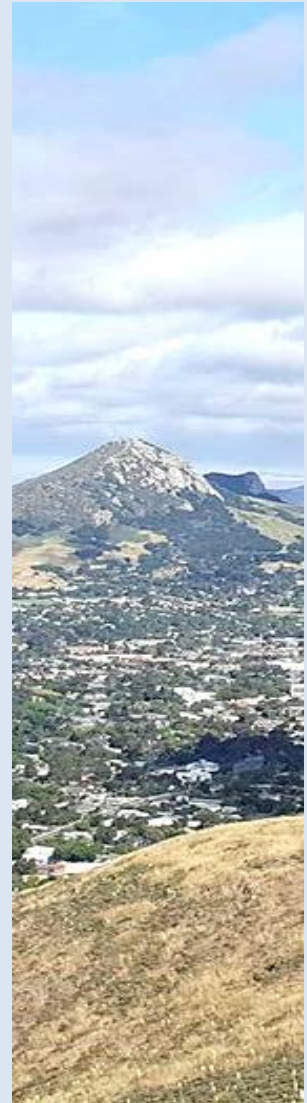


General plan annual report



2017



www.slocity.org

Community Development Department

Our Mission Statement

Our mission is to serve all persons in a positive and courteous manner and help ensure that San Luis Obispo continues to be a healthy, safe, attractive, and enjoyable place to live, work, or visit. We help plan the City's form and character, support community values, preserve the environment, promote wise use of resources, and protect public health and safety.

Our Service Philosophy

The City of San Luis Obispo Community Development Department (CDD) staff provides high quality service when you need it. We will:

- Listen to understand your needs;
- Give clear, accurate and prompt answers to your questions;
- Explain how you can achieve your goals under the City's rules;
- Help resolve problems in an open, objective manner;
- Maintain high ethical standards; and
- Work to improve our service.



Acknowledgements

City Council

Heidi Harmon, Mayor
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Andy Pease

Planning Commission

Chuck Stevenson, Chair
John Fowler, Vice Chair
Hemalata Dandekar
Nicholas Osterbur
Ronald Malak
Mike Wulkan

Derek Johnson, City Manager
Katie Lichtig, Former City Manager

Project Manager

Cara Vereschagin, Planning Technician, Long Range Planning

Staff Contributors

Michael Codron, Community Development Director
Xzandrea Fowler, Deputy Director, Long Range Planning
Doug Davidson, Deputy Director, Development Review
Adam Fukushima, Active Transportation Manager
Alexander Fuchs, Parking Services Supervisor
Andrew Collins, Facilities Maintenance Supervisor
Bob Hill, Interim Deputy Director, Office of Sustainability
Brian Leveille, Senior Planner
Cassia Cocina, Permit Services Coordinator
Chris Staley, Police Captain
Christine Wallace, Neighborhood Services
Devin Hyfield, Recreation Supervisor
Doug Carscaden, Recreation Supervisor

The 2017 General Plan Annual Report was prepared by the Community Development Department for review by the Planning Commission and acceptance by the City Council. The Community Development Department's Long-range Planning Division often takes the lead for staff work involving the General Plan. However, all City departments and advisory bodies are involved in General Plan implementation and have contributed to the 2017 General Plan Annual Report.

general plan annual report 2017

Freddy Otte, Biologist
Gamaliel Anguiano, Transit Manager
Garret Olson, Fire Chief
Greg Hermann, Interim Deputy City Manager
Hal Hannula, Supervising Civil Engineer
Ivana Medina, Administration Intern
John Mezzapesa, Code Enforcement Officer
Jeff Hendricks, Parks Maintenance Supervisor
Jennifer Metz, Utilities Project Manager
Jennifer Rice, Transportation Planner/Engineer II
Kip Morais, Planning Technician
Kyle Bell, Associate Planner
Kyle Van Leeuwen, Planning Technician
Melissa Mudgett, Recreation Manager
Molly Cano, Tourism Manager
Pam Ouellette, WRRF Chief Operator
Rodger Maggio, Fire Marshal
Shawna Scott, Associate Planner
Tyler Corey, Principal Planner
Vanessa Nichols, Permit Technician
Victoria Tonikian, Administrative Assistant

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Introduction

The General Plan is a comprehensive statement of the City's goals and how those goals will be achieved over the long-term. Policies and programs in the General Plan provide guidance to the public, staff and decision-makers on development-related issues. The General Plan is adopted and amended by the City Council, after considering recommendations by citizens, appointed advisory bodies, other agencies, and City staff.

Each year, the City publishes an Annual Report on the status of its General Plan and provides an overview of actions taken to implement the Plan during the past year, as provided by California Government Code Section 65400. This report is provided to help citizens and City officials gauge progress towards achieving the City's stated goals and objectives. It is also an opportunity to review how well the Plan's programs are being implemented. The Annual Report fulfills the requirements of State law, and the General Plan itself. According to Land Use Element Policy 11.3 the City shall prepare an annual report on the status of the General Plan, which is to include the following items:

- A) A summary of private development activity and a brief analysis of how it helped meet General Plan goals;
- B) A summary of major public projects and a brief analysis of how they contributed to meeting General Plan goals;
- C) An overview of programs, and recommendations on any new approaches that may be necessary;
- D) A status report for each General Plan program scheduled to be worked on during that year, including discussion of whether that program's realization is progressing on schedule, and recommendations for how it could better be kept on schedule if it is lagging;
- E) A status report on how the City is progressing with implementing its open space preservation policies and programs;
- F) Updated population or other information deemed important for the plan.

Background

State law requires each city and county to adopt a general plan that addresses seven topics, typically referred to as “elements.” Additional topics, or general plan elements, may be included. The law also requires general plans to be comprehensive, internally consistent and provide a long-term perspective. The Governor’s Office of Planning and Research publishes General Plan Guidelines, which includes the following general plan basics:

1. Geographic Comprehensiveness: The general plan must cover all of the territory within the jurisdiction’s boundaries.
2. Regionalism: The general plan must take into account regional plans for transportation, air quality and water quality, and must spell out measures needed to meet federal or state standards for the region.
3. Issue Comprehensiveness: General plans must address the jurisdiction’s physical development over the long term, but because the general plan is the most comprehensive expression of the general welfare, it should also recognize social and economic concerns.
4. Internal Consistency: All of the general plan elements must be internally consistent. Each element’s data, analyses, goals, policies and programs must be consistent and complement one another. This includes consistency with area plans and specific plans.
5. Long-Term Perspective: The general plan must address the welfare of current and future generations, although the time-frames may vary among the different elements. The Housing Element, for instance, must be updated every five years.

City of San Luis Obispo General Plan Elements

Land Use
*Update Adopted
December 2014*

Circulation
*Update Adopted
December 2014*

Housing
*Update Adopted January
2015*

Conservation and
Open Space
Revised 2014

Safety
Revised 2012

Parks and Recreation
Adopted 2001

Water and Wastewater
Revised 2016

Noise
Adopted 1996

State law says a City's general plan should be kept current. The City of San Luis Obispo does this through this annual review process, comprehensive updates, and through amendments. Updates to entire elements are done as needed and include a look at underlying conditions and preferences. Amendments are typically smaller in scope and involve changing one part in a way that fits within the overall framework. Consideration of amendments are triggered by private applications or by direction from the City Council.

Changes to the City of San Luis Obispo General Plan require hearings by the Planning Commission and by the City Council. The type of notice provided for the hearings depends on the type of proposed change, but always includes a descriptive item on the meeting agenda, which is published in the newspaper. The City's website and public access television channel provide additional information.

General Plan Element Updates

Land Use and Circulation Elements

The update of the Land Use and Circulation Elements (LUCE) of the General Plan was approved by the City Council on December 9, 2014.

In 2017, work continued implementing programs in the updated Land Use and Circulation Elements, such as the Downtown Concept Plan, residential developments, the Sign Regulations, Neighborhood Matching Grants, Mission Plaza Master Plan, and the Zoning Regulations Update, among many others.

Housing Element

On January 20, 2015, the City Council adopted an update to the City's Housing Element that will guide City housing actions through 2019.

Throughout 2017, staff worked to implement programs which included establishing a possible workforce housing affordability level, preliminary work on a workforce housing ordinance, further research of City-owned parcels for housing development, and the continued use of Federal, State and local funds for development and rehabilitation of affordable housing.

Parks and Recreation Element Update

In 2017, the City Parks and Recreation and Community Development Departments initiated the Parks and Recreation Element and Master Plan Update. The Parks and Recreation Commission reviewed and provided feedback on the Project Plan for the Update on September 6th and October 4th and recommended the City Council approve the Project Plan. On November 7, 2017, the City Council approved the Project Plan and Request for Proposals (RFP) for consultant services to assist staff with the preparation of the Update, and authorized staff to advertise for proposals. The RFP was released on November 28 and proposals were received for review and ranking by December 6, 2017.

This General Plan Annual Report falls between a transitional Financial Plan period, thus the Major City Goals for both FY 2015-17 and FY 2017-19 include:

FY 15-17 Major City Goals:

Protect and maintain open space.

Implement the Housing Element, facilitate workforce, affordable, supportive and transitional housing option, including support for needed infrastructure within the City's fair share.

Prioritize implementation of the Bicycle Master Plan and improve and maintain bicycle, pedestrian, and transit facilities.

The purpose of the update of the City's Parks and Recreation Element and Master Plan is to address current and future needs for the City of San Luis Obispo's parks, recreation facilities, programs and services consistent with the objectives outlined in the adopted 2017-2019 financial plan. The program of work will include a Community Needs Assessment, illustrative maps, and a prioritized action plan to ensure the most effective use of future community resources. The public will be engaged in a positive and creative way so that the results are representative of community values, desires, and needs.

FY 17-19 Major City Goals:

Housing – Facilitate increased production of all housing types designed to be economically accessible to the area workforce and low and very low-income residents, through increased density and proximity to transportation corridors in alignment with the Climate Action Plan.

Multi-Modal Transportation – Prioritize implementation of the Bicycle Master Plan, pedestrian safety, and the Short-Range Transit Plan.

Climate Action – Implement Climate Action Plan, assess requirements to achieve a “net-zero carbon City” target, and implement cost-effective measures, including implementation of a Sustainability Coordinator and formation of a Green Team.

Fiscal Sustainability and Responsibility - Continue to implement the City's Fiscal Responsibility Philosophy with a focus on economic development and responsiveness, unfunded liabilities, and infrastructure financing.

Community Development Department

Customer Service/Process Improvements

The Community Development Department continued to implement its Organizational Assessment focusing on monitoring the effectiveness of process improvements and performance tracking. Staff prepared and implemented a development review process improvement plan to improve the efficiency and reduce the amount of time and resources required from other City departments during the entitlement phase of development review. For example, minor planning applications are not initially sent to other departments for review at intake. For these minor applications Planning staff is screening these applications for routing at our internal staff meetings, significantly reducing the number of applications that get routed to other departments while also reducing by half our initial project completeness review timeframes. Other upcoming related tasks to improve customer service and the development review process include utilizing “dashboards” to display the status of projects and finalizing our Key Performance Indicators (KPI’s), which will be posted on the City’s website.



Improving customer service and the development review process are helping to carry out one of the major goals of the City Economic Development Strategic Plan: streamlining the process and removing barriers to job creation. The Developers Roundtable – a cross-representation of local architects, engineers, planners, and project representatives – has been a valuable partner in reviewing process improvements. The Council’s Major City Goal of Housing for the 2015-17 Financial Plan further places emphasis on the need to be effective and efficient in the review of engineering, planning, and building permit applications.

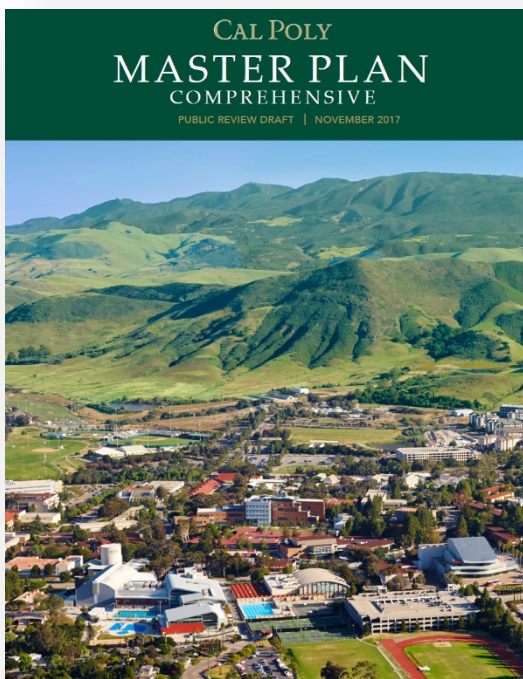
Coordination with Other Agencies

In addition to City-initiated efforts to implement the General Plan, City staff responded to development plans and applications from other agencies in 2017 and coordinated with other agencies on General Plan priorities. Some examples include:

San Luis Obispo Council of Governments: In 2017, San Luis Obispo Council of Governments (SLOCOG) began a multi-year process to concurrently prepare the 2019 Regional Transportation Plan (RTP), the Sustainable Communities Strategy (SCS), and the Regional Housing Needs Allocation (RHNA). In the Summer of 2017, SLOCOG formed a multi-jurisdictional Regional

Housing Needs Allocation Working Group (RHNA WG). Through the Summer and Fall of 2017 the City participated in the RHNA WG and provided SLOCOG with updated data regarding development projects, transportation projects, accessory dwelling units, and progress towards meeting the City's current RHNA targets. The City's participation in this work effort will continue through 2019 and will ultimately lead to the update of the City's Housing Element in 2020.

City staff conducted an exhaustive review of the Draft Environmental Impact Report (DEIR) for the Cal Poly Master Plan Update and the Slack and Grand Residential Neighborhood Project. City staff comments culminated in a comprehensive letter to Cal Poly, touching on concerns with the impact of the planned growth on City services, and potential fiscal impacts on City operations.



Cal Poly Master Plan 2035 & Slack and Grand Residential Neighborhood Project:

City staff conducted an exhaustive review of the Draft Environmental Impact Report (DEIR) for the Cal Poly Master Plan Update and the Slack and Grand Residential Neighborhood Project. Each City Department reviewed areas of the DEIR based on expertise or areas where Cal Poly and the City have service agreements. City staff comments culminated in a comprehensive letter to Cal Poly, touching on concerns with the impact of the planned growth on City services, and potential fiscal impacts on City operations.

Airport Land Use Commission (ALUC): City staff continued to actively participate in the update of the San Luis Obispo County Regional Airport Land Use Plan in 2017. In September 2017, City representatives participated in the first Airport

Advisory Collaborative (AAC) meeting, where they reviewed the final draft report of the Airport Land Use Plan (ALUP) Amendment comparative analysis and recommendations. The AAC provided comments to the ALUC staff and consultant team encouraging further refinement of the configurations of safety areas, land use policies for infill and mixed-use development, definitions of uses, and noise contours to existing and anticipated changes to airport operations. It is anticipated that the AAC will convey again in early 2018 to finalize their recommendations for ALUC consideration.

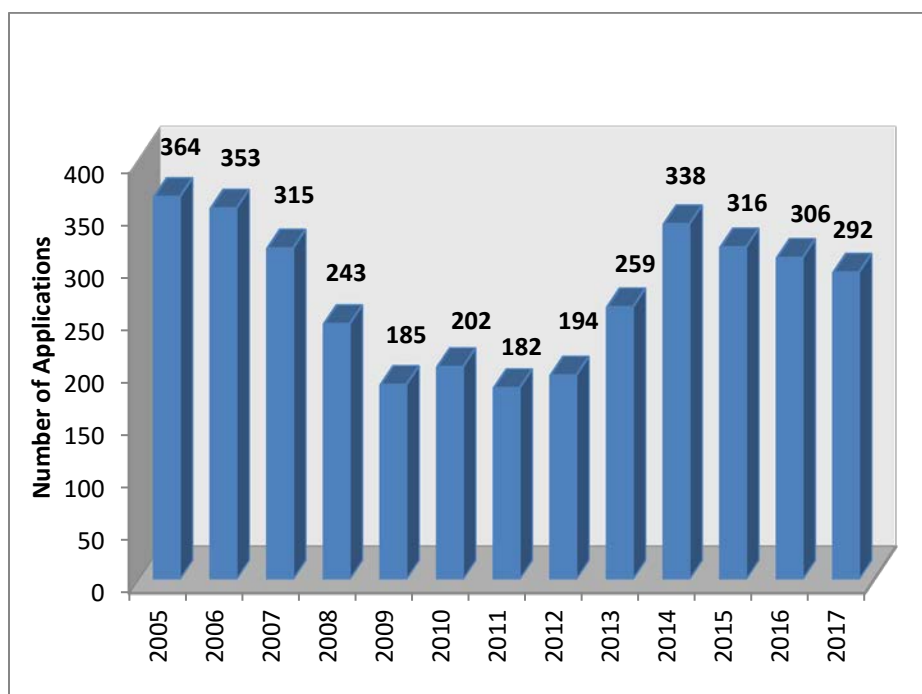
Planning and Building Activity

Application totals are tracked monthly and maintained on a calendar and fiscal year basis. Reports are broadly distributed both within the City and to outside organizations. Tracking of applications and permits serves as an indicator of development trends and a tool for budget forecasting.

