

**SAN LUIS OBISPO PLANNING COMMISSION
AGENDA**

Council Chamber
City Hall - 990 Palm Street
San Luis Obispo, CA 93401

February 12, 2014

Wednesday

6:00 p.m.

CALL TO ORDER/PLEDGE OF ALLEGIANCE

ROLL CALL: Commissioners John Fowler, Ronald Malak, Michael Multari, William Riggs, Charles Stevenson, Vice-Chairperson John Larson, and Chairperson Michael Draze

ACCEPTANCE OF AGENDA: Commissioners or staff may modify the order of items.

MINUTES: Minutes of January 22, 2014. Approve or amend.

PUBLIC COMMENT: At this time, people may address the Commission about items not on the agenda. Persons wishing to speak should come forward and state their name and address. Comments are limited to five minutes per person. Items raised at this time are generally referred to staff and, if action by the Commission is necessary, may be scheduled for a future meeting.

PUBLIC HEARINGS:

NOTE: Any court challenge to the action taken on public hearing items on this agenda may be limited to considering only those issues raised at the public hearing or in written correspondence delivered to the City of San Luis Obispo at, or prior to, the public hearing.

Any decision of the Planning Commission is final unless appealed to the City Council within 10 days of the action (Recommendations to the City Council cannot be appealed since they are not a final action.). Any person aggrieved by a decision of the Commission may file an appeal with the City Clerk. Appeal forms are available in the Community Development Department, City Clerk's office, or on the City's website (www.slocity.org). The fee for filing an appeal is \$273 and must accompany the appeal documentation.

If you wish to speak, please give your name and address for the record. Please limit your comments to three minutes; consultant and project presentations limited to six minutes.

1. **City-Wide.** GPI 15-14: Housing Element Update: Receive a staff presentation regarding the Housing Element status and provide input on any items or issues that should be considered in the update process; City of San Luis Obispo, applicant. (*Tyler Corey*)

Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda will be made available for public inspection in the Community Development, 919 Palm Street, during normal business hours.

2. **1035 Madonna Road.** PRE 203-13: Pre-application review of the San Luis Ranch project and Initiation of General Plan Amendments; Coastal Community Builders, applicant. (*Doug Davidson*)

COMMENT AND DISCUSSION:

3. **Staff**
 - a. Agenda Forecast

4. **Commission**

ADJOURNMENT

Presenting Planner: Tyler Corey and Doug Davidson



The City of San Luis Obispo is committed to include the disabled in all of its services, programs and activities. Please contact the City Clerk or staff liaison prior to the meeting if you require assistance.

**CITY OF SAN LUIS OBISPO
PLANNING COMMISSION STAFF REPORT**

ITEM # 1

BY: Tyler Corey, Housing Programs Manager

DATE: February 12, 2014

FROM: Kim Murry, Deputy Director of Community Development

KM

FILE NUMBER: GPI 15-14 Housing Element Update

PROJECT ADDRESS: Citywide

SUBJECT: Status of the state mandated 2014 update of the General Plan Housing Element

SUMMARY RECOMMENDATION

Receive a staff presentation regarding Housing Element status and provide input on any items or issues that should be considered in the update process.

BACKGROUND

The General Plan Housing Element was adopted in June 2010 and certified by the State Department of Housing and Community Development (HCD) in July 2010. State law establishes a schedule for cities and counties to periodically update their housing elements. Under this schedule, the City, other cities in the County and the County are required to adopt an updated housing element on or before June 30, 2014. The update process is a tool to modify housing policies and programs to reflect the changing needs, resources, and conditions in the community, and to respond to changes in housing law.

DISCUSSION

Key Update Areas

Staff is in the process of updating the Housing Element based on HCD guidance, state law, evaluation of goals, policies and programs and input from residents and stakeholders. The following key areas will be addressed in the update:

- Residential development capacity to meet housing allocation (discussed below)
- Analysis of governmental and non-governmental constraints
- Housing needs assessment
- Units at-risk of conversion to market rate
- General plan consistency
- Public participation
- Programs and quantified objectives
- New statutory requirements since the prior update

Regional Housing Needs Allocation

The Regional Housing Needs Allocation (RHNA) produced by HCD identifies the projected housing needs in the region as part of the periodic updating of local housing elements of the General Plan. The San Luis Obispo Council of Governments (SLOCOG) is responsible for working with the state-mandated RHNA and distributing the allocation between the cities and the unincorporated County areas. For this housing element cycle, the City has been assigned 1,144 units (out of 4,090 for the County as a whole) for the upcoming planning period. The City

is not required to construct housing, but to demonstrate that it can accommodate this requirement through a variety of programs as well as having appropriate land use and zoning capacity.

The 1,144 unit allocation is substantially lower than the previous planning period requirement of 1,589, and the City currently has the land use and zoning capacity to accommodate this allocation without the need to rezone property. The table below shows the City’s regional housing need for new housing construction for January 1, 2014 through June 30 2019. It includes City construction objectives for detached single-family and attached multi-family housing types, both rental and for-sale units.

Income Category (% of County Median Income)	Regional Housing Need Allocation		
	SFH ²	MFH ³	Total
Extremely Low (< 30%) ¹	0	142	142
Very Low (30-50%) ¹	0	143	143
Low (51-80%)	72	107	179
Moderate (81-120%)	80	121	202
Above Moderate (> 120%)	191	287	478
TOTAL UNITS	343	800	1,144

¹Given the deep subsidies needed to construct extremely low and very-low income single-family units, most housing for these income groups is expected to be multi-family units.

²SFH refers to single-family detached housing.

³MFH refers to attached multi-family housing.

Residential Development Capacity

As part of the housing element update process, jurisdictions must document their residential land capacity to show how their RHNA can be met. The City has completed this analysis and has approximately 754 acres of vacant, underutilized or blighted property that can accommodate approximately 3,721 dwelling units (Attachment 1). A substantial portion of this residential development capacity is located in the Margarita and Orcutt Area Specific Plans. The City’s residential capacity exceeds the 1,144 unit RHNA, and therefore, a property rezoning program will not be required with the Housing Element update.

Community Profile

To understand the City’s housing needs, a demographic profile of the community is essential. Social, economic and housing characteristics are analyzed to determine how these factors affect housing needs, costs and availability. The main sources of statistical data include the 2010 U.S. Decennial Census, California Department of Finance, and the 2012 Central Coast Economic Forecast prepared by Beacon Economics. The Community demographic and housing stock

profile has not changed significantly from 2010 when the last Housing Element was adopted. Information summarizing community demographics is provided below.

Demographics

Excerpts from the Community Profile show San Luis Obispo, the largest of the seven cities in the County, as having approximately 17 percent of the County residents (Attachment 2). Over the last eight years, the City's population increased 2 percent (from 44,662 to 45,541) whereas the County's grew roughly 4 percent during the same period (from 261,558 to 272,177). San Luis Obispo has grown more slowly than anticipated and is projected to grow at an annual growth rate of approximately 0.4 percent over the next fifteen years (Regional Growth Forecast – San Luis Obispo Council of Governments, 2011).

As might be expected, the City's largest population segment is in the 18-24 year old category due to the proximity of the two colleges, Cal Poly and Cuesta. This demographic affects our housing market in profound ways, including housing supply and demand, type and tenure, and affordability. However, recent and planned expansion of student and faculty housing at Cal Poly may help reduce pressure on the rental housing market and help stabilize rental costs in the near term. In the longer term, with President Armstrong's recent announcement to increase Cal Poly enrollment by 4,000 to 5,000 students in the future, the City will need to collaborate with Cal Poly to address impacts to the City's housing through the Master Plan process.

The City and County are less racially and ethnically diverse than the State as a whole. In 2010, more than 82 percent of County residents were of white or non-Hispanic origin. The State Department of Finance indicates that by 2025, approximately 36 percent of the City's population will be non-white with most of the growth coming from Hispanic and Asian/Pacific Islander populations.

Other demographic changes include a smaller household size (average 2.29 in 2010 vs. 2.32 in 2000). The County has also experienced this trend toward smaller household sizes (2.48 in 2010 vs. 2.55 in 2000.). What this means is that while additional houses have been constructed, fewer people are living in each housing unit leading to a smaller population growth and greater housing demand than might otherwise be anticipated. By contrast, the State has experienced a slight increase in average household size from 2.88 in 2000 to 2.90 in 2010.

Employment Trends

The City's work force is not immune from State and National economic forces. Due to the recent economic recession, the unemployment rate in the City reached 10.9 percent in 2010. Since this time, the City has seen a steady decrease in annual unemployment rates with unemployment falling to 7.3 percent in 2013.

The City's economy is relatively stable due to the large number of public sector employees, and private sector employers that receive government funds, including the County of San Luis Obispo, California Polytechnic State University, Cuesta College, California State Department of Forestry, California Department of Transportation, California Army National Guard, San Luis Coastal Unified School District and the City of San Luis Obispo. Large private sector employers include P.G.&E., Cal Poly Foundation, Sierra Vista Regional Medical Center and French

Hospital.

Household Income

Household type, demographics, and employment trends all impact household income. The City's median household income is approximately 75 percent of the County's. The City's household median income is impacted by the large student population and the larger segment of retail, accommodation and food industry jobs in the City. In 2010, 33 percent of household incomes were less than \$24,999.

Housing Inventory

In 2010, the State Department of Finance estimated the City's housing stock at 20,553 units. Of this total, 53 percent consists of single-family (attached and detached), 40 percent consists of multi-family and seven percent consists of mobile homes. Many of the City's older neighborhoods contain a mix of single houses, houses with attached and detached secondary units, and small duplexes or triplexes. Approximately 24 percent of the housing stock consists of studio/one-bedroom units, 33 percent consists of two-bedroom units, 28 percent consists of three-bedroom units and 16 percent consists of four-bedroom and larger dwellings.

Housing tenure refers to owner vs. rental occupancy of the housing stock. The City has a 40/60 split in owner vs. rental occupancy. Since 2000, the City has seen a 2 percent decrease in owner occupied housing units. This is consistent with tenure trends occurring in both the County and State. The City has a lower percent of owner occupied units when compared to both the County and State. This is due to the large student population that rents housing in the City while attending Cal Poly and Cuesta.

Housing Affordability

Standard metrics indicate that housing is affordable if a household can secure the appropriate size living quarters for approximately 30 percent of the household income. Many people who live in the City overpay for housing, and many who work here cannot afford to live here. This issue has become more problematic from 2000 to 2010 as increases in the price to buy housing units outpaced household income increases. While this trend began to reverse in 2007 with the economic recession and subsequent drop in housing prices, prices have since stabilized and are on the rebound. The City's median sales price in 2013 was approximately \$565,000 compared to \$431,000 in the County and \$370,000 in the State.

Median rents have not changed substantially despite market conditions. As a result, the median income renter was spending 48 percent of their income on housing. The mid 2000's saw extremely low vacancy rates which impacted rental prices. Since 2005, the City has seen a steady increase in vacancy rates with a rate of 5.5 percent in 2010. While vacancy rates are higher than in the recent past, they are still in a range of what is generally considered a low vacancy rate. A balanced vacancy rate for an area is typically around five percent. Vacancy rates lower than five percent favor landlords while rates higher than five percent can signal landlords are having trouble finding tenants.

