

Comments on the Draft Key Issues and Policies Report

Chapters 4 through 8

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Chapter 4 - Economic Development

1.) This chapter appears to deal almost exclusively with one segment of the economy - retail trade. The topic of economic development should also encompass visitor-serving commercial enterprises and the personal economic concerns of residents of Morro Bay. Potential key issues for these sections should include:

Visitor-Serving Commercial Enterprises

- Aging visitor-serving infrastructure
- Lack of full-service hotel facilities (i.e., hotels with on-site restaurants, bars, meeting/conference rooms, business centers)
- Utilization of properties primarily zoned for visitor-serving commercial use as residential development sites through the “R” overlay
- Lack of available large parcels within the visitor-serving commercial zones that would permit economically feasible development of upscale hotel projects
- Potential impacts of vacation rentals and related web sites (e.g., AirBnB) on the conventional visitor-serving industry
- Parking constraints in the Embarcadero district

Economic Concerns of Morro Bay Residents

- High cost of housing - San Luis Obispo has the 11th least affordable housing among all counties in the entire United States, and the coastal communities are the least affordable section within the county. This is a situation which the General Plan cannot simply ignore
- Low household income - This is touched upon in the Background section of the current chapter, as written, but should be addressed as a resident concern.
- Lack of usual job-related benefits - Not only do jobs in retail trade and food service frequently pay lower wages than employment in other economic sectors, these jobs often do not provide such benefits as health insurance or retirement plans. Persons who work in Morro Bay may, therefore, be especially vulnerable to financial hardships due to illness or injury, and may be unprepared for retirement.
- Increase in utility rates - The planned progressive and relatively dramatic increase in water rates may create a fiscal hardship for some lower-income households.

2.) I would suggest including the findings of the Morro Bay Business Walk as part of the background information on retail trade.

3.) Policy Option 4A. - In addition to retail uses and office uses, consideration should be given to light manufacturing uses and live-work units.

4.) Additional policy options to be considered:

Retail Trade

- **Establish one or more Entrepreneurial Internship programs** - The City should consider

reaching out to Cal Poly and/or Cuesta College to establish Entrepreneurial Internship programs with the objective of giving students “real-life” experience in the nuts and bolts of running a business, bringing fresh and imaginative ideas to Morro Bay, and encouraging students to consider establishing businesses in Morro Bay after graduation.

- **Redevelop the Downtown business district** - The City should consider working with businesses and residents to develop a clear vision for the Downtown district, then establishing zoning regulations, design guidelines, and redevelopment programs to realize that vision.
- **Re-envision and redevelop the North Main Street business district** - The North Main Street business district appears to have been originally envisioned as a linear strip that would attract and serve motorists traveling on Highway 1. With the conversion of Highway 1 to a high-speed, limited access route, this model has not, in fact, been realized. Successful retail businesses have been, with some exceptions, established primarily at the intersection of Highway 1 and Highway 41, and in the vicinity of Spencer’s market. The City should consider whether the current land use designations in this area remain optimal.
- **Help raise public awareness** - The City should consider encouraging and actively participating in a “buy local” promotional program to make residents aware of the range of goods and services available in the community. Such a program should also include the business community and local business owners should be encouraged to purchase foodstuff, clothing, arts and crafts items, and other merchandise from local producers and vendors.

Visitor-Serving Commercial Enterprises

- **Establish a revolving loan fund** - The City should consider establishing a revolving loan fund to assist hotel/motel owners in upgrading and modernizing their facilities
- **Consolidate properties in the V-SC zone** - The City should consider adopting policies to encourage the merger of adjacent properties in visitor-serving commercial zones to facilitate redevelopment
- **Eliminate the “R” overlay**
- **Encourage public-private partnerships** - The City should reconsider the current hard separation between public and private spaces and be open to public-private partnerships that provide creative and exciting design opportunities for visitor-serving facilities and intermingled with attractive public spaces. Care must be taken, however, to ensure that the public-space component of such projects remains clearly open and inviting to the public.
- **Revise parking requirements** - For congested visitor-serving areas, the City should consider abandoning the requirement for on-site parking and establishing parking districts to fund needed facilities and take advantage of shared parking, off-site parking and other opportunities for greater efficiency.

