materials.

The City of Morro Bay and other state and local agencies, such as the Department of Toxic Substances Control and San Luis Obispo County Environmental Health Department, regulate hazardous materials in coordination with one another. The County enforces Title 26, Division 6, *California Highway Patrol*, of the California Code of Regulations (CCR) to reduce impacts associated with accidental release from the transportation of hazardous materials on roads in the County, and the potential for an increased demand for incident emergency response. Moreover, the San Luis Obispo County Environmental Health Department enforces workplace regulations that are applicable to businesses and public facilities addressing the use, storage, and disposal of flammable and hazardous materials, pursuant to Title 8, *California Occupational Safety and Health Regulations (Cal/OSHA)*, of the CCR. Additionally, the Environmental Health Department also enforces leak prevention measures for underground storage tanks.

Generally, residential developments do not include routine transportation, use, or disposal of hazardous materials that could create a significant hazard to the public. Businesses that handle hazardous materials must comply with the regulations of the San Luis Obispo County Environmental Health Department. Therefore, there would be no impacts as a result of the implementation of the proposed project.

- e) **No Impact.** The proposed project does not provide site-specific design or development proposals, nor does it grant development entitlements. The closest public airport is the San Luis Obispo County Airport, which is located approximately 14.8 miles southeast of the City. Therefore, the implementation of the proposed project would result in no impacts associated with airport-related hazards.
- f) **No Impact.** The proposed project does not identify specific development proposals. Future development within the city would be required to be in compliance with local regulations, including the General Plan and Zoning Ordinance. Furthermore, section 12.04.010 of the Morro Bay Municipal Code requires City approval of all construction impacts that would affect area roadways. The provisions of the Municipal Code are applied at the time of request for encroachment onto City right of way, and will be subject to the City of Morro Bay Department of Public Works, *Standard Drawings and Specifications* (Morro Bay 1987). *The requirements of the Public Works Director area applied* at the time of authorization to construct building permit, and applied before authorization to construct. The City consults and advises police, fire, and the 911 system of any road construction that may affect use of area roadways. Because all construction that would affect emergency use of the roadways will be reported to the appropriate agencies, and any specific access requirements made part of the encroachment permit and/or authorization to construct, and final construction would not impair use of the

roadways, implementation of the proposed project would have no impact pertaining to conflicting with the Local Hazard Mitigation Plan.

- g) **No Impact.** A majority of the City of Morro Bay is in a Non-Very High Fire Hazard Severity Zone (VHFHSZ), however a small portion of the southeastern portion of the city is in a VHFHSZ (CAL FIRE 2009). As shown in Figures H-3.a. – H-3.b. of the Adequate Sites Inventory section of the proposed Housing Element, none of the sites are within a VHFHSZ (CAL FIRE 2009). Therefore, the implementation of the proposed project would have no impact on exposing people or structures to wildland fires.

10. Noise

Would the project result in:

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

Setting

The Noise Element of the General Plan identifies road traffic along State Route (SR) 1, Morro Bay Boulevard, Main Street, SR 41, and South Bay Boulevard as the most significant source of noise in Morro Bay (Morro Bay 1988). Additional sources of noise in the city include operational noise at businesses and residences and construction noise.

Discussion

- a-b) **Less Than Significant Impact.** In general, new development in the city could result in the generation of noise and/or groundborne vibrations during both construction and operational phases. All such development would be subject to the noise standards contained in Chapter 17.52 of the City's Municipal Code. Section 17.52.030 prohibits noise in excess of the noise standards contained in the General Plan Noise Element, sets acceptable operational hours for uses generating excessive noise near residential uses, and requires the preparation of acoustical analyses as part of the development review process. In addition, Municipal Code Section 17.52.040 prohibits the generation of vibrations that would be noticeable at the property line where the vibration is generated.

