

## EXHIBIT B

### Project Work Plan, Schedule, and Budget

**Name of Local Government:** City of Pismo Beach

**Name of Project:** LCP Update Phase One

**Grantee Contact Information:**

Person Authorized to sign grant agreement and any amendments:

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**Federal Tax ID#:** 95-6000762

**Budget Summary:**

CCC funding:	\$85,000
<u>Other funding:</u>	<u>\$125,000</u>
Total project cost:	\$210,000

**Term of Project:** 1/22/2018 or grant agreement execution date – 12/31/2019

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#### A. PROJECT DESCRIPTION

The City of Pismo Beach is located along the Pacific Ocean in southern San Luis Obispo County on California's Central Coast with a population of 7,931 based on 2014 census data. The City encompasses an area of 13.5-square-miles, a majority of which is located within the Coastal Zone. Although Pismo Beach is considered a small coastal community, there are approximately 7 miles of coastline within the City limits that experiences an estimated 5 million visitors per year. The City recognizes the importance of the coastal resources it is entrusted to protect as the key reason why people choose to visit and reside in Pismo Beach.

Pismo Beach's current LCP was last updated in 1993 and the Coastal Implementation Plan (Zoning Ordinance) was last updated in 1983. Although there have been minor amendments to each document in the interim, the age of each and inconsistencies between the two often create issues. Also, neither document adequately addresses new information and changed conditions.

The grant project will assist the Community Development Department in Phase 1 of a General Plan/Local Coastal Program (LCP) Update for the City of Pismo Beach. Phase 1 includes the development and incorporation of key LCP enhancements including a Short-Term Rental Ordinance, Sea Level Rise Modeling and Evaluation and Visitor Serving Accommodation Policy. Phase 2 (outside of this grant term)

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will consist of a comprehensive update to the remainder of the LCP including, but not limited to, the General Plan Land Use Element and Coastal Implementation Plan. Once updated, the LCP will reflect the latest research and data available with regards coastal issues, including the effects of climate change and sea level rise.

The primary goals of the project include the following:

1. With the completion of Phase 1, make progress to bringing the City's LCP into conformance with the Coastal Act; and
2. Develop and implement a short-term rental ordinance that preserves neighborhood characteristics and continues to provide public access opportunities.
3. Utilize the best available science to complete sea level rise modeling and evaluation to support implementation of sea level rise policies; and
4. Conduct data collection, research and economic analysis to develop local policy recommendations for low-cost visitor serving accommodations.

Task specific objectives are described in detail below in Section B.

### **B. TASKS**

#### **Task 1 – Short-term Rental Ordinance:**

Like many communities across the state and country, the City of Pismo Beach has experienced growth in the number of residential units being converted for Short-term Rental (STR) use over the past few years. This is especially true for coastal zone areas such as Downtown and Shell Beach, where it is estimated that more than 200 non-permitted STRs exist. In addition to health, safety and welfare concerns, this rapid increase in STRs has raised significant policy issues for the City including maintaining the character of established residential neighborhoods, availability/affordability of rental housing stock and financial impacts to the permitted STRs and the hotel industry.

This task will allow the City to develop an ordinance that establishes comprehensive regulations for STRs that would balance the preservation of the character of established neighborhoods, availability of long-term rental housing for the City's workforce, public access to affordable overnight accommodations (via an visitor-serving overlay zone or other similar method) and creation of a level playing field for the City's existing permitted STR and hotel industry.

Subtasks will include the formation of a stakeholder task force; development of an initial draft ordinance; coordination with Coastal Commission staff, including a dedicated time period for review of the draft ordinance and public outreach. A revised draft ordinance will then be developed based on consideration from public input and incorporates and addresses comments from CCC staff, and the Planning Commission/City Council.