Legislative Changes

The City is required to address new statutory requirements enacted since the previous Housing Element update. There is one key legislative change that was adopted in 2010 that must be addressed in this update.

SB 812

Adopted in 2010, SB 812 requires that housing elements include an analysis of the special housing needs of the disabled including persons with developmental disabilities. The analysis should include an estimate of the number of persons with developmental disabilities living in the community, an assessment of the housing need, and a discussion of potential resources. Staff is researching this issue and will ensure that the updates to the Housing Element include required analysis and any necessary policies and/or programs to address this requirement.

Meeting the State Deadline

The City is working diligently to complete the update by June 30th. The City's goal is to adopt a housing element that is consistent with housing law and that will be certified by the State. Achieving a certified housing element that meets community needs and goals is a higher priority than strictly meeting the State's deadline. Achieving state certification of the City's Housing Element provides benefits in the form of being eligible to apply for certain grant funds and furthers the City's efforts to achieve housing objectives.

The statute does not have sanctions for failure to adopt a housing element update on the State's timeline. HCD will continue to work with communities beyond June 30th to assist them with their housing elements. Were an action brought against the City alleging a failure to timely adopt a revised housing element and the City was actively trying to complete that process, a court would likely not interfere, but rather, would simply continue the matter on a time schedule to ensure adoption took place. The court would not have the authority to impose the adoption of the housing element; it could only direct the City to proceed with its own process.

Public Outreach

The City is in the process of conducting public outreach to identify housing needs, issues and opportunities. The primary goals of the outreach effort are to:

- 1) Actively engage the diverse populations of the City in discussions about housing needs.
- 2) Ensure that affected residents, housing providers, homeless services providers, and funding entities have opportunities to be actively involved in the process.

Workshops and Meetings

Staff facilitated a public workshop on November 14, 2013, and a meeting with the Workforce Housing Coalition of San Luis Obispo County on January 9, 2014. Staff compiled feedback from the workshop and meeting as well as other correspondence into three categories of criteria: needs, issues and opportunities. The following is an overview of public feedback and comments received thus far for each category:

Needs

- Affordable and workforce housing
- Senior and veteran housing
- Transitional housing for children out of foster care and those with mental health issues
- Small dwelling units for seniors and homeless
- Home sharing by unrelated individuals

Issues

- Financing for affordable housing production
- Preservation and rehabilitation of existing housing stock
- High property cost and low incomes
- Development impact fees

Opportunities

- Incentives for single room occupancy (SRO) and secondary dwelling units
- Allow secondary dwelling units on smaller lots and in more zoning districts
- Increase residential densities
- Allow greater building height to accommodate housing
- Creatively utilize existing housing resources

Planning Commission's Role

The Planning Commission has two primary roles in the update process: 1) provide a forum for public discussion and consensus building; 2) provide policy and program direction. The Draft Housing Element and associated environmental document must be considered by the Planning Commission in at least one public hearing before final action can be taken on the item. Staff anticipates this public hearing will occur in June. The Commission's recommendation will be forwarded to the City Council who takes final action on adopting the Housing Element.

Next Steps

The next steps in the process include staff compiling feedback from additional workshops, meetings, e-mails, letters and other correspondence. This effort will continue through the spring. Staff will then prepare the Draft Housing Element based on state requirements and community input and will submit the draft document to HCD for preliminary review and comment. Staff anticipates bringing the document back to the Planning Commission for review in June with Council consideration to follow.

ATTACHMENTS

1. Excerpts from Appendix M (Residential Development Capacity Inventory)
2. Excerpts from Appendix A (Community Profile)

Excerpts from Appendix M

Residential Development Capacity Inventory

Purpose

This survey lists properties within the City's Urban Reserve Line (URL) with additional housing development potential. The purpose of the survey is to document the City's residential land capacity to meet its Regional Housing Needs Allocation (RHNA). The RHNA is the number of housing units that California cities and counties must accommodate in their housing elements, and is specific to each jurisdiction. Properties were determined to have capacity for additional housing development if they were vacant, underutilized, or blighted and had zoning to support residential development. By documenting residential development potential, the Planning Commission and City Council can assess the City's housing stock and make informed decisions regarding housing needs for the 2014 General Plan Housing Element update.

Definitions

For the purpose of this survey, the following definitions were used:

1. "Vacant" refers to a property with no structures other than signs, walls, or fences.
2. "Underutilized" means a property with only minor accessory buildings, such as garages or sheds, or if developed, where less than 40 percent of the lot was covered with buildings (excluding properties in the Downtown Core, C-D Zone).
3. "Blighted" properties are identified by one or more of the following conditions:
 - a. damaged, sagging, or failed roof, walls, foundation, stairs or porch;
 - b. broken, missing, or extremely weathered siding (stucco, wood, asbestos tile);
 - c. broken, boarded, or missing windows, torn window screens;
 - d. badly damaged or missing doors;
 - e. exterior; outdated plumbing.
4. "Property", "lot", and "parcel" are used interchangeably and refer to one or more adjacent lots of record under common ownership.
5. "Urban Reserve Line" or URL refers to the area which encompasses urban land and can be inside or outside of the City Limits.
6. "In-City properties" include only those properties located within the City Limits.

7. “Outside-City properties” are those outside of the City limits, but within the Urban Reserve Line.

Survey Methodology

As part of the data collection and analysis phase of the Housing Element update, Community Development staff worked over a period of three months to document the condition of the housing stock and identify sites with residential development or redevelopment potential.

This involved three steps:

1. Establish survey areas
2. Identify and document vacant, underutilized, or blighted properties
3. Determine potential for additional residential development

Staff began by dividing the City into 28 survey areas (See Figure M-1), including land outside of the City limits but within the Urban Reserve Line (URL). Survey area boundaries generally follow major circulation routes, natural barriers, and neighborhood boundaries and are identical to the boundaries used in the 2010 survey, with a few minor changes to reflect recent annexations.

A “windshield survey” was then conducted, in which staff would drive each street of the selected area and take notes and photograph each property, which met the definition of vacant, underutilized, or blighted. Notes for each property included the address (where applicable), existing use, zoning, slope, housing type and number of units, and if buildings were present, their exterior condition.

After completing each survey area, staff documented the correct address (if not visible), County Assessor’s Parcel number (APN), General Plan and zoning designation, and total square footage of each property using the City’s Land Use Program.

Once each area was surveyed and documented, staff summarized the number of vacant, underutilized, or blighted properties and their acreages for each area and then for the entire City.

Staff added properties that had been annexed into the City since the previous survey, or were found to have changed status. Properties, which were vacant or underutilized in 2010, and have since been developed to their maximum capacity, were removed from the 2013 survey.

Development Constraints

Under State law, the site inventory analysis must include an estimate of the number of housing units that can be accommodated on each site identified in the land inventory within the planning period. The element must describe the methodology used to estimate the realistic

capacity. The element should not estimate unit capacity based on the theoretical maximum build-out allowed by the zoning. Development capacity estimates must consider:

1. **Applicable land-use controls and site improvement requirements.** The analysis must consider the imposition of any development standards that impact the residential development capacity of the sites identified in the inventory. When establishing realistic unit capacity calculations, the jurisdiction must consider existing development trends as well as the cumulative impact of standards such as maximum lot coverage, height, open space, parking, and FARs;
2. **Existing Uses:** The inventory must consider the impact of existing development when calculating realistic development capacity. For example, to demonstrate the unit capacity of underutilized sites, the analysis should describe and explain the factors that make developing additional residential units feasible (within the planning period). Consider the following example: A one-acre parcel zoned for 20 dwelling units per acre and developed with a single-family home. The element must demonstrate the local government has a track record of facilitating and supporting the intensification of sites, and describe the incentives the local government would offer (through a specific program action) to attract and assist developers; and
3. **Small Sites (less than one acre):** The element should include an analysis demonstrating the estimate of the number of units projected on small sites, is realistic or feasible. The analysis should consider development trends on small sites as well as policies or incentives to facilitate such development. For example, many local governments provide incentives for lot consolidation. In addition, while it may be possible to build housing on a small lot, the nature and conditions (i.e., development standards) necessary to construct the units often render the provision of affordable housing infeasible. For example, assisted housing developments utilizing State or federal financial resources typically include 50-80 units. To utilize small sites to accommodate the jurisdiction's share of the regional housing need for lower-income households, the element must consider the impact of constraints associated with small lot development on the ability of a developer to produce affordable housing.

**Figure M-1
Residential Capacity Survey Subareas**



City of San Luis Obispo Housing Element

1. General Plan Designation,
2. Development Status (vacant, underutilized, blighted),
3. Existing Land Use (residential, commercial, other),
4. Housing Type (single house, condos, apartments, other),
5. Number of Stories and Buildings,
6. Housing Condition (if blighted),
7. Site Constraints (slope, creeks, trees),
8. Development Potential,
9. Additional Notes

To verify and update the status of each property in the 2010 survey, staff compiled a list of properties that received building permits between 2009 and 2013. Vacant or underutilized properties that had been developed to their full potential were removed from the survey and vacant properties that were partially developed were then considered underutilized.

For blighted properties, the condition of the structure was re-evaluated. If the property was rebuilt or repaired to a point that it no longer met the definition of blight, the property was removed from the survey.

Properties were also added to the survey in one of three different ways:

1. If the property had been annexed since the previous planning period,
2. If the property had become vacant or underutilized due to the demolition of buildings,
3. If a property had become sufficiently deteriorated to meet the definition of blight.

Development Capacity Calculation

After reviewing the survey sheets for each property, the potential for development on each property was calculated by applying the following rules.

Development Potential was calculated by:

1. Determining the maximum allowed density in units per acre according to average slope and land use zone designation (See Table M-1).
2. Determining the maximum number of density units allowed on the property by multiplying the developable lot in acres (excluding creek setbacks, street right-of-ways or plan-lines, and designated open space areas, or areas outside of the Urban Reserve Line) by the maximum allowed density units per acre. Recent housing projects within the City indicate that most properties do not develop to their maximum build out potential due to parking and setback requirements, access, and landscaping requirements. With this knowledge, the City has applied a conservative estimate of 75 percent of the maximum residential capacity, to all properties within the survey. (max allowed density x .75 = surveyed capacity)

3. Vacant properties potential was calculated by applying the “75 percent rule”
4. If the property was considered both underutilized and blighted, it was assumed that the property would be redeveloped, in its entirety, and would then follow the vacant property “75 percent rule.”
5. If a property was underutilized, but not blighted, the percentage of the property that was developed was subtracted from the developable lot area and the remainder (anything not developed) was multiplied by 75 percent. For example, a 20,000 square foot property, with a building footprint of 5,000 square feet, has a total of 15,000 square feet that can be developed. The remaining 15,000 square feet would then be multiplied by the maximum density and by 75 percent ((total area-developed area) x max density x .75).
6. Blighted properties were considered to have development potential and likely to be redeveloped to their existing capacity if the buildings had structural issues (damaged, sagging, or failed roof, wall, foundation, or porch degradation). In these cases, the properties were not assigned additional development capacity, but were flagged as properties with the potential for redevelopment or rehabilitation.
7. Vacant properties with the potential for mixed-use commercial/residential development were calculated following the same residential capacity method, as the City allows mixed use properties to meet both the residential and commercial maximum capacities determined by lot size.