The proposed Housing Element Update is a policy-level document that encourages the provision of housing types and affordability levels. Housing is not considered a major source of noise in the city, however, placing housing adjacent to major sources of noise

could expose people to temporary or permanent noise levels in excess of acceptable standards. Future development in the city would be required to adhere to General Plan policies and Zoning Ordinance requirements pertaining to noise. While construction may temporarily increase noise in the vicinity, such disruptions will be limited to the construction time periods established in the noise ordinance. Construction that could have significant vibration will be required to comply with the municipal code. Compliance with all codes is assumed by this Initial Study, and verification is part of the building permit and inspection process, and does not depend on CEQA analysis. As a result, noise and vibration associated with the proposed project will be less than significant.

- c) **No Impact.** There are no airports in the vicinity of the city. The closest public airport is the San Luis Obispo County Airport, which is located approximately 14.8 miles southeast of the City. There would be no impact.

11. Public Services

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

Setting

Fire Protection

The Morro Bay Fire Department provides fire response and prevention services. The department employs a Fire Chief, 11 career fire suppression personnel, administrative secretary, Fire Marshal, and up to 15 part-time reserve firefighters. The firefighters are tasked with emergency planning, response, command, and mitigation of a wide variety of incidents, including paramedic services, fire suppression, rescue, and public education. Fire personnel operate from one fully staffed fire station located at 715 Harbor Street and one non-staffed station located at 460 Bonita Street. These facilities house a fleet of Pierce fire apparatus. The City operates two fire engines, one quint (75-foot ladder truck), one rescue vehicle, one command vehicle, two utility vehicles, a USAR trailer, and a mass casualty trailer.

In addition to the City-owned fire engines, the Morro Bay Fire Department operates one engine provided by the California Office of Emergency Services (OES). OES provides this engine at no cost to the City. In exchange for use of the engine, the City agrees to staff and respond the engine

to emergencies outside of the jurisdiction when requested. Out-of-county mutual aid requests for this engine occur approximately three to seven times per year.

The department provides a wide array of fire prevention services focused on improving and maintaining fire and life safety within the community. Fire prevention activities ensure businesses, structures, open spaces, and construction projects are in compliance with adopted fire codes, standards, and ordinances.

Police Department

The Morro Bay Police Department (MBPD) provides law enforcement services to the city 24 hours a day, 7 days a week. The police station is located at 870 Morro Bay Boulevard. The MBPD currently consists of the following personnel: police chief, support services manager, four sergeants, one corporal, nine officers, two detectives, one full-time and one part-time records clerk, and 1 part-time evidence/property technician.

Schools

San Luis Coastal Unified School District (SLCUSD) operates an elementary school and a high school within the city: Del Mar Elementary located at 501 Sequoia and Morro Bay High School located at 235 Atascadero Road. During the 2018/2019 school year, Del Mar Elementary had a total enrollment of 352 students, while Morro Bay High School had a total enrollment of 857 (EDP 2020).

Parks and Recreational Facilities

The Morro Bay Recreation and Parks Department manages numerous parks within the city including Del Mar Park, Anchor Street Park, Keiser Park, Morro Bay City Park, Centennial Park, Coleman Park, Bayshore Bluffs, Tidelands Park, Cloisters, Monte Young Park, Morro Bay High School, and Morro Rock Beach. In addition, San Luis Obispo County owns and operates a golf course in Morro Bay State Park. The state parks—Morro Bay State Park, Morro Strand State Park, and Montaña de Oro State Park—offer camping facilities, passive recreational opportunities, and active recreational facilities.

Discussion

- a) i-v) **No Impact.** The proposed project does not provide specific development proposals, nor does it grant development entitlements. Future development as a result of the implementation of the General Plan could result in an increase in demand for public services. The proposed project does not involve the construction or expansion of any residential land uses, and would not result in the need for expanded public services beyond what was considered in the General Plan.

Future development would be required to adhere with the General Plan policies related to the provision of public services, such as LU 43.5 and LU-68.10 as identified in the Land Use Element. Additionally, prior to issuance of any building permit, a project applicant is required to pay development impact fees which would address potential impacts to public services. According to Morro Bay Municipal Code 15.20.020, each application shall be accompanied by the fee established by the Master Fee Schedule (Morro Bay 2019). Thus, implementation of the proposed project would have no impact regarding public services.