Economic Concerns of Morro Bay Residents

- **Provide for and encourage affordable housing** - The City should recognize that the provision of affordable housing will be a difficult undertaking and will likely require a multi-pronged approach. Some of the components to be considered could include:
 - a.) A revised Community Housing Development ordinance - The revised ordinance would correct serious deficiencies of the previous version by restricting houses to a maximum size and/or requiring that a sizable portion of the development be deed-restricted to be affordable
 - b.) Direct financial subsidies to builders of deed-restricted low income housing - To be funded through an affordable housing fee attached to every building permit for market

rate residential development

- c.) Increased height for commercial buildings that provide upper-story affordable housing - A second-story affordable housing unit could be required, for example, as a prerequisite for approval of building height over 17 feet in the Downtown district. The financial cost of providing the affordable unit could be offset by allowing other second-story units to be used as vacation rentals.
 - d.) Public-private partnerships - The City should actively seek to engage in partnerships with organizations engaged in the provision of affordable housing (e.g., People's Self-Help Housing).
 - e.) Updated land use provisions - The City should review current land use designations and provisions with an eye toward providing more available land for medium- and high-density housing, revising maximum allowable residential densities and possibly adopting minimum density standards, and facilitating creative housing solutions (such as "tiny houses").
 - f.) Ensure that appropriate public and multi-modal transportation options are provided to serve areas in which higher-density development is contemplated.
- **Improve household income** - Because a majority of employed persons who reside in Morro Bay actually work outside of the city, opportunities for the General Plan to incorporate provisions that will improve household income are extremely limited. The City, however, should consider participating in cooperative efforts with other communities to bring firms that offer full time, well-compensated employment opportunities to San Luis Obispo County.
 - **Improve availability of job-related benefits** - See above.
 - **Mitigate the impact of increased utility rates** - The City should be mindful of the potential impact of increasing water rates on lower-income households and should provide and promote programs that will distribute the need for increased revenues equitably among all segments of the population.

Chapter 5 - Neighborhood Compatibility

- 1.) BACKGROUND - It should be noted that the Residential Design Guidelines adopted in 2015 are non-proscriptive by design. In approving these Guidelines, the City recognized that they were a "first effort" and consciously elected to proceed with caution. While these initial Guidelines may be viewed as "vague" by some residents, this approach has enabled the City to gain valuable experience and to learn a great deal about the process that will be necessary to preserve the character and "feel" of Morro Bay's neighborhoods, while allowing for the creativity and eclectic design valued by the community.
- 2.) ANALYSIS - One of the most important lessons learned during the application of our current Residential Design Guidelines is expressed in the third paragraph of the Analysis section:

"While Morro Bay has an overall community aesthetic, it is important to also recognize the distinctions presented by different neighborhoods. Each neighborhood in the community has different characteristics, and any design guidelines should reflect these variations as applicable."

This passage can be restated, in somewhat more actionable terms as follows:

The preservation of Morro Bay's small-town character is a goal expressed by an overwhelming majority of community residents. In response to this community priority, the GP/LCP should consider identifying a set of Residential Design Guidelines that are applicable city-wide. Examples of such might include:

- New development should be consistent in size, bulk, and scale with the historic pattern of development in the neighborhood and should not reflect recent projects that may be less compatible with the vision of the community
- Creativity and originality of design in new development is encouraged. The design of new construction, however, should consider and be respectful of the materials, color palate, lot placement, landscaping, and visual impact of the existing neighborhood.

To ensure continuity, these city-wide standards should draw upon and refine the City's current Residential Design Guidelines.

Equitable and reasonable application of the design guidelines, however, will require a recognition that Morro Bay is not a monolithic community, but is composed of a number of distinct neighborhoods that differ from one another in terms of typical lot size, parking availability, vegetation, topography, historic development pattern, and other significant aspects. In order to accommodate such variations, the GP/LCP should also include a geographic delineation of the various residential neighborhoods within the city, an enumeration of the features which contribute to the character of each neighborhood, and additional Neighborhood Design Guidelines for each of the designated residential areas. The Neighborhood Design Guidelines would not supplant the city-wide Residential Design Guidelines, but would support the Principles by providing additional specificity.

It is also important to note that the character of residential neighborhoods in Morro Bay is not determined merely by the size and design of houses. Such broader characteristics as the presence, nature, and distribution of open space, major vegetation, walking paths, scenic vistas, recreational opportunities, and traffic patterns are among the topics that should be considered in addressing the matter of neighborhood compatibility.