Yearly Planning Application Trends

Planning applications include: use permits, architectural reviews, subdivisions, zoning amendments, and administrative actions. **Figure 1** below shows planning application totals since 2005. The figure highlights the historic highs of the 2005 and 2006, and the effects of the following economic downturn and recovery. On average, over 300 planning applications have been filed per year, for the last four years.

Figure 1 - Total Planning Applications Received per Calendar Year

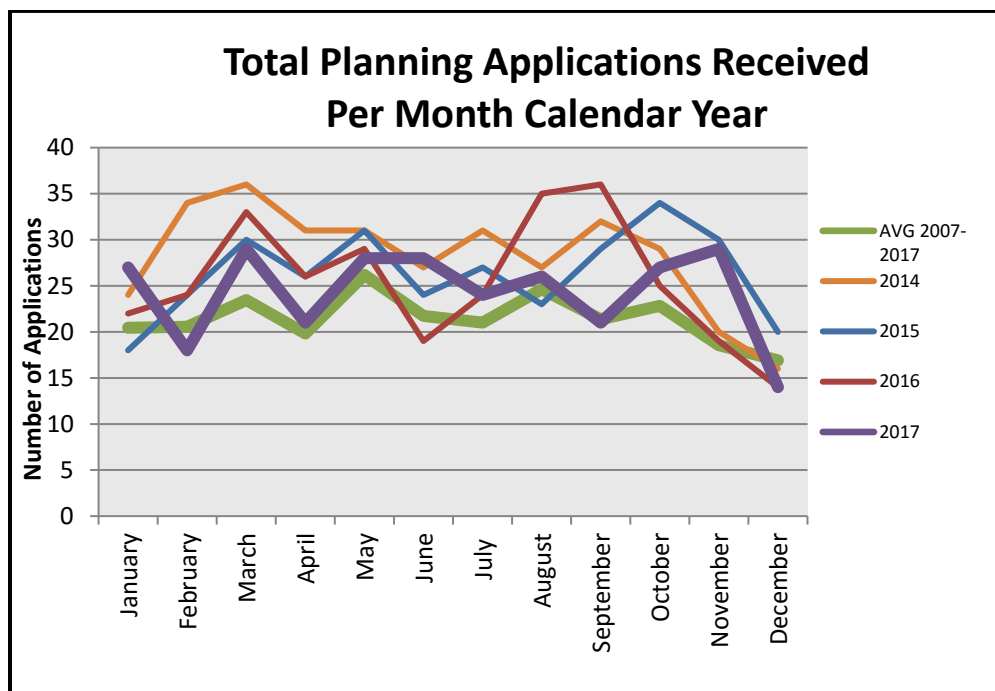


Source: Community Development Department, 2017

Monthly Planning Application Trends

Figure 2 shows planning applications received on a monthly basis for the last 4 years and the average since 2007. While 2017 saw fewer applications received in September than previous years, applications received increased going into October and into November. This is an unusual pattern for any year in the last 10 years and may indicate a busy 2018 for other Community Development divisions such as Building and Public Works/Engineering.

Figure 2 - Total Planning Applications Received Per Month by Calendar Year



Source: Community Development Department, 2017

The Community Development Department uses trends and adjusts staffing to correspond to current development activity. When application numbers decreased during the recession, staff levels were reduced commensurately. Staff levels have since increased to meet current demand.

Additionally, consultants have been brought on board to manage particularly large and complex projects, such as Righetti Ranch, San Luis Ranch, and Avila Ranch. The application totals shown in **Figure 1 and 2** only capture numbers of applications and are not reflective of the size and complexity of individual project applications. In addition to the three complex projects mentioned above, the City is also processing other large projects in the Margarita and Orcutt areas, as well as downtown mixed-use projects and large multi-family developments.

Building Permits and Plan Reviews

Building permits are issued for various projects ranging from the relatively simple (e.g. water heaters, window change outs, reroofing, etc.) to the more complex projects (e.g. additions and new buildings). Plan reviews are typically required for the more complex projects where it is necessary to review proposed design documents for code compliance.

Table 1 - Building Permits Issued 2014-2017 Comparison

BUILDING PERMITS ISSUED	2017		2016		2015		2014	
	permits	units	permits	units	permits	units	permits	units
Single Family	105	105	55	42	151	157	79	97
Multi Family	10	44	11	51	16	75	22	115
Commercial	5	1	10	11	37	60	5	-
Public-New Buildings & Alterations	0	-	0	-	-	-	0	-
Residential Additions/Alterations	190	2	-	3	306	8	230	1
Commercial Additions/Alterations	82	-	150	3	186	5	162	-
Motel Rooms	0	-	0	183	0	-	-	-
TOTAL	392	152	568	293	696	305	498	213

Source: Community Development Department, 2017

Table 1 depicts the number of building permits issued over the past 4 years. In 2017, 115 permits were issued for single-family and multi-family projects, representing 149 residential units.

Table 2 - Building Division Project Statistics, 2014-2017 Comparison

PROJECT STATISTICS	2017	2016	2015	2014
Plan Check Applications Submitted	1301	1273	935	675

Source: Community Development Department, 2017

Table 2 shows the number of plan check applications conducted by the Building Division over the last four years. Development activity remained strong in 2017, with a record high of Plan Check Application submittals, as compared to the previous four years, and are expected to increase throughout 2018. In 2016 the Building Division added a contract Assistant Permit Technician to help with the continued rise of permit applications as well as utilizing plan review consultants for the more complex and large projects such as Chinatown, SLO Brew, Garden Street Terrace, and Pacific Courtyards. 2017 saw a marked increase in plan submittals for Accessory Dwelling Unit (ADU) which is reflected in the applications. Although there was an increase in submittals, a majority of the permits for ADU's have yet to be issued.

Valuation of Construction

Construction valuation is a good indicator of the level of private investment in building construction. **Table 3** depicts the annual construction valuation over the past 4 years. Even though the total valuation decreased by \$43,885,935 from 2016, it is anticipated that with the increase of 28 Plan Check Applications, as displayed in Table 2 above, that development will prosper throughout 2018.

Table 3 - Valuation of Construction, 2014-2017 Comparison

VALUATION OF CONSTRUCTION	2017	2016	2015	2014
Single Family	19,706,522	15,024,481	37,904,420	26,974,176
Multi Family	17,248,685	8,172,054	12,079,291	16,088,664
Commercial	6,248,150	51,109,620	16,159,822	3,739,324
Public-New Buildings & Alteration	0	0	0	0
Residential Additions/ Alterations	8,167,839	10,138,220	6,811,376	7,053,269
Commercial Additions/Alterations	6,760,007	17,572,763	17,473,806	16,169,065
Total Valuation	\$58,131,203	\$102,017,138	\$90,429,815	\$70,024,498

Source: Community Development Department, 2017

Housing and Residential Growth

The 2017 Department of Finance data estimated the City’s population to be 46,724, as shown in **Table 4**. This equates to 3.6 percent growth since the 2010 Census when the City’s population was estimated to be 45,119. Total housing units also grew by 3.6 percent in the same time period with a total of 21,286 housing units in the City at the end of 2017.

Table 4 - Housing & Population

Housing and Population	2010	2017
Total Housing Units	20,553	21,286
Total Population	45,119	46,724

Source: CA Dept. of Finance; Community Development Department, 2017

The Land Use Element policy related to residential growth (LUE 1.11.2) states that the City’s housing supply shall grow no faster than one percent per year, on average, based on established thresholds shown in **Table 5**, from the Land Use Element:

Table 5 - One Percent City Population Growth Projection (From LUE Table 3)

Year	Approximate Maximum Number of Dwellings*	Anticipated Number of People
2013	20,697	45,541
2015	21,113	46,456
2020	22,190	48,826
2025	23,322	51,317
2030	24,512	53,934
2035	25,762	56,686
Estimated urban reserve capacity:		57,200

Source: Land Use Element, City of San Luis Obispo General Plan, Table 3, page 1-37.

*2013 population based on CA Department of Finance data and projected based on 1 percent annual growth.

This policy was modified in 2010 under Ordinance No. 1550 to an average of one percent per year over the five-year Housing Element planning period. The policy change responded to slow residential growth trends combined with the phasing and financing plans incorporated into the Margarita and Orcutt Specific Plan Areas.

As of 2017, the City’s population and total housing units are both slightly higher than 2016 and continue to remain on track with the Land Use Element’s 2020 projections. Therefore, the increase in dwellings and population remain consistent with growth management regulations. In

addition, the Residential Growth Management Regulations (MC 17.88) requires each specific plan area to adopt a phasing schedule for residential growth to ensure that established thresholds in the Land Use Element are not exceeded.

Based on the Community Development Department’s running total of residential construction permits, as shown in **Table 6**, the annual growth rate in 2017 was 0.53 percent, which includes new single-family and multi-family market-rate residential construction. This is well within the limit of the 1 percent annual residential growth rate identified in the Land Use Element. The five-year average growth rate also remains below 1 percent at 0.46 percent.

Over the last 10 years, the City has experienced a total growth in housing units of 3.33 percent, while the average annual growth rate for the last decade was 0.33 percent. Although more units were added the previous year, 2017 still marks a significant high for added units, with a total of 131 units. State law requires that affordable units deed-restricted to extremely low, very low, or low income households are not factored into residential growth rate calculations. Nonetheless, if those units are added, the average annual growth rate for the last decade was still only 0.33 percent.

Anticipated growth projections provided in the Land Use Element are the basis for many other assumptions in the General Plan, such as transportation needs. Since the actual growth rate continues to be lower than the projection, assumptions based on these projected rates remain valid.

Table 6 - Residential Units Added to the City (01/01/08 – 12/31/17)

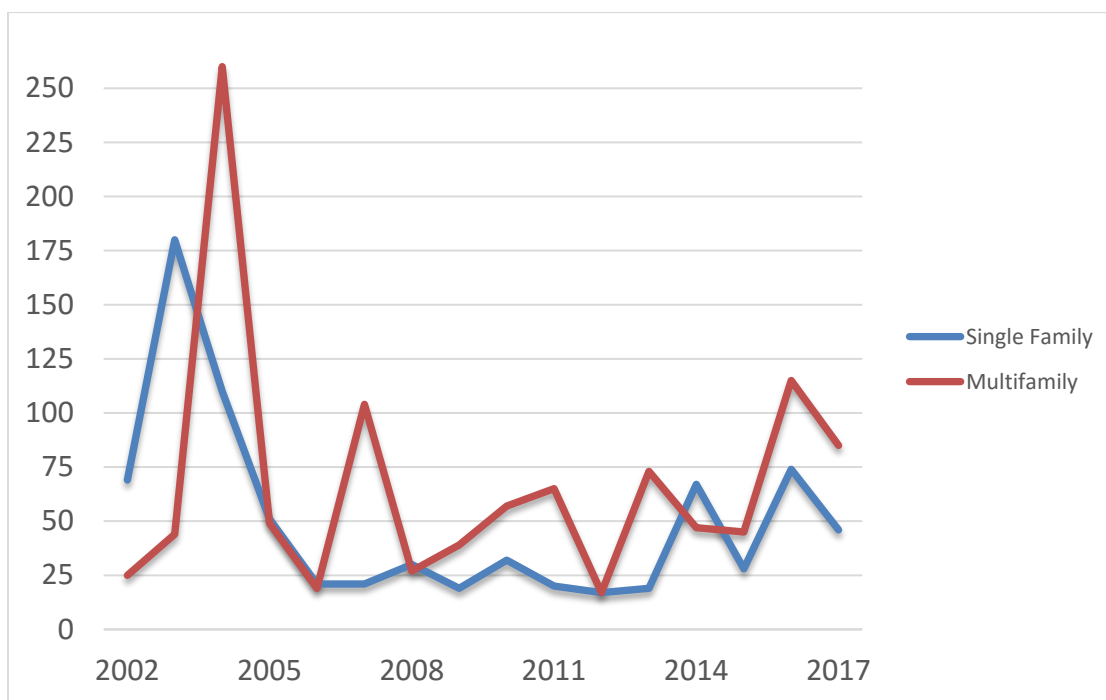
Year	SFR - Detach		SFR - Attach		MFR		Annex Units	Total Units	Net Mkt	Net Mkt Growth Rate
	Mkt	Aff	Mkt	Aff	Mkt	Aff				
2008	7	0	23	0	-1	28	0	57	29	0.14%
2009	16	0	3	0	29	10	0	58	48	0.24%
2010	15	0	17	0	23	34	0	89	55	0.27%
2011	0	2	0	0	23	42	18	85	41	0.20%
2012	16	0	1	0	17	0	0	34	34	0.17%
2013	16	3	0	0	63	10	0	92	79	0.38%
2014	67	0	0	0	25	22	0	114	92	0.44%
2015	27	0	1	0	34	11	0	73	62	0.30%
2016	68	2	4	0	63	52	0	189	135	0.65%
2017	40	0	6	0	65	20	0	131	111	0.53%
10-yr Total	272	7	55	0	341	229	18	922	686	3.33%
5-Year Average Annual Growth Rate										0.46%
10-Year Average Annual Growth Rate										0.33%

Source: 2017 Building Permits Finaled, Community Development Department
 Note: Units shown are net totals accounting for demolitions.

New housing types in 2017 consisted of a mix between detached single-family (40), attached single-family (6), and attached multi-family units (65), where approximately 31 percent of the multi-family units were deed-restricted for long-term affordability. All 20 multi-family units were dedicated at the “extremely-low” and “very-low” affordability level.

It should be noted that over the past 10 years, 62 percent of new housing construction has been in the form of attached multi-family development, with 25 percent deed restricted for affordability. **Figure 3** shows the construction trends of single-family and multi-family housing since 2002.

Figure 3 - Housing Unit Construction Based on Permits Finaled



Source: Community Development Department, 2017

Quantified Objectives

State housing law requires that each jurisdiction establish quantified objectives for their fair share of regional housing needs by income group. Deed-restricted affordable units count towards meeting the quantified objectives, and housing built at densities the state presumes are affordable qualify as well. The quantified objectives are for the five-year period between Housing Element updates. The Housing Element includes goals, policies and programs to accommodate affordable housing programs that meet the City’s quantified objectives, mixed-income housing, housing variety and tenure, and special-needs housing.

Table 7 - Progress Towards Meeting Quantified Objectives (01/01/14 to 6/30/19)

Income Category (% of County Median Income)	Regional Housing Need Allocation					
	SFH QO ²	SFH Built ¹	MFH QO ²	MFH Built ¹	Total QO	Total Built ¹
Extremely Low (< 30%)	0	0	142	6	142	6
Very Low (30-50%)	0	0	143	50	143	50
Low (51-80%)	72	0	107	38	179	38
Moderate (81-120%)	81	2	121	12	202	14
Above Moderate (> 120%)	191	210	287	187	478	397
TOTAL UNITS	344	212	800	293	1,144	505

Source: 2015 Housing Element, City of San Luis Obispo, Community Development Department

¹ Reflects net units constructed 01/01/14 thru 6/30/19.

² Reflects Quantified Objectives for each category

The City’s most recent Housing Element was adopted in January 2015, with a planning period from January 1, 2014 through June 30, 2019. As shown in **Table 7** above, the 20 affordable housing units added to the City, aids to fulfilling the Quantified Objectives for the “extremely low” and “very low” income categories. Combined with the addition of the 111 “above moderate” units, the Tables above display the great strides City has made great strides to the housing stock in 2017. In its first four years (2014-2017), about half way through the planning period, the City is at 44 percent of achieving its Quantified Objectives for housing through 2019. Achieving the quantified objective is not a requirement, yet it is a way to measure how effective the City has been in terms of housing programs and policies to advance the construction of affordable housing. It should be noted, however, that market conditions and the financing environment are the primary drivers that determine the production of affordable housing.

Affordable Housing

The City’s Housing Programs Manager (HPM) focuses on affordable housing development and other important General Plan Housing Element goals. The HPM serves on the Board of Directors for the Workforce Housing Coalition, the Funding Commission for the SLO County Housing Trust Fund and contributes to the work of the Homeless Services Oversight Council. These efforts contribute to an improved environment for planning and development of affordable housing in the City of San Luis Obispo.

In 2017, the City continued to implement the Inclusionary Housing Requirement, and has over 10 Affordability Agreements in process through long-term and equity-share programs. Over \$1,000,000 in affordable housing in-lieu fees was also collected.