12. Utilities and Service Systems

Would the project:

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

Setting

Wastewater

The City of Morro Bay and the unincorporated community of Cayucos share the existing Morro Bay-Cayucos Wastewater Treatment Plant at 65 and 35 percent, respectively, through a Joint Powers Agreement. Each community operates its own individual wastewater collection system. The Morro Bay-Cayucos Sanitary District (MBCSD) is jointly owned by the City of Morro Bay and the Cayucos Sanitary District and had an average daily flow of 0.903 million gallons per day in 2018 (City of Morro Bay and Cayucos Sanitary District 2018). The wastewater treatment plant provides advanced primary treatment to effluent, which is discharged through a 5,000-foot ocean

outfall. Currently, the plant operates under a modified discharge permit, National Pollutant Discharge Elimination System (NPDES) Permit NO. CA0047881, which waives full secondary treatment standards for suspended solids (SS) and Biochemical Oxygen Demand (BOD). For all other operations and constituents, full secondary treatment standards are maintained. Both the City of Morro Bay and the Cayucos Sanitary District are each in the process of designing and constructing their own individual new wastewater facilities serving each community.

The City of Morro Bay is currently involved in a project known as the City of Morro Bay Water Reclamation Facility Program. This project involves replacing the City's existing wastewater treatment plant with an advanced water purification facility that will meet state regulations, protect the environment, and contribute a safe and reliable water source for Morro Bay's homes and businesses. The project will create a drought buffer and is capable of providing up to 80 percent of the City's water needs in the future. The project includes construction of a new one million gallon per day advanced treatment facility on South Bay Boulevard north of Highway 1, two new lift stations, approximately 3.5 miles of pipelines and wells to inject the purified water into the groundwater aquifer, which can be extracted for reuse through the City's existing infrastructure. In November 2019, The California Coastal Commission issued the Coastal Development Permit. The project is expected to be completed by 2023 (Morro Bay 2020c).

Water

The City's water services are managed by the Public Services Department's Water Division and are guided by the City's Water Management Plan (2008) and Urban Water Management Plan (2011). Like many coastal communities, the City of Morro Bay is dependent on state water for its primary water supply. Supplemental water supplies include a desalination plant and groundwater. Groundwater is extracted from the adjacent Chorro and Morro creek basins. The safe yield for these two basins was estimated in 1969 by the Department of Water Resources to be 1,700 acre-feet per year each. However, based on recent engineering studies, these figures proved to be too low. Currently, the City has eight wells in the Chorro Basin and another eight in the Morro Basin. However, due to high nitrate content, operations of all of the wells but one has been impacted. Even with water quality impacts from nitrates in the local groundwater, the 2008 update of the Water Management Plan found that the City has sufficient water resources (Morro Bay 2015).

Drainage

Morro Bay has generally hilly terrain with several major watercourses passing through the city that carries storm runoff from large areas outside of the city. With the exception of the major water courses, the storm drainage patterns of the city are urban in nature, i.e., smaller localized watersheds that concentrate and convey runoff from urban-type development on the local street system and storm drainage facilities. As the city has grown, a system of storm drainage improvements has been constructed. Storm drainage within the city is managed by the Stormwater Management Division of the Public Services Department and is guided by the City's Stormwater Management Plan (2015).

Solid Waste

The City contracts with Morro Bay Garbage Service to provide residential and commercial garbage, recycling, and green waste collection services in Morro Bay. Solid waste is disposed of at the Cold Canyon Landfill located in San Luis Obispo, which, as of January 15, 2015, had a remaining capacity of 14,500,000 cubic yards (CalRecycle 2019b).

Discussion

- a-c) **No Impact.** Future development within the city would require adequate increased domestic water service, including water supplies, stormwater system, and wastewater treatment capacity, or individual wells and septic systems. The residential sites identified in the proposed Housing Element Update within the city, where stormwater drainage, electric power, natural gas, and telecommunications facilities already exist, would be required to comply with the City standards for development and connection.