**Table M-1
Maximum Density by Zone and Slope**

Average Cross Slope in %	Maximum Density Allowed (density units per acre)					
	R-1	R-2, O, C-N, C-T	R-3	R-4	C-R, C-D, C-C	C-S, M
0-15	7	12	18	24	36	24
16-20	4	6	9	12	36	24
21-25	2	4	6	8	36	24
26+	1	2	3	4	36	24

8. Where site features, such as lot orientation, natural features or the presence of historic buildings, warranted a further reduction from the maximum residential capacity, an adjustment factor was applied on a case-by-case basis.

Survey Assumptions

The following assumptions were made to determine development capacities for each property:

1. Downtown (C-D zone) properties were considered to have development potential if they had:
 - a. Less than 100 percent building lot coverage;
 - b. An approved or proposed development plan;
 - c. Had not undergone seismic retrofit or significantly modified in the last 5 years.
2. If a property had a proposed development plan (planning approval or building permit), development capacity was assumed to equal the number of approved dwelling units, less the number of existing units.
3. For single properties with multiple zoning designations, the development potential was calculated for the area of the property in each zone and then added together.
4. Housing capacity for property with an approved specific plan, utilized the numbers outlined in the Specific Plan document to calculate housing capacity. The Orcutt Area Specific Plan (OASP) and Margarita Area Specific Plan (MASP) were used for this survey.
5. The potential for adding secondary dwelling units was not included in development capacity calculations.
6. Property development capacity is based on existing zoning, except in limited cases where rezoning is anticipated based on a pending application or Planning Commission or City Council action.
7. Properties located within any of the Airport Land Use Plan's "S-1" safety zones were determined to have no additional housing capacity.
8. Properties with restrictions that prohibit further subdivision and density were left in the inventory, but calculated with a capacity of zero additional units to acknowledge that they were included in the survey.

Survey Organization

Once the development potential for each property was calculated, the information was organized in three different ways: by survey area, zoning designation, and development status (vacant, underutilized, blighted). Each organizational method provides the City's staff and decision makers with important indicators of which areas, zones, or types of properties are best suited for future residential growth.

Development Capacity by Area

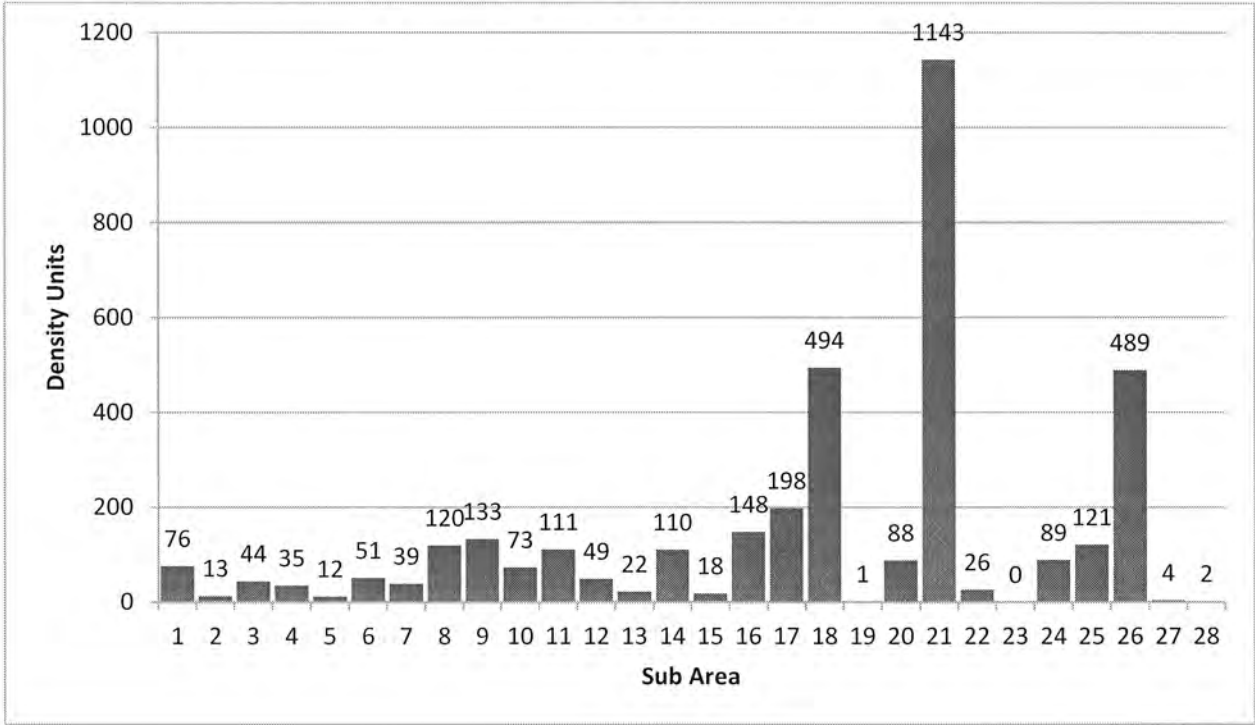
Organizing the inventory by survey area gives staff, the Planning Commission, and City Council a better geographic idea of where to expect or plan for residential growth over the next five years. Figure M-2 shows the number of additional dwelling units that could be developed within the planning period by survey area. Each survey area can realistically accommodate the development of all vacant, underutilized, and blighted properties. This survey has determined that the City has the potential to accommodate 3,721 dwellings within the City's Urban Reserve Line, based on existing available land and the current condition of existing housing.

Areas with little or no potential for additional housing capacity were determined to be at or near full residential build-out or affected by other restrictions like the Airport Land Use Plan. Areas 18 and 21 include properties in the Margarita and Orcutt Specific Plan Areas, which account for a majority of the potential for additional housing.

Residential Capacity Summary

The city has completed its Residential Development Capacity Inventory for the 2014 Housing Element Update. Table M-2, which contains development capacity estimates on a parcel by parcel basis, is not included due to its large size. Survey results indicate the City has approximately 754 acres of vacant, underutilized or blighted property that can accommodate approximately 3,721 dwelling units. A substantial portion of this residential development capacity is located in the Margarita and Orcutt Area Specific Plans. The City's residential capacity exceeds the 1,144 unit RHNA, and therefore, a property rezoning program will not be required with the Housing Element update.

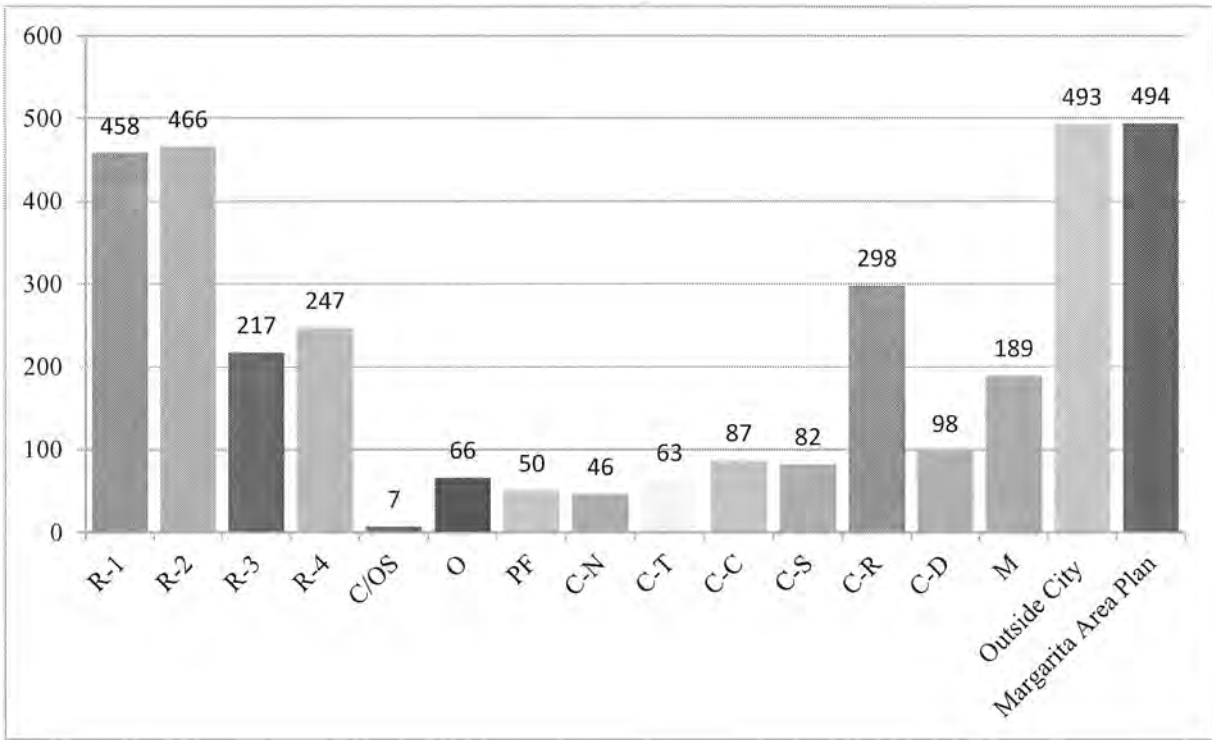
**Figure M-2
Development Capacity by Survey Subarea**



Development Capacity by Zoning Designation

Organizing the City’s development capacity by zoning designation rather than subarea gives a better idea of what types of density and housing the City can accommodate. Only those properties within the existing City limits were included in this chart because properties within the Urban Reserve Line, but outside of the City limits are not zoned and do not have zoning designations. While zones R-1, R-2, R-3, and R-4 zones are specifically intended for residential use, the City’s commercial, office, public facility, and manufacturing zones also allow dwellings as part of mixed use development or freestanding use when compatible with onsite and surrounding uses.

