



# Planning Commission Minutes

## SAN LUIS OBISPO PLANNING COMMISSION MEETING MINUTES Wednesday, December 9, 2015

### CALL TO ORDER

A Regular Meeting of the San Luis Obispo Planning Commission was called to order on Wednesday, December 9, 2016 at 6:00 p.m. in the Council Chamber, located at 990 Palm Street, San Luis Obispo, California, by Chair Larson.

### ROLL CALL

#### **Commissioners**

**Present :** Hemalata Dandekar, Michael Draze, Ronald Malak, William Riggs, Vice-Chairperson Michael Multari, and Chairperson John Larson.

#### **Commissioners**

**Absent:** Commissioner John Fowler.

#### **City Staff**

**Present:** Interim Deputy Community Development Director Tyler Corey, Assistant Planner Walter Oetzell, Natural Resources Manager Bob Hill, Assistant City Attorney Jon Ansolabehere, Civil Engineer Hal Hannula, and Recording Secretary Sarah Reinhart.

### ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented.

### CONSIDERATION OF MINUTES

Minutes of the Planning Commission meeting of October 28, 2015 were approved as amended.

### PUBLIC COMMENTS ON NON-AGENDA ITEMS

There were no comments made from the public.

### PUBLIC HEARINGS

- 1. 12165 Los Osos Valley Road.** PRE-1293-2015; Request to initiate preparation of a Specific Plan and Environmental Review, including guidance regarding select City Policies, for the Madonna-Froom Ranch (SP-3); John and Susan Madonna, applicants.

City Consultant, Shawna Scott, presented the staff report requesting the Commission recommend City Council approve the request to initiate the Madonna LOVR Specific Plan (Alternatives 5.1-5.5).

Commissioner Dandekar acknowledged being familiar with the site; Commissioner Malak stated having an ex-parte visit and tour of the site with the Applicant; Commissioner Draze stated visiting the site on his own.

### **PUBLIC COMMENT PERIOD**

Applicant, John Madonna, summarized the project; indicated that the property is uniquely suited for a complete continuing care facility and stated there is a need in the community for this type of elder care; expressed a desire to receive authorization to move forward with the project.

Applicant Representative, Victor Montgomery, provided an overview of the project; indicated having key meetings with perspective residents, neighbors, City staff, and agencies from the Froom Creek Realignment and noted no issues were brought up during those meetings that would hinder moving forward with the project. He pointed out that a site evaluation was completed; noted site constraints that would require amendments to General Plan Policy such as alteration of the 150-foot maximum site development elevation and the conceptual mix of uses appropriate for the SP-3 Madonna on Los Osos Valley Road (LOVR) Specific Plan Area; requested guidance and direction from the Commission.

Judy Reiner, San Luis Obispo, voiced support for the project stating the need for a continuing care retirement community in the area; indicated there is a lack of choice for elderly care facilities and shared that her parents had to be separated and live apart due to the lack of a facility that would accommodate both of their needs.

Ken Reiner, San Luis Obispo, stated that there are over 245 households over the age of 75 in the area who are interested in moving into a continuing care facility; noted that people who are retiring are very active and would like to be close to hiking and biking trails; stressed the need and interest for this type of facility in the community.

Rey Walters, Avila Beach, principal of Villaggio Communities, spoke in support of the project, stated there is an overwhelming need for this type of housing; shared a presentation demonstrating statistics and demographics that reflect the lack of elder care options and the need for a continuing care facility; opined that after looking at many locations throughout the County, the LOVR location would be the best location for the project.

John Wilbanks, San Luis Obispo, voiced support for the project; suggested that a General Plan amendment may not be needed to develop above the 150-foot elevation contour, noting that policy 6.4.7.H of the General Plan Land Use Element states: “The Irish Hills area should secure permanent open space with no building sites above the 150-foot elevation” and pointed out that the word “should” is permissive.

There were no further comments made from the public.

### **COMMISSION COMMENTS**

Commissioner Riggs, inquired regarding the creek setback. Natural Resources Manager, Robert Hill, clarified that the zoning regulations require a 35-foot creek setback.

Commissioner Draze stated that he was not opposed to the change in uses and the mixed uses being proposed are not inconsistent with the General Plan; agreed that there is a need for a continuing care facility; indicated there are issues related to development above the 150-foot elevation contour that still need to be evaluated and voiced concerns over the visual impacts this project could have on the edge of the community.