The City evaluates the capacity of utilities and service systems regularly, and is required to publish reports to the public on water quality, and to the state on wastewater capacity. Development Impact Fees adopted by the City are based on the General Plan, and are collected at the time of building permit issuance. The proposed project does not change any of the land use designations in the Land use Element of the General Plan that was used to calculate development impact fees, and plan for utility expansion. Therefore, the implementation of the proposed project would have no impact to the relocation, construction, or expansion of utilities facilities.

- d-e) **No Impact.** The proposed Housing Element Update is a policy-level document that encourages the provision of a variety of housing types and affordability levels, and does not include specific development proposals, nor does it grant entitlements for development. Future development of residential units constructed consistent with the General Plan within the city would increase the demand for solid waste services and would increase the amount of solid waste generated and sent to landfills. Cold Canyon Landfill, which has a remaining capacity of 14,500,000 cubic yards and a cease date of December 31, 2040 would serve Morro Bay (CalRecycle 2019b). AB 939 and the San Luis Obispo County Integrated Waste Management Authority, which require recycling programs that result in a 50 percent diversion away from landfills, would apply to new development. Landfill diversion and recycling is required by Chapter 8.16 Solid Waste of the Municipal Code and applies to all residents and businesses in the City. Thus, the implementation of the proposed Housing Element Update would have no impact regarding solid waste.

13. Aesthetics

Except as provided in Public Resources Code Section 21099, would the project:

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

Setting

Scenic vistas generally include areas of high scenic quality that are visible to a number of people, including recreational travelers. Scenic vistas within the city include views of the Santa Lucia foothills to the east and the Pacific Ocean to the west. Morro Bay is surrounded by hills and ridgelines, with more than half of the city's physical edge being coastline. The ocean and the hills are generally visible from area residences throughout the community. The city's edge at the urban/rural boundary is also a defining characteristic. Other scenic resources in the area consist of:

- The Pacific Ocean, the "working" harbor, and the great salt marsh at the southern end of the city, which dominate the landscape and provide sweeping vistas of ocean, beach, dune, bluff, and marsh, as well as the quaint harbor-side scenes for which Morro Bay is known.
- Morro Rock, which can be seen from almost any location in the city.
- The sand pit that is visible from the Embarcadero, Coleman Drive, the State Park roads, and from bluff and hillside residential areas.
- Morro Bay State Park, containing Black Hill, the golf course, and a campground, which comprises a large portion of the southern part of the city.

In 1999, the portion of State Route (SR) 1 north of US Highway 101 in San Luis Obispo was declared an official scenic highway by the California Department of Transportation. Of the approximately 53-mile segment of SR 1 designated scenic that winds through San Luis Obispo County, approximately 6 miles are within Morro Bay. The existing visual character and quality of the city varies among its different portions, depending on land use and density. The majority of the city is built out. Major sources of light and glare include the stadium at Morro Bay High School, existing residential and commercial uses, and vehicles traveling on SR 1.

Future development and rehabilitation of housing in the city would be regulated by the policies of the City's General Plan, the City's Municipal Code, and other relevant City regulations. The Visual Resources and Scenic Highway Element of the City's General Plan provides specific objectives, policies, and programs for the protection of identified scenic vistas and resources in Morro Bay. In addition, the City's Municipal Code prohibits the direction of light onto residential uses and public streets, requires the screening of light and glare from sensitive uses, and requires the control of glare from buildings and operations. The City's Street Tree Division maintains and enhances the city's streets, resulting in the overall beautification of Morro Bay.