Figure M-3 Development Capacity by Zone and Outside City



The zones with the most potential for accommodating additional residential units include Medium density residential (R-2), Low density residential (R-1), and High density residential (R-3) with potential for an additional 466 density units, 458 density units, and 217 density units respectively. Figure M-3 shows residential development potential by zone. For the purpose of this survey, properties with overlay zoning districts, such as R-2-H (Medium Density Residential with Historic District Overlay), were not separated from the primary zoning designation

*Excerpts from Appendix A
Community Profile*

**Table A-1
Population Growth, 2005-2013
San Luis Obispo City, County, and State of California**

	City		County		State	
	Population	Rate of Change (%)	Population	Rate of Change (%)	Population	Rate of Change (%)
2005	44,662	-	261,558	-	35,278,768	-
2006	44,522	-0.31	263,727	0.83	36,457,549	3.34
2007	44,389	-0.30	265,786	0.78	36,553,215	0.26
2008	44,521	0.30	268,290	0.94	36,756,666	0.56
2009	44,750	0.51	270,429	0.80	36,961,664	0.56
2010	45,119	0.82	269,637	-0.29	37,253,956	0.79
2011	45,269	0.33	271,969	0.86	37,691,912	1.18
2012	45,312	0.10	271,502	-0.17	37,668,804	-0.06
2013	45,541	0.51	272,177	0.25	37,966,471	0.79

Source: U.S. Census, 2005- 2013

Table A-2
Average Annual Population Growth, 1990-2013
San Luis Obispo City, County, and State of California

	City		County		State
	Population	Average Annual Growth Rate (%)	Population	Average Annual Growth Rate (%)	Population
1990	41,958	-	217,162	-	29,760,021
2000	44,179	0.5	246,681	1.4	33,871,648
2010	45,119	0.2	269,637	0.9	37,253,956
2013	45,541	0.2	272,177	0.2	37,966,471
					Average Annual Growth Rate (%)
					-
					1.4
					1.0
					0.5

Source: U.S. Census, 1990; U.S. Census, 2000; U.S. Census 2010; California Department of Finance, 2013

Table A-3
Population Projections, 2015-2030
San Luis Obispo City, County, and State of California

Year	City	County	State
2015	44,668	275,590	38,801,063
2020	45,969	286,940	40,643,643
2025	46,704	296,851	42,451,760
2030	47,622	309,288	44,279,354
Annual Growth Rate	0.40%	0.72%	1.0%

Source: Regional Growth Forecast for San Luis Obispo Council of Governments, 2011; California Department of Finance, 2010

Table A-4
Age Distribution, 2010
San Luis Obispo City, County, and State of California

Age	City		County		State	
	Population	Percent	Population	Percent	Population	Percent
Under 5	1,508	3.3	13,343	4.9	2,531,333	6.8
5-17	4,014	8.9	37,498	14.0	6,763,707	18.2
18-24	15,670	34.7	39,545	14.7	3,922,951	10.5
25-44	9,630	21.3	61,860	22.9	10,500,587	28.2
45-64	8,866	19.7	76,369	28.3	9,288,864	24.9
65 +	5,431	12.0	41,022	15.2	4,246,514	11.4

Source: U.S. Census, 2010

Table A-5
Racial and Ethnic Composition as a Percentage of Total Population,
City and County of San Luis Obispo, State of California, 1990, 2000 and 2010

Ethnicity	City			County			State		
	1990	2000	2010	1990	2000	2010	1990	2000	2010
White	88.6	78.7	84.5	89.3	76.1	82.6	65.6	46.7	57.6
Black/African-American	1.9	1.3	1.2	2.2	1.9	2.1	8.1	6.4	6.2
American Indian/Alaska Native	0.5	0.4	0.6	0.8	0.6	0.9	0.7	0.5	1.0
Asian or Pacific Islander	5.2	5.3	5.3	2.9	2.7	3.3	10.4	11.1	13.4
Other	0.1	4.8	4.4	0.1	6.2	7.3	0.2	19.4	17.0
Two or More	--	2.4	4.0	--	2.2	3.8	--	2.7	4.9
Hispanic or Latino of Any Race	3.7	11.7	14.7	4.6	16.3	20.8	15.0	32.4	37.6

Source: U.S. Census 1990, U.S. Census 2000, U.S. Census 2010

Table A-6
Projected Change in Racial and Ethnic Composition by Percent, 2010-2025

Year	Total Population		White		Black		Native American		Asian/Pacific Islander		Hispanic	
	No. of persons	% of total	No. of persons	% of total	No. of persons	% of total	No. of persons	% of total	No. of persons	% of total	No. of persons	% of total
2010	269,713	71.1	5,392	2.0	1,367	0.5	8,955	3.3	56,309	20.9		
2011	270,119	70.7	5,418	2.0	1,366	0.5	9,003	3.3	57,147	21.2		
2012	271,021	70.3	5,428	2.0	1,368	0.5	9,156	3.4	58,333	21.5		
2013	271,702	69.9	5,427	2.0	1,368	0.5	9,248	3.4	59,424	21.9		
2014	272,568	69.5	5,425	2.0	1,372	0.5	9,305	3.4	60,520	22.2		
2015	273,793	69.1	5,420	2.0	1,377	0.5	9,389	3.4	61,777	22.6		
2016	275,883	68.6	5,414	2.0	1,384	0.5	9,605	3.5	63,497	23.0		
2017	278,531	68.0	5,407	1.9	1,392	0.5	9,908	3.6	65,548	23.5		
2018	281,301	67.4	5,403	1.9	1,387	0.5	10,384	3.7	67,650	24.0		
2019	284,230	66.7	5,397	1.9	1,382	0.5	10,884	3.8	69,840	24.6		
2020	287,744	66.0	5,385	1.9	1,379	0.5	11,452	4.0	72,484	25.2		
2021	289,757	65.5	5,374	1.9	1,375	0.5	11,727	4.0	74,104	25.6		
2022	291,845	65.1	5,363	1.8	1,372	0.5	11,982	4.1	75,691	25.9		
2023	294,797	64.6	5,346	1.8	1,369	0.5	12,373	4.2	77,828	26.4		
2024	297,793	64.1	5,325	1.8	1,368	0.5	12,771	4.3	79,974	26.9		
2025	299,996	63.6	5,302	1.8	1,366	0.5	13,004	4.3	81,755	27.3		

Source: California Department of Finance, 2010

*Persons of Hispanic origin may be of any race

Table A-7
Employment by Industry for Residents of
San Luis Obispo City, County, and State of California, 2011

Industry	City		County		California	
	Number of Jobs	Percent	Number of Jobs	Percent	Number of Jobs	Percent
Educational services, and health care and social assistance	4,905	22.6	26,868	22.4	3,436,039	21.0
Arts, entertainment, and recreation, and accommodation, and food services	3,443	15.8	14,396	12.0	1,577,836	9.6
Retail trade	3,780	17.4	16,169	13.5	1,823,539	11.1
Professional, scientific, and management, and administrative and waste management services	2,361	10.9	12,782	10.7	2,049,668	12.5
Finance and insurance, and real estate and rental and leasing	1,338	6.2	5,880	4.9	1,063,956	6.5
Public administration	895	4.1	7,654	6.4	792,486	4.8
Manufacturing	992	4.6	6,993	5.8	1,645,797	10.0
Construction	571	2.6	8,344	7.0	993,885	6.1
Transportation and warehousing, and utilities	806	3.7	4,804	4.0	763,950	4.7
Information	663	3.0	2,927	2.4	461,550	2.8
Other services, except public administration	1,234	5.7	6,035	5.0	883,118	5.4
Wholesale trade	396	1.8	2,434	2.0	526,050	3.2
Agriculture, forestry, fishing and hunting, and mining	361	1.7	4,681	3.9	379,282	2.3
Civilian employed population 16 years and over	21,745	100	119,967	100	16,397,156	100

Source: U.S. Census – American Community Survey, 2009-2011

Table A-8
Labor Force and Unemployment, 2000-2013
City of San Luis Obispo

	Labor Force			Unemployment Rate, (%)
	Employed	Unemployed	Total	
2000	23,500	1,100	24,600	4.5
2001	24,200	1,100	25,300	4.4
2002	24,600	1,300	25,900	5.2
2003	24,500	1,300	25,800	5.2
2004	24,900	1,300	26,200	5.1
2005	25,400	1,300	26,700	4.7
2006	25,800	1,200	27,000	4.4
2007	26,200	1,300	27,500	4.7
2008	25,900	2,000	27,900	6.3
2009	24,800	2,700	27,500	9.9
2010	24,900	3,000	27,900	10.9
2011	25,200	2,900	28,100	10.3
2012	26,300	2,600	28,800	8.9
2013¹	26,800	2,100	28,900	7.3

Note: Unemployment rate is unemployed labor force divided by total size of labor force. Those who choose not to work or have given up searching for work typically are not calculated as members of the labor force.

¹ 2013 data is preliminary for August 2013

Source: California Employment Development Department, 2010-13

Table A-9
Number of Households, 1990, 2000, and 2010
San Luis Obispo City, County and State of California

	No. of Households in 1990	No. of Households in 2000	Change		No. of Households in 2010	Change	
			#	%		#	%
City	16,952	18,653	1,701	10.0	19,193	540	2.9
County	80,281	92,739	12,458	15.5	102,016	9,277	10.0
State	10,381,206	11,502,870	1,121,664	10.8	12,577,498	1,074,628	9.3

Source: US Census, 1990, 2000 and 2010

Table A-10
Household Size, 2000 and 2010
San Luis Obispo City, County and State of California

	Average No. of persons per household in 1990	Average No. of persons per household in 2000	Change		Average No. of persons per household in 2010	Change	
			#	%		#	%
City	2.388	2.322	-0.066	-2.8	2.29	-0.03	-1.29
County	2.533	2.547	0.014	0.6	2.48	-0.07	-2.75
State	2.794	2.875	0.081	2.9	2.90	0.02	0.69

Source: US Census, 1990, 2000, and 2010²

Table A-11
Estimated Households by Household Type, 2010
San Luis Obispo City and County

	Family Households		Non-family Housing		Single Male Households		Single Female Households		Total	
	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%
City	7,612	39.7	11,581	60.3	2,863	14.9	3,350	17.5	19,193	100.0
County	63,691	62.4	38,325	37.6	11,443	11.2	15,330	15.0	102,016	100.0

Source: U.S. Census 2010

Table A-12
Estimated Households by Household Size, 2010
San Luis Obispo City and County

	1- Person Household		2- Person Household		3- Person Household		4- Person Household		5- Person Household		6- Person Household	
	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%
City	6,213	32.4	6,637	34.6	2,833	14.8	2,217	11.6	902	4.7	266	1.4
County	26,773	26.2	37,920	37.2	15,329	15.0	12,615	12.4	5,709	5.6	2,145	2.1

Source: U.S. Census 2010

Table A-13
Median Household Income, 1990, 2000, and 2010
San Luis Obispo City and County*

	Median Household Income, 1990	Median Household Income, 2000	Change in Income		Median Household Income, 2010	Change in Income	
	\$	\$	#	%	\$	#	%
City	25,982	31,926	5,944	18.6	42,461	10,535	24.8
County	31,164	42,428	11,264	26.6	56,967	14,539	25.5

Source: US Census, 1990, 2000 and 2010

* Figures for a four-person family or household

Table A-14
Per Capita Incomes, 2000, 2010 and 2012
San Luis Obispo City, County, and State of California

	Per Capita Income, 2000	Per Capita Income, 2010	Change (\$)		Per Capita Income, 2012	Change (\$)	
	\$	\$	\$	%	\$	\$	%
City	20,386	25,400	5,014	24.6	26,433	1,033	4.1
County	21,864	28,910	7,046	32.2	29,318	408	1.4
State	22,711	28,551	5,840	25.7	28,576	25	0.09

Source: US Census, , 2000, 2010 and 2012

Table A-15
Estimated Households by Income Categories, 2010
City of San Luis Obispo

Income Categories	# of Households	% of total households
Income Less than \$ 24,999	6,288	33.2
Income \$25,000 - \$34,999	2,014	10.6
Income \$35,000 - \$49,999	2,285	12.1
Income \$50,000 - \$74,999	3,116	16.5
Income above than \$75,000	5,228	27.7
Total	18,931	100

Source: U.S. Census 2010

Table A-16
Composition of Housing Stock by Unit Type, 1990, 2000, and 2010
City of San Luis Obispo

Unit Type	1990		2000		2010	
	# of Units	% of Total	# of Units	% of Total	# of Units	% of Total
Single-Family Detached	8,242	46	8,962	47	9,541	46
Single-Family Attached	1,123	6	1,210	6	1,379	7
Multi-Family (2-4 units)	2,227	12	2,347	12	2,627	13
Multi-Family (5+ units)	4,755	27	4,821	26	5,524	27
Mobile Homes, Other	1,530	9	1,531	9	1,482	7
Total	17,877	100	18,871	100	20,553	100