Pursuant to the ongoing zoning regulations update, staff worked closely with the consultant to add workforce housing as an income category in the City’s Zoning Regulations and Affordable

Housing Standards. Staff began working with key community stakeholders to develop the resulting workforce housing ordinance, aimed for preliminary review in 2018. Discussion regarding the feasibility and incorporation of smaller housing units to facilitate more affordable options, was also completed alongside the zoning regulations update. Further effort towards accomplishing the Housing Major City Goal will continue into 2018. continued to **Table 8** identifies affordable housing accomplishments for 2017:

Table 8 - Affordable Housing Project Highlights from 2017

Project	Affordable Units	Status	Special Notes
860 On the Wye	20 (10 units set aside for homeless veterans)	Project as been completed and all units are now occupied.	On June 27, 2017, HASLO celebrated the project's grand opening. Assemblyman Jordan Cunningham's office presented certificates of appreciation to all the veterans who received housing.
Iron Works	46	Construction kicked off in early 2017 and is on track for completion in Fall 2018.	This mixed-use project located at 3680 Broad Street is being developed by HASLO. The City has awarded a \$920,000 AHF award to the project.
Bishop Street Studios	34	All entitlements for this new affordable housing development were awarded in late 2016. HASLO aims to apply for low income housing tax credits in Spring 2017.	HASLO and Transitions Mental Health Association have teamed up to renovate the existing Sunny Acres building and create new affordable housing for TMHA clients.
22 Chorro	4	All entitlements were awarded in early 2017 for the complex. Constuction is expected to be completed in 2018.	The 27-unit project located at Chorro Street and Foothill Boulevard will provide 4 studio apartments, deed-restricted for very-low income households.
71 Palomar	4	All planning entitlements were comleted in April 2017. Consturction is expected to begin in early Summer 2018.	The 29-unit project will provide 4 studio apartments, deed-restricted for very-low income households.
Courtyard at the Meadows	36	Courtyard at the Meadows, HASLO's new affordable housing development in the Serra Meadows Tract was fully entitled in Fall 2016.	HASLO will apply for tax credits in Spring 2018 and hopes to begin construction by Winter 2018. The City projects to grant an AHF award of \$630,000 to assist with construction costs.
Orcutt Area	73	Staff has entered into affordable housing agreements for two	The Orcutt Area Specific Plan projects up to 1,000 units. At full build out, up to 150 new affordable units will be created.

		separate subdivisions in the Orcutt Area.	
Margarita Area	36	Courtyard at the Meadows, HASLO's new affordable housing development in the Serra Meadows Tract was fully entitled in Fall 2016. Land dedication for affordable housing on the Toscano Tract began in 2017.	The Margarita Area Specific Plan projects up to 850 units. Up to 130 new affordable units are expected at build out.
San Luis Ranch	68	Large development proposing 580 residential units, a hotel, and commercial spaces	34 units are required to meet the residential component pursuant to the City's Inclusionary Housing Ordinance. An additional 34 units are required for the commercial component, but can also be satisfied by paying an in-lieu fee.
Avila Ranch	67	Large development proposing 720 residential units and commercial spaces	Projected that 32 units will be for lower income households and 35 to be affordable at the moderate income level. An additional 4 units are required to satisfy the commercial component, by either construction or payment of an in-lieu fee

Source: Community Development Department, 2017

Funding and Grant Programs

1. *Community Development Block Grant Program (CDBG)*: The CDBG program provides annual funding for eligible affordable housing projects and support for the homeless shelter. Over the past five years the CDBG Program has provided over \$1,800,000 towards affordable housing and approximately \$700,000 towards homeless services. Projects funded for the 2017 Program Year included homeless services, affordable housing land acquisition for Bishop Street Studios, and affordable housing rehabilitation
2. *Affordable Housing Fund (AHF)*: In 2017, the City awarded \$850,000 in AHF loans to local non-profits to assist with new affordable housing development.
3. *Down Payment Assistance*: \$20,000 was authorized for down payment assistance loans to one moderate income household.
4. *Grants in Aid (GIA)*: The City's Human Relations Commission approved \$139,885 in grants to non-profit organizations whose focus is homeless prevention (including supportive services and transitional housing), hunger and malnutrition prevention, supportive physical and mental health services, and services for seniors and/or people with disabilities. Awards were approved by Council in July and distributed in August.

5. *San Luis Obispo County Housing Trust Fund (HTF)*: The HTF provides financing, technical assistance and advocacy to increase the supply of affordable housing in the City. HTF staff serve as a resource to City staff working with developers on affordable housing projects. Since 2005, the HTF has provided over \$18 million in financing for affordable housing projects county-wide, contributing to the creation or preservation of over 680 affordable dwelling units. The City continues to support the HTF with Affordable Housing Funds to help support the operating costs of the HTF.

Homeless Services Support

1. *Homeless Services Center*: In January 2015, the City Council approved a \$250,000 grant for CAPSLO's new Homeless Service Center located at 40 Prado. Building permits were issued for the facility in November 2015. Over \$4 million dollars have been raised through the community for construction costs. Construction began in Spring 2017 and is slated to finish in June 2018.



40 Prado Project Rendering

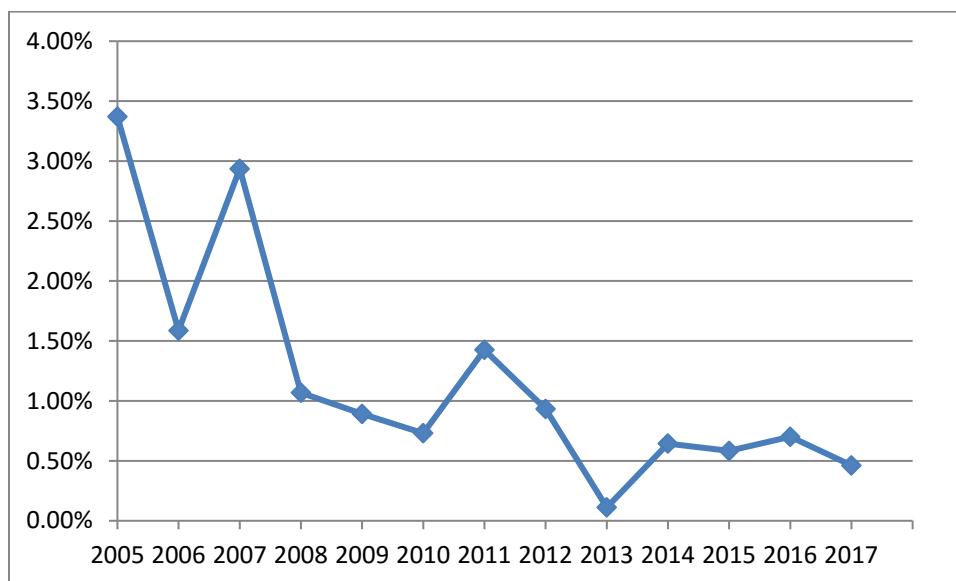
2. *Safe Parking Program*: The program provides seven parking spaces located at the Prado Day Center. This allows homeless persons with vehicles a safe place to temporarily park with the goal of eventually transitioning them into permanent housing. The City provides \$10,000 annually to CAPSLO for the program. The program will likely be expanded once 40 Prado opens in 2018.
3. *Homeless Issues Working Group*: The City has a Homeless Issues Working Group which meets bi-monthly to support and implement the 10-Year Plan and to identify, evaluate, and implement strategies to reduce the impacts of homelessness within the City.
4. *Homeless Services Oversight Council (HSOC)*: Staff continues to participate in HSOC quarterly general meetings. Priorities and recent accomplishments of the HSOC include: making Housing First the main priority, joining the 100,000 Homes Campaign, and using the Housing First approach to assist the most vulnerable, chronically homeless persons who are at risk of dying on the streets. As part of the 50Now program, over 70 individuals have been placed into housing under this program.
5. *Homeless Veteran Support*: The City continues to work towards the Mayor's Challenge to End Veteran Homelessness. On June 27, 2017, HASLO celebrated the Grand Opening of *860 on the Wye*, a 20-unit residential development dedicated to veterans, where 10 units were dedicated to those whom were formally homeless.

Non-Residential Growth

Based on final building permits, 53,518 square feet of net new non-residential floor area was added to the City in 2017, resulting in an annual growth rate of 0.46 percent.

Figure 4 illustrates the net annual growth rate of non-residential sectors beginning in 2005. Net annual non-residential growth includes office, services and manufacturing, retail, hotel, and institutional uses.

Figure 4 - Net Annual Growth Rates of Non-Residential Sectors (2005–2017)



Source: Building Permits Finaled, Community Development Department, 2017

Note 1: Annexed floor area excluded from growth rate calculations: 2008, portions of AASP.

Note 2: Demolition of nonresidential square footage included in calculations.

Table 9 describes mixed-use and non-residential projects in different phases of the review process in 2017. Currently, projects totaling 1,336,191 square feet are either in the review process, have received entitlements, or are nearing construction.

Table 9 - 2017 Projects Under Review with Non-Residential Square Footage

Project Name	Address	Nonres. Sq. Ft.	Type	Status
<i>Orcutt Area Specific Plan</i>				
Jones Subdivision	3761 Orcutt	15,070	Commercial	PIP Review
<i>Airport Area Specific Plan</i>				
Tank Farm Commerce Park	179 Cross	29,280	Industrial	Entitled
Digital West	600 Tank Farm	77,370	Office	Entitled

general plan annual report 2017

Aerovista Place	862 Aerovista	37,230	Office	Entitled
Ellsworth Tract	250 Tank Farm	TBD	Commercial	PIP Review
Aerovista Office Buildings	892 Aerovista	37,000	Office	Complete
SLO Brew Production	855 Aerovista	31,290	Industrial	Complete
Other Specific Plans				
Madonna on LOVR	LOVR	45,000	Commercial	In Planning
Avila Ranch Specific Plan	Buckley	20,000	Commercial/Office	Entitled
San Luis Ranch Specific Plan	Madonna	200,000	Commercial/Office/Hotel	Entitled
Mixed Use (Residential and Commercial)				
*790 Foothill Mixed Use	790 Foothill	6,805	Commercial	In Planning
*950 Orcutt Mixed use	950 Orcutt	6,800	Commercial	In Planning
*207 Higuera Mixed Use	207 Higuera	1,097	Commercial	In Planning
*Twin Creeks	791 Orcutt	3,488	Commercial	In Planning
*Marsh & Carmel Mixed Use	435 Marsh	1,100	Commercial	In Planning
San Luis Square	590 Marsh	21,322	Commercial	In Planning
1185 Monterey	1185 Monterey	2,464	Commercial	Entitled
Workforce Housing	3720 Broad	1,288	Commercial	Building Review
Laurel Lane Mixed Use	1259 Laurel	2,306	Commercial	Building Review
Caudill Mixed Use	774 Caudill	5,327	Commercial	Building Review
Broad St. Mixed Use	3049 Broad	2,788	Commercial	Building Review
The Junction	2120 Santa Barbara	3,000	Commercial	Building Review
22 Chorro	22 Chorro	2,000	Commercial	Under Construction
Iron Works	3680 Broad	4,400	Commercial	Under Construction
1135 Santa Rosa Mixed Use	1135 Santa Rosa	5,942	Commercial	Under Construction
Pacific Courtyards	1321 Osos	8,050	Commercial	Under Construction
Hotels and Mixed-Use Developments				
*Los Padres Inn	1575 Monterey	24,479	Hotel	In Planning
Vesper Hotel	1027 Nipomo	11,743	Commercial/Hotel	In Planning
Broad St. Collection	3249 Broad	13,333	Hotel	In Planning
Monterey Place	667 Monterey	12,255	Commercial/Hotel	In Planning
Olive Mixed Use	1042 Olive	23,957	Commercial/Hotel	Entitled
Motel Inn	2223 Monterey	34,940	Hotel	Building Review
TownePlace Suites	1301 Calle Joaquin	56,975	Hotel	Building Review
Granada Hotel Expansion	1128 Morro	9,871	Hotel	Building Review
Monterey Hotel	1845 Monterey	60,368	Commercial/Hotel	Under Construction
Chinatown Hotel	877 Palm	46,140	Commercial/Hotel	Under Construction
Hotel Serra	1125 Garden	25,047	Commercial/Hotel	Under Construction
Other Commercial/Office Developments				
*Palm Parking Garage	609 Palm	5,000	Commercial	In Planning
*Water Resources Facility	35 Prado	17,704	Utilities	In Planning
Bridge St. Project	279 Bridge	21,049	Industrial	Entitled
French Hospital	1911 Johnson	58,600	Office	Entitled

*Madonna Plaza	273 Madonna	56,257	Commercial	Building Review
*1101 Monterey	1101 Monterey	27,079	Commercial/Office	Building Review
Perry Ford & VW Dealership	12200 LOVR	7,895	Commercial	Building Review
Shell Station Development	1102 Higuera	5,000	Commercial	Building Review
Discovery SLO Bowling Alley	1144 Chorro	29,500	Commercial	Building Review
McCarthy Steel	3720 Broad	9,840	Industrial	Building Review
Higuera Brew	6 Higuera	5,000	Industrial/Commercial	Building Review
Long-Bonetti Public Market	120 Tank Farm	46,932	Industrial/Commercial	Building Review
Poly Performance	870 Industrial	30,275	Industrial	Under Construction
Airport Business Center	4460 Broad	74,883	Industrial	Under Construction
BMW Dealership	1251 Calle Joaquin	23,945	Commercial	Under Construction
Homeless Service Center	40 Prado	20,000	Office	Under Construction
Direct Injectors	848 Via Esteban	6,207	Industrial	Complete

Source: Community Development Department, 2018

*New projects in 2017

1. Project Review hierarchy: Pre-application, In Planning, Entitled, Public Improvement Plans (PIP) in review, Building review, Under construction.

Commercial and Industrial Growth Management

Land Use Element Policy 1.11.4 states that each year, the Council will evaluate the actual increase in non-residential floor area over the preceding five years. The Council shall consider establishing limits for the rate of non-residential development if the increase in non-residential floor area for any five-year period exceeds five percent.

The five-year net non-residential growth rate for 2013 through 2017 was 2.5 percent, and the five-year average annual average growth rate was 0.50 percent.

According to the policy, any limits so established shall not apply to:

- A. Changed operations or employment levels, or relocation of ownership change, of any business existing within the City at the time the limit is set;
- B. Additional nonresidential floor area within the downtown core;
- C. Public agencies;
- D. Manufacturing, light industrial, research businesses, or companies providing a significant number of head of household jobs.



Chinatown Hotel SLO Under Construction

Each year the Council has considered whether or not to implement limits to new non-residential floor area and has decided against establishing limits. If limits are established they would only apply to certain types of new commercial floor area, such as new offices or new retail establishments outside of the downtown core.

Jobs-Housing Balance

The jobs-housing balance is a planning tool to review whether a community has a healthy balance between jobs and the housing supply available to potentially house workers for those jobs. This balance may be impacted by the match between wage levels and housing costs; whether all workers in a house have employment in the community in which they live; whether preferences are met within the community for either housing or employment; and whether options are available nearby for either housing or employment.

The balance of jobs and housing in an area has implications for transportation systems, however even an ideal balance may not prevent daily in- or out- commute patterns. According to planning literature, the desired target is a jobs-to-housing unit ratio of 1.5:1, which reflects that there is more than one worker living in the average household. **Table 10** shows that the current jobs-to-housing ratio inside the City limits is 2.4:1, which remained constant from 2016. California Polytechnic State University (Cal Poly) and the California Men’s Colony are two major employers located in close proximity to San Luis Obispo, thus the jobs-to-housing ratio including these neighboring employers outside the City limits is 2.7:1 – which is an increase from 2016. At the current rate of 2.4:1, the City is experiencing a jobs-housing imbalance.

Table 10 - Current Jobs/Housing Balance

Estimated jobs in City limits	52,092
Housing units	21,286
Jobs to housing ratio	2.4:1
Cal Poly jobs (not in City)	3,000
California Men's Colony jobs (not in City)	1,517
Jobs to housing ratio including neighboring major employers	2.7:1

Sources: SLOCOG 2050 Draft Regional Growth Forecast. San Luis Obispo Chamber of Commerce Major Employers, 2017. CMC,2015; Community Development Department, 2017; Capital Facilities Fee Nexus Study, March 2018

The increase of the number of estimated jobs inside the City limits, shows the stability and strength in the City’s economy compared to last year. The number of housing units developed is also increasing, which marked a significant high in 2017 compared to the last decade, however more housing is still needed. With housing as a Major City Goal in both 2015-17 and 2017-19, the City continues to focus on promoting housing development to keep pace with job creation in the City.

Implementation strategies in the updated land use and housing elements of the general plan seek to reduce the jobs/housing ratio through programs targeted at additional housing within the city limits. Land Use Element Policy 1.5 states that the gap between housing demand (due to more jobs and college enrollment) and housing supply should not increase.