Discussion

- a) **No Impact.** The proposed project encourages housing that is already anticipated by the General Plan to be designed for several income levels. Therefore, the proposed Housing Element Update would have no impact on scenic vistas.
- b) **No Impact.** Approximately 6 miles of SR 1 designated scenic highway occurs within Morro Bay. However, the proposed project does not provide specific development proposals, nor does it grant development entitlements. The proposed project includes a revision to the zoning code that allows for housing that meets certain income standards to be a permitted use in order to include the parcel with APN 068-323-034 in the vacant land inventory. While this site subject to the zone change would be exempt from CEQA, the vacant parcel is located within a developed area and is currently designated high density which allows for 27 units per acre. Further, Municipal Code Section 17.48.190 would ensure that new development on this site complies with scenic area standards. Therefore, the proposed project would not substantially damage scenic resources within a state scenic highway.
- c) **No Impact.** Future development would be required to Comply with Municipal Code Section 17.48.190 and Section 17.48.200, both of which are intended to identify and protect the city's visual resources, would ensure physical, visual, and functional compatibility between residential and other uses, as well as ensuring high-quality development in keeping with the character of the city. Thus, the implementation of the proposed project would result in no impacts associated with the degradation of the visual character of the city.

- d) **No Impact.** Light and glare impacts of future development would increase daytime glare or nighttime illumination in the city. Future development in the city would be required to be designed and constructed in accordance with Section 17.52.080 of the Morro Bay Municipal Code. As the proposed project does not change existing policy regarding light and glare, and as compliance with the code is determined at the time of building permit issuance and inspection, the proposed project would result in no impact associated with increased light and glare.

14. Cultural Resources

Would the project:

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource pursuant to § 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a-c) **No Impact.** Future development in the city will be reviewed to ensure that conflict with existing known cultural and historical resources are minimized. Additionally, construction activities of future development have the potential to uncover archeological resources, including human remains found outside of cemeteries. The proposed Housing Element Update is a policy-level document that encourages the provision of a range of housing types and affordability levels, but does not provide specific development proposals, nor does it grant development entitlements that would adversely impact archaeological or historic resources. All future development within the city would be required to comply with local regulations, including General Plan Policies regarding cultural resources, as well as California Health and Safety Code Section 7050.5 which requires halting site disturbance until a coroner has conducted an investigation. In addition, section 17.48.310 of the Morro Bay Municipal Code protects significant archaeological and historic resources by requiring archaeological reconnaissance for proposed development projects as well as mitigation plans for archaeological sites. While this information can be provided as part of the CEQA process, the code provisions apply even if the construction or activity is otherwise ministerial or exempt from CEQA. Section 15300.2(f) of the CEQA guidelines prohibit the use of an exemption if the project affects historical resources. The combination of the City's ordinance, and lack of exemption from CEQA for projects that affect historic resources will ensure that implementation of the proposed Housing Element Update would have no impact on cultural resources.

15. Tribal Cultural Resources

Would the project cause a substantial adverse change in the significance of a tribal cultural resources, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape, that is geographically defined in terms of the size and scope of the landscape, sacred place or object with cultural value to a California Native American tribe, and that is:

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a-b) **No Impact.** The proposed Housing Element Update is a policy-level document that encourages the provision of a range of housing types and affordability levels. The proposed Housing Element Update does not include site-specific project designs or development proposals, nor does it permit development entitlements.

In accordance with Senate Bill (SB) 18, the Native American Heritage Commission (NAHC) was contacted to obtain a list of tribes that may have cultural association with the project area. The NAHC provided a list of nine tribes, which were provided based on project information in accordance with SB 18, by the City.

Pursuant to the requirements of AB 52, on February 20, 2020, the City notified tribes that requested to be alerted of new projects. The yak tityu tityu yak tilhini – Northern Chumash Tribe responded via email, requesting additional background materials in regard to the treatment of the tribe’s indigenous cultural resources. The City responded to the tribe’s request and while the tribe did not respond to the inquiry concerning consultation, based on previous consultations with the Tribe, the City is confident that the

tribe will reach out if needed for the proposed project. The City did not receive any other responses during the consultation period.