Source: Department of Finance Population and Housing Estimates, April 1990, January 2000, and January 2010

Table A-17
Housing Size - Number of Bedrooms by Tenure, 2010
City of San Luis Obispo

Tenure	Total Units	Housing Size							
		0 and 1 bedroom		2 bedrooms		3 bedrooms		4+ bedrooms	
		# of Units	%	# of Units	%	# of Units	%	# of Units	%
Owner-occupied	7,229	221	3	1,927	27	3,394	47	1,687	23
Renter-occupied	11,702	4,248	36	4,230	36	1,910	16	1314	11
Totals	18,931	4,469	24	6,157	33	5,304	28	3,001	16

Source: U.S. Census 2010

Table A-18
Estimated Tenure of Occupied Housing Units, 2010
City of San Luis Obispo

	2000		2010		Change	
	#	%	#	%	#	%
Owner-occupied	7,795	41.8	7,547	39.3	-248	-2.5
Renter-occupied	10,858	58.2	11,646	60.7	788	2.5
Total	18,653	100	19,193	100	540	0

Sources: U.S. Census 2000, 2010

Table A-19
Age of Housing Stock, 2010
City of San Luis Obispo

Year Built	# of Units	% of Units*
Before 1939	1,587	7.9
1940-1949	1,252	6.2
1950-1959	2,626	13.0
1960-1969	3,098	15.3
1970-1979	4,338	21.5
1980-1989	3,541	17.5
1990-1999	1,812	9.0
2000-2004	1,304	6.5
2005-2007	254	1.26
2008-2010	398	1.97
Total Housing Units	20,210	100

Source: U.S. Census Bureau, 2008-2010 American Community Survey

Table A-20
Median Residential Real Estate Sales Prices, 2001-2012
San Luis Obispo City, County, and State of California

	City			County			State		
	Median Price (\$)	Percent Change	Median Price (\$)	Percent Change	Median Price (\$)	Percent Change	Median Price (\$)	Percent Change	
2001	331,568	--	282,170	--	263,505	--	263,505	--	
2002	405,778	22.4	326,710	15.8	318,309	20.8	318,309	20.8	
2003	451,150	11.2	381,750	16.8	371,523	16.7	371,523	16.7	
2004	530,932	17.7	443,090	16.1	451,487	21.5	451,487	21.5	
2005	601,665	13.3	553,780	25.0	526,316	16.6	526,316	16.6	
2006	655,851	9.0	580,800	4.9	560,253	6.4	560,253	6.4	
2007	581,040	-11.4	570,770	-1.7	554,623	-1.0	554,623	-1.0	
2008	564,213	-2.9	470,233	-17.6	378,233	-31.8	378,233	-31.8	
2009	570,000	1.0	385,551	-18.0	276,700	-26.8	276,700	-26.8	
2010	556,475	-2.4	384,002	-4	305,408	10.4	305,408	10.4	
2011	554,000	-0.4	360,000	-6.3	287,523	-5.9	287,523	-5.9	
2012	502,000	-9.4	369,000	2.5	266,000	-7.5	266,000	-7.5	

Source: UCSB Economic Forecast Project, 2008, 2010, Zillow 2012

Table A-21
Rental Vacancy Rates, 1990 - 2010
City and County of San Luis Obispo, State of California

Year	Percent Vacancy Rate		
	City	County	State
1990	5.94	5.76	3.71
2000	2.29	3.20	3.70
2005	0.12	2.31	4.60
2006	0.42	1.25	4.70
2007	0.82	1.27	4.70
2008	2.99	3.16	4.70
2009	2.10	5.60	5.80
2010	5.70	5.50	6.30

Source: U.S. Census 1990, U.S. Census 2000, U.S. Census American Community Survey, 2005-09, U.S. Census 2010

Table A-22
Single Family Housing Values, 2010
City and County of San Luis Obispo

Price Range (\$)	City		County	
	# of Units	% of Total	# of Units	% of Total
Less than 100,000	448	6.0	3,850	6.4
100,000 – 199,999	629	8.5	4,199	7.0
200,000 – 249,999	99	1.3	2,790	4.7
250,000 – 299,999	66	0.9	3,869	6.5
300,000 – 399,999	532	7.2	12,780	21.3
400,000 – 499,999	815	11.0	9,794	16.4
500,000 – 749,999	3,164	42.7	12,860	21.5
750,000 or more	1,662	22.4	9,720	16.2
Totals	7,415	100	59,862	100
Median value	\$588,400		\$425,200	

Source: U.S. Census, 2010

*For owner-occupied units

Table A-23
Median Gross Rent as a Percentage of Household Income, 2010
City and County of San Luis Obispo, State of California

	Median Renter Cost, Percent of Income
City	48.0
County	36.7
State	33.1

Source: U.S. Census 2010




PLANNING COMMISSION AGENDA REPORT

SUBJECT: Review of pre-application conceptual materials for the proposed San Luis Ranch project, which envisions a mix of residential, commercial, and office uses while preserving substantial areas of open space and agriculture on the 131.3-acre Dalidio property.

PROJECT ADDRESS: APN 067-121-022 (Dalidio Property)

BY: John Rickenbach, AICP, JFR Consulting (610-1109)
JFRickenbach@aol.com

FILE NUMBER: Pre-App 203-13

FROM: Doug Davidson, Deputy Director (781-7177) 
ddavidson@slocity.org

RECOMMENDATION: Recommend the Planning Commission provide input on the project concept, including broad development parameters and key planning issues, which will be forwarded to City Council as it considers whether or not to accept an application for this project, and initiate the planning and environmental review process for the development proposal.

1.0 BACKGROUND

Site Overview

The 131.3-acre project site is located in unincorporated San Luis Obispo County, surrounded by areas within the City of San Luis Obispo, and within the City's Sphere of Influence, generally bounded by Madonna Road, Dalidio Drive and U.S. Highway 101. Over time, land surrounding the property has transitioned from agricultural to a variety of urban uses, including residential areas, shopping centers and auto dealerships. With these changes, the project site is surrounded by development and represents a key infill property for the City. However, the site is also important for its historic agricultural use, and is highly visible from Highway 101. Its visually sensitive location at a southern gateway to the City has led to a policy to preserve a portion of the agriculture and open space on site, both to preserve views and to maintain the City's agricultural heritage.



History of Development Proposals on the Site

The property has a long history, and has undergone extensive environmental review over the years, with various approvals and denials, voter initiatives, and been the focus of legal challenges. In short, it has been a controversial location for potential development, not only because of its visual prominence

as a gateway to the City, but because of the possible conversion of active agriculture, and the possible effects of development on character of the community as a whole as well as the potential impact to downtown businesses. The site has been the subject of several Environmental Impact Reports (EIRs) that examined previous plans on the site, and identified many potential impacts with respect to a variety of issues. The recent site history includes the following major milestones, which are useful to provide context to the current effort:

- **1994.** The City Council determined that commercial growth should be allowed as infill on half of the Dalidio property, with the other half to be preserved as open space. This decision marked the commencement of the Dalidio Marketplace project concept.
- **February 2001.** The City Council denied the Dalidio Marketplace proposal. The property owner decided to propose a broader initiative to San Luis Obispo County to seek approval under County jurisdiction.
- **2002.** The San Luis Obispo City Council urged the County Board of Supervisors to relinquish the initiative to the City's jurisdiction. San Luis Obispo County agreed to release their jurisdiction on the matter.
- **2005.** San Luis Obispo city voters rejected the Marketplace Project: Measures A and B were rejected by 51 per cent of voters and Measure C rejected by 52 per cent of voters.
- **March 2006.** The property owner proposed a revised "Dalidio Ranch Project" with the intention of letting the residents of San Luis Obispo County vote to decide the project's fate. This revision was submitted to the County as Measure J.
- **November 2006.** 65% of San Luis Obispo County voters approved Measure J.
- **February 2007.** Lawsuits were filed against the approved Measure J for Dalidio Ranch Project, with claims that citizens do not have the right to make decisions that may involve the conversion of agriculture through political initiatives.
- **February 2008.** The San Luis Obispo County Superior Court overturned Measure J, suggesting that the initiative was a matter to be decided by the Courts, not by the county or city electorate.
- **August 4, 2009.** The 2nd Court of Appeals in Ventura, California, overturned the Superior Court's ruling, reinstating the validity of Measure J, which allows for entitlements under County jurisdiction.
- **February 2014.** The property owner wishes to submit a revised version of the project under the jurisdiction of the City, an action that is not covered by Measure J.

Existing General Plan and Entitlements

The current General Plan envisions General Retail along Dalidio Drive, a small amount of Medium Density Residential near Madonna Road, and that at least 50% of the property to remain in Agriculture or Open Space.

The City’s Circulation Element requires substantial public infrastructure improvements to be constructed as part of the development of the property, including an extension of Prado Road as a Parkway Arterial from U.S. 101 to Madonna Road, a new interchange at U.S. Highway 101 and Prado Road, the widening of Prado Road from Higuera Street to U.S. 101, and various collector streets if necessary.

There are existing entitlements on the property for development in the County from a voter-approved initiative, known as “Measure J”, but the proposed project envisions a slightly different development pattern than envisioned under Measure J. The revised project would include more housing but less commercial square footage, with a slightly larger hotel. In other respects, the development concepts are similar, including the preservation of substantial agricultural land on the site. The project details are described in Section 2.0 of this staff report.

2.0 PROPOSED DEVELOPMENT CONCEPT

The currently proposed project concept is known as San Luis Ranch. The applicant is requesting input from the Planning Commission on the proposal, which envisions a mix of residential, commercial, and office uses while preserving substantial areas of open space and agriculture on the 131.3-acre Dalidio property. The project site is currently outside the City, but within its Sphere of Influence, and would require annexation.

Project Applicant and Site Data

Table 1 summarizes basic information about the property, including ownership, current status relative to the City’s General Plan and zoning, the applicant team, and key representatives involved in the project.

Table 1. Project Site Information and Representation	
Site Area	131.3 acres
Assessor Parcel Number	067-121-022
Jurisdiction	San Luis Obispo County (would require annexation to the City)
Relationship to City	Within City Sphere of Influence; included in City’s General Plan
General Plan Designation	Specific Plan (various land uses; would be revised in LUCE Update)
Zoning	Would require pre-zoning for Specific Plan
Property Owner	Ernest Dalidio
Project Applicant	Coastal Community Builders
Applicant Representative	Marshall Ochylski

Project Summary

Table 2 summarizes the major land use and development features of the proposed project:

<i>Land Use</i>	Acreage	% of Project Area	Dwelling Units/Square Feet
Residential	46.3	35.2%	Up to 500 units (includes single- and multi-family)
Commercial	10.0	7.6%	Up to 200,000 SF
Hotel and Convention Center	5.0	3.8%	Up to 200 rooms
Office	5.0	3.8%	Up to 150,000 SF
San Luis Ranch Organic Farm	33.5	25.5%	
Organic Farm Learning Center	8.0	6.1%	
Habitat/Open Space	15.0	11.4%	
Roads	8.5	6.5%	
TOTAL	131.3	100%	

Land Use Concept

The preliminary concept reflected in this Pre-Application proposes a substantial alteration to the uses entitled under Measure “J”. The new proposal includes considerably more housing while significantly reducing commercial use of the property. The residential portion of the property has increased from 60 Multi-Family homes to a mix of up to 500 low, medium and high-density residences.