Commissioner Dandekar stated that the intended use of this area was for workforce housing; noted concerns over allowing development above the 150-foot elevation contour due to the fact that this area serves as a gateway into the City and stated the importance of maintaining the open space character in the area.

Vice-Chair Multari thanked staff for the thoughtful analysis and the applicant for their presentation; recommended the Cultural Heritage Committee and the Architectural Review Commission review the project; stated the City is over zoned for commercial uses and noted concerns over traffic on LOVR. He stated that there are pending questions which warrant further analysis as to whether this location is right for the elderly care facility, such as topography and proximity to hospitals; indicated that there is a growing demand for this type of facility; stated it would be premature to recommend conceptual approval or recommend a General Plan amendment without further examination.

Commissioner Riggs noted that the development capacity of the site below the 150-foot threshold and the carrying capacity were discussed in the late summer of 2014; indicated that he was not convinced the use is critical enough to warrant development above the 150-foot elevation contour, considering the potential visual impacts; voiced concerns over possible ecological impacts from relocating Froom Creek, and noted having mixed feelings about relaxing setback policies; commented that specific zoning standards are inconsistent with the Land Use and Circulation Element (LUCE); indicated being concerned about circulation and access.

Chair Larson stated that a General Plan amendment would be needed in order to reconcile the issues; opined that the mix of uses are consistent with the mix of uses envisioned for this area in the Land Use Element; noted not being convinced that this project would preclude workforce housing. Stated the re-alignment of the creek could be an opportunity to enhance the habitat, appearance, and functioning of the creek; agreed with Commissioner Riggs's comments regarding circulation and access; stated it would be beneficial to receive more community input.



Commissioner Dandekar commented that during the LUCE deliberations the 150-foot development limit contour was seen as a safeguard to protect the open space and the City's ambience; stated having a great deal of concern about extending the 150-foot elevation threshold.

Commissioner Draze suggested that if the Commission decides to adopt alternative recommendation (5.1) "the City Council approve initiation of Specific Plan and General Plan amendments including authorization to proceed with including the following in the formal application for further evaluation, as requested by the applicant: (1) alteration of the 150-foot elevation maximum site development; and, (2) modification of the Land Use Element specified land use mix", that language should be included to address the visual impacts of development above the 150-foot elevation. Also, stated there needs to be broader public notification in order to gain more community involvement and feedback.

Commissioner Malak opined that the view shed would not be degraded by allowing the height extension from the 150-foot to the 200-foot elevation contour; noted supporting the modification to the land use element, stating that there is a need for this type of elder care facility; stated being in favor of re-locating the creek; indicated he would like to see more information regarding traffic impacts and an EIR; indicated he would like to see ADA approved apartments as well as workforce housing to be included in this project; commented that this is a great opportunity to meet the needs of the community.

In response to inquiry by Vice-Chair Multari, Commissioner Riggs, clarified his position stating not being convinced that the proposed site is the most appropriate for this land use; noting that environmental impacts, the historic value of the landscape and the visual impacts are very significant issues that also needed to be addressed.

Commissioner Dandekar stated that the intent for this site was dense mix-use residential, and was hoping to see an urban development in this site; indicated feeling discomforted over the visual impacts and the land use.

Commissioner Draze suggested that issues regarding the creek, circulation, and visual impacts need to be addressed in an Environmental Impact Report.

Commissioner Riggs stated it is important to highlight the fact that zoning regulations have not been updated to reflect the LUCE objectives; urged staff to address this issue as soon as possible.

Commissioner Malak noted that the zone would remain dense; Chair Larson concurred, stating he did not think the proposal would displace housing; noted these details would have to be worked out when the project moves forward; concurred it would be beneficial to include language in the resolution to include the additional issues brought up by Commissioner Riggs.

There were no further comments made from the Commission.

On motion by Commissioner Draze, seconded by Commissioner Malak to adopt alternative recommendation 5.1 with the following changes: Recommending the City Council approve initiation of Specific Plan and General Plan amendments including authorization to proceed with including the following in the formal application for further evaluation, as requested by the



applicant: (1) revisit of the 150-foot elevation maximum site development, particularly as it relates to visual impacts on the City's edge; and, (2) modification of the Land Use Element specified land use mix.