16. Recreation

Would the project:

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Setting

Morro Bay offers a wide variety of recreational opportunities such as hiking, nature walks, and sightseeing. Active recreation such as water sports, including surfing, fishing, diving, and recreational boating, are also prevalent along Morro Bay's shoreline areas. The city also has outdoor recreation facilities including sports fields, a roller hockey rink, a skate park, and basketball courts. The state parks (Morro Bay State Park, Morro Strand State Park, and Montaña de Oro State Park) offer camping facilities, passive recreational opportunities, and active recreational facilities. In addition, San Luis Obispo County operates the Morro Bay Golf Course in Morro Bay State Park. The City manages Del Mar Park, Anchor Street Park, Keiser Park, Morro Bay City Park, Centennial Park, Coleman Park, Bayshore Bluffs, Tidelands Park, Cloisters, Monte Young Park, Morro Bay High School, and Morro Rock Beach.

Discussion

- a-b) **No Impact.** The proposed project does not change General Plan land use designations or zoning districts in the city. While the proposed project involves changes to the zoning requirements for parcel APN 068-323-034 at 405 Atascadero Road, the changes do not extend to an increase in density or intensity of development. None of the General Plan policies that affect recreation would be affected by the proposed project.

17. Agriculture and Forestry Resources

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

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

Setting

The city contains approximately 300 acres of agricultural land within the city limits. Additionally, the City has interest in resource protection and land use planning for agricultural areas outside of Morro Bay. These agricultural lands create a form of open space and define the edges of the community, maintain open areas that are critical to the function of groundwater recharge and percolation, and act as a productive use of the land for which the area was historically noted. There are no Williamson Act contracts within the city. Furthermore, no parcels in the city are zoned for timber production, and Morro Bay does not contain any significant forest resources that could be available for timber production.

Discussion

- a-e) **No Impact.** The implementation of the proposed project would not alter General Plan policies, or zoning regulations, pertaining to forestland, timber, or agricultural uses in the city. Further, the proposed project does not include any site-specific designs or proposals, nor does it grant any entitlements for development. No changes are proposed to land use designations or zoning districts that could result in new development or redevelopment. Agriculture-urban interface conflicts can arise when non-agricultural uses are placed adjacent to agricultural uses, which could inadvertently place growth pressure to convert agricultural lands to urban uses. With the exception of Site #17 and #18, none of the parcels identified in the proposed Housing Element are adjacent to agricultural land. Two sites in Table H-36 of the proposed Housing Element are east of State Route 1. Site #17 is adjacent to agricultural land to the east, but is also located between existing residential uses that bracket the site to the north and south. The residential designation for this site is existing and the proposed project does not change the potential for development of the site. Further, because of the existing adjacent residential uses, any adjustments to agricultural operations have already occurred and would not be affected by the proposed Project. The City's Water Reclamation Plant (SCH# 2016081027) will be adjacent to the east of Site #18. Further, the site has been designated for low density residential, and City policy requires consideration of adjacent agricultural uses prior to approval of development. Nothing in the proposed Project would change the existing policies, or the potential for development on Site #18. Because the land uses are existing, and the proposed project will not change development potential or policies regarding consideration of adjacent agriculture, there is no impact.

18. Greenhouse Gas Emissions

Would the project:

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Setting

Greenhouse gases (GHGs) generated by human activities can contribute to changes in the natural greenhouse effect, which could result in climate change. Greenhouse gases, which are transparent to solar radiation, are effective in absorbing infrared radiation. As a result, this radiation that otherwise would have escaped back into space is retained, resulting in a warming of the atmosphere. This phenomenon is known as the greenhouse effect. Among the prominent GHGs contributing to the greenhouse effect are carbon dioxide (CO₂), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Motor vehicles make up the bulk of GHG emissions produced on an operational basis for most nonindustrial projects. The primary GHGs emitted by motor vehicles include carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. A number of regulations have been developed to reduce GHG. Energy conservation standards are contained in the 2019 California Building Code (CBC) that became effective on January 1, 2020. The new code requires solar panels for some uses, and other energy saving devices.