Additionally, the previous Organic Agriculture feature will be replaced with an 8-acre Organic Farm Learning Center. This learning center is a contiguous part of the remaining acres of agricultural/open space provided on site. The site has been designed in such a way as to effectuate the complete integration of this agricultural use with the adjoining SLO City Farm. The learning center is proposed to function as not only a learning center for local residents, but also as an opportunity to capitalize on the tourism economy and provide an “agri-tourism” destination. The proposal includes an additional of open space/habitat in the vicinity of Prefumo Creek on the northwest side of the site.

Table 3 compares the proposed concept to what is already entitled in San Luis Obispo County under Measure J, as well as proposed policies under the Land Use and Circulation Element Update (LUCE). Note that the proposed policy framework envisioned under the LUCE is generally consistent with what is currently being proposed (see Attachment 2 for excerpt from proposed LUCE addressing the project site).

Table 3. San Luis Ranch Development Concept: Comparison to Measure J and Proposed LUCE Policies

Development Parameters	San Luis Ranch (2014)	Measure J (approved in 2006 in County)	Proposed GP Policy (Section 8.3.2.4; SP-2) *
Area	131.3 ac	131.3 ac	132 ac
Jurisdiction	City of San Luis Obispo	San Luis Obispo County	City of San Luis Obispo
Residential	Up to 500 DU Relies on use of <i>California Airport Land Use Planning Handbook</i> **	60 DU (multi-family)	350-500 DU
Commercial	Up to 200K SF	530K SF	50-200K SF Include Neighborhood Commercial for residents
Outdoor Sales	None	30K SF	Not addressed
Office/High Tech	Up to 150K SF	198K SF	50-150K SF
Hotel	Up to 200 rooms	150 rooms (4 stories)	200 rooms
Parks	None specified in concept plan, but would include bike trails and open space	2 Soccer fields Trails Farmers Market Relocation of Structures	5.8-acre minimum
Open Space (including agriculture and habitat)	56.5 ac (onsite); 9 ac (offsite) <ul style="list-style-type: none"> • 33.5-ac Organic Farm • 8-ac Organic Farm Learning Center • allows for 66.5 ac of contiguous ag (with 25-acre SLO City Farm) • 15 ac of open space for habitat 	Includes less open space than currently proposed concept	65 ac (min 50% of site)
<p><i>* Existing (1994) GP includes no development parameters, but only states that half the 180-acre area (under three ownerships at that time) must preserve at least half of the area in agriculture as it existed in 1994. Existing Land Use Map shows General Retail, Medium Density Residential and Agriculture</i></p> <p><i>** Under adopted ALUP, most of site is in Safety Area 1b, which allows only 0.2 DU/ac</i></p>			

Circulation Concept

The preliminary concept also includes connections for vehicular and bicycle circulation. The key feature is a proposed link to Prado Road and Highway 101 to provide access in and out of the project as well as providing some relief of current congestion on Madonna Road. The project site will be connected to Los Osos Valley Road via an extension of Froom Ranch Road. This differs from the currently entitled project in the County, which envisions this connection to occur via Calle Joaquin.

The project would include an extension of the Bob Jones Trail along Prado Road, connecting to Laguna Lake Park. This concept is consistent with the City's Bicycle Master Plan, which was adopted in November 2013.

Overall, the key features of the project concept include:

- *Affordable and workforce housing opportunities within the City;*
- *Traditional neighborhood design integrated with adjacent open space amenities and walkable safe streets and pocket park;*
- *Commercial areas intended to avoid conflicting with those in downtown San Luis Obispo;*
- *Commercial space to accommodate higher end shops, restaurants and neighborhood retail stores;*
- *High quality hotel and conference center to accommodate tourism and business functions, boosting the local economy;*
- *High end visible office space to accommodate medical, high-tech and green technology users;*
- *Organic Farm and Learning Center, intended as an agri-tourism destination with seasonal attractions and local goods serving to promote the region's agricultural richness and support the local economy;*
- *Preservation of agricultural land adjacent to the SLO City Farm property;*
- *An important link to the Bob Jones Regional Trail;*
- *An extension of Prado Road and Froom Ranch Road consistent with the City's General Plan; and*
- *A fair-share financial contribution to the Prado Road/U.S. 101 interchange.*



Project Concept Details

The major project components are described in greater detail below:

Multi-Family Residential

The multi-family residential component is located in the northwestern portion of the project site adjacent to Madonna Road. This neighborhood will be connected to the project trail system and

contain recreational areas within. A local street through the multifamily area will serve the neighborhood to the southeast as well.

Single-Family Residential

There will be a mix of alley-loaded lots and conventional front loaded lots ranging in size. The low and medium density residential neighborhood is located in the center of the project area and bordered by the extension of Froom Ranch Road on the south and the Open Space habitat to the north. Many of the homes within the project are intended to be “work force” housing.

The architectural styles for the single-family residential will reflect the character of San Luis Obispo in Craftsman, Bungalow, Ranch and Spanish style homes.

Commercial

The proposed Commercial area is located along Dalidio Drive/Prado Road extension adjacent to the Madonna Plaza commercial center. The proposal includes a mix of shops with supporting ancillary retail and restaurant uses. This will help serve the community needs, as well as be convenient for tourists and travelers.

Office

The Office area is located north of the Prado Road extension adjacent Highway 101. It is intended to provide for office uses such as medical, high tech, and green technology related companies. Access is proposed to be taken from the Prado Road extension and through internal connections with the adjoining commercial center.

Hotel/Conference Center

The Hotel/Conference Center is proposed to be an upscale facility with restaurant, conference facilities and high end rooms. The location of the hotel site affords highway visibility and will access both Prado Road and the Froom Ranch Road frontages. Located across from the Organic Farm Learning Center offers the potential to emphasize the agri-tourism opportunities in and around the city. Additionally, being located in relative proximity to the Embassy Suites facilities it offers convenient and expanded conferencing capacity to attract business and tourist events to the city.

Open Space/Agriculture

A high priority, the open space element of the proposal wraps the residential and commercial neighborhoods of the site. Over 56 acres of open space will be provided



on site including an organic farm/learning center.

San Luis Ranch Organic Farm

The Organic Farm located adjacent to the SLO City Farm will provide the community with agricultural resources along with a destination for visitors and local residences that will emphasize the region’s agricultural economy. The proposed hotel is located proximal to this facility.

Organic Farm Learning Center

The Organic Farm Learning Center is an agri-tourism destination with seasonal attractions and local goods serving to promote the region’s agricultural richness and support the local economy.

Habitat/Open Space

The Habitat and Open Space located on the north western portion of the property serves as habitat protection and as an amenity for city residents. Amenities will include an important link in the Bob Jones Regional Trail as well as Monarch Butterfly viewing and other passive recreational opportunities.



Circulation

Street Network

The proposed circulation system would include a road network of both collector and residential streets that can accommodate the traffic generated by future residents and businesses, while simultaneously enhancing the City’s existing street network and area mobility. This includes the extension of Prado Road and the fair share contribution to the Prado Road overcrossing over Highway 101. It also includes the extension of Froom Ranch Road to connect to Prado Road serving regional traffic needs and an offer of dedication for a 20’ Emergency Access Easement between Froom Ranch Road and Calle Joaquin.

Access to the residential area is provided on the south from Froom Ranch Road and on the north from Madonna Road. Access has been designed to intentionally discourage “cut-through” traffic in the neighborhood.

Bicycle and Pedestrian Circulation

The proposed project addresses bicycle and pedestrian mobility through the contribution of key links in the City’s Bikeway Master Plan. These include the Bob Jones Bike Trail, and the provision of a Class I Bike Trail adjacent to the Prado Road extension.

The Bob Jones Bike Trail will ultimately connect the communities of San Luis Obispo and Avila Beach, and many portions are already completed. The project would construct a segment of the trail by providing a key connection from Laguna Lake area neighborhoods and businesses along Madonna Road to the southern portion of the City Limits at Froom Ranch Way. This extension is consistent with the goals established by San Luis Obispo’s 2013 Bicycle Transportation Plan and further promotes alternative transportation options and healthy recreation in San Luis Obispo.

San Luis Ranch also contains interior bicycle trails and lanes, including the Class I Bike Trail adjacent to the Prado Road extension, and Class II Bike Lanes on the Froom Ranch Road extension. These facilities are consistent with the goals and objectives outlined in San Luis Obispo’s 2013 Bicycle Transportation Plan and increase connections to the City’s existing bicycle transportation network.

3.0 KEY ISSUES TO ADDRESS

Future development on the site must address several key environmental and planning issues, the most notable of which include the following:

- *Airport Land Use Compatibility*
- *Agriculture and Open Space Preservation*
- *Flood Protection*
- *Traffic and Circulation*

These are described in more detail below:

Airport Land Use Compatibility

The County’s Airport Land Use Plan (ALUP) shows the Safety Area S-1b affecting a majority of the project site. Safety Area S-1b severely restricts residential density and precludes the opportunity to provide reasonable housing opportunities on site.

The City of San Luis Obispo has recently requested an update to the existing Airport Land Use Plan to accurately define and update safety boundaries. The City has requested the Airport Land Use Commission (ALUC) utilize the ‘California Airport Land Use Planning Handbook’ which is the standard for providing guidance and direction for Airport Land Use Plans across the state. Under the Handbook guidelines, the zone affecting the site is Zone 4 and it allows for housing where it was



previously restricted. The following proposal relies upon the revised zone designation for the provision of housing.

Agriculture and Open Space Preservation

In both the adopted General Plan (1994) and the current Land Use Element update, it is the stated intent of the City to preserve up to 50% of the Open Space/Agriculture on the Dalidio property. To meet the General Plan requirements on site, 65.6 acres of the 131.3 acres being annexed into the city would have to be dedicated as open space. The proposed project strives to meet this requirement through preservation of open space both onsite and offsite. The current proposal includes 56.5 acres of open space provided on site with the remaining open space (approximately 9 acres) to be provided at a mutually agreed upon high-priority off-site location that will add to the City's perimeter green belt or accomplish other critical open space needs. The Council direction on the LUCE included consideration of an alternative in the EIR to allow up to ten acres of the required open space to be met through for off-site dedication, provided:

- a. A substantial multiplier for the amount of open space is provided for the off-site property exchanged to meet the on-site requirement; and
- b. Off-site land is of similar agricultural and visual value to the community; and
- c. Off-site land is protected through an easement, dedication, or fee title in perpetuity for agriculture/open space.



Flood Protection

The project site is located in a designated 100-year flood plain as determined by the Army Corps of Engineers. Primary flood flows result from the overtopping of San Luis Obispo Creek and Prefumo Creek. The water from San Luis Obispo Creek flows southward over Highway 101 and across the site intersecting with water from Prefumo Creek at depths ranging from inches to over one foot. The depth of flooding is not severe, but site grading and drainage must take into account the flood plain conditions and accommodate the flood waters accordingly. The location of the open space agriculture area provides opportunity for mitigation to the flooding concern.