Including the following changes to Section 3 condition 1:

Condition 1. The formal application shall include all necessary information to fully evaluate the potential effects of development on the hillsides above the 150-foot contour line, particularly as it relates to visual impacts on the City's edge, including but not limited to: photo-simulations, cross sections, grading plans (with cut and fill details), circulation diagrams, and preliminary building layouts and massing details. The formal application shall assess potential visual effects as seen from public areas including but not limited to roads, highways, and open space areas.

Removal of Finding 2.

Finding 2. Evaluation of the formal application shall include market analysis to determine the economic impact resulting from the proposed mix of uses, which include a significant reduction in commercial uses compared to what was identified in the LUE.

**AYES:** Commissioners Malak, Larson, and Draze,  
**NOES:** Commissioners Multari, Riggs, and Dandekar  
**RECUSED:** None  
**ABSENT:** Commissioner Fowler

The motion did not carry 3:3. No action was taken.

Commissioner Riggs requested more information regarding the re-alignment of the creek, information on the setbacks, and asked for more strategies to improve consistency with the Circulation Element.

Chair Larson stated that if the proposal to re-align the creek is pursued, he would like to see an improvement to the habitat, noted that all constraints and recourses should be taken into consideration; requested additional information that is more comprehensive to help make a decision on this matter.

Commissioner Dandekar expressed interest in seeing if the mix-use requirements could be met without violating the 150-foot elevation threshold.

Vice-Chair Multari indicated that many of the issues are linked, and stated there were more issues aside from the elevation such as flood zones and visual impacts that needed to be addressed; stated not having the information needed to make a decision.

The Commission discussed the importance of having a transparent process and having community involvement.

On motion by Commissioner Riggs, seconded by Commissioner Malak, to continue to a date uncertain with the intent to provide additional information.

AYES: Commissioners Dandekar, Malak, Multari, Larson, and Riggs.  
 NOES: Commissioner Drazo  
 RECUSED: None.  
 ABSENT: Commissioner Fowler

The motioned passed on a 5:1 vote.

#### **RECESS:**

The Commission recessed at 8:09 p.m. and reconvened at 8:17 p.m.

**2. 2881 Broad Street. SBDV-1988-2015;** A determination of whether the disposition of a city-owned lot and the acquisition of the property bordering 2881 Broad Street is in conformance to the City's General Plan; R-2-S zone; Dustin Pires, applicant.

Assistant Planner, Walter Oetzell, presented the staff report and provided an overview of the project, recommending, adopting a draft resolution of the San Luis Obispo Planning Commission determining the disposition of a portion of a City-owned lot at the southerly edge of Stoneridge Drive and acquisition of property along the northerly edge of Perkins Lane, adjacent to Property Located at 2881 Broad Street is in Conformance with the goals and policies of the General Plan (SUBDV-1988-2015), based on findings.

Commissioner Malak asked for clarification on the improvements that would be made to the area; Assistant Planner Oetzell explained that a side walk, curb and gutter were going to be added to Perkins Lane.

In response to Commissioner Dandekar and Malak's inquiries, regarding the process of determining an equitable exchange, Assistant City Attorney Ansolabehere, stated the City looks at a number of factors including the location, and the significance of the land, noting that if the property is large, they get an appraisal, but in small cases such as the one at hand the appraisal would likely exceed the fair market value of the property.

#### **PUBLIC COMMENT PERIOD**

Applicant, Dustin Pires, stated that the project would drastically improve the street and circulation in the area, noting that the exchange would be a win-win situation.

#### **COMMISSION COMMENTS**

On motion by Commissioner Multari, seconded by Commissioner Malak, moved to adopt staff recommendation, finding that the proposed property exchange is consistent with the General Plan goals and policies, with the addition of the following amendment:



SECTION 2. Environmental Review. The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) Section 15312, Surplus Government Property Sales, of the CEQA Guidelines.

**AYES:** Commissioners Dandekar, Draze, Malak, Multari, Riggs, and Larson  
**NOES:** None  
**RECUSED:** None  
**ABSENT:** Commissioner Fowler

The motion passed on a 6:0 vote.

There were no further comments made from the Commission.

### **COMMENT AND DISCUSSION**

#### **1. Staff**

- a. Agenda Forecast – Interim Deputy Community Development Director Tyler Corey, provided an update of upcoming projects; noted that the next meeting is scheduled for January 13, 2016, in which the Commission will be reviewing the Motel Inn project.

#### **2. Commission**

Commissioner Malak brought to light a synopsis in the Tribune regarding the Fremont Square development.