Discussion

- a-b) **No Impact.** The proposed project does not provide specific development designs or development proposals, nor does it grant development entitlements. Future development of housing units could result in an increase in GHG emissions during both construction and operational activities; however, development must be consistent with the General Plan and with regional plans that are based on the land use pattern of the General Plan. As the proposed project does not change any land use designation, all of the local and regional plans associated with GHG remain unchanged. Furthermore, existing regulations that would apply to any future residential development, including the California Green Building Standards Code and California's Title 24 Building Energy Efficiency Standards, would substantially reduce GHG emissions associated with future projects. Compliance with the CBC is part of the building permit process and does not require CEQA to apply. The City verifies compliance with the CBC as part of the building permit issuance and

construction inspection process. As a result, the proposed project would result in no impacts to greenhouse gases.

19. Energy

Would the project:

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion

- a-b) **No Impact.** Short-term construction and long-term operational activities, as a result of future development, would result in energy consumption. Construction activities would consume energy to power electricity-operated equipment; during transportation of construction equipment and vehicles, and construction employee passenger vehicles; and in the form of construction materials which would need to be manufactured. During operation activities, energy would be consumed for building operations (such as ventilation, heating/cooling, operation of electrical systems, etc.), and transportation of vehicles. However, the proposed project does not provide site-specific designs or development proposals, nor does it grant development entitlements. Future development would also be required to be in compliance with the current Building Energy Efficiency Standards. The City verifies compliance with the CBC as part of the building permit issuance and construction inspection process. Therefore, the proposed Housing Element Update would have no impact on inefficient energy use or conflicting with renewable energy or energy efficiencies plans.

20. Wildfire

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:

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

Discussion

- a) **No Impact.** A majority of the City of Morro Bay is in a non-VHFHSZ, however a small portion of the southeastern portion of the city is in a VHFHSZ (CAL FIRE 2009). The proposed Housing Element is a policy-level document that does not identify specific development proposals. Future development within the city would be required to be in compliance with local regulations, including the General Plan and Zoning Ordinance. Thus, the implementation of the proposed Housing Element Update would have no impact to impairing an adopted emergency response or evacuation plan.
- b) **No Impact.** There are three primary factors that are used in assessing wildfire hazards – topography, weather, and fuel. Future residential development would not impact weather conditions. The proposed project does not propose changes to land use designations or land use patterns, and therefore, subsequent housing developments would not be proposed within areas identified as wildfire hazards. Therefore, the implementation of the proposed Housing Element Update project would have no impact on exacerbating wildfire risks.

- c) **No Impact.** Future development may require new infrastructure and utilities, which would be installed to meet service requirements. However, the proposed project is a policy-level document that does not provide site-specific development or design proposals, nor does it grant entitlements for development. All improvements will be subject to City development standards and would be verified as part of either a building permit or construction approval. As part of the building permit review process the City routinely involves the police and fire department to ensure that access, and improvements, meet with their requirements. Therefore, the implementation of the proposed project would have no impacts on exacerbating fire risk due to the installation or maintenance of associated infrastructure.

- d) **No Impact.** The city has moderate to steep hillsides where landslides have the potential to occur; however, all development in the city is subject to the City building and grading standards. Therefore, there would be no impacts to exposing people or structures to significant risk as a result of the implementation of the proposed Housing Element Update.

21. Mandatory Findings of Significance

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion

- a-c) **Less Than Significant Impact.** The proposed project includes a Housing Element Update which is a policy-level document that encourages the provision of a variety of housing types and affordability levels. The proposed project also includes a revision to the zoning code that allows for housing that meets certain income standards to be a permitted use. The proposed project does not include specific development proposals, nor does it grant development entitlements. All future residential development within the city would be required to be in accordance with local regulations, including the General Plan and Zoning Ordinance. With the exception of the parcel that may require a rezone to allow for very low- and low-income housing without discretionary review, environmental impacts as a result of future development projects would be considered pursuant to CEQA, on a case-by-case basis. Further, none of the potential sites for housing development occur in or adjacent to biologically sensitive areas that have the potential to degrade the quality of the environment, habitat of fish or wildlife species, or impact rare or endangered species. Thus, the proposed project would result in less than significant

impacts to the environment, wildlife, or human beings as a result of environmental degradation.

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