Traffic and Circulation

The project site provides an important opportunity to complete several key citywide circulation features. The most crucial of these is the extension of Prado Road, which the Circulation Element calls for as a link to connect from east to west across the southern portion of the City. The project would also be required to contribute to the construction of a new Prado Road/US 101 interchange. The

extension of Froom Ranch Road through the site is also important, and would provide an additional access to the site from Los Osos Valley Road. The site also provides an excellent opportunity to help complete major bicycle infrastructure, including the Bob Jones Trail.

Although these are likely the most crucial concerns facing the site, the EIR that will be required for the project will examine a wide array of additional issues. Based on previous EIRs prepared for the site, these additional issues may include, but not be limited to, the following:

- *Air Quality/Greenhouse Gas Emissions*
- *Geologic Hazards*
- *Water Quality*
- *Noise*
- *Biological Resources*
- *Aesthetics/Views*
- *Public Utilities*
- *Cultural Resources*

4.0 SPECIFIC PLAN DEVELOPMENT GUIDELINES

The existing General Plan requires a Specific Plan for the property, but provides relatively little guidance on the development parameters for the site. It states that at least half of the 180-acre Specific Plan area (which includes the current project site and two adjacent properties) must preserve at least half of the area in agriculture as it existed in 1994. The existing Land Use Map shows General Retail, Medium Density Residential and Agriculture within the area.

Under the LUCE update currently in progress, the City Council affirmed in a January 21, 2014 meeting that the site would still require a Specific Plan, but that it would be limited to the 131.3-acre Dalidio property rather than the larger 180-acre area shown in the existing General Plan. It also endorsed policy direction and performance standards for further review generally consistent with the project currently being proposed. The specific development parameters identified in the draft LUCE are shown in Table 2 above. The relevant pages from the draft LUCE are attached to this report.

5.0 NECESSARY ENTITLEMENTS

The project is intended to guide and implement long-range planning and development on the Dalidio property, which is envisioned under the City's existing General Plan as a special planning area that would require a Specific Plan. This concept would remain true under the ongoing (LUCE) update. The following entitlements and reviews would be required to implement the project:

1. General Plan Amendment/Pre-Zoning
2. Specific Plan
3. Pre-Annexation Agreement (outlining a framework for process, fees, and a methodology for determining a fair share for Prado Road improvements)
4. Development Plan/Tentative Tract Map(s)
5. Architectural Review
6. Environmental Review (under the California Environmental Quality Act)

While the planning and CEQA process for this project would run concurrently with the LUCE Update, it is assumed the LUCE will be fully updated by the time this project would be considered by the Planning Commission and City Council for possible approval. Thus, the project will be evaluated with respect to its consistency with the LUCE Update. If it appears that the LUCE Update will not be completed before this project is considered for approval, the project would then be compared to the existing General Plan to determine its consistency with City planning policy. In either case, staff does not anticipate the status of the LUCE to present a significant conflict with the possible consideration of the project's approval.

6.0 NEXT STEPS

The Planning Commission's role at this meeting is to provide input on the basic project concept, which will be forwarded to the City Council when it considers whether or not to proceed with the project application. The next steps in the process are as follows:

- City Council Review. The City Council will consider the Planning Commission's input in order to make the decision about whether or not to process an application for development on the site. This review is tentatively scheduled for April 1, 2014.
- Submit Formal Application. If authorized by the City Council, a formal application will be submitted to the City that provides additional project details, and requesting the needed entitlements as described above.
- Initiate CEQA Process. City staff will prepare an Initial Study for the project under the California Environmental Quality Act (CEQA). This document, along with a detailed project description provided by the applicant, will be part of a Request For Proposals sent to consultants to prepare an Environmental Impact Report (EIR) for the project. The City will also conduct a public scoping meeting, which is required under CEQA because of the size of the project.
- Prepare EIR. The EIR process is likely to take several months and possibly longer, depending on the complexity of the issues, and the extent to which the project has adequately addressed the issues as part of its application. The timeframe might also be affected if there is by a high level of public interest and involvement in the process.

- Consideration of Project Approval. Once the Final EIR is prepared, which incorporates public input on the Draft EIR, the project (including a General Plan Amendment, Specific Plan, Pre-Annexation and Development Plan) would be considered by both the Planning Commission and City Council for possible approval.
- Annexation. If the project is approved, the City would initiate the annexation process with the San Luis Obispo Local Agency Formation Commission (LAFCo). This application would be based in part on a Pre-Annexation Agreement, which the applicant and City would need to put together through the planning process, and the City Council would need to approve. Annexation will also depend on the City's ability to address key issues to LAFCo, including agricultural preservation, the ability to provide public services to the site (including water), and the nature of a tax-sharing arrangement with San Luis Obispo County.
- Tract Maps. The applicant will then being the development review process, which will include tract maps to implement the provisions of the Specific Plan.

ATTACHMENT

1. Draft Resolution
2. Draft LUCE Proposed Guidelines for the Dalidio Property (considered by City Council on January 21, 2014)

Under separate cover:
Pre-Application Project Summary Booklet

RESOLUTION NO. XXXX-14

A RESOLUTION OF THE SAN LUIS OBISPO PLANNING COMMISSION RECOMMENDING THE CITY COUNCIL AUTHORIZE INITIATION OF GENERAL PLAN AMENDMENTS AND ASSOCIATED OTHER ENTITLEMENTS FOR THE SAN LUIS RANCH PROJECT (PRE 203-13)

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on February 12, 2014, pursuant to a proceeding instituted under application Pre-Application 203-13, Coastal Community Builders applicant; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

BE IT RESOLVED, by the Planning Commission of the City of San Luis Obispo as follows:

Section 1. Findings.

1. The request to initiate amendments to the General Plan and other associated entitlements is consistent with City Regulations and Council authorization to initiate General Plan Amendments is required since modifications are proposed to General Plan Land Use designations of the San Luis Ranch (Dalidio property).
2. Planning Commission review and recommendation of City Council action on the proposed initiation of General Plan Amendments is among the Planning Commission's duties and functions which include the recommendation of actions on General Plan Amendments.

Section 2. Environmental Review. The proposed request for initiation involves and initial feedback and direction on the proposed amendments and does not include any final action. Council action on the proposed pre-application and initiation is exempt from environmental review per CEQA Guidelines under the General Rule (Section 15061(b)(3)). If initiation of amendments is authorized by the City Council, a formal project submittal for consideration of the proposed general plan amendments including zone changes, specific plan, development plan, and associated discretionary entitlements will be subject to environmental review.

Section 3. Action. The Commission hereby recommends City Council authorization of initiation of General Plan Amendments and associated entitlements for the San Luis Ranch project.

On motion by Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NOES:

REFRAIN:

ABSENT:

The foregoing resolution was passed and adopted this 22nd day of January, 2014.

Doug Davidson, Secretary
Planning Commission



8.3.2.4 SP-2, San Luis Ranch (Dalidio) Specific Plan Area

Location: This specific plan area is located in the southwest quarter of the city at the corner of Madonna Road and Dalidio Drive. The site is approximately 132 acres and is currently used for agricultural purposes. The site is primarily flat topographically. The entire site is within the City's Planning Area, but is outside the current city limits.

Purpose: This project site should be developed as a mixed use project that maintains the agricultural heritage of the site, provides a commercial / office transition to the existing commercial center to the north, and provides a diverse housing experience. Protection of the adjacent creek and a well-planned integration into the existing circulation system will be required.

The specific plan for this area should consider and address the following land use and design issues.

- a. Provide land and appropriate financial support for development of a Prado Road connection. Appropriate land to support road infrastructure identified in the EIR (overpass or interchange) at this location shall be dedicated as part of any proposal.
- a. Circulation connections to integrate property with surrounding circulation network for all modes of travel.
- b. Connection to Froom Ranch and Calle Joaquin, if proposed, shall not bifurcate on-site or neighboring agricultural lands. Any connection to Calle Joaquin shall be principally a secondary / emergency access by design.
- c. Development shall include a transit hub. Developer shall work with transit officials to provide express connections to Downtown area.
- d. Maintain agricultural views along Highway 101 by maintaining active agricultural uses on the site, and maintain viewshed of Bishop Peak and Cerro San Luis.
- e. Maintain significant agricultural and open space resources on site. Land dedicated to Agriculture shall be of size, location and configuration appropriate to maintain a viable, working agricultural operation.
- f. Where buffering or transitions to agricultural uses are needed to support viability of the agricultural use, these shall be provided on lands not counted towards the minimum size for the agriculture / open space component. Provide appropriate transition to agricultural uses on-site.
- g. Integrate agricultural open space with adjacent SLO City Farm and development on property.
- h. Site should include walkable retail and pedestrian and bicycle connections to surrounding commercial and residential areas.
- i. Commercial and office uses shall have parking placed behind and to side of buildings so as to not be a prominent feature.
- j. Neighborhood Commercial uses for proposed residential development shall be provided.
- k. Potential flooding issues along Prefumo Creek need to be studied and addressed without impacting off-site uses.



VI. GENERAL PLAN

- l. All land uses proposed shall be in keeping with safety parameters described in this General Plan or other applicable regulations relative to the San Luis Obispo Regional Airport.
- m. Historic evaluation of the existing farm house and associated structures shall be included.

Performance Standards: This specific plan shall meet the following performance standards.

<u>Type</u>	<u>Designations Allowed</u>	<u>% of Site</u>	<u>Minimum</u>	<u>Maximum</u>
<u>Residential</u>	<u>LDR</u> <u>MDR</u> <u>MHDR</u> <u>HDR</u>		<u>350 units</u>	<u>500 units</u>
<u>Commercial</u>	<u>NC</u> <u>CC</u>		<u>50,000 SF</u>	<u>200,000 SF</u>
<u>Office/High tech)</u>	<u>O</u>		<u>50,000 SF</u>	<u>150,000 SF</u>
<u>Hotel/Visitor-serving</u>				<u>200 rooms</u>
<u>Parks</u>	<u>PARK</u>		<u>5.8 ac</u>	
<u>Open Space / Agriculture</u>	<u>OS</u> <u>AG</u>	<u>Minimum 50%</u>	<u>65.5 ac</u>	<u>No maximum</u>
<u>Public</u>	<u>n/a</u>			
<u>Infrastructure</u>	<u>n/a</u>			

**DRAFT
SAN LUIS OBISPO
PLANNING COMMISSION MINUTES
January 22, 2014**

CALL TO ORDER/PLEDGE OF ALLEGIANCE

ROLL CALL: Commissioners John Fowler, Ronald Malak, Michael Multari, William Riggs, Charles Stevenson, Vice-Chairperson John Larson, and Chairperson Michael Draze

Absent: None

Staff: Deputy Community Development Director Doug Davidson, Associate Planner Brian Leveille, Natural Resources Manager Bob Hill, Assistant City Attorney Andrea Visveshwara, and Recording Secretary Diane Clement

ACCEPTANCE OF THE AGENDA: The agenda was accepted as presented.

MINUTES: Minutes of January 8, 2014, were approved as amended.

PUBLIC COMMENTS ON NON-AGENDA ITEMS:

There were no comments made from the public.