Specific Plan Implementation and Development

The General Plan requires approval of specific plans as a precursor to development of the City's major expansion areas. Specific plans typically contain more detailed land-use and design standards than the General Plan and address the timing and financing of public facilities. Specific plans can supersede the Zoning Regulations or lead to amendments of the Municipal Code. The process for adopting a specific plan is similar to the process for adopting or amending a section of the General Plan.

Margarita Area Specific Plan

The Margarita Area Specific Plan (MASP) was approved on October 12, 2004, and the remaining portions of the Margarita Area in the County were annexed into the City in 2008. Construction of 177 units has been completed in Serra Meadows Tracts 2342, 2353-1, and 2353-2. They received tentative map approval (PM SLO 15-0095) to re-subdivide the office parcels of Serra Meadows and create residential lots. The final map for that re-subdivision is currently in the review process.



*New Residences in the Toscano Neighborhood
Source: Toscano Facebook Page*

The original tentative map for Toscano Tract 2428 was approved in 2007 and was subsequently revised at the request of the developer for constructability and marketability purposes. The currently-approved tentative lot configuration consists of 161 single-family lots, multiple lots for up to 26 units of affordable housing, multiple lots for riparian open space, and a 71-acre hillside lot for permanent open space. The final map for Phase 1 of Tract 2428 was approved in 2016 and created 45 single-family lots, several lots for riparian open space, and the 71-acre hillside lot. The homes in Phase 1 are currently under construction and many have already been sold and occupied. Phase 2 of Tract 2428 was approved in 2016 and created 36 single-family lots, several lots for riparian open space and multiple lots for up to 26 affordable housing units. The single-family homes in Phase 2 are currently under construction. The affordable housing lots were deeded over to the Housing Authority. It is anticipated that the final map for the last phase of Tract 2428 (Phase 3) will be submitted in 2018.

Orcutt Area Specific Plan

Vesting Tentative Tract Maps 3063 (Righetti Ranch) and 3066 (Jones Ranch) projects were approved in 2016, and site grading has begun. The Righetti Ranch project includes 304 residential units (272 single-family and 32 multi-family), the Righetti Hill open space, almost 14 acres of

public parks and extensive pedestrian, bicycle, and road improvements. The adjacent Jones Ranch property is a mixed-use commercial-residential project, including 56 residential units and a community commercial project of just over 15,000 square feet. Public improvement plans and final maps for Tract 3066 and Phase 1 of Tract 3063 have been submitted by the applicant and approved by the City and the final maps are currently pending recordation. In addition, single-family residential building program was reviewed and approved with feedback from the ARC in late 2017.

In 2016, the Vesting Tentative Tract Map No. 3083 was approved by Council for the West Creek project at the corner of Johnson and Orcutt. The West Creek project would create 77 lots for the property located at 1299 Orcutt Road. The ARC has reviewed and approved the proposed home designs.

In 2017, the Imel Ranch VTM No. 3095 was approved by Council. This VTM consists of 23 lots: 18 single-family residential lots, 2 detention/drainage lots, and 3 open space lots.

Avila Ranch Development Plan

On September 19, 2017, the City Council approved the Avila Ranch project to enable the development of 720 residential units and 15,000 square feet of neighborhood commercial uses on a 150-acre site north of Buckley Road within the boundaries of the Airport Area Specific Plan (“AASP”). The project also includes 18 acres of parks and 53 acres of designated open space within the project boundaries. The project will implement the policies and development parameters in the recent Land



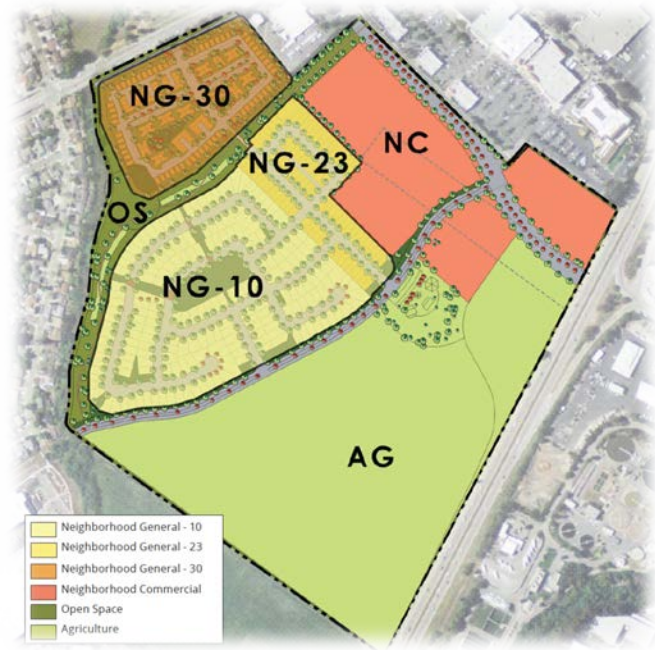
Avila Ranch Site Plan

Use and Circulation Elements (LUCE) update, other elements of the General Plan, Airport Area Specific Plan (AASP), and the City’s Community Design Guidelines. The project is the development of a major new City neighborhood, which will be governed by a Development Plan within the framework of the existing AASP as amended.

The project will address housing affordability in several ways, most notably through the design itself, which includes cluster development and many medium and high-density housing units (197 R-3 units and 125 R-4 units), as well as R-2 units that have floor areas that are well below the typical average for single-family detached units in the community. In addition, Inclusionary Housing will be addressed through a combination of affordable housing deed restrictions on some low and moderate-income units to be constructed by the applicant, and land dedication where Inclusionary Housing units will be constructed by affordable housing developers. The project will include 67 contractually price-restricted affordable (inclusionary) housing units, and 25 price-restricted Workforce Housing Units. The project will likely be developed over a period of 10-15 years.

San Luis Ranch Specific Plan

Review of the San Luis Ranch Specific Plan project continued through 2017. On July 18, 2017, the City Council took a number of actions towards the step of annexation and final approvals: (1) Certification of the Final Environmental Impact Report, (2) Approval of the Specific Plan, (3) Approval of the General Plan Amendment, (4) Initiation of Annexation for the project site, and review of a term sheet as the basis for a future development agreement. The Council approved San Luis Ranch Specific Plan project includes a mix of 580 residential units that would be located primarily at the north/northwest portion of the site. The project is intended to implement the broad development parameters set forth in the LUCE update with the provision of housing, commercial floor space, hotel/visitor serving uses, and preservation of agricultural area. The commercial portion of the project includes up to 200,000 square feet of general commercial/retail space, 150,000 square feet of office development, and a 200-room hotel. Commercial uses proposed may include retail anchors, neighborhood retail, restaurants, offices and a hotel. Approximately 60.4 acres of the site would remain as preserved as open space for agricultural and open space use. In 2018, work will continue on the next steps in the process which include approval of a Development Agreement, completion of annexation, and establishment of a Community Facilities District (CFD). Project implementation is anticipated in the late 2018, early 2019 timeframe.



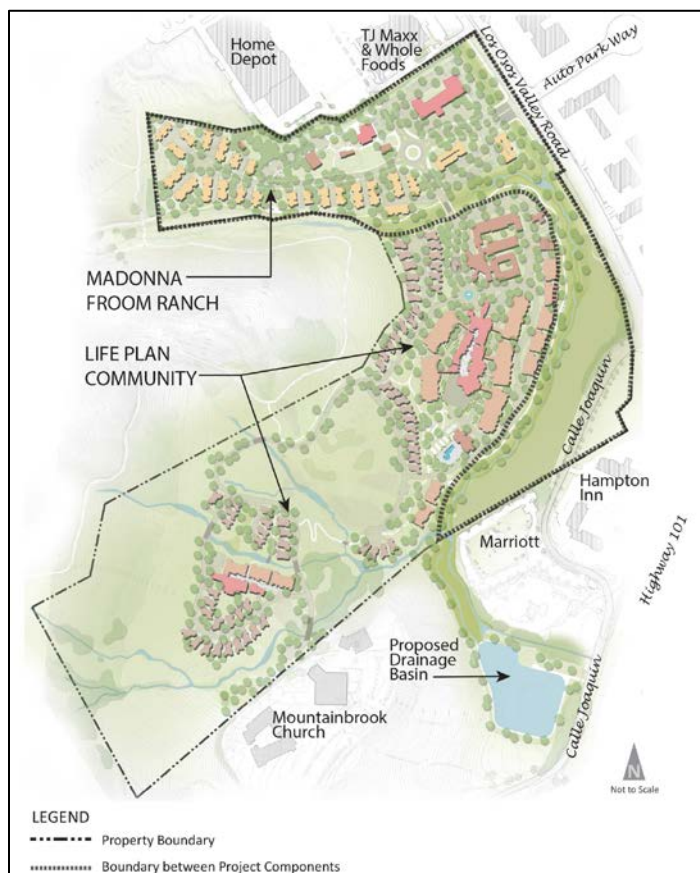
San Luis Ranch Site Plan

The commercial portion of the project includes up to 200,000 square feet of general commercial/retail space, 150,000 square feet of office development, and a 200-room hotel. Commercial uses proposed may include retail anchors, neighborhood retail, restaurants, offices and a hotel. Approximately 60.4 acres of the site would remain as preserved as open space for agricultural and open space use. In 2018, work will continue on the next steps in the process which include approval of a Development Agreement, completion of annexation, and establishment of a Community Facilities District (CFD). Project implementation is anticipated in the late 2018, early 2019 timeframe.



Madonna on LOVR Specific Plan (Froom Ranch Specific Plan)

The pre-application and Specific Plan and General Plan Amendment initiation request process for the Madonna on Los Osos Valley Road (LOVR) Specific Plan was initiated in May 2015. The conceptual project was presented to the City Planning Commission on December 9, 2015 and January 27, 2016, followed by the City Council on April 5, 2016, to consider the initiation request and provide feedback to the applicant and staff regarding the applicant’s proposed mix of uses and plan to amend the Land Use Element to allow development above 150 feet in ground elevation. The City Council authorized initiation of the Specific Plan request, and an application was received in early 2017 by JM Development Group, Inc.



Froom Ranch Site Plan

The Froom Ranch Specific Plan is envisioned as a primarily residential project with some commercial development in the northeast portion of the site closest to Los Osos Valley Road and the adjacent Irish Hills Plaza. A major component of the planned residential uses is a Life Plan Community (LPC) known as Villaggio, which would provide a variety of independent and assisted senior living units. The Villaggio LPC is proposed to include: 366 independent living units; 40 assisted living units; 17 memory care beds; 34 skilled nursing beds; an 11,000-square foot wellness center; and 67,000 square feet of ancillary services. In addition to the LPC, the Specific Plan anticipates: approximately 130 medium-high density, multi-family units; 44 high-density, multi-family apartments; 100,000 square feet of commercial retail uses; a three-acre trailhead park, which would incorporate onsite historic

structures; and 59 acres of land designated for conservation/open space. Infrastructure includes on and off-site road improvements and an offsite drainage basin.

In 2017, several advisory bodies were introduced to the Specific Plan, and staff and the applicant received preliminary comments from the Parks and Recreation Commission, Cultural Heritage Committee, and Architectural Review Commission. The Notice of Preparation of an Environmental Impact Report (EIR) scoping meeting was held at a Planning Commission hearing in July 2017. Future steps in 2018 will include additional advisory body review and preparation and circulation of the EIR, concluding with consideration of the Specific Plan, General Plan Amendment, and final environmental document by the City Council in late 2018 or early 2019.

South Broad Street Area Plan



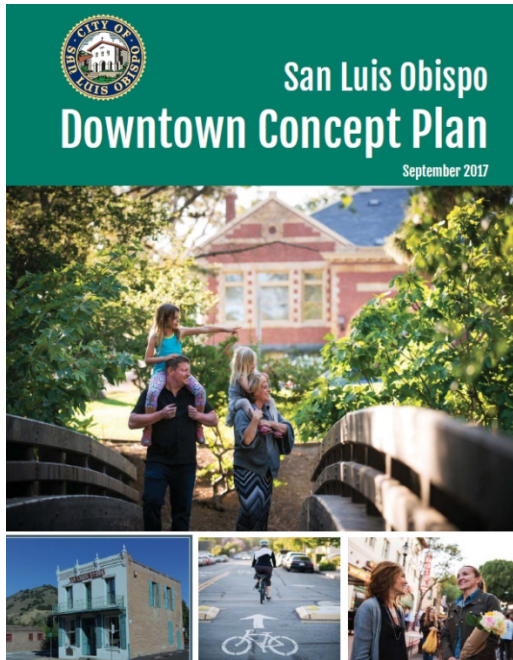
South Broad Street Area Plan Site Overview

The South Broad Street Area Plan was adopted by the City Council in December 2014 as part of the Land Use and Circulation Element update.

Since adoption, the following projects have been approved or are under review within the South Broad Street Area Plan:

- *Broad Street Mixed Use* (3049/3099 Broad): Includes 12 residential units and 3,000 square feet of retail space. The project received entitlements in August 2016 and is currently under building Review.
- *The Yard* (2450 Victoria): Includes 25 live/work units and 18 residential units. The project received was entitled in February 2016 and is currently under building Review.
- *Caudill Mixed Use* (774 Caudill): Includes 36 residential units and 5,500 square feet of commercial space. The project received entitlements in June 2016.
- *Broad Street Collection* (3249 Broad): 10 live/work units and 6-unit hotel with caretaker's quarters (In Planning).
- *Victoria & Caudill Mixed Use* (797 Caudill): Includes 3 live/work units and 5 residential units (In Planning).

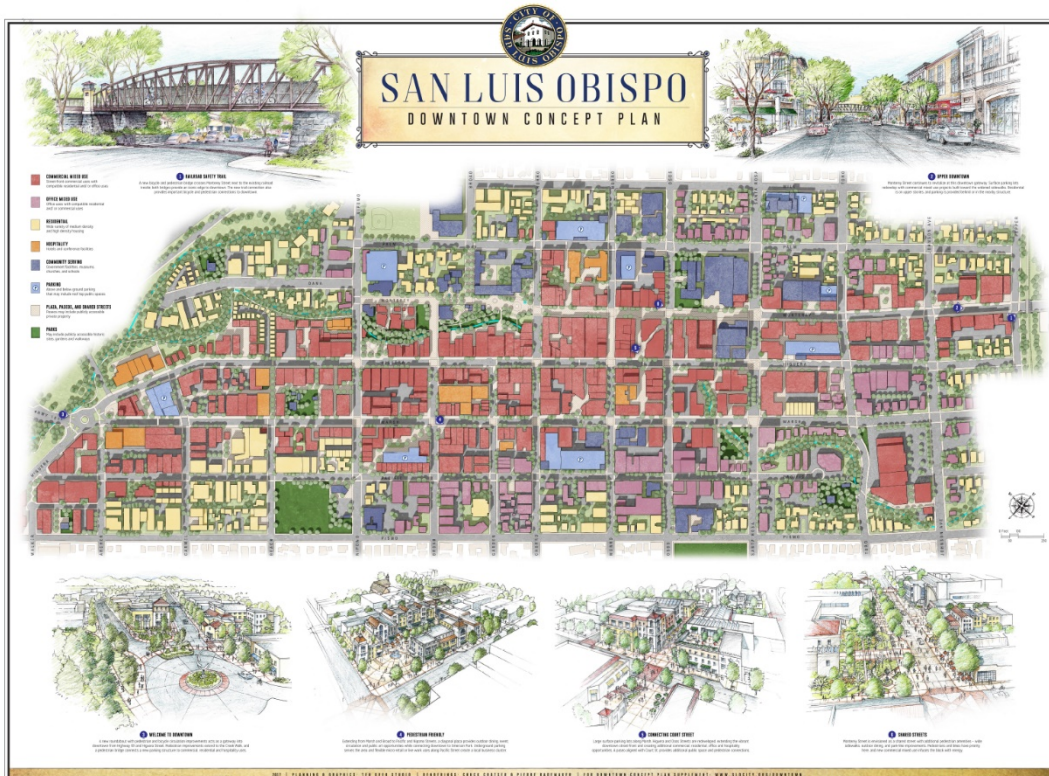
Downtown Concept Plan Update



The recent update to the General Plan Land Use Element in 2014 included an implementation objective to update the Downtown Concept Plan to address the significant changes in or affecting the downtown since the original plan, and to include opportunities for meaningful public input.

The work that had been underway on the Downtown Concept Plan since December 2015, continued in 2017. The public also remained actively engaged in a variety of ways, including three public workshops. The Council-appointed Creative Vision Team (CVT) met 13 times to provide important input and design assistance. On July 12, 2017, the CVT unanimously endorsed the Final Public Draft of the Downtown Concept Plan supplement and poster.

Following the Planning Commission’s review of the Downtown Concept Plan on April 26, 2017 and July 26, 2017, they recommended adoption to the City Council. On September 5, 2017, the City Council adopted the Downtown Concept Plan and the illustrative poster as a long-range vision and guide for public and private investment Downtown.