3.) POLICY OPTIONS:

5A. **Create a unified set of design guidelines with clear intent that balance restrictions with flexibility**

I must disagree that the formulation of all-encompassing design guidelines is a desirable or feasible approach to address the issue of neighborhood compatibility. This is, at its essence, an issue that relates to the residential areas of Morro Bay and could be most efficiently addressed by incorporating appropriate Residential Design Guidelines and Neighborhood Design Guidelines into the proposed revision of the GP/LCP. There is no logical nexus between residential neighborhood compatibility and either preservation of historic sites or structures or commercial design standards for the downtown/waterfront areas. Attempting to meld these diverse issues into a single set of guidelines is, therefore, not reasonable. Such an effort would greatly complicate the process of developing guidelines and would likely dilute the primacy on neighborhood compatibility as a guiding principle. Residential and Neighborhood Design Guidelines, provisions for the preservation and restoration of historic sites and structures, and commercial design guidelines or standards for the downtown and waterfront areas should be pursued on parallel, but separate, tracks.

5B. **Define allowable sizes of new or expanded buildings**

Although consideration of the allowable size, bulk, and scale for new residential development is an essential component of any measure to optimize the neighborhood compatibility of such development, it is not, by itself, an adequate option. Achieving neighborhood compatibility requires a comprehensive assessment of the size, lot placement, design features, landscaping that will allow new or expanded residential buildings to contribute to, rather than detract from the character of the neighborhood in which it is located.

5C. **Limit construction of new chain stores**

As previously noted, the issue of neighborhood compatibility relates primarily to residential neighborhoods. While the issue of allowing or prohibiting new chain stores may be worthy of discussion, this should be undertaken in the context of the chapter on economic development and with respect to charting the future of the city's commercial districts.

5D. Establish neighborhood boundaries

Establishing neighborhood boundaries is a necessary and obvious first step in adopting effective policies to ensure neighborhood compatibility. The definition of neighborhood boundaries alone cannot, however, be reasonably expected to improve the neighborhood compatibility of new development.

Suggested Policy Option 5E.

Establish neighborhood boundaries and create both citywide and neighborhood-specific guidelines and standards to ensure that new development will be compatible with established neighborhoods

The General Plan Advisory Committee should consider requiring that staff and MBI develop a proposal which:

- a.) Recommends revisions and refinements to the citywide Residential Design Guidelines and recommends proposed provisions which should be considered for adoption as statutory requirements.
- b.) Recommends designation of individual neighborhoods within the city, together with the boundaries of each neighborhood. Such recommendations should be based upon, among other factors:
 - i) Existing patterns of residential development common to the recommended neighborhood
 - ii.) Natural and built features (e.g., streams, highways, intervening commercial areas) which separate one neighborhood from another
 - iii.) Existing planning documents (e.g., specific plans, CC&Rs)
 - iv.) Public input from residents
- c.) Recommends specific Neighborhood Design Guidelines for each of the identified neighborhoods and recommends proposed provisions which should be considered for adoption as statutory requirements.

Chapter 6 - Multigenerational Community

- 1.) BACKGROUND - This chapter begins with the sentence "Background data and community input collected to date to support Plan Morro Bay indicate a desire and need to continue to provide multigenerational resident services, housing, facilities, and access to natural environment, parks, and recreational spaces." After review of all of the available materials, however, I have been able to find no evidence of such "background data" or community input. Additional, specific documentation is required.

A more reasonable opening statement would be "In order to most effectively serve the residents of Morro Bay, the City should adopt policies for resident services, housing, facilities, and access to the natural environment, parks, and recreation spaces that are consistent with the current age profile of the community and with foreseeable changes, as predicted from observable trends."

- 2.) BACKGROUND - "Multigenerational community" is not a phrase that is commonly used or widely understood. This concept, therefore, should be defined and explained.
- 3.) BACKGROUND - As previously indicated in reviewing the Community Baseline Assessment, the statement

that “Morro Bay’s current service level of 28 acres of parkland per 1,000 residents far exceeds the state requirement of 3 acres per 1,000 people” is grossly misleading. This was clearly explained in my comments on the Draft CBA, as follows:

- c. **Current park service levels, page 11-10** – This section states that “Morro Bay owns and operates approximately 300 acres of accessible open space and parkland”, yet the total acreage of community-based and resource-based parks listed in Tables 11.5 and 11.6 is only 54 acres (i.e., 5.1 acres per 1000 residents). While this figure still exceeds the standard set in the Quimby Act, the discrepancy needs explanation.

It is notable, with regard to this discussion that the actual text of the Quimby Act indicates that:

“The park area per 1,000 members of the population of the city, county, or local public agency shall be derived from the ratio that the amount of neighborhood and community park acreage bears to the total population of the city, county, or local public agency as shown in the most recent available federal census. The amount of neighborhood and community park acreage shall be the actual acreage of existing neighborhood and community parks of the city, county, or local public agency as shown on its records, plans, recreational element, maps, or reports as of the date of the most recent available federal census.”