Outcome/Deliverables: Initial and Revised Draft Short-Term Rental Ordinance LCP Amendment

#### **Task 2 – Sea Level Rise Modeling and Evaluation:**

In anticipation of a comprehensive LCP Update, the City will prepare a sea level rise vulnerability assessment to support the future comprehensive LCP and General Plan updates. The City will use the best available science to complete the assessment which will identify existing coastal

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conditions, identify various SLR scenarios and model cumulative effects, and inventory development, infrastructure, and other coastal resources including beaches and public access facilities potentially affected by SLR. Based on the assessment, a **draft** policy framework will be developed that identifies short-term strategies and long-term goals and policies to be implemented into the future comprehensive LCP/General Plan update. Approaches that adhere to the California Natural Resources Agency 'Safeguarding California Plan: California Climate Adaptation Strategy' will be given preference. As indicated in the draft 2017 update, the goal is to move California to a state of preparedness in which:

- People and communities respond to changing conditions, shocks, and stresses in a manner that minimizes risks to public health and safety while maximizing equity and protection of the most vulnerable so that they can thrive despite climate change;
- Built infrastructure systems continue to provide critical services;
- Natural systems adjust and function in the midst of climate change; and
- Government managers at all levels take climate change adaptation into account in all aspects of their work.

Subtasks will include consultant selection; data collection and research; development of a draft and final Sea Level Rise Vulnerability Assessment; **including draft** adaptation measures ~~and final adaptation report~~; and ongoing coordination with CCC staff, including review of draft reports before they are finalized.

Outcome/Deliverables: Draft and final Sea Level Rise Vulnerability Assessment; draft adaptation measures ~~and final Adaptation Plan~~

### **Task 3 – Low-cost Visitor Serving Accommodation Policy Development:**

In this task, the City will develop policies that are consistent with Coastal Act section 30213 to protect, encourage, and where feasible, provide lower-cost visitor serving accommodation facilities. It is the City's goal to create more certainty for the public, developers and other interested stakeholders related to new hotel projects, as well as the maintenance and redevelopment of existing low-cost accommodations. To that end, staff will conduct outreach with key stakeholders such as the hotel/motel owners, travel/tourism groups, owners of existing lower cost accommodations such as campgrounds, and the Chamber of Commerce.

This task will include consultant selection, background research and data collection, special studies/economic analysis to clearly identify what qualifies as 'low cost', a draft and final report summarizing/presenting the research/analysis, policy development for inclusion within the current LCP and future comprehensive LCP update, and coordination with CCC staff including time for review and comment on the draft policies.

The report will include an inventory and assessment of existing accommodations in the city, including short-term rentals and potential accommodations losses from sea level rise. The report will evaluate ways to protect existing low-cost accommodations, including through financing opportunities such as business improvement funds, tax incentives or others to assist with maintenance and improvements to reduce development pressure to demolish and rebuild such facilities. In addition, the report will investigate the potential for new hotel/motel projects to

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provide low-cost visitor accommodations on site as a preferred strategy, and it will identify other opportunities for new or expanded lower cost overnight accommodations. The report will identify strategies for protecting, relocating or replacing accommodations that are expected to be threatened by sea level rise. The report will also provide a defensible basis for a mitigation fee, including establishing the amount of initial and future fees, and defining a method for determining what types of mitigation projects fee revenues may be used to support.

The draft low-cost policy will define low-cost overnight accommodations and will include measures to protect, encourage and provide lower cost accommodations consistent with the Coastal Act, in light of the information presented in the report. The policy will establish requirements for on-site and/or fee provisions for low-cost visitor accommodations for new hotel/motel projects to maintain or improve upon the City’s stock of accommodations; it will identify measures to protect existing lower cost overnight accommodations; and it will identify potential sites for new lower cost overnight accommodations.

Outcome/Deliverables: draft and final low-cost accommodations analysis report; draft policy; draft LCP amendment

**C. SCHEDULE**

Project start/end dates: 1/22/18 or grant agreement execution date\* – 12/31/2019