Plans Under Development

Mission Plaza Master Plan

Concurrent with the Downtown Concept Plan is the development of the Mission Plaza Concept Plan. The overall goal of the project is to revitalize and refresh this important community hub and provide the City a road map for planning of future maintenance and development projects for the Plaza.

Since its inception in the 1970s, Mission Plaza has served as the cultural and historical “heart” of the San Luis Obispo’s downtown. Given the Plaza’s age, popularity, and extensive use, the Council authorized the development of the Mission Plaza Master Plan and Assessment in July 2015 for this important community hub. This was consistent with the Council-approved 2013-15 Major City Goal to “Assess and Renew the Downtown,” which included a task for the development of a Mission Plaza Master Plan. Also identified in the update of the Land Use and Circulation Elements is the expansion of Mission Plaza, originally envisioned in the 1993 Downtown Concept Plan.

A consultant team has been working with City staff to assess the present condition, uses and policies related to the existing Mission Plaza; determine impacts of Plaza events on adjacent residential neighbors, businesses, Old Mission Church operations and San Luis Obispo Creek habitat; explore expansion of the Plaza into the adjacent Broad/Monterey St. “dogleg” through permanent or temporary street closures; and provide a vision for the future of the Plaza and surrounding streets. Public engagement activities took place in early 2016, with two plan alternatives developed in the Spring, and a second workshop in July. Plans were also reviewed at a joint City Council and Planning Commission study session in October. A preferred alternative was developed after the study session, which included input from the Downtown Concept Plan CVT. In January 2017, the Parks & Recreation Commission provided feedback on possible design features and amenities of the plan. In February 2017, the Cultural Heritage Committee provide feedback on the plan, as did the Architectural Review Commission in March 2017. On May 10, 2017, the Planning Commission provided additional feedback regarding specific design features.



Mission Plaza Site Plan

On September 5, 2017, the City Council reviewed the Mission Plaza Concept Plan and authorized staff to proceed with preparation of a master plan document as well as fiscal and environmental study of the plan implementation.

Zoning Regulations Update

City Council included the Zoning Regulations Update project for 2015-17 Financial Plan and allocated \$225,000 for consultant services. The Zoning Regulations are the primary document for implementation of the LUCE. On September 6, 2016, the City Council reviewed the scope of work for the Zoning Regulations Update and authorized issuance of a Request for Proposals (RFP) for consultant services. A consultant was hired in late 2016, and the update began in early 2017 with the scope of work consisting of the following items:

LUCE Implementation (Including, but not limited to, the following programs):

- Consider new regulations to address neighborhood compatibility for infill development (Program 2.13)
- Evaluate student housing preferences and consider revising development standards to better meet them in multifamily housing near campus (Program 2.11.1)
- Adopt special development standards for dwellings in downtown residential areas (Policy 2.8, Program 2.12)
- Evaluate alternatives to the current maximum number of dwellings units and height, parking, and setback standards, to regulate residential building intensity (Program 2.15)
- Evaluate the potential to use portions of City-owned parking facilities for residents' parking (Program 2.16)

Other Features of the Update:

- Reorganize the Zoning Regulations for simplicity and modernize for current and emerging conditions, and as necessary to meet new State requirements.
- Update Parking Standards (Table 6)
- Update Land Use Table (Table 9)
- Review "S" (Special Considerations) Overlay Zones
- Update Land Use Definitions

Since February of 2017, the City has been working with the consulting firm MIG, Inc. to comprehensively update the Zoning Regulations. To date, the process of updating the Zoning Regulations has involved:

- Interviews with community members
- April 12, 2017 PC/CC joint study session
- Community workshop on June 3, 2017
- Regular updates with the Planning Commission (August through December)
- Internal interaction among City departments
- Weekly phone calls with the MIG team

Sign Regulations Update

In 2017, staff continued to refine the draft Sign Regulations Update in response to input from stakeholder interviews and the Issues and Options Report which summarized consultant recommendations for needed updates. Staff anticipates refinement of the draft Sign Regulations update and CHC and ARC review to occur by early 2018 followed by subsequent consideration for final approval by the City Council.

- Various amendments and additions to respond to the free speech case of *Reed v. Gilbert*. This includes legal analysis and appropriate amendments based on the holdings of the case that has serious implications for many jurisdictions that include regulations that are based on the content of the message. An example of this would be that it is not permissible to only allow signage on residential properties for a specific purpose such as political signs or yard sales.
- Additional sign types will be added to the Prohibited Signs section such as electronic message centers, video displays, and internally illuminated cabinet signs which are currently only prohibited in the Downtown.
- Addition of Design Principles to further define requirements for sign quality, proportion, and appropriate placement.
- Updated photos and graphics for clarity on encouraged signs types and those that are prohibited or discouraged.
- Cross references to other relevant guidelines and ordinances such as the Community Design Guidelines, and Historic Preservation Ordinance and Historic Preservation Guidelines.
- Added language for clarity on the purpose and appropriate use of Sign Programs for new development and projects with multiple tenants.
- Added language for clarity on level of review and required findings for exceptions.
- New and updated definitions to cover newer sign types and to improve interpretation and enforceability.

Public Infrastructure Financing

In 2017 the City began the process of updating the fees charged to new development for a range of transportation, parks, general government, public safety, and water and sewer capital facilities and infrastructure that are important to the City's future and quality of life. It is anticipated that the update of those fee programs, in compliance with the *Mitigation Fee Act* (Assembly Bill 1600) will be completed in 2018. The economic vitality of the City is linked to critical investment in its urban infrastructure system. While the City's current configuration of existing development impact fee programs has served an important role in funding infrastructure improvements throughout the City over the last twenty years, changing economic circumstances, new Specific Plans, and the City's recently adopted Public Infrastructure Financing Framework (Framework) and draft policies, warrant an update of these programs.

Climate Action Plan

The City's Climate Action Plan (CAP) was adopted in 2012. The Plan contains quantified strategies to reduce greenhouse gas (GHG) emissions from the community and City operations. It also serves as the City's Qualified GHG Reduction Strategy. Several strategies from the Climate Action Plan were incorporated in the LUCE update. Implementing the CAP includes those actions the City can directly impact and those actions for which the City engages the community.

In January 2017, the City held a community forum to allow community members to participate in the decision-making process for the 2017-2019 Major City Goals. After substantial public interest and comment, City Council declared Climate Action as one of its four Major City Goals and as an Other Important Objective. The purpose of the goal is to implement the Climate Action Plan, assess requirements to achieve a "net-zero City" target, and implement cost-effective measures, including the implementation of a Sustainability Coordinator and formation of a Green team.

Currently, the City is 20% complete with this Major City Goal and is on-track to complete it by the end of the 2019 Financial year. There have been many accomplishment and milestones that have helped progress the City towards completing this Major City Goal. In June 2017, the City declared June 20 Net Zero Energy Day. In July 2017, the Special Projects Manager position took on the role and responsibilities of the Sustainability Coordinator. In November, the position was reclassified to a Sustainability Manager position. The recruitment to fill that position is currently underway and is anticipated to be filled in February 2018. In July 2017, the City "Green Team" was established with representatives from each City department. In October 2017, a Memorandum of Understanding between the City and the Climate Action Task Force (Task Force) was approved to establish the Task Force as the "Community Climate Action Coalition" to help achieve the objectives outlined in the Climate Action Major City Goal work program. Additionally, in October, the City Council limited the use of single use plastic beverage straws citywide and other measures for city facilities and special events. In November, the data collection for the update of the GHG emissions inventory was initiated.

Municipal Actions

Strategies in the CAP include review of City facilities and operations to identify opportunities for emissions reductions. In 2017, the City continued its efforts to make improvements to municipal facilities that will result in lowered emissions, including:

Facility Upgrades: In 2017, the City Facilities Division continued the work of replacing inefficient building lighting fixtures to LEDs at a variety of City facilities, including City/County Museum, Ludwick Community Center, Emergency Dispatch Center, City Hall Exterior lighting, and completed the interior lighting retrofit at the Senior Center. The major thrust this year is replacing dozens of obsolete





compact fluorescent “can lights” with L.E.D. retrofits and retrofiting four-foot fluorescent tube fixtures. This change represents a 33% reduction (at a minimum) in power consumption with a 50% increase in light levels for each fixture.

The facilities division has also been tasked with reducing plastic single use bottles in the waste stream and has been installing bottle filling stations. The most recent at the Ludwick Community Center.

City and Community Partner Actions

The Environmental Center of San Luis Obispo (ECOSLO): The Environmental Center of San Luis Obispo is a local, non-profit organization that educates, advocates, and acts to protect and enhance the natural environment and human well-being of San Luis Obispo County. On the October 24, 2017 City Council meeting, Council voted to limit the use of single-use beverage straws, an effort that will reduce the amount of plastic and paper waste that ends up as litter and in the landfill. Climate Action, a Major City Goal for 2017-19, prioritizes the City’s climate action efforts and has an overall goal of reducing community-wide greenhouse gas emissions. The Environmental Center of San Luis Obispo (ECOSLO) reported that 1,363 plastic straws/stirrers were collected from local beaches at the 2017 SLO County Coastal Cleanup Day, and 1,111 were picked up the previous year, making straws/stirrers the tenth most collected debris. The City of San Luis Obispo and ECOSLO have partnered together to visit affected businesses, provide information on the ordinances, and allow time for understanding and adjusting to new regulations before they take effect on March 1, 2018.

One With Nature: One With Nature is a local non-profit who aspires to preserve and improve the beauty of the environment. Along with ECOSLO, the City of San Luis Obispo is also working with One With Nature with the ordinance to limit the use of single-use plastic beverage bottles and cups on City property and at special events on City property requiring a permit. One With Nature is also collaborating with the City on the implementation of hydration stations in the City’s infrastructure to enable citizens to opt for reusables more conveniently.

Community Choice Energy (CCE): Community Choice Energy (CCE), also known as Community Choice Aggregation (CCA), enables local governments to leverage the purchasing power of their residents, businesses, and governments to purchase or generate power for their communities within a defined jurisdiction to secure alternative energy supply contracts on a community-wide basis, while allowing consumers not wishing to participate to opt out. In 2015, the City Council directed staff to develop initial feasibility studies with providers of Community Choice Aggregation programs as well as participate in a program with the Counties of San Luis Obispo, Santa Barbara and Ventura. Since approval of that resolution, the City has been involved in two feasibility study efforts: 1) the Intra-County Study - a pro-bono “initial feasibility study” prepared by Pilot Power Group designed to provide a high-level assessment of CCE feasibility within San

Luis Obispo County, and 2) the Tri-County Feasibility Study – a multi-jurisdictional feasibility study providing a detailed analysis of eight geographical CCE participation scenarios across San Luis Obispo, Santa Barbara, and Ventura Counties (including the City jurisdictions within those Counties).

The findings of the Intra-County Study generally align with the findings of a peer review of the Tri-County study, finding with high probability that a new CCE program would be able to cover its costs, generate net revenue, and maintain rate competitiveness across the studied scenarios.

The results of the Tri-County study were released in September 2017 and conclude that a newly created regional CCE program spanning San Luis Obispo, Santa Barbara, and Ventura Counties is not likely to be a viable venture in terms of the CCE program's ability to provide competitive rates and remain a solvent organization. However, the results of the peer review indicate that it may be possible for a local or regional CCE program operating within Pacific Gas and Electric Company

In addition to the option to join an existing CCE program such as MBCP, there are several other options for the City Council's consideration. The next steps associated with each of these options are dependent upon City Council direction.

CivicSpark: Climate Action Major City Goal strategy implementation in 2017 included continuation of our collaboration with regional partners for outreach and education. AmeriCorps staff resources were again made available through the Local Government Commission and funding by the Air Pollution Control District (called CivicSpark). Civic Spark program staff have been working with local cities and the County to collect information regarding permits issued for energy upgrade projects (to aid in future reporting on CAP implementation) and to identify permit streamlining opportunities for small scale photovoltaic installations (a process which the City of San Luis Obispo already has in place). The CivicSpark team has also developed a web site and handouts to educate residents and business owners about energy retrofits and energy reduction actions.

Economic Development

On October 16, 2012 the City Council approved the adoption of the Economic Development Strategic Plan (EDSP). The EDSP was revised on March 17, 2015. The EDSP focuses on creating a system that supports and sustains industries creating head of household jobs. The EDSP is organized into four overarching strategies:

- Break Down Barriers to Job Creation
- Actively Support Knowledge & Innovation
- Promote and Enhance the San Luis Obispo Quality of Life
- Build on Existing Efforts and Strengthen Regional Partnerships

As part of the City's effort to build on existing efforts and strengthen regional partnerships, in 2017 the City, in cooperation with SLOCOG, the EVC and Beacon Economics, was able to secure access to the California Employment Development Department's confidential data. This data is available from 2008, and City staff was able to use 2016 data for 2017. The City contracted with Beacon to do a historical analysis as well as annual updates. As an example of the data available, payrolls in the City of San Luis Obispo grew 2.5% from fiscal year 2014/2015 to fiscal year 2015/2016, trailing the 3.1% mark set in the rest of San Luis Obispo County. However, wages in the City of San Luis Obispo have also increased over the last year, with the average annual wage across all sectors growing by 5.2% compared to 3.5% in the rest of the county. The latest report can be found on the City's website.

Break Down Barriers to Job Creation

Permit Processing: The Development Review Team (DRT) continued to work to ensure a consistent and expedient approach across all involved departments. The team continues to use an automated solution to track all projects in the system and measure the performance of the organization in meeting our published cycle times. The team has also formalized the process for using determinant processing agreements and other tools to streamline the approval process.



The Continuous Improvement Group (CIG), a sub-set of the Development Review Team continues to actively work on permit process improvements and accountability measures through cross-department and cross-functional input, action and alignment with key performance indicators. The CIG is currently working on a prioritized list of projects to further improve the entitlement and permitting processes. The major items are reviewing and updating the online checklists and streamlining the intake process.

Cost of Service Fee Study: In August of 2016 City Staff re-initiated a comprehensive review and update of the cost of service fees charged by Planning, Development Review Engineering, Public Works, Fire, Police, Utilities, and Parks and Recreation. The goal of the review is to ensure that fees being charged are in line with the staff costs (e.g. staff time spent, material costs) of providing the service for which the fee is being collected. The study is being conducted consistent with Financial Plan Section H (Budget Reference Materials) which requires fees to be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. The City is working with NBS Government Finance Group to prepare the study which will be reviewed by the City Council on April 18, 2017, where the Council adopted then updated master fee schedule for user and regulatory fees.

Actively Support Knowledge & Innovation

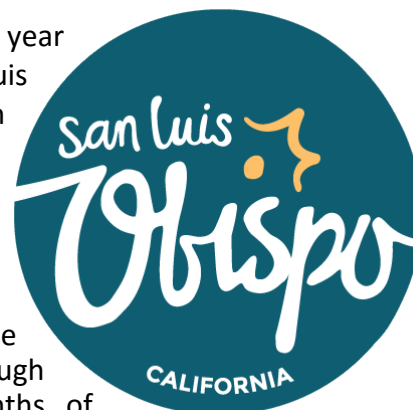
Entrepreneurship: The Economic Development Program was actively working with partners to promote an environment that supports entrepreneurship and start-ups. The City continued to support the SLO HotHouse financially and professionally. In 2017, the HotHouse started 10 new businesses, counseled 157 clients, created 60 jobs and had an overall investment in the community of more than \$6.4 million.

Access to Broadband: The City of San Luis Obispo has the highest level of fiber coverage in the region. The City is continuing to work with the Downtown Association on possible Wi-Fi solutions in the downtown area.

Promote and Enhance Quality of Life

Tourism and Community Promotions: The 2016-17 fiscal year produced limited growth in the tourism industry in San Luis Obispo. The City collected over \$7.3 million dollars (+2.8%) in transient occupancy tax (TOT). The collections met the City's forecasted and budgeted growth of 2% which is contributed directly into the City's General Fund.

However, the occupancy rate in the City decreased by an annual average of 1.2%. Occupancy remained consistently the highest during the summer and fall months between June through September, then dipped in the winter and spring months of December through March. April was a surprising growth month in 2017 with nearly an 11% increase in occupancy and 16% in TOT collections compared to April 2016. This can be attributed to the timing of the spring break holidays. The 2016-2017 fiscal year concluded with average annual occupancy rate over 72%. While the occupancy rate decreased, the Average Daily Rate (ADR) was up nearly 3% at \$143.49. Additionally, the RevPAR, defined as Revenue Per Available Room, grew by nearly 2% to \$104.13. This means that although the occupancy was down overall for the properties, the lodging businesses received higher profits based on rate increases with less day-to-day impact on the properties.



Additionally, the downtown Visitor Center served over 86,000 (+3.1%) in person guests and San Luis Obispo lodging properties achieved twenty-five sell out weekends in 2016-17.