This language does not suggest that land which is merely zoned for conservation/open space or for agriculture should be considered as “parks”.

- 4.) **BACKGROUND** - It should be noted that recreational services currently offered by the City are neither “multigenerational” nor consistent with the demographics of the community. At present, there are 37 different in-progress or upcoming recreational activities listed on the City’s web site (for purposes of this analysis, identical activities listed for different dates were considered to be a single activity). Eighteen of the listed activities (48.6%) are explicitly age-restricted to individuals under 14 years of age, and 20 activities (54.0%) are restricted to persons 65 years or younger. To put this into perspective, almost half of the recreational services provided by the City of Morro Bay are only available to age groups that comprise only 12.4% of the population.

An additional eight activities (21.6%) are not explicitly age-restricted, but appear to involve activity so strenuous that only a small minority of seniors would be interested in or capable of participating. Examples of these include belly dancing, fitness work-outs, softball, tennis lessons, and Zumba dance. Overall, only 9 activities are offered that would be suitable for the 23% of Morro Bay residents who are over 65 years of age, and these fell into only four categories: quilting, dog obedience training, drawing and painting, and music appreciation.

It is also notable that, although a number of other senior activities are described on the City’s web site (e.g., Aces Senior Exercise Program, ballroom dancing, line dancing, PACE - People with Arthritis Can Exercise, and Tai Chi), none of these activities are actually ongoing or available in the near future. No current or planned activities were available for individuals interested in walking or nature hikes, golf, water-oriented activities, spectator sports, cooking, wine appreciation, games, travel, or antiques and history – all of which would be appropriate for Morro Bay’s senior residents.

- 5.) **POLICY OPTIONS:**

- 6C. **Allow for adaptive civic programming**

It is unclear that Morro Bay Senior Citizens, Inc. is capable of providing the range of services and activities that are currently needed or will be required in the future.

While “the maintenance and expansion of recreational programs for families” is certainly a laudable goal, the reality is that the City will, at some point, need to reconcile its disproportionate expenditure of resources on a small and shrinking segment of the population with the principle of social justice.

- 6D. **Shape land use to support a multigenerational community**

Lack of affordable housing is not a “senior issue”, but is an obstacle to all segments of the community,

including students, singles, families, and seniors. It is an essential element of the “Economic Development” picture, and a comprehensive understanding of this problem will be absolutely essential to formulation of an adequate Zoning Ordinance. This topic, therefore, cannot be “put off” until the Housing Element is reviewed. Instead, a coherent approach to increasing housing affordability must be developed in the context of the current General Plan revision, and that approach should then serve to inform the subsequent updates both to the Zoning Ordinance and the Housing Element.

Just a few of the vital issues to be considered during the formulation of the GP/LCP and potentially actualized through the zoning ordinance include:

- Setting aside additional land area for medium- and high-density residential development
- Reconsidering maximum residential densities and establishing minimum residential densities for the various residential land use categories
- Establishing policies that encourage and envision “tiny home” communities
- Adopting measures to discourage replacement of older, smaller, and more affordable housing stock through the process of “mansionization”
- Enacting provisions to reduce the level of residential vacancies in Morro Bay

Chapter 7 - Coastal Access

1.) POLICY OPTIONS:

7A. **Improve lateral connections along the Embarcadero**

As currently written, this option states that “As part of the Downtown Waterfront Strategic Plan, the City will establish guidelines that reduce the potential for additional development to limit lateral access on the bay side of businesses along the Embarcadero.” There are a number of potential issues with this approach:

- a.) This statement fails to recognize that the City’s Waterfront Master Plan already requires continuous bayside lateral access for all new development on the west side of the Embarcadero. This provision is not a “guideline”, but is, in fact, a statutory mandate. In addition, recent Planning Commission resolutions and decisions have clarified and strengthened this requirement.
- b.) Although the scope of the Downtown Waterfront Strategic Plan has not been clearly defined, workshop presentations have suggested that this document will deal with only that portion of the Embarcadero that relates directly to downtown Morro Bay (i.e., that part of the Embarcadero that lies between South Street and Tidelands Park). In contrast, lateral access policies need to encompass the entire bayshore, from North Point to South Bay Boulevard.
- c.) The Downtown Waterfront Strategic Plan has been defined as being a relatively short-range document (10 years), whereas lateral access provisions need to be more permanent.
- d.) It is doubtful that the California Coastal Commission will accept a local coastal plan that fails to include adequate provisions for lateral access protection.