Commissioner Riggs pointed out that he forwarded comments from the October 28, 2015 Planning Commission meeting, and asked the Commission to review them.

### **ADJOURNMENT**

The meeting was adjourned at 8:33 p.m.

Respectfully submitted by,

Sarah Reinhart  
 Recording Secretary



Meeting Date: December 9, 2015  
Item Number: 1

## PLANNING COMMISSION AGENDA REPORT

**SUBJECT:** Review of request to initiate preparation of Madonna on LOVR Specific Plan

**PROJECT ADDRESS:** 12165 and 12393  
Los Osos Valley Road

**BY:** Shawna Scott, Consulting Planner  
Phone: 543-7095  
e-mail: sscott@swca.com

**VIA:** Steve Matarazzo, Senior Planner  
Phone: 781-7522

**FILE NUMBER:** PRE 1293-2015

**FROM:** Tyler Corey, Interim Deputy Director 

**RECOMMENDATION:** Consider key issues related to proposed land uses and proposed modifications to hillside development limits and provide a recommendation to the City Council on the request to initiate the Madonna on LOVR Specific Plan (Alternatives 5.1-5.5).

### 1.0 PROJECT SUMMARY

The applicant is requesting authorization from the City Council to pursue preparation of the Madonna on LOVR Specific Plan (identified as Specific Plan Area SP-3 in General Plan Land Use Element). The applicant has requested clarification and direction on a number of policies and regulations, which staff discusses further in this report. The Planning Commission's role is to recommend to the City Council whether to initiate the proposed Specific Plan and General Plan Amendment.

### SITE DATA

<b>Applicant</b>	John Madonna, John Madonna Construction Company Bob Richmond, Villagio Senior Living
<b>Representative</b>	Victor Montgomery, RRM Design Group
<b>Zoning</b>	County of San Luis Obispo – Commercial Retail, Agriculture, Rural Lands
<b>General Plan</b>	SP-3 Madonna on LOVR Specific Plan Area
<b>Site Area</b>	111 acres
<b>Environmental Status</b>	A Program-Level Final EIR was adopted for the LUCE in 2014.





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## 2.0 SPECIFIC PLAN INITIATION

The applicant's proposal includes several components that require additional review and direction from the City Council, due to inconsistencies with the Land Use Element (LUE) of the General Plan. The purpose of the Commission's review is to evaluate the request and provide a recommendation to Council on the requested Specific Plan initiation. In addition to the initiation request, the applicant has requested clarification on how a number of development standards and policies would apply to the proposed development (Attachment 3). The initiation review is not an exhaustive analysis of the applicant's conceptual project plans and does not identify all potential conflicts with City regulations or policies that may require amendment or which could require revisions. If the initiation request is authorized by the City Council, a subsequent formal application would be submitted and evaluated based on Council direction. The proposed project would then be evaluated comprehensively as a formal application including complete environmental review in an Environmental Impact Report (EIR).

The purpose of the initiation review is to receive direction on whether a formal submittal is warranted given the fact that the proposal would require amendments to General Plan Policy. Two key issues include: 1) alteration of the 150-foot maximum site development elevation and 2) the conceptual mix of uses appropriate for the SP-3 Madonna on LOVR Specific Plan Area. Staff has included a brief discussion of the policies and standards which will be reviewed in the formal application.

The initiation review does not include definitive direction on many of the questions posed by the applicant, since most of the items will require a complete submittal, environmental review, and advisory body input. These issues include: realigning Froom Creek to reflect its historic flow pattern; management and access to the historic Froom Ranch Complex; and how the Specific Plan should comply with the 50% Open Space requirement for annexed areas. Other items included in the applicant's initiation narrative will require further analysis, such as required setbacks from Froom Creek, avoidance of Chorro Creek bog thistle, on and off-site mitigation for impacts to native bunch grass, and determination of appropriate building heights. These issues would be addressed as part of the overall evaluation of a complete project submittal, which would occur following review of this initiation request.

## 3.0 SUMMARY OF APPLICANT'S REQUEST

The Madonna-Froom Ranch project site consists of two parcels, totaling approximately 111 acres, currently located within County of San Luis Obispo jurisdiction, and adjacent to the City limits. The current land use and natural setting includes livestock grazing, unpaved agricultural roads, the Irish Hills and Home Depot stormwater basins, the historic Froom Ranch Complex, the John Madonna Construction office (within the historic complex), staging and materials storage, quarry area, and

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vacant land. The project site is identified in the LUE as the Madonna on Los Osos Valley Road (LOVR) Specific Plan Area (SP-3) (Attachment 5, LUE Chapter 8 Special Focus Areas).