Fiscal year 2016-17, was a very accomplished year for tourism promotion activities. The tourism efforts lead by the City's Tourism Business Improvement (TBID) district included:

- Deployed "It Means Something Different Here" campaign 2.0
- Created and distributed unique content that inspired returning and new tourists
- Implemented a marketing automation program to enhance email marketing efforts
- Captured and created a library of candid, "local perspective" video content
- Expanded library of professional photography
- Developed and distributed new collateral materials
- Executed new social media opportunities including Snapchat & Instagram Stories
- Developed seasonal promotional campaigns, including Cal Poly Lodging Loyalty Program, Money for a Rainy Day, Exclusive Seattle Promotion and tradeshow-specific promotions
- Developed individualized event promotion strategies
- Partnered with Visit SLOCAL on new co-op placements

During the 2016-17 fiscal year, tourism promotion activities generated at least 275 total mentions or media placements that highlighted San Luis Obispo, including in the Toronto Star, Coastal Living Magazine, Travel Channel, Huffington Post, Los Angeles Times and the San Francisco Chronicle. Additionally, coordinated media visits or press trips were secured to promote the destination with the goal of earning valuable editorial coverage. In fiscal year 2016-17, over 40 media outlets, both domestic and international were hosted in San Luis Obispo. As a result, the TBID was featured on Sweet, Snapchat Discover channel that reaches 100 million daily active users. Other digital outlets include: Goop, Lonely Planet, Thrillist and Matador Network.

The Promotional Coordinating Committee (PCC) continued the commitment to enhance the San Luis Obispo experience for residents as well as visitors. The PCC funded vital promotional grants to over 25 local non-profit organizations through the annual grants-in-aid process to enrich the social, cultural, and diverse community events and activities available throughout the City. To support these activities as well as all events in the City, the PCC enhanced the City funded smart phone app called SLO Happenings to serve as the community go-to resource for all activities in San Luis Obispo. Additionally, the PCC provided financial and program support to boost the visitor service offerings in the City through the funding of programs like the tear-off City maps for visitors and financial contribution to the operational costs for the downtown Visitors Center. In 2016-17 the PCC also established a strategic plan for the committee work and development. This new plan will serve as the foundation for the committee's work efforts, evaluation and program consideration over the next two fiscal years.

Homestay Rentals

On January 20, 2015 the City Council adopted Ordinance No. 1611 (2015 Series) to protect public health, safety, and welfare within the City by establishing rules and requirements for homestay rentals. Following the adoption of the Homestay Ordinance, staff began actively monitoring the number of advertised short term rentals in San Luis Obispo.

The City has approved 56 Homestay Permits since the ordinance's adoption, and the Community Development Department has continued its efforts to identify unpermitted homestay uses. Starting in 2018, Additional monitoring of unpermitted homestay locations will be provided through a consultant who specializes in short-term rental locating and monitoring.

HOMESTAY HOW-TO

A Quick Guide



HOW TO GET A PERMIT?

- 1 Pick up an application packet at the Community Development Department office located at 919 Palm Street
- 2 Submit your completed application packet to the Community development Department office and remember to bring:
 - A copy of your tax bill indicating the homeowner's exemption at the subject property or other documentation
 - Site plan
 - Application fee payment of \$836.29
 - Business license payment, fee varies
- 3 Allow 3-4 weeks for processing
- 4 Receive approval letter for Homestay rental (business license will follow separately)
- 5 Start hosting!
 - Transient Occupancy Tax (TOT) reporting will be required by the City Finance Department

* Remember to include your business license number on any online advertisements or listings.

WHAT IS HOMESTAY?

An owner-occupied dwelling unit where bedrooms are provided for compensation for fewer than thirty consecutive days with a maximum of four adult overnight guests. Vacation rentals, which involve the rental of a non-owner occupied dwelling, are not allowed.

WHAT'S REQUIRED?

- ✓ Owner Occupancy
Verification the homestay is occurring at the property owner's primary residence
- ✓ Number of Guests
Overnight guests limited to no more than four adults
- ✓ Responsible Party
A responsible party must be designated if the property owner is not available during a homestay rental
- ✓ Parking
In addition to the residential parking requirement, one additional space is needed for the Homestay
- ✓ Homestay permit
Applications available at the Community Development Department office located at 919 Palm Street



New Policy Initiatives

In 2017, the City completed several policy initiatives across a wide variety of subject areas with the support of all City departments. Those initiatives included:

Proposition 64: Adult Use of Marijuana Act

On November 8, 2016 California voters approved Proposition 64, the Adult Use of Marijuana Act (AUMA). AUMA builds on Medical Cannabis Regulation and Safety Act (MCRSA), in that it allows adults (21 and over) to possess roughly an ounce of cannabis flower, eight grams of concentrate, or up to six plants. It also creates a regulated market for the cultivation, production, manufacture, and sale of recreational marijuana.

Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), was passed by the legislature on June 15, 2017 and signed into law by Governor Brown on June 27, 2017. The MAUCRSA largely repeals the MCRSA and incorporates certain provisions of the MCRSA into the AUMA, integrating California’s medical and recreational cannabis regulatory systems. With the approval of MAUCRSA, most municipal legal advisors and League of California cities staff have concluded that cities will not be able to rely on permissive zoning concepts to preclude issuance of state cannabis licenses. Instead, cities wishing to regulate cannabis uses within their jurisdictions more restrictively than state law need to adopt express regulations defining local limits of use. Cities that do not adopt such regulations likely will become subject to state law regulation and the licensing of marijuana uses and activities within their jurisdiction subject only to state law requirements.

San Luis Obispo’s City Council discussed Cannabis Regulations on March 14, 2017 and acted to prohibit all cannabis related business activity in the City and provided staff with the following direction: monitor developments in other jurisdictions; monitor development at the Federal level; engage the community regarding various land use and taxation alternatives that may be appropriate; and return to the City Council with a recommendation.

Staff has engaged the community in a consultative manner, seeking input from community members in an effort to determine the community’s interest in the regulation of cannabis-related businesses and activities, including the potential for taxation. Outreach included public workshops, consultations with various organizations, businesses and individuals, a public panel discussion, surveys and the information posted to the City’s website. The City Council will be reviewing staff’s cannabis regulation recommendations in a study session early 2018.

Sustainability Efforts

Beverage Straws Upon Request: At the June 20, 2017 City Council Hearing, the City Council discussed the potential for a “straws upon request” Ordinance that, if adopted, would require businesses to provide single-use beverage straws to customers only upon request. According to the Integrated Waste Management Authority (IWMA), 400,000 straws are used every day in San Luis Obispo County. The IWMA also found that 90 percent of customers will say “no” if asked if they want a straw. Council directed staff to agendize a meeting related to this potential Ordinance. At the October 24, 2017 City Council Hearing, Council ultimately voted to enact this Ordinance. Council identified this as a priority and the work effort was added as an objective in the Climate Action Major City Goal work program.



Single-Use Plastic Bottles: At the February 2, 2016 City Council meeting, City Council directed staff to agendize a Study Session related to the regulations for single-use plastic water bottles. The City/County of San Francisco’s Ordinance was directed to be used as a model. At the January 3, 2017 City Council Study Session, staff presented the findings to Council. Ultimately, Council directed staff to prepare an ordinance restricting the sale/distribution of all single-use plastic beverage bottles under 21 ounces in size on City property. At the October 24, 2017 City Council Hearing, Council voted to enact this ordinance, restricting the sale and distribution of single-use plastic bottles on City property. The ordinance also stipulates that beverages cannot be served in other single-use containers, such as single-use plastic cups, requiring the use of reusable containers instead. With this new ordinance, which is not a citywide retail ban, those bottles and

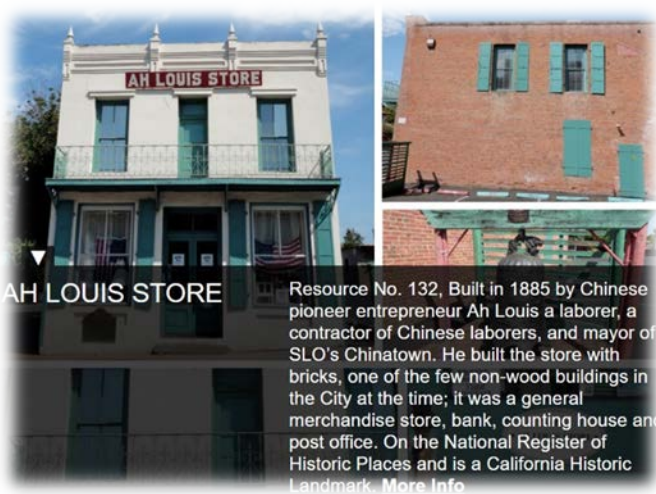


cups cannot be sold or distributed on City property or at events on City property requiring a permit (including city facilities/offices, streets, sidewalks, and parks). Council’s decision is directly in-line with the Major City Goal of Climate Action.

Historic Preservation

Historic Properties Mapping Information

In 2017, a project was initiated to enrich the information available on the Historic Resource mapping available on the City Website (link: <http://gis.slocity.org/HistoricMapTour/index.html>). Substantial progress was made to add information for each of the properties with a “more information” link that provides more historical information including important persons associated with the property. Staff will continue to add to the mapping with the goal of adding more information to all 186 properties that are on the City Master List of Historic Resources.



Cultural Heritage Committee

The Cultural Heritage Committee was very busy in 2017, with the review of various projects including historic rehabilitations and modifications and/or additions to historic resources, Mills Act Historic Preservation Agreements, Historic Resource significance determinations, input on the Mission Plaza Conceptual Plan and Downtown Concept Plan, review of mixed-use projects, review and recommendations on treatment and evaluation of

historically significant Agricultural complexes in the Froom Ranch and San Luis Ranch Specific Plans. The Cultural Heritage Committee also conducted training on CEQA and Cultural Resources which was open to the public and attended by several historic preservation professionals and representatives of the yak tityu tityu yak tilhini/Norther Chumash. The City report was also submitted to the State Office of Historic Preservation which confirms the City's Historic Preservation Program continues to meet all requirements of the National Park Service Certified Local Government Program (CLG) including: a Historic Preservation Committee/Commission, professional expertise, training, maintenance of a historic resource inventory, and adherence to preservation principles for the designation and protection of historic properties. The City of San Luis Obispo is the only Certified Local Government between Ventura and Monterey County, and there are only 68 CLG's in the state of California.



Office of Historic
Preservation

Water Supply

In 2017, the City obtained water from five sources: Salinas Reservoir (Santa Margarita Lake); Whale Rock Reservoir; Nacimiento Reservoir; recycled water from the City’s Water Resource Recovery Facility (WRRF); and groundwater.

Table 11 – City Water Resource Availability

Water Resource	2017 Annual Availability	
Salinas Reservoir (Santa Margarita Lake) and Whale Rock Reservoir	6,940 AF	Safe Annual Yield ¹
Nacimiento Reservoir	5,482 AF	Dependable Yield ²
Recycled Water	193 AF	2015 Annual Usage ³
Siltation to 2060	(500 AF)	WWME Policy ⁴
TOTAL	12,115 AF	

Source: General Plan, Water and Wastewater Management Element, 2016, Utilities Department, 2018.

¹Safe Annual Yield is the quantity of water which can be withdrawn every year while operating both reservoirs in coordinated operations under critical drought conditions. Safe Annual Yield is determined from a computer model, which accounts for siltation loss through 2010 (per WWME Policy A 4.2.1).

²Dependable Yield is the contractual amount of water the City has right to from Nacimiento Reservoir.

³The quantity of recycled water included is the actual prior year’s recycled water usage (2015) per WWEA7.2.2.

⁴Reservoir siltation is a natural occurrence that reduces storage capacity over long periods, resulting in the reduction of safe annual yield.

In 2017, availability from these sources equaled 12,115 acre-feet, as shown in **Table 11**. This supply meets the projected primary water supply need at General Plan build out of 7,496 acre-feet, plus an additional 1,225 acre-feet for a reliability reserve and a secondary water supply of 3,394 acre-feet.

The primary water supply was calculated using the City’s build-out population (57,200 people) and the water use rate of 117 gallons per capita. The reliability reserve was calculated using the City’s 2017 population (46,724) and 20 percent of the aforementioned water use rate. The secondary water supply includes the remaining water resources.



Santa Margarita Lake

Water Conservation

Following abundant rainfall this past winter, on April 7, 2017 Governor Brown issued Executive Order B-40-17 ending the drought state of emergency in California and eliminating the City's mandated 12 percent water use reduction. The City Council adopted resolutions to rescind the drought emergency locally on June 20, 2017.

Locally, the City saw its surface water reservoirs recover between January and June of 2017. Since the end of the drought the City has seen a slight increase in overall consumption from 2016 to 2017, from 92 gallons per capita day (gpcd) in Water Year 2016 to 95 gpcd in Water Year 2017. For potable water only, the increase was from 88 gpcd in Water Year 2016 to 91 gpcd in Water Year 2017.

A 2016 Executive Order (B-37-16), approved by Governor Brown on May 9, 2016, bolsters California's drought resilience and preparedness by establishing longer-term water conservation measures that include permanent monthly water use reporting, new urban water use targets, reducing system water loss, eliminating clearly wasteful practices, and strengthening urban drought contingency plans. These measures aim to not only reduce immediate water use but to establish a long-term change in the way Californians think about water.

Circulation

Transportation Improvements

The following transportation planning projects and programs were implemented in 2017, consistent with goals and policies in the Circulation Element of the General Plan.

Vehicular:

- Numerous traffic signal and intersection optimization improvements were completed as part of the City's Traffic Operations Program and ongoing traffic signal management responsibilities.
- Numerous traffic safety improvements were implemented as part of the City's Traffic Safety Program including leading pedestrian intervals within the downtown core to give pedestrians a head start on crossing at signalized intersections.
- Construction documents are complete for the signal upgrade at Monterey and Osos Street. Construction will start winter of 2018.
- Design for the California/Taft Roundabout is underway. Construction documents are scheduled to be complete by the end of 2018.
- Two mobile speed feedback trailers were deployed at over 50 locations consistent with the City's radar sign program.
- Transportation staff participated in Public Works Night at Farmers' Market in May of 2017 and provided education and outreach of the City's multimodal transportation facilities and goals, including a demonstration of a "pop-up" protected cycle-track.



Bicycle/Pedestrian:

- As part of the City's Annual Pavement Management Plan, bike and pedestrian improvements were installed along Madonna and Los Osos Valley Road including buffered bike lanes and ADA curb ramp upgrades.
- Green bike lanes were installed at various locations including Los Osos Valley Road from the 101 overpass to Laguna Middle School, Madonna Road, California Boulevard at Palm Street and Santa Rosa Street from Walnut to Oak.

- Construction of the Railroad Safety Trail Class I Connection to Laurel/Orcutt was completed in 2017.
- Planning efforts continued for the Anholm Bikeway Plan (previously Broad Street Bicycle Boulevard). Implementation of the plan is scheduled to begin summer of 2018, prioritizing the implementation of the Plan's Safe Routes to School elements.



- Design of the Railroad Safety Trail Extension from Taft to Pepper is still underway. Pending acquisition of easements, construction is expected to begin in late 2018.
- In May 2017, the City participated in Bike to Work Month activities, including hosting a bike breakfast on the steps of City Hall, encouraging the use of active transportation.
- In September 2017, the City held its annual Bicycle Rodeo instructing City youth on safe bicycling techniques and proper riding habits.
- The City's supply of short-term bicycle parking continued to expand as part of the City's "Racks with Plaques" bicycle rack donation program.
- Bike valet parking service continued at the weekly Thursday night Farmer's Market and during the summertime Concerts in the Plaza.
- The City collaborated with Bike SLO County and other community volunteers to offer bicycle safety education training.
- The Public Works Department targeted Cal Poly's Week of Welcome (WOW) for the promotion of bicycle-on transit use.
- The City provided annual bicycling awareness training to SLO Transit drivers.
- The City conducted its eleventh annual Halloween Traffic Safety campaign passing out 3,700 reflective Halloween bags to elementary school students.

Neighborhood Traffic Management (NTM)

The City continues to work with the Pismo/Buchon neighborhood, the South Chorro Street neighborhood and the High Street neighborhood to address traffic concerns within their neighborhoods. Below is the current queue of neighborhoods qualifying for a Traffic Improvement Plan. Neighborhoods are listed in the order they were received:

1. Chorro (Broad to Buchon)—*in progress*
2. High (Higuera to Broad)—*in progress*
3. Augusta (Sinsheimer to Laurel)
4. La Entrada and Ramona
5. Mill Street (Santa Rosa to Grand)
6. Highland Drive (Patricia to Santa Rosa)

Transit

Below is a summary of some of transit network projects that were implemented in 2017.