<b>PHASE ONE – Coastal Program Enhancements</b>	
<b>Task 1 – Short-term Rental Ordinance</b>	Projected start/end dates: 1/22/18 – 5/30/2018
1.1 Formation of stakeholder task force	9/4/2017 – 1/19/2018
1.2 Development of draft ordinance	1/22/2018 – 2/2/2018
1.3 CCC Staff coordination and review of draft ordinance	1/22/2018 – 5/30/2018
1.4 Public outreach	3/6/2018 – 4/13/2018
1.5 Develop revised draft ordinance	4/14/2018 – 5/30/2018
Outcomes/Deliverables – Initial (a) and Revised (b) Draft Short-Term Rental Ordinance/LCP Amendment	a. 2/2/2018 b. 5/30/2018
<b>Task 2 – Sea Level Rise Modeling and Evaluation</b>	Projected start/end dates: 5/14/2018 – 6/21/2019 <b><u>8/1/2018-12/31/2019</u></b>
2.1 Consultant selection	<del>5/14/2018 – 6/29/2018</del> <b><u>10/14/2018-4/1/2019</u></b>
2.2 Data collection and research	<del>7/9/2018 – 10/26/2018</del> <b><u>5/1/2019-6/15/2019</u></b>
2.3 Develop draft SLR Vulnerability Assessment of conditions and potential impacts	<del>10/29/2018 – 1/4/2019</del> <b><u>6/15/2019-10/1/2019</u></b>
2.4 CCC staff coordination and review of draft vulnerability assessment	<del>5/14/2018 – 2/4/2019</del> <b><u>10/1/2019-11/15/2019</u></b>
2.54 Develop draft policy recommendations for adaptation measures	<del>2/4/2019 – 5/3/2019</del> <b><u>9/1/2019-10/1/2019</u></b>
2.6 CCC staff coordination and review of draft adaptation measures	<del>5/3/2019 – 6/21/2019</del> <b><u>10/1/2019-11/15/2019</u></b>
2.7 Finalize SLR Vulnerability Assessment and <b><u>including draft adaptation measures</u></b> Adaptation Plan	<del>5/24/2019 – 6/21/2019</del> <b><u>11/15/2019-12/31/2019</u></b>

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Outcomes/Deliverables: Consultant reports/studies, Sea level rise adaptation plan a. Draft Vulnerability Assessment b. Draft Adaptation Measures c. Final <b>Vulnerability Assessment, including draft adaptation measures Reports</b>	a. <del>1/4/2019</del> <b>10/1/2019</b> b. <del>5/3/2019</del> <b>10/1/2019</b> c. <del>6/21/2019</del> <b>12/31/2019</b>
<b>Task 3 – Low-cost Visitor Serving Accommodation Policy Development</b>	Projected start/end dates: 4/2/2018 – <del>7/31/2019</del> <b>12/1/2019</b>
3.1 – Consultant Selection	4/2/2018 – 6/8/2018
3.2 – Data Collection and Research	6/11/2018 – 9/14/2018
3.3 – Develop draft Economic Analysis/Special Studies report(s)	9/17/2018 – <del>1/18/2019</del> <b>4/15/2019</b>
3.4 – CCC staff coordination and review of low-cost accommodation report	<del>1/21/2019 – 2/21/2019</del> <b>6/27/2019-8/8/2019</b>
3.5 – Develop revised low-cost accommodation report	<del>2/21/2019 – 3/21/2019</del> <b>8/8/2019-9/8/2019</b>
3.6 – Draft Policy Development	<del>1/21/2019 – 6/24/2019</del> <b>8/8/2019-9/8/2019</b>
3.7 CCC staff coordination and review of draft policies/LCP amendment <b>and second review of low-cost accommodation report</b>	<del>6/24/2019 – 7/21/2019</del> <b>9/8/2019-10/8/2019</b>
3.8 Develop revised draft Plan/LCP Amendment	<del>7/21/2019 – 8/31/2019</del> <b>10/8/2019-12/31/2019</b>
Outcome/Deliverables: a. Consultant Draft low-cost accommodation reports/studies b. Final low-cost accommodation studies c. Draft policies d. Revised draft policies/LCP Amendment	a. <del>1/18/2019</del> <b>9/8/2019</b> b. <del>3/21/2019</del> <b>10/8/2019</b> c. <del>6/24/2019</del> <b>10/22/2019</b> d. <del>8/31/2019</del> <b>12/31/2019</b>
<b>Task 4 - Project Management and Grant Administration</b>	Projected start/end dates: Ongoing – <del>5/24/2019</del> <b>12/31/2019</b>
4.1 Project Management	Ongoing – <del>5/24/2019</del> <b>12/31/2019</b>
4.2 Grant Reporting	Ongoing – <del>5/24/2019</del> <b>12/31/2019</b>
Outcome/Deliverables – Quarterly RFFs and progress reports consistent with Coastal Commission requirements	Quarterly
<b>Phase Two – Future Work</b>	
<b>Task 5 – Draft GP/LCP Document Preparation</b>	
5.1 – Prepare draft comprehensive General Plan/Coastal Plan Update	TBD
5.2 – Public comment and stakeholder input	TBD
5.3 – Revise draft documents as needed	TBD
5.4 Consideration of GP/LCP Update by Planning Commission and City Council	TBD
Outcome/Deliverables: Reports/studies, staff reports, draft GP/LCP Update	TBD