The GP/LCP, as the City’s overarching policy document should contain clear provisions for preservation and enhancement of lateral access along the shoreline. These policies should then be enacted through such subsidiary documents as the Zoning Ordinance, the Waterfront Master Plan and the Downtown Waterfront Strategic Plan.

7B. **Preserve and enhance vertical access points**

- a.) Again, it should be noted that the current Waterfront Master Plan contains strong provisions for vertical access along the Embarcadero, in the form of its view corridor provisions. These do not, however, extend to areas north of Morro Rock or south of Tidelands Park.
- b.) The Key issues and Policies report indicates that “In addition to maintaining Morro Bay’s existing high level of vertical access, the City should analyze opportunities to improve the accessibility of these entrances to the coast. Categorization of existing vertical access points from high quality to informal, may help Morro Bay prioritize the most important access points or locations where access or amenities are missing.” This statement is absolutely on point, and the analysis described should clearly be a part of Plan Morro Bay.
- c.) The consideration of vertical access is incomplete without specific attention to the major access afforded by the street ends along the Embarcadero. Although the terminus of Morro Bay Boulevard is currently included in the Centennial Stairway renovation project, Plan Morro Bay should develop policies that deal directly with the other street ends.

Suggested Policy Option 7D.

Optimize public access to the Embarcadero area by ensuring efficient traffic flow and adequate parking

Specific traffic issues that must be addressed include:

- a.) On weekends and holidays, traffic volume frequently exceeds road capacity, resulting in marked congestion.
- b.) There are insufficient areas for loading and unloading of commercial vehicles.
- c.) Drivers of trucks, campers, autos towing trailers, and other long vehicles have difficulty finding places to turn around.

Although measures have been taken in recent years to provide additional parking in the Embarcadero area, many of the spaces added are temporary and will be lost when such future projects as a boat haul-out facility and redevelopment of the DiStasio’s site come to fruition. Plan Morro Bay should provide a coherent strategy for replacing this parking as it is lost and further augmenting parking supply to meet the needs of future visitors.

In addition, Plan Morro Bay should recognize and address the fact that many of the parking areas along the waterfront are unattractive and are not in compliance with the City’s Zoning Ordinance.

Suggested Policy Option 7E.

Optimize public access to the Embarcadero area by providing adequate sidewalks, crosswalks, and pedestrian amenities

Specific issues to be addressed include:

- a.) Inadequate sidewalk width.
- b.) Absence of marked crosswalks.
- c.) Absence of pedestrian amenities on T-piers.
- d.) Encroachment on lateral accessways, vertical accessways, and other pedestrian facilities by merchandise displays and commercial outdoor dining areas.

Suggested Policy Option 7F.

Optimize public access to the ocean by providing additional facilities for fishing and for recreational boating

For example:

- a.) Additional boat launching facilities.
- b.) Additional well-delineated and unobstructed sites for pier fishing.
- c.) Additional boat fueling facilities.
- d.) Additional boat haul-out and repair capability.

Chapter 8 - Lower-Cost Overnight Visitor Accommodations

1.) ANALYSIS - This discussion is incomplete in that it deals only with the number of lower cost visitor accommodations, not with their quality. A search of the internet produces the following data:

Price Category	Website								
	TripAdvisor <i>(Scale = 0 to 5)</i>			Orbitz <i>(Scale = 0 to 5)</i>			Trivago <i>(Scale = 0 to 100)</i>		
	Mean Rating	% Rated <3	% Rated ≥4	Mean Rating	% Rated <3	% Rated ≥4	Mean Rating	% Rated <70	% Rated ≥80
\$118.07 or less	3.4	15%	30.0%	3.5	15.8%	15.8%	72.1	38.9%	16.7%
More than \$118.07	4.6	0%	92.9%	4.3	0%	90.0%	84.5	0%	90.0%
<i>p</i> value ¹	<0.0001			0.0002			<0.0001		

¹ For difference in mean rating between price categories, by Student's t-test

Note that, for all three websites, the rating of less expensive rooms was lower than for more expensive accommodations, to an extremely high degree of statistical significance. It is especially concerning that between 15% and almost 40% of visitors who stayed at lower-priced hotels rated their experience as less than satisfactory, compared with none of those who booked more expensive rooms.

These data suggest that, if Morro Bay wishes to provide opportunities for economical and enjoyable accommodations in the future, the updated GP/LCP must incorporate policies not only to retain lower-priced hotel facilities, but also to upgrade the experience that they provide.