- Fiscal Year 2016/17 saw continual strong ridership with 1.1 Million rides.
- A new Laguna Tripper bus route was introduced in response to high ridership and overcrowding along the Foothill Blvd going to and from Laguna Middle School.
- In June 2017, SLO Transit implemented most of the operational changes recommended by the City's adopted Short-Range Transit Plan. These changes reorganize SLO Transit in a way that can be built upon for the next 10 to 15 years, creates a system that is much more resilient to system impacts (e.g. roadwork, surge ridership, etc.) and most importantly, increases the safety of the service.
- SLO Transit entered into a new two-year service agreement with Cal Poly University for a transit subsidy program which will continue student and faculty access to local public transit.
- SLO Transit received, in February of 2017, three new 45' low-floor transit vehicles which will replace three 2001 models and will feature such amenities as on-board infotainment system, multiple sun-roofs, LCD dashboard display, free public Wi-Fi, flexible seating configuration for peak and non-peaks, two-tone flooring, LED lighting, and a new paint scheme.



Parking Management

Below is a summary of some of the major focus areas related to parking management in 2017.

1. In May 2017, Parking Services contracted with a new service provider to process parking citations issued by the City. Implementation is currently under way and we anticipate going live with the service provider in early 2018.
2. In May 2017, Parking Services released a request for proposals for new parking structure access and revenue control equipment. New equipment will enable us to better serve our various customer groups and make more informed decisions using the data collected through the equipment.
3. In June 2017, all parking structures are now equipped to accept credit cards (Visa, Mastercard, American Express, and Discover). Credit card acceptance makes the exiting process faster for customers and reduces the amount of cash the Booth Attendants must handle.
4. In July 2017, Parking Services released a request for proposals for license plate recognition software and hardware. License plate recognition can be used for parking enforcement, data collection, and digital permitting.
5. In August 2017, 2-hour timed zones were established on McCollum Street near Albert Drive and on Loomis Street east of Grand Avenue. The timed zones were erected due to vehicles being left on-street for extended periods of time.
6. In December 2017, the City finalized a reorganization of the Parking Services staff including the creation of a Parking Enforcement Officer II position. The reorganization was a result of recommendations made from an organizational assessment conducted in 2015.



Safety

Emergency Preparedness and Response: Fire Department



In 2017, the San Luis Obispo Fire Department (SLOFD) initiated a fire apparatus consolidation program following a strategic analysis of the fire department's fleet to inform the department's 2015-2017 Capital Improvement Project plan. As a result of this strategic analysis and subsequent City Council support, the fire department replaced a fire engine and a fire ladder-truck with a single fire ladder-truck. Both replaced apparatus were scheduled for replacement according to the City's apparatus replacement plan. By consolidating the functions of both apparatus

to be replaced into a single replacement apparatus, the fire department reduced the size of its authorized fleet by one fire engine at a cost avoidance of over \$600,000. This consolidation plan actually results in an increased ability to provide services in the City by providing great sustainability of ladder-truck operations. Furthermore, the new fire ladder-truck is built with a modern diesel engine which has a significantly decreased negative impact on our environment.

In 2017, SLOFD partnered with the County Emergency Medical Services Agency (EMSA) and San Luis Ambulance to pilot a new dispatch protocol, called "rapid dispatch," that decreases the time between receipt of a 9-1-1 emergency call and the response initiated by first responders. After the pilot period was complete, the EMSA changed dispatch protocols for all SLO County fire agencies and Dispatch Centers to reflect this best practice piloted in SLO.

In 2017, SLOFD transitioned all emergency response record keeping to a cloud-based records management system, ImageTrend, which was supported by Measure G funding. Electronically reporting emergency medical and fire response data to State and Federal agencies is now required, and SLOFD complies with this requirement. Our local transition to ImageTrend lead the way in the community, and other fire agencies in the region are building their programs based on our success. Maintaining compliance with fire data reporting to the National Fire Incident Reporting System (NFIRS) is a requirement to maintain our community's eligibility to apply for Federal grants. SLOFD has been very successful in years past with securing grants to decrease the financial burden on local tax payers.

In 2017, SLOFD also began a new program to educate residents about wildland fire preparedness and mitigation. Following a thorough assessment of our local wildland risks in the area surround the Bishop Peak Natural Reserve, staff partnered with other City departments and local agencies, including the County Fire Safe Council, to host an education session related to our local risk

assessment and the national “Ready, Set, Go” program. Attendees were provided information about general disaster preparedness best practices as well as about landscape design and maintenance to enhance the fire department’s ability to defend their property. This program will continue to expand in future years, reaching more regions of our City.



Regarding employee training and preparedness, SLOFD partnered with all departments to provide classroom-based National Incident Management System certified training required for City employees who may have a critical role to play in the event of a disaster.

SLOFD also hosted the annual Open House as part of Fire Prevention week activities and provided emergency preparedness information to residents and visitors.

Hazard Mitigation: Fire Department

In 2017, SLOFD in collaboration with other City departments and community agencies completed the third annual review of the 2014 Local Hazard Mitigation Plan (LHMP). The LHMP provides guidance on how to reduce the community’s vulnerability to natural hazards. This plan calls for annual stakeholder meetings to update progress and identify collaborative opportunities. The City is required to maintain a current LHMP, which must be updated every five years. Maintaining a current LHMP allows the City to apply for State and Federal reimbursement in the event that the City is impacted by a disaster.

In 2017, the City also agreed to partner with the County Office of Emergency Services (OES) to participate in the development of a countywide LHMP, which would meet our local requirement. Participating in this regional effort has tremendous cost savings and logistical efficiencies for the City. The cost of developing a regional LHMP decreases the cost to local municipalities, and the management of LHMP development is a shared function across participating agencies. The County OES is taking the lead on a grant application to further reduce the local financial burden of LHMP development and approval. Another significant benefit will be realized by regional organizations that participate in the LHMP process, particularly those organizations that serve several jurisdictions, such as hospitals, school districts, California Highway Patrol, and others. These organizations will be able to participate fully in one planning process, rather than figure out a way to participate in the LHMP processes of multiple agencies.

Staff Training: Police Department

Safety Element Program 9.4 states that the City will train police officers and other City employees to levels appropriate for their tasks and responsibilities. In 2017, the Police Department employed 59 sworn positions and 26.5 non-sworn positions, for a total of 85.5 full-time employees.

The California Commission on Peace Officer Standards and Training (POST), which mandates minimum content and hours for basic and in-service training, regulates the training of police officers and communication technicians. The Police Department maintained compliance with

POST requirements for in-service training hours for required employees. This was accomplished in 2017 by sending employees to POST-certified training courses in various topics, with the associated costs reimbursed by POST, and by providing in-house training for employees.

In 2017 all sworn officers and some department staff participated in a 16-hour CIT (Crisis Intervention Training) course. The primary goals of CIT is to reduce injuries to officers and mental health consumers during contacts, and to appropriately redirect mental health consumers from the judicial system to the services and support needed to stabilize consumers and reduce contact with police.

The San Luis Obispo Police Department (SLOPD) also conducts in-house training through the use of employees who are certified instructors in a variety of police-related job functions, including defensive tactics, mobile field force, active shooter and use of firearms. In addition to the standard police training the department implemented a Peer Support group to help officers after tragic or traumatic events. The Peer Support Team has been trained to deal with a wide variety of potential problems and has the ability to give direct counseling or direct those in need to the proper resources.

Staff Training: Fire Department

In 2017, SLOFD realized the departure of several key staff members. With the transition in leadership responsible for department training, the new Deputy Fire Chief conducted an exhaustive survey and assessment of department training needs and priorities. To maximize the impact of precious training funds, SLOFD has partnered with other regional fire agencies to collaborate on course offerings for fire service professional-track certification classes.



Mutual and Automatic Aid: Police

Section 9.10 of the Safety Element indicates that the City will work with other jurisdictions to obtain and follow adequate mutual-aid and automatic-aid agreements. The San Luis Obispo Police Department assisted Santa Barbara County with Thomas Fire which occurred in December of 2017 and the subsequent mudslides in Montecito in 2018. During both events, mutual aid was requested by the Santa Barbara County Sheriff's Office and fortunately the San Luis Obispo Police Department was able to provide officers for both events.

For the Thomas Fire, we sent a total of 7 officers over a 5-day period. The officers responded and worked the Santa Barbara City area affected by the fire. The officers were asked to work in multiple roles ranging from traffic control at a fixed post to roving patrols keeping looters and trespassers out of the danger areas.

For the Montecito mudslides a total of 10 officers responded over a 7-day period. Officers responded immediately on the morning of Tuesday January 9 and with a few days break stayed through Thursday January 18. While the officers were again asked to work many different assignments, officer were asked to assist in evacuating those who were stranded in their homes and could not leave the area on the night of the mudslides. After the initial emergency, officers completed roving patrols and scene security.

For the Montecito area, the Police Department sent our SWAT Bearcat (Armored Vehicle) to assist. Because of the conditions, the bearcat was one of the few vehicles that could be used to evacuate residents.



SLOPD also coordinated efforts with the San Luis Obispo Sheriff's Department in facilitating mobile field force training. Law Enforcement personnel throughout the county had the opportunity to be involved in mobile field force scenario-based training and become familiar with each other's policies and practices in the event of an actual significant event.

The City has participated in a regional Special Weapons and Tactics Team (Regional SWAT) since 2008. The Regional SWAT team allows participating cities to leverage limited resources and maximize coordination and special expertise during critical incidents.

Mutual and Automatic Aid: Fire

SLOFD deployed on many requests for Mutual Aid throughout the State in 2017, including devastating fires in the Sonoma County, a fire in the hills above Cal Poly, and the largest fire in California State history, the Thomas Fire. Fire personnel deployed to large-scale incidents receive invaluable on-the-job training, and the costs associated with their deployment are reimbursed to the City. The statewide mutual aid system that redeploys SLOFD personnel to assist communities in need is the same



system that sends non-local fire crews to our area when we are in need of assistance. In 2016, our local area benefited from this system during the Cuesta Fire, just north of our City. In 2017, we paid it back by helping our statewide neighbors during a historically devastating year.

SLOFD is also a member of the Regional Urban Search and Rescue (USAR), County Hazardous Materials Response Team, County Fire Investigation Strike Team, and the County Type III Incident

Management Team. These regional teams provide exceptional service to the communities of participating agencies at a fraction of the cost of providing that service autonomously.

Community Action Team (CAT)

CAT Officers continue to identify problems and crime trends that negatively impact the quality of life of residents, business owners and visitors. CAT Officers have focused on several individuals in our community who are involved in adverse and repetitive criminal activities that negatively impact our community. They have been successful in working with others to find alternatives to incarceration that include enhanced and focused service placement and transitional housing. The program has continued to grow and the relationships in the court system have proven very valuable. This past year the department worked closely with County Mental Health to add a fulltime mental health specialist to the CAT team. The police department believes this added resource will help support the need in addressing many of our chronic offenders who suffer from mental health disorders. Currently County Mental Health is in the final stages of the RFP process and we hope to have the new position established in early 2018.

CAT officers work collaboratively with a myriad of individuals and groups, including patrol officers, investigators, the Neighborhood Outreach Manager, other city departments, social service providers, business groups, and other governmental agencies as appropriate.

Multi-Dwelling Property Inspection Program

Under the direction of the Fire Marshal, the Fire Prevention Bureau inspects all multi-dwelling properties (three or more units) in the City to ensure that they meet a reasonable degree of fire and life safety. This state-mandated program helps safeguard residents and visitors who patronize local hotels and generates approximately \$194,000 in revenue that offsets implementation costs. The Fire Prevention Bureau completed approximately 727 inspections of apartments, hotels, and fraternity and sorority houses in 2017.

Fire and Life Safety Inspections

SLOFD engine companies completed over 1,337 fire and life safety inspections in 2017. In addition, Fire Prevention Bureau staff completed over 200 inspections of industrial facilities, schools, hospitals and nursing homes, day care centers and assisted living centers, and large public assembly occupancies. A portion of these inspections resulted in Fire Code operating permits, which generated approximately \$133,000 in revenue.

Hazardous Materials Inspections

The Fire Prevention Bureau serves as a "Participating Agency" in the County's Certified Unified Program Agency (CUPA). Businesses that use or store hazardous materials in an appreciable quantity, generate hazardous wastes, or operate underground or aboveground petroleum storage tanks are subject to inspection. The Hazardous Materials Coordinator conducted 283 facility inspections in 2017, which generated over \$100,000 in permit fee revenue.

Vegetation Management

While fewer weed complaints were fielded by the Fire Prevention Bureau in 2017, there was again a significant increase in complaints regarding dead pine trees due to the pitch canker epidemic. The Fire Department combined funding with Natural Resources who, through the use of Cuesta Camp Crews, completed wildland fuel reduction projects in City-owned Bishop Peak open space in 2017.



Critical Facilities Locations and Reducing Structural Hazards

Section 9.19 of the Safety Element tasks the City with identifying and evaluating hazards in existing structures, with the highest priority given to critical facilities. This effort includes maintaining and replacing City facilities, routine code inspections of certain commercial and residential buildings, complaint-based code inspections for all buildings, mitigating hazards associated with unreinforced masonry buildings (URM), and outreach regarding structural safety of private wood-frame buildings.

Unreinforced Masonry Hazard Mitigation: The 2004 URM Ordinance required full strengthening by July 2010 unless partial, Level A, strengthening was completed by July 1, 2007. Where Level A was completed by the deadline, Level B work could be delayed until July 1, 2012. Level A strengthening consists of installation of anchors between building walls and roof, walls and floors, and bracing of any parapets. Level B consists of Level A work plus installation of the steel members that stabilize the storefront and frame. Distinction between Level A and B was established by ordinance to encourage owners to complete this significant portion of the strengthening process as soon as possible.

Of the 128 URM buildings in the City, 125 have completed seismic strengthening or were otherwise brought into compliance with the ordinance and the last three are currently under construction. This includes the Hotel Serra project and 796 Higuera Street.

Neighborhood Wellness

Land Use Element Program 2.14 states the City will help identify neighborhood problems, and undertake a wide range of focused development review, capital improvement, and code enforcement efforts to help residents preserve and enhance their neighborhoods.

Neighborhood Matching Grants

The City Council identified Neighborhood Wellness as a Major City Goal in the 2013-15 Financial Plan and has carried this goal forward into the 2015-17 Financial Plan as an *Other Important Council Objective*. One of the implementation strategies identified is to support activities to establish or bolster neighborhood cohesiveness. Neighborhood Matching Grants are a mechanism to provide support to neighborhoods for activities and projects that engage neighbors in positive ways.



Final Applications for the second year of the program were due January 3, 2017, and three applications were submitted, totaling \$8,927 in grant requests. At the February 1, 2017 meeting, the HRC selected two projects for funding, including Mitchell Park Landscaping (\$5,000) and Serra Meadows Pop Up Parties (\$1,982) for a total of \$6,982. Mitchell Park neighbors logged 608 hours of work landscaping two prominent park areas with drought-tolerant, low-maintenance plants. The new Serra Meadows neighborhood fostered a sense of community by hosting inclusive events to connect with one-another. The applicant team combined fun activities with emergency preparedness and organized a neighborhood watch group.



The 100 percent neighborhood matching grant program was awarded \$20,000 for the 2017-19 Financial Plan for continuance into a third cycle. Applications became available on October 1, 2017 and Staff held an informational meeting on October 30th. To streamline the application process, Staff met with interested applicants throughout the Winter months, thus removing the previous requirement of having to submit a draft application for refinement. The application period was also extended to

February 12, 2018. Staff provided the HRC (the Advisory Committee charged with awarding grant funds) a program update on December 6, 2017.

Neighborhood Officer Program – Police Department

In 2013 the Police Department launched a Neighborhood Officer Program that divides the City into 13 distinct “neighborhoods,” each with dedicated patrol officers assigned to address City neighborhood issues. The Neighborhood Officers act as liaisons between the Police Department, the community, and a variety of city agencies. The Neighborhood Officers assist with public education, crime prevention, establishing Neighborhood Watch groups, and neighborhood specific problems. The Neighborhood Officer Program offers residents and business owners a personal option when police assistance is needed and an immediate response isn’t needed. Residents and businesses can find their Neighborhood Officer on the City webpage and contact them directly either by phone or email.



In 2017, the Neighborhood Officer program continues to be a strong resource for residents and business owners. Neighborhood officers conducted “Walk & Talks” in the neighborhoods surrounding Cal Poly in the fall to educate and acclimate student residents to living in San Luis Obispo. Neighborhood officers have continued to be a consistent “go to” for residents needing assistance with a variety of quality of life concerns. Neighborhood officers also provided crime prevention help to Neighborhood Watch groups throughout the city.

Code Enforcement – Community Development Department

The City’s Code Enforcement Office, which reports directly to the Community Development Department’s Chief Building Official, deals primarily with violations of building codes and zoning regulations. Examples of code violations that impact neighborhood quality include:

- Property Maintenance Violations
- Sign Violations
- Unpermitted Construction
- Substandard Buildings
- Occupancy Violations
- Land Use Violations
- Homestay Violations

In 2017, there were 220 code enforcement cases opened in response to requests for field investigations and proactive enforcement. These included land use and zoning violations, property maintenance and substandard building violations, among others.