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\* Work completed prior to the grant execution date will not be reimbursed using grant funds.

**D. BENCHMARK SCHEDULE**

ACTIVITY	COMPLETION DATE
Revised Draft Short Term Rental Ordinance/LCP Amendment	<del>5/30/2018</del> <b>8/2/2018</b>
Final SLR Vulnerability Assessment and <b>draft adaptation measures</b> Adaptation Plan	<del>6/21/2019</del> <b>12/31/2019</b>
Draft Low-cost Visitor Serving Accommodation Plan LCP Amendment	<del>7/31/2019</del> <b>12/31/2019</b>

**E. BUDGET**

	<b>CCC Grant Total</b>	<b>Match/ Other Funds (Source #1)</b>	<b>Match/ Other Funds (Source #2)</b>	<b>Total (LCP Grant Funds + Match/ Other Funds)</b>
<b>LABOR COSTS<sup>1</sup></b>				
<b>County/City Staff Labor</b>				
<b>Task 1 – Short-term Rental Ordinance</b>	\$5,000	\$20,000	\$0	\$25,000
<b>Task 2 – SLR Modeling and Evaluation</b>	\$0	\$10,000	\$0	\$10,000
<b>Task 3 – Low-cost Visitor Serving Accommodation Plan</b>	\$0	\$10,000	\$0	\$10,000
<b>Task 4 – Project Management and Grant Admin.</b>	\$0	\$10,000	\$0	\$10,000
<b>Total Labor Costs</b>	<b>\$5,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$55,000</b>
<b>DIRECT COSTS</b>				
<b>County/City Staff Project Supplies</b>				
Task 1-5	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>County/City Staff Travel In State<sup>2</sup></b>				
Mileage	\$0	\$0	\$0	\$0
Hotel, etc.	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Consultants<sup>3</sup></b>				
<b>Task 1 – Short-term Rental Ordinance</b>	\$0	\$0	\$0	\$0

<sup>1</sup> Amount requested should include total for salary and benefits.

<sup>2</sup> Travel reimbursement rates are the same as similarly situated state employees.

<sup>3</sup> All consultants must be selected pursuant to a bidding and procurement process that complies with all applicable laws.

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	<b>CCC Grant Total</b>	<b>Match/ Other Funds (Source #1)</b>	<b>Match/ Other Funds (Source #2)</b>	<b>Total (LCP Grant Funds + Match/ Other Funds)</b>
<b>Task 2 – SLR Modeling and Evaluation</b>	\$45,000	\$50,000	\$0	\$95,000
<b>Task 3 –Low-cost Visitor Serving Accommodation Plan</b>	\$35,000	\$25,000	\$0	\$60,000
<b>Total</b>	<b>\$80,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$155,000</b>
<b>Total Direct Costs</b>	<b>\$80,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$155,000</b>
<b>OVERHEAD/INDIRECT COSTS<sup>4</sup></b>				
<b>Total County/City Staff Overhead/Indirect Costs</b>	\$0	\$0	\$0	\$0
<b>TOTAL PROJECT COST</b>	<b>\$85,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$210,000</b>

<sup>4</sup> Indirect costs include, for example, a pro rata share of rent, utilities, and salaries for certain positions indirectly supporting the proposed project but not directly staffing it. Amount requested for indirect costs should be capped at 10% of amount requested for “Total Labor.”