The applicant intends to submit a Specific Plan, pursuant to the guidelines set forth in the LUE. The project would require pre-zoning by the City, and annexation into the City limits. The applicant's conceptual exhibit shows a mix of land uses within the Specific Plan area, including Senior Housing (Continuing Care Retirement Community), multi-family housing, single-family housing, retail sales uses, open space, and parks (Attachment 4, Exhibit B.1 Conceptual Land Uses). The preliminary proposal includes the realignment and restoration of Froom Creek within the property boundaries, and construction of parks and pathways. The applicant's submitted narrative (Attachment 3) seeks to receive initial feedback on several issues. As noted above, this initiation request focuses on two key issues, which will ultimately drive the components of the Specific Plan application submittal, if authorized by the City Council.

## 4.0 EVALUATION

### 4.1 Initiation Request

#### *a. Alteration of 150-foot maximum site development elevation*

The most significant issue raised by the applicant is the request to allow development above the 150-foot elevation. The applicant's conceptual land use exhibit shows senior housing extending to the 250-foot elevation and residential uses extending to the 180-foot elevation. The project site is located within Hillside Planning Area H Irish Hills<sup>1</sup> (refer to Attachment 5, Figure 1). The topography of the project site ranges from approximately 110-120 feet near Los Osos Valley Road to 450 feet in the upper elevations. Approximately 44.3 percent (48.61 acres) of the project site is located above the 150-foot elevation. The applicant's conceptual land use plan shows 19.12 acres of development (39.3 percent of the project site) above the 150-foot elevation line (refer to Attachment 4).

Modification of the existing development limit line would allow development in the upper elevations of the Irish Hills above the 150-foot elevation. This area is identified as having high scenic value and is located within a scenic vista as seen from U.S. Highway 101.<sup>2</sup> The site is also visible from Los Osos Valley Road and other areas within the City (i.e. public streets, parks, open space). Should the Council approve the proposed Specific Plan initiation, full environmental analysis would be required, including an assessment of the project's impacts on aesthetic resources and consistency with adopted plans and policies.

<sup>1</sup> LUE Policy 6.4.7.H.: "The Irish Hills area should secure permanent open space with no building sites above the 150-foot elevation, in conjunction with any subdivision or development of the lower areas. (See also Section 8, Special Focus Areas.)"

<sup>2</sup> COSE Figure 11 (Scenic Roadways and Vistas) and Circulation Element Figure 3 (Scenic Roadways)



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The language specifying the 150-foot elevation development limit was carried forward into the LUE from the City's previously adopted Land Use Element (adopted August 23, 1994 and revised June 15, 2010). The 1994 Land Use Element included a Hillside Planning Policies and Standards section; the purpose of this section was to "protect and preserve scenic hillside areas and natural features, set boundaries for commercial and residential development in sensitive hillside areas by creating a permanent open space greenbelt at the edge of the community, and to protect the health, safety and welfare of community residents by directing development away from areas with hazards".<sup>3</sup> The Hillside Policies identified in the 2014 LUE focus on "where and how some hillsides may be developed" (refer to Attachment 5, LUE Chapter 6 Resource Protection).

The Land Use and Circulation Element Update (LUCE) EIR provides an analysis of each proposed Specific Plan area, including the project site. Potential visual impacts identified in the LUCE EIR, specific to SP-3, include the following:

- Development of the site, as outlined in the proposed LUCE Update, could result in increased urbanization of the existing viewshed along the Los Osos Valley Road and could potentially block or obstruct existing public views. However, implementation of the proposed LUCE Update policies, and the existing City policies identified below, would reduce impacts to less than significant levels.
- Development of the area, as outlined in the proposed LUCE Update, has the potential to result in increased urbanization of an undeveloped area which could degrade the existing visual character and its surroundings. However, implementation of the proposed LUCE Update policies, and the existing City policies identified below, would reduce impacts to less than significant levels.
- Development of the area could result in increased ambient nighttime lighting through the addition of residential and commercial uses and associated structural development in a primarily undeveloped area. However, implementation of the proposed LUCE Update policies, and the existing City policies identified below, would reduce impacts to less than significant levels.<sup>4</sup>

Therefore, the less than significant impact determinations specific to visual impacts were based on compliance with policies included in the LUE, such as the 150-foot development limit. Further environmental analysis, including a viewshed study and photo-simulations, would be required to determine if development above the 150-foot elevation would result in any significant, unavoidable, adverse impacts, and to determine appropriate mitigation measures.