In addition, there were 739 Neighborhood Services code enforcement cases, which included violations such as visible storage, failure to screen waste containers, dead or overgrown

vegetation and yard parking. Neighborhood Services conducts proactive outreach and enforcement measures in residential areas throughout the city and attends numerous outreach events at Cal Poly, Cuesta, The San Luis Obispo Board of Realtors, as well as regular Neighborhood Wellness and RQN meetings. These outreach efforts are ongoing.

Neighborhood Outreach – Police Department



Police Department SNAP employees (Student Neighborhood Assistance Program) continue to conduct parking enforcement in neighborhoods during evening hours. In 2017 they issued 2518 parking citations for violations in residential parking permit districts. SNAP issues Disturbance Advisory Cards (DACs) which are formal warnings, in response to substantiated noise party complaints. In 2016, SNAP issued 456 DACs. SNAP also assists with graffiti abatement and identifying abandoned vehicles for towing.

In response to the need for non-adversarial processes that address community conflicts, the City of San Luis Obispo, Cal Poly, Cuesta College, and Creative Mediation, a local non-profit, developed the SLO Solutions Program in 2004 to offer free conflict resolution and mediation to City residents. The program served 1,228 residents in 2017.

Neighborhood Wellness meetings were discontinued in 2015 as attendance had dropped off considerably. In its place, the police department is now providing an annual “Neighborhood Forum”, providing the community with information on neighborhood initiatives, crime prevention techniques and upcoming police department driven projects. The second annual Neighborhood Forum was held on November 15, 2017. Chief Cantrell and staff provided information on crime trends, neighborhood crime prevention, homelessness and anticipate budget challenges.

Open Space Protection

The General Plan contains many goals, policies and programs focused on open space protection. The policies apply to sensitive lands within the City's urban reserve as well as land in the greenbelt area that is protected for its biological, agricultural, aesthetic and/or watershed protection value. The Land Use and Circulation Element and Conservation and Open Space Element address this subject in detail.

The highlights of 2017 include:

1. Completed the Natural Resources Roundtable: the 20th Anniversary Proceedings of the San Luis Obispo Greenbelt.
2. City staff oversaw final acquisition and abatement activities at the Waddell property in anticipation of open the property to the public in 2018.
3. Continued implementation of the *Calle Joaquin Agricultural Reserve Master Plan* with Central Coast Grown, for educational and local agriculture production purposes.
4. The City's Ranger Service program, in partnership with the Central Coast Concerned Mountain Bikers (CCCMB) and other volunteers, continued to expand both single-use and multi-use trails in the Irish Hills Natural Reserve, as well as through the neighboring Bureau of Land Management (BLM) parcel under a Memorandum of Agreement with BLM, increasing the hiking, trail running and mountain biking opportunities in that open space by several miles.
5. The Stenner Springs Natural Reserve continued to be expanded upon and improved through volunteer and Ranger work days, including the installation of the new *Stenner Flow* trail.
6. A new loop trail was installed at Reservoir Canyon Natural Reserve.
7. Continued invasive species vegetation control along Froom Creek and San Luis Obispo Creek and continued planting native plants to restore the habitat, including a native oak volunteer planting day at Bishop Peak Natural Reserve.
8. Continued to implement the *Stormwater Management Program* as required by the Regional Water Quality Control Board (RWQCB). The Plan focuses on improving stormwater quality through Best Management Practices (BMPs), including: construction site monitoring, municipal operations, development review, and public participation to reduce pollution run-off.



Waddell Ranch Open Space

9. Participated in planning and implementation of several important ongoing City projects, including: Chevron Tank Farm Remediation and Redevelopment Plan; Los Osos Valley Road/Hwy 101 interchange project; and the Margarita Area and Orcutt Area Specific Plans.

10. Continued steelhead trout (*Oncorhynchus mykiss*) surveys along San Luis Obispo Creek with biologists from California Department of Fish and Wildlife.



The New Reservoir Canyon Loop Trail

11. The Ranger Service and the Natural Resources Program prepared the *City of San Luis Obispo 2015 Open Space Maintenance Plan* as part of the Open Space Major City Goal. The Open Space Maintenance Plan provides a comprehensive strategy for day-to-day maintenance activities, as well as long-term improvements and enhancements, including items such as signs and kiosks, gates and fencing, or parking and trash. The Open Space Maintenance Plan also includes two technical appendices: *The City of San Luis Obispo Vegetation Management Plan: The Wildland–Urban Interface* and *Integrated Vegetation Management Plan for Open Space Lands of the City of San Luis Obispo 2015-2020*. Substantial progress towards implementation of the *Open Space Maintenance Plan* was completed in 2016, including new trailhead kiosks, trash receptacles, and Mutt-Mitt™ stations.

12. The 2015-17 Council objective to “Initiate Implementation of the Laguna Lake Natural Reserve Conservation Plan” is underway. To that end, a comprehensive consultant team led by MNS Engineers is designing dredging and sediment management options, developing financing options, completing environmental review and securing regulatory agency permits. City Council provided direction in September 2016 for selection of the preferred design and financing alternative, leading towards a “shovel ready” project anticipated for the 2017-19 financial plan period.

Parks & Recreation

In 2017, the Parks and Recreation Department continued to offer a wide variety of programs and activities that enhance the quality of life in the community. The following tasks were accomplished implementing the Parks & Recreation Element of the General Plan:

Collaborative Programs

Sports: The City provides recreation sports opportunities for youth, adults and seniors. The City continues to collaborate with local community groups (such as the San Luis Obispo County YMCA and San Francisco Jr. Giants Baseball program) to form partnerships in effort to provide recreational activities for over 1,200 local children through youth basketball, futsal (indoor soccer), Jr. Giants Baseball Program and the Major League Baseball Youth Camp. The City's recreational programming focuses on building confidence, teamwork, integrity, and leadership skills. The City continues to work collaboratively with the Youth Sports Association and San Luis Coastal Unified School District to meet the needs of youth.



Adult recreational sports include adult softball, adult soccer, ultimate Frisbee, table tennis and volleyball programs. Senior sport activities (55+) include Pickleball programs and Boomer Softball. Pickleball continues to exhibit high popularity with the total number of participants playing on a regular basis

steadily increasing. In 2017, Parks and Recreation enhanced Pickleball play opportunities with the resurfacing of an existing tennis court at French Park to add multi-purpose court lines within existing city parks, facilities and resources through a sports court restriping project. Pickleball is currently played daily at five City park locations (Meadow Park basketball court, Ludwick Community Center, Islay Park basketball court, French Park tennis court and French Park basketball court).

Community Programs: Parks and Recreation provides high quality programs that are responsive to industry trends and changing community needs. New programming in 2017 encouraged participation, built community amongst all users, and strengthened the Department's operational commitment to programs across all age groups. In 2017 community programming included events such as Snow Night and Leprechaun Lost at



Farmer's Market (in collaboration with the Downtown Association), Egg Hunt, Family Water Safety Day, The 100-mile club, Night Golf, Family Camp Out, Major League Baseball Clinic, Movie Nights, Back to Pool Night, September Scramble, Gobble Wobble, Pix-On-Peaks, Turkey Break

Skate camp, Kids Play Free at the Golf Course, the 38th Annual SLO Triathlon and numerous Garden Clean-up Days. Additional collaborations, from Health and Wellness Seminars and Senior Center Contract Classes, have provided much needed services and programs to the community, especially underserved populations. Community Gardens are provided at four locations. There are 100+ garden plots available to City residents to lease with a fifth community garden location planned at the Laguna Lake Golf Course in 2018. The Parks and Recreation Department continues to offer online program registration, facility reservations, and satisfaction surveys to its customers. In 2017 the Department enhanced its web and social media presence which resulted in an increase in event attendance up to 50%.



SLO Triathlon: In 2017 the City sponsored the 38th annual SLO Triathlon. The SLO Tri occurred on the fourth Sunday in July at Sinsheimer Park and included a .5-mile swim,

15-mile bike and 3.1 mile run course. Approximately 200+ community volunteers made this annual event possible. The SLO Triathlon focuses on completion, rather than competition, and draws over 1,000 participants state-wide annually to the event.



Youth Services: The Transitional Kinder (TK) (Kindergarten), Sun 'N Fun (Grades 1 – 3) and Club STAR (Grades 4-6) programs continue to provide necessary child care and social experiences for over 1,000 elementary school-aged youth, incorporating character development, community service, academic support, tools for resiliency and making positive choices, in a safe and nurturing environment. In the 2017-18 school year, Youth Services provided programming at five school sites in support of the Joint Use Agreement with the San Luis Coastal Unified School District.

Other programs during the school year included two Teacher Work Day Camps, a week-long Spring Break Camp for school-aged youth as well as numerous onsite special events.

Summer programming also provided essential care for over 600 families. KidVENTURE's Ultimate Day Camp provided traditional camp experiences to school-age campers and a training opportunity for the 14-16 aged Counselors-in-Training (CIT).

SLO Skate Park



The SLO Skate Park project at Santa Rosa Park was completed in 2015 and celebrated its two-year anniversary in 2017. The 15,500-square-foot concrete skate park is already an invaluable addition to the City. With now over a year in service, the skate park sees an average of 50-100+ locals and visitors alike on a daily basis. Programming in 2017 included Spring Break Skate Camp, Turkey Break Camp, and summer events such as Friday Night Skates and DJ and Ramp-n-Roll. The City collaborates with skate parks County-wide for the Monster Skate series. Monster Skate encourages skaters of all ages to compete and show off their skills. Contests are held on six Saturdays during March through May at local Central Coast skate parks.

Historic Jack House and Gardens

The Historic Jack House and Gardens (collectively referred to as “The Jack House”) were deeded to the City of San Luis Obispo on March 10, 1975. For over four decades, the City has managed, maintained, and operated the Jack House. The Jack House and Gardens are located at 536 Marsh Street in San Luis Obispo. In 2017, guided history tours, programming, and special events were provided at the Jack House. The Jack House Gardens were rented for 50+ weddings and other events. In 2017, the volunteer docents provided tours for approximately 200 individuals or groups from May to December. The Jack House closed from December to April for annual maintenance.



In 2017, the Jack House Committee approved a project plan to develop policies for the ongoing and future management, maintenance and operations of the Jack House. The project includes research of industry standards and best practices for the management of historic resources and community outreach to seek input about community priorities related to parks, facilities, programs and activities. The project and analysis are expected to conclude at the end of 2018.

Volunteers & Training

Approximately 1,491 Parks and Recreation volunteers supported services and programming at the Senior Center, Laguna Lake Golf Course, Jack House, special events and activities such as the Junior Giants, SLO Triathlon, Movie Night, Back To Pool Night, Youth Sports, Summer Camps, Garden workdays and Ranger Work Days. Over 10,946 hours were logged in 2017 valued at \$146,999 in support.

Parks and Recreation continues to demonstrate a culture of valuing human capital and expecting the best from all team members. In 2017, 22 Parks and Recreation staff participated in trainings provided by the Center for Organizational Effectiveness, 15 for California Professional Recreation Society (CPRS), 40 staff became American Red Cross Certified in CPR/AED/First Aid, 3 obtained professional certifications resulting in 7 promotions both Department and City-wide.



Open Space Maintenance

Ranger Services works to provide both educational and recreational opportunities to the community of San Luis Obispo. The City's 7,000 acres of designated open space promise to have something for everyone including rugged hiking trails, challenging mountain biking and leisurely scenic pathways just minutes from downtown.

The City's Ranger Service program employs full-time rangers and other part time staff that actively maintain the City's open spaces. Approximately 21.87 tons of trash was removed from San Luis Obispo Creek and City open spaces by staff and volunteers, with the largest amounts of material collected during the annual Creek Day clean-up event.

In 2017, park rangers led 14 hikes through City open spaces (including Hikes with Hounds), and held 75 work days. City parks, open spaces, and joint use facilities were patrolled nearly every day of the year. Staff provided

Informative Trailhead Panel Inserts



NEW EQUIPMENT



environmental education courses through the City's STAR and Sun 'N Fun programs and had two one-week Junior Ranger Activity Camps that were attended by children ages 7-10. In 2017, a total of 528 hours was devoted to public education focusing on conservation and promoting laws. In 2017, over 1,500 dog leashes were given away at trail entrances and 500+ paper trail maps.

New Trailhead kiosks, informative and education panel inserts were added in 2017. Collaboration with the public and the Central Coast Concerned Mountain Bikers (3CMB) resulted in new trail being construction at Cerro San Luis, Stenner Springs, and Reservoir Canyon, and miles of trails being maintained throughout the City's open space network. Hundreds of volunteers turned out for multiple events and provided thousands of hours of service taking care of the City's open spaces.

The City of San Luis Obispo Parks and Recreation #PixOnPeaks is an Award-winning program. In 2017, #PixOnPeaks 2.0 was launched identifying even more community trails to hike. The #PixOnPeaks Instagram social media campaign is geared at making the public aware of many of the City of SLO's lesser known open spaces and trails and a conservation effort aimed at reducing foot-traffic on highly travelled trails.



Park Improvement Projects

Sinsheimer Playground Renovation: The Sinsheimer Park Playground was renovated in 2017 to a modern playground intended to make Sinsheimer a “destination park”. The previous playground was installed in 1993. The new playground features a grassy hill (inviting children to slide down), a climbing wall to encourage kids to explore their inner monkey. Other fun features included a snowboard simulator, a zipline and swings. The ADA-accessible playground also includes new picnic tables and benches, walkways, trees, water fountains and water filling stations. The playground renovation was funded in part by a local revenue measure.





New Kikuyu Grass at Damon Garcia Sports Field: New Kikuyu grass was planted on Field B in 2017 on a trial basis. This new grass type sustains the almost year-round active play. Renovations are planned for Fields A, C and D in 2018. Regular field visits with user groups support ongoing communications, active problem solving and innovative ideas for the sharing of the fields.

French Park Pickleball Multi-Use Lines in Tennis Court: The French Park Tennis court was resurfaced and painted with multi-use lines in effort to maximize existing resources and recreational facilities to increase play. In addition to drop-in tennis, this sports court has increased its usage with almost 200 pickleball players weekly.



ADA Trail at Laguna Lake Park: A new ¼ mile long ADA accessible nature trail was constructed at the Laguna Lake Park in 2017. This is the first all ADA trail in San Luis Obispo.

Dog Off-Leash Area Safety Enhancements: Laguna Lake Dog-Off Leash Area capital project for safety enhancements allocated \$50,000 for site improvements, including visual boundary markers, pavement collars at water stations to reduce mud, 900+ feet of new fencing to improve safety along the parking lot, new signage and woodchips filled in the cracks to increase pet and owner safety when walking.



North of Broad Street Neighborhood Park: Parks and Recreation has had communications with the LDS Church and Neighborhood Leadership. Staff continue work to identify potential park locations.

Public Art Program

In 2017, the City of San Luis Obispo dedicated a 30-foot public art sculpture titled “Olas Portola Fuente Seca”, loosely translated meaning *Waves in a Dry Fountain*. The sculpture is situated in the original Portola Fountain base at the intersection of Higuera and Marsh streets. The original fountain, built by the San Luis Obispo Monday Club in 1967, had become dated and minimized by the activity around it. The addition of “Olas Portola” is the first kinetic (wind-driven) sculpture in San Luis Obispo.



An electrical box located at the SLO Swim Center became the most recent canvas for box art in 2017.

The main goal for the Artist was to create a simple, pleasant image and soften the feel of an isolated utilitarian section of an otherwise very nice public park space. That Artist was inspired by San Luis Obispo’s quintessential balance of

nature and architectural development. The box art mural depicts San Luis Creek and other elements specific to San Luis Obispo.

Conclusion

The City's General Plan guides the use and protection of the City's various resources to meet community purposes. It reflects consensus and compromise among a wide diversity of citizens' preferences, within a framework set by state law. The General Plan is published in separately adopted elements, each containing policies and implementing programs. The General Plan Annual Report summarizes the major programs in these elements that saw activity in 2017.

One outcome of an annual report is the evaluation of whether actions that have occurred indicate a change in the general vision of the community that requires a more comprehensive update of the General Plan. The most prominent activities undertaken by the City in 2017 related to efforts to begin implementation of four key elements of the General Plan that were most recently updated: Land Use, Circulation, Housing, and Water and Wastewater. The input received as part of these update processes helped align the General Plan with the community's vision. That vision was in part reflected in the City Council's adopted Major City Goals and Other Important Objectives for FY 2015-17, as well as FY 2017-19, described on pages 11 and 12 of this report. Staff will continue to implement these goals and objectives related to Housing, Climate Action, Multi-Modal Transportation, and Fiscal Health, which will be further reported on in the 2018 Annual Report.