PUBLIC HEARINGS:

1. **3987 Orcutt Road.** SPA 95-13: Request to initiate amendments to the Orcutt Area Specific Plan including adjustment of the Urban Reserve Line (URL) abutting the Conservation/Open Space (C-OS) zone on Righetti Hill; Ambient Communities, applicant. (*Brian Leveille*)

Brian Leveille, Associate Planner, presented the staff report, recommending the City Council approve the request to initiate amendments to the Orcutt Area Specific Plan while maintaining existing Conservation/Open Space zoning (C/OS) and keeping the Urban Reserve Line (URL) in the current location.

Commrs. Riggs and Larson expressed confusion about the school sites. Commr. Riggs stated he was concerned about impacts such as trips to schools outside the project if a school was not included. Mr. Leveille stated that none of the three school sites were being actively considered by the School District and that trips/impacts were not part of the consideration for this meeting.

Commrs. Larson and Fowler stated they wanted to understand the rationale for the precise location of the URL. Natural Resources Manager Bob Hill responded that the location of the existing URL was a tradeoff to protect the steeper western side of Righetti Hill while allowing for lots on the north side. He stated the goal was to keep development off slopes of 30% or more due to the potential for pollution and geologic instability and that the URL was placed very deliberately after much study.

David Watson, Consulting Planner, stated that the URL does vary between 260 feet and 320 feet based on a slope of 30% and that this undulation is more appropriate than having it adhere strictly to 320 feet.

PUBLIC COMMENTS:

Travis Fuentez, of Ambient Communities, stated that the applicant is requesting an adjustment of the Urban Reserve Line and inclusion of lots within the 20% to 30% slope that would comply with the intent of the Orcutt Area Specific Plan.

John Wilbanks, SLO, representing Ambient Communities, stated that the URL is meant to be flexible and that the applicant's proposed plan only works if an adjustment to the URL is made. He also stated that the present EIR is sufficient because the proposed changes do not result in unidentified significant impacts.

John Evans, Cannon, stated that he has background experience with the OASP because he worked with the property owners as the plan was developed. He agreed with Natural Resources Manager Hill's statement that the URL was originally based on a deliberate tradeoff based on the information available at the time. He stated that there is more information available now and that the original intent was that the URL be flexible. He also stated that the school district abandoned a potential school site within the project area because it was too close to the railroad tracks and a high pressure natural gas line. He noted that, at that time, the School District was experiencing a reduction in enrollment and was looking at another site close to the applicant's project.

Jeanne Helphenstine, SLO, representing the Righetti property owners, stated that the long and difficult process to develop the land was begun in 1978. She noted that the property was annexed by the City in 2011. She agreed that there is more detailed information available now than at the time the OASP was approved; that it was long understood the URL was flexible; that Neil Havlik, former Natural Resources Manager, had stated that elevation will determine the final URL; and that the easement line on the west side would not be where it is without that understanding of flexibility. She noted that she grew up on the property and the preservation of Righetti Hill is important to her family.

Charlene Rosales, SLO Chamber of Commerce, stated that the Chamber advocates preserving open space in balance with developing housing. She noted that developers need to have the flexibility to make development economically feasible and that the Chamber adopted a policy that urges flexibility in implementation of area specific plans.

Harry Corbett, SLO, stated that he had wanted his property, next to the project being considered, to remain part of the county and that he was opposed to any adjustments to the URL abutting Orcutt Road to preserve the current view shed and density.

Mike Jones, SLO, stated that this property is in his view shed and vice versa.

There were no further comments made from the public.

COMMISSION COMMENTS:

Commr. Stevenson asked Staff to share “other viable alternatives” mentioned in Staff Analysis, 2.7 Subdivision Design Flexibility vs. Specific Plan Amendments on page ten of the staff report.

Associate Planner Leveille responded that the plan has flexibility designed specifically to preserve Righetti Hill and that options available in the Specific Plan include special density provisions, reduced size lots, and potential for reduced setbacks and zero lot lines. He noted that Staff has not had the opportunity to explore those alternatives with the applicants.

Commr. Stevenson stated that the approved layout of Street D-2 as shown in the Specific plan provides significant view opportunities for walkers through the gaps between the homes while the Proposed Layout Land Use Map, sheet 2B, Attachment 4, shows a significant loss of visual access with its continuous line of lots. He noted that this issue was discussed when the OASP was developed and it will be important when the project comes back to Staff.

Commr. Draze stated that while he agrees that the roads shown in Figure 2.9 from the OASP, shown on page six of the Application Narrative, are laid out the wrong way, this figure is about preserving the view with the one road laid out horizontally and lots only on one side, not double-loaded. He encouraged the developers to take this issue seriously in the future when plans come back for review.

Commr. Fowler stated that he shares concerns about the aesthetics and asked if moving the URL automatically triggers consideration of an amendment to the EIR. Community Development Deputy Director Davidson stated that that would be likely but that is not a decision for tonight.

Commr. Draze stated the Commission has received seven letters about this issue.

Commr. Riggs asked Staff if parking standards are imbedded in the zoning. Associate Planner Leveille responded that some development standards are in the OASP that supercede Zoning Regulations, and that those not specifically called out go back to the City standards. Commr. Riggs stated he thinks this project is a traffic nightmare and that he can see both sides of the argument in regards to the open space but if the project is opened up for evaluation, then there should be consideration of the parking situation.

Commr. Multari stated he was on the Commission when the OASP was developed and that the idea was to have the URL follow the 320 contour or 30% slope, whichever is most restrictive. Commr. Multari asked what is the difference between the slope maps shown by Staff and by the applicant. Consulting Planner Watson stated that there is a need to reconcile the two versions and that there should be further evaluation if this moves forward. Commr. Multari agreed.

Commr. Multari stated that he understands that R-1 housing is important to the property owner and the developer as a means to provide funding for the infrastructure since those lots generate the most money. He stated that when the OASP was originally written, the Planning Commission was very clear that the flexibility cited was about the number of units, the parks and the open space, and it was not about the URL. He stated that he thinks the lots were already too high on the hill and that there was too much leniency in the development of the OASP.

Commr. Draze stated that there are many ways to figure a 30% slope line so it is not surprising to see so many interpretations and that he is not sure which will be accepted but knows there will be some changes. He agreed with everything Commr. Multari said about type of housing. He noted that the views above Street D-2 are important and that the project may lose 20 lots but that will not be determined tonight.

Commr. Larson stated he wanted a short summary on the open space easement that is not contiguous with the URL first. Natural Resources Manager Hill stated that there are two conservation easements already recorded and that the City does not want to amend them. He noted that there are standards and findings that need to be determined for an amendment, and those findings are difficult to make.

On motion by Commr. Riggs, seconded by Commr. Larson, to recommend that the Council explore revision of the Urban Reserve Line as part of the Orcutt Area Specific Plan Amendments, review the existing parking thresholds as outlined in the zoning code, and support the relocation of the R-3 housing.

Discussion of Motion:

Commr. Multari asked what “explore” means in the motion. Commr. Riggs stated that using that word assumes there will be an EIR and this will be studied as part of an amendment to the OASP and that the recommendation will receive further review as directed by Council. He noted he would be open to changing the wording. Commr. Malak stated he thought the motion was going to be about the URL and zoning, and not about traffic. Commr. Stevenson suggested that perhaps two motions were needed but Commr. Riggs favored just one motion.

Commr. Larson asked that if this moves forward, is it limited solely to the precise items the applicants requested or does it open up other aspects for examination? He stated that Commr. Riggs is probably right to bring up traffic. He stated that the issue is the visibility of the hill outside and within the community through undeveloped areas or corridors and thus the configuration of the proposed tract map, and not the precise location of the URL. He noted that there may be advantages to moving the line as long as the preservation of views intended by the OASP are preserved.

Commr. Multari asked Staff if the park land between C Street and the railroad tracks is there because of noise contours or because park land. Associate Planner Leveille stated it is there to provide distance from the tracks. Commr. Multari asked if there is flexibility to move development farther to the west. He stated that, at this stage, he cannot support the motion as it is too open-ended. He noted that the 30% slope issue

between Staff and the applicant needs more discussion. Commr. Stevenson agreed and stated that the alleys were designed to reduce cars parked on streets so he does not want them eliminated but that he supports the idea of looking at narrower streets.

Commr. Riggs stated he agrees with the things mentioned that need to be examined and supports making a list of items that need to be addressed.

AYES: Commrs. Larson and Riggs
NOES: Commrs. Draze, Fowler, Malak, Multari, and Stevenson
RECUSED: None
ABSENT: None

The motion failed on a vote of 2-5.

On motion by Commr. Malak, and seconded by Commr. Stevenson, to accept the Staff recommendation to initiate amendments to the Orcutt Area Specific Plan while allowing possible adjustments to the existing Urban Reserve Line.

AYES: Commrs. Draze, Larson, Malak, and Stevenson
NOES: Commrs. Fowler, Multari, and Riggs
RECUSED: None
ABSENT: None

The motion passed on a vote of 4-3.

Commr. Stevenson supported the idea that there is ambiguity about the location of the URL. He noted that other issues have been articulated but that this is the primary motion to the City Council and that other recommendations can be forwarded in separate motions.

Commr. Riggs stated that he supported making a list including traffic, open space, and other issues, but that he did not support fragmenting the motion into two because it does not make sense.

Commr. Multari agreed with Commissioners Stevenson and Riggs but stated his concern is that, after working on the OASP for many years, he does not want this motion to mean that it will be treated as de novo.

Commr. Stevenson reiterated the need to maintain visibility along Street D-2.

Commr. Draze stated that there is no need for a separate motion on this as the project will come back to the Planning Commission and the Council reads the Commission minutes so the concerns will be seen.

Commr. Riggs agreed there was no point in another motion because it will all be opened up and that he just disagreed with the parliamentary procedures. He stated that he wants to clarify that his mention of parking got simplified and that it was more nuanced because it was about the number of cars allowed under existing zoning and

allowing developers to address parking needed. He supports exploring this and incentivizing one-car households.

Commr. Malak supported developing a list of exactly what the Commission's concerns are and then discussing them.

On motion by Commr. Malak, and seconded by Commr. Larson, to recommend that the City Council review the following items that are of concern to the Planning Commission: the view shed, traffic management and parking standards of the development, the question of schools and alternatives to the development design regarding street layout.

Stevenson stated this goes too far.

AYES: Commrs. Draze, Larson, Malak, and Riggs

NOES: Commrs. Fowler, Multari, and Stevenson

RECUSED: None

ABSENT: None

The motion passed on a 4-3 vote.

Commr. Fowler stated that he does not support this because the motion makes it more complicated than it needs to be since all of these issues, which concern him too, will be looked at when the project comes back to the Planning Commission.

COMMENT AND DISCUSSION:

2. Staff

a. Agenda Forecast

- ✓ Next meeting is February 12, 2014. Agenda will include the Housing Element Update and the San Luis Ranch project.
- ✓ Meeting on February 26, 2014. Agenda will include the draft EIR for the Johnson Avenue School Project.

3. Commission

On motion by Commr. Riggs, and seconded by Commr. Stevenson, to agendize the request for a presentation by Cal Poly concerning the housing project on Grand Avenue.

AYES: Commrs. Fowler, Larson, Malak, Riggs, and Stevenson

NOES: Commr. Draze

RECUSED: Commr. Multari

ABSENT: None

There were no further comments made from the Commission.

ADJOURNMENT: The meeting was adjourned at 8:47 p.m.

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Respectfully submitted by,

Diane Clement
Recording Secretary