The applicant points to existing development in the area, including Mountainbrook Church and the KSBY Station building, which are located above the 150-foot elevation line and contribute to the

<sup>3</sup> Final Environmental Impact Report Land Use Element/Circulation Element Updates, August 1994

<sup>4</sup> Land Use and Circulation Element Update Final EIR, September 2014

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existing visual setting. However, it should be noted that the Mountainbrook Church development was approved by the County of San Luis Obispo, pursuant to the County's General Plan and Land Use Ordinance, and associated California Environmental Quality Act (CEQA) review. The City did not have discretionary review authority for the project. These developments are also located outside of the Irish Hills Hillside Area, although Mountainbrook Church is located at elevation 203, right at the line between the Irish Hills and Calle Joaquin Hillside areas (refer to Attachment 4 Exhibit A.4). The applicant notes that the specific numerical elevation appears arbitrary, and does not reflect the land form conditions (topography) and visual considerations of the project site. The applicant requests that development performance standards (for view protection) be addressed through the Specific Plan, including identification of site-specific maximum roof elevations.

Staff Discussion – Alteration or deletion of the 150-foot maximum site development elevation policy to allow development standards to be established in the Specific Plan: As noted above, the 150-foot development limitation line was carried forward into the recently adopted LUE, and was contributing evidence supporting the City Council's finding that implementation of the LUE would result in less than significant aesthetic impacts. The LUE and associated Final EIR also anticipated that further discretionary review would be required during analysis of the anticipated Specific Plan, although there is no policy or indication that the development line could or should be adjusted during discretionary review of the Specific Plan.

Development limits and special design standards for hillside areas are intended to “cause development to avoid encroachment into sensitive habitats or unique resources as defined in the Conservation and Open Space Element (COSE), and public health and safety problems related to utility service, access, wildland fire hazard, erosion, flooding, and landslides and other geologic hazards” and help protect the city's scenic setting.<sup>5</sup> Development is required to be located within the development limit line unless a location outside the line “is necessary to protect public health and safety”.<sup>6</sup> Land outside of the development limit line is required to be protected as permanent open space.<sup>7</sup> The upper elevations of the project site support sensitive resources, including Chorro Creek bog thistle, native bunchgrass, and California Native Plant Society (CNPS) listed plant species. The applicant's conceptual exhibits show avoidance of Chorro Creek bog thistle, and note that mitigation will be required for the loss of native bunchgrass and CNPS listed vegetation.

Approximately 37 percent of the project site (28 acres) is located within the Federal Emergency Management Agency (FEMA) 100-year flood zone. These lower elevations proximate to Los Osos Valley Road are subject to flooding, and this area includes floodway management features and two stormwater management basins, creating a significant constraint regarding development in the flat lands.

<sup>5</sup> LUE Section 6.4.2 Development Limits

<sup>6</sup> LUE Section 6.4.3 Development Standards

<sup>7</sup> LUE Section 6.4.4 Parcels Crossing the Limit Lines



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As identified in the County's General Plan, the upper elevations of the subject parcels are within the County Sensitive Resource Area (SRA) designation. The intent of the SRA is to call attention to the importance of highly scenic and important backdrops and natural landmarks visible from scenic highways and urban areas and the locations of rare or endangered plants and animals. The SRA extends down to the 200-foot elevation line.<sup>8</sup> The project site is also located at the urban/wildland interface, and the upper elevations are located within the County of San Luis Obispo General Plan Geologic Study Area (GSA) overlay for geologic hazards. This overlay does not present a restriction; however, further study would be warranted to address potentially significant geologic hazards such as slope stability and landslide hazards. Steeper slopes also have a greater potential for rockfall and erosion.

The applicant's Conceptual Land Use exhibit (Attachment 4, Exhibit B.1) shows Senior Housing, Single Family, Park, and Open Space land uses above the 150-foot elevation line (refer to Attachment 5, Figure 2). The topography above the 150-foot elevation within the project site shows a natural plateau (0-15 percent slopes) and intervening topography, which may provide natural screening of future development; however, construction of access roads and utilities would require grading along moderately to steeply sloping topography. Additional information including photo-simulations and environmental analysis is required to fully evaluate the potential effects of raising or eliminating the development limit line and identifying specific building height elevations within the project site.

Key public health and safety issues associated with the project site that may limit development in the lower elevations include flooding hazards and the need for floodway management along Los Osos Valley Road and Calle Joaquin Road. This area is identified as Open Space on the applicant's conceptual exhibit, and is intended to support a realigned section of Froom Creek and existing and future stormwater basins.

The certified Final EIR for the LUCE Update states that the Specific Plan will be required to address several issues (as listed in the LUE), including environmental constraints, resource protection, hillside

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<sup>8</sup>: "Scenic and visual qualities of distant ridges, peaks and hillsides, as well as the closer or "foreground" elements such as rock outcrops, oak woodlands, creeks and other visually appealing natural formations and vegetation contribute to the widespread perception by local residents and visitors alike that the San Luis Obispo area is a desirable place to live or visit. This perception, in turn, has a beneficial effect on the economic stability of the recreation and tourist industries. Other economic sectors also benefit from local employees and employers alike who place a high value on living in San Luis Obispo. Therefore, identification and protection of the scenic resources in the San Luis Obispo planning area is an important aspect of planning. Ridges, peaks and hillsides comprise scenic backdrops and natural landmarks. They rise above urban areas and highways, terminating vistas with a largely undeveloped appearance" (County of San Luis Obispo San Luis Obispo Planning Area, San Luis Obispo Sub-Area North Area Plan).



and open space protection, viewsheds, and views from off-site locations.<sup>9</sup> The applicant's project narrative states the project can be designed to minimize impacts to scenic resources by using the existing topography, which may provide a natural visual barrier between the development and public viewing areas. Variations in topography may provide opportunities to screen future development from view; however, certain components including lighting and grading cut slopes may be difficult to fully "hide", and overall the project is anticipated to create some change in the visual environment, and may increase cumulative views of the existing structures and the proposed development in the upper elevations of the Irish Hills. It is difficult to evaluate the full extent of the potential changes prior to full environmental analysis and review of a specific project. This analysis would need to be undertaken as part of the recommended EIR analysis in the event Council approves the applicant proposed initiation.

If the City Council authorizes initiation of the Specific Plan, including preliminary authorization to proceed with a Specific Plan that includes development above the 150-foot elevation, the application package would include a General Plan Amendment to modify the current language presented in LUE Policy 6.4.7.H to allow for hillside development above the 150-foot elevation. The planning and environmental review process would include preparation of an EIR that would evaluate the potential impacts to visual, biological, and hydrological resources, potential geologic and soils hazards, and consistency with plans and policies specifically identified to protect these sensitive resources. The review process would include review and direction from the City's Architectural Review Commission.

As proposed, the conceptual layout does not meet the intent of the LUE and COSE, which calls for a compact mixed-use project and includes numerous policies calling for the protection of hillsides in and proximate to the City. Additional information, including photo simulations of the proposed development within the hillside context would be necessary to determine if the project could be designed to protect hillside views, consistent with LUE hillside development policies and LUE resource protection policies<sup>10</sup>, Open Space Policies protecting scenic vistas, and Circulation Element policies which call for the protection of views from roadways designated as having scenic value.

- b. Receive confirmation that the development of more housing (CCRC, SFR, and MF Rental Housing) and less commercial space on this Specific Plan site is an acceptable refinement of the LUCE planning vision for this site.*

Staff Discussion – Mix of Uses: The LUCE identified a vision for this Specific Plan area, which includes a compact mixed use development including the following land uses (refer to Table 1 on the following page). A private care facility is not specifically envisioned for the project site, and this type

<sup>9</sup> "Future development to consider viewsheds, hillside and open space protection, height limits, wetland protection, access to other connections, historic farm buildings, mixed use to accommodate workforce housing, and neighborhood commercial type uses" (LUCE Final EIR 2014).

<sup>10</sup> LUE Chapter 6 Resource Protection

of facility is generally not of the low to moderate housing type. The LUE identifies the following Special Focus Areas as suitable for residential care and assisted and/or senior living facilities:

- General Hospital Site (Special Focus Area 5, located on Johnson Avenue)
- Madonna Inn Area (Special Focus Area 7, located on Madonna Road)

*Table 1. Comparison of Land Use Standards (LUE identified and Applicant Proposed)*

<b>LUE Type/Designation</b>	<b>Min-Max<sup>1</sup></b>	<b>Applicant Proposed Land Uses</b>
Residential (Mixed Use) / MDR, MHDR, HDR	200 to 350 units	200-250 apartment units 60-80 single-family units CCRC including: - 276 independent living apartments - 66 independent living villas and assisted living units - 122-bed skilled nursing and memory care facility
Commercial / NC, CR	50,000 to 350,000 sf	25,000 to 45,000 sf
Parks / PARK		Small neighborhood park including historic structures (education, community use)
Open Space, Agriculture / OS, AG	50%	50% open space to be provided throughout the project site
Public		To be determined
Infrastructure		Integrated circulation, drainage/floodway management, utilities, parking, etc. to be provided

<sup>1</sup> There can be a reduction in the minimum requirement based on specific physical and/or environmental constraints

Additional information is necessary to determine if the Specific Plan would provide the appropriate range of housing envisioned for this area of the City, in addition to meeting inclusionary and affordable housing regulations.<sup>11</sup> Additional market analysis would be necessary to determine the economic impact resulting from the proposed mix of uses, which include a significant reduction in commercial uses compared to that identified in the LUE.

<sup>11</sup> New development is required to provide affordable housing by: 1) constructing affordable housing, or 2) paying an in-lieu fee, or 3) contributing real property to be used as affordable housing, or 4) a combination of these methods.



## CONCLUSION

The scope of the initiation review only provides authorization for the applicant to proceed with the application process for the Specific Plan. Conceptual land use plans submitted for the initiation include two key issues which are not consistent with existing General Plan Policy: 1) the proposed mix of land uses, which differ substantially from the General Plan performance standards for SP-3, and 2) comments on whether development over the 150-foot contour should be included for further evaluation in the formal submittal.

Staff recommends that other issues raised by the applicant (i.e., appropriate designation of Open Space, treatment of the Froom Ranch historic complex, realignment and restoration of Froom Creek, building heights, and resource mitigation) are more appropriately addressed through further evaluation in a formal Specific Plan and General Plan Amendment application based on Council direction. The proposed project would then be evaluated comprehensively by Staff, including complete environmental review in an EIR.

If the Commission recommends inclusion of the applicant's request to propose alteration of the 150 foot maximum site development alteration and/or modification to the mix of land uses envisioned in the Land Use Element for the Specific Plan area, Staff recommends the recommendation include the following conditions:

1. The formal application shall include all necessary information to fully evaluate the potential effects of development on the hillsides above the 150-foot contour line including but not limited to: photo-simulations, cross sections, grading plans (with cut and fill details), circulation diagrams, and preliminary building layouts and massing details. The formal application shall assess potential visual effects as seen from public areas including but not limited to roads, highways, and open space areas.
2. Evaluation of the formal application shall include market analysis to determine the economic impact resulting from the proposed mix of uses, which include a significant reduction in commercial uses compared to what was identified in the LUE.

## 5.0 ALTERNATIVES

- 5.1 Recommend the City Council approve initiation of Specific Plan and General Plan amendments including authorization to proceed with including the following in the formal application for further evaluation, as requested by the applicant: (1) alteration of the 150 foot elevation maximum site development; and, (2) modification of the Land Use Element specified land use mix.

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- 5.2 Recommend the City Council approve initiation of Specific Plan and General Plan Amendments, but provide a land use mix that more closely correlates with LUE policies for Specific Plan Area 3
- 5.3 Recommend the City Council approve the initiation but the formal submittal should not include a General Plan Amendment to develop above the 150-foot contour line.
- 5.4 Continue the item. An action to continue the item should include a detailed list of additional information or analysis required.
- 5.5 Determine that no major amendments should be made to the General Plan and recommend the City Council deny the request for Specific Plan Amendment Initiation.

## 6.0 ATTACHMENTS

1. Draft Resolution
2. Vicinity Map
3. Applicant's Project Description Statement and Applicant's Review and Discussion of Issues (dated April 30, 2015)
4. Applicant's Exhibit Plan Set (8.5 x 11 in color)
5. General Plan Policies Pertinent to the Initiation Request

**NOTE: Not Attached to Attachment d, please refer to individual attachments to the Council Agenda Report**