



Information Series: Sustainable Growth Management - Housing and State Law - How the Development Review Process Works - Current Development Projects - Infrastructure and New Development - Homelessness Response - Code Enforcement - Building Permitting and Inspections

The City of San Luis Obispo has established housing policies in accordance with the City’s General Plan and to comply with California laws that were established to ensure there is sufficient housing to support local, regional and state growth projections. Some of these laws limit the ability of cities such as San Luis Obispo to deny or reduce the scale of housing projects. As discussed in volume 1 of this series, the City has carefully planned to accommodate housing within its Urban Reserve Line to prevent sprawl, ensure adequate water supplies for projected growth, and meet the housing needs of households at various income levels.

HOUSING ELEMENT & THE GENERAL PLAN

The Housing Element is an element of the City’s General Plan and is the only element that must be updated on a set schedule and then certified by the State. The City does not construct housing but is required by the State to demonstrate that it can accommodate a specific number of units within a specific timeframe – our Regional Housing Needs Allocation (RHNA). Although the City has planned for housing to support an annual average population growth of 1%, the actual average annual growth rate is 0.81% per year since 2015.

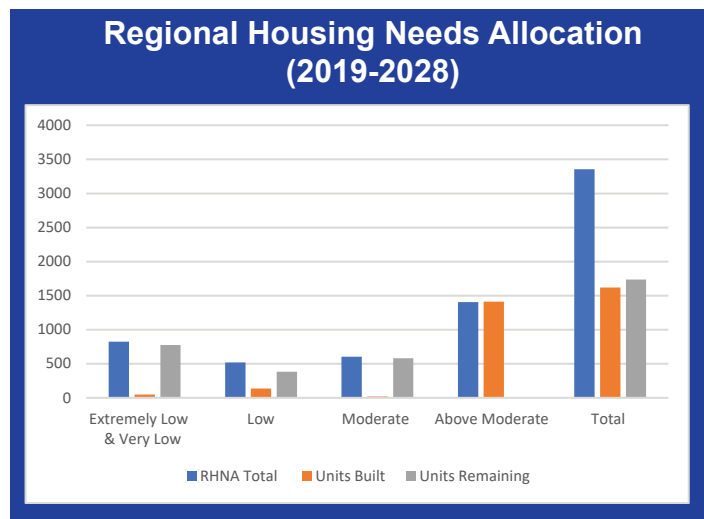
Residential Growth Rates, 2015-2021

Calendar Year Period	New Units	Average Annual Growth Rate	Total Units in the City in 2021	LUE Estimated Units in 2021 (1% Growth)
2021	429*	0.81%	22,018*	22,416
2015 - 2021	1,207*			

*Total units subject to growth management limitations. This total excludes deed-restricted affordable units, accessory dwelling units (ADUs), and new dwellings in the Downtown Commercial (C-D) Zone. The all-encompassing unit total in 2021 was 22,432 units.

REGIONAL HOUSING NEEDS ALLOCATION

The RHNA is produced by the State Department of Housing and Community Development (HCD) and identifies the projected housing needs in the region. The San Luis Obispo Council of Governments (SLOCOG) is responsible for working with the State mandated RHNA and distributing the allocation between the cities and unincorporated county areas. The City must demonstrate that it can accommodate its RHNA through a variety of programs in addition to having appropriate land use and zoning capacity.



MAJOR CITY GOAL: HOUSING & HOMELESSNESS

The City's 2021-23 Housing and Homelessness Major City Goal includes an action plan that prioritizes new and ongoing Housing Element policies and programs that focus on facilitating the increased production of affordable and workforce housing, in addition to market rate housing; and the City will engage with the community, regional agencies, local non-profit partners, and the Federal government to leverage resources to be utilized to implement strategies that reduce homelessness.

Housing Goals:

- Implement the Housing Element by continuing ongoing programs and by completing new programs including:
 - Objective Design Standards that allow “by right,” non-discretionary housing,
 - Update the Inclusionary Housing Ordinance, and
 - Flexible Density program and “Missing Middle” housing program to expand housing opportunities downtown and in single-family neighborhoods.
- Utilize a consultant to optimize management of the City's substantial Below Market Rate (BMR) Housing portfolio.

Homelessness Goals:

- Enhance City Homeless Team coordination among City staff and develop a strategic plan to guide City actions,
- Improve environmental protection and water quality with cleanups of creeks, open spaces, public spaces, and parks,
- Initiate and participate in regional collaboration efforts and seek out grant opportunities,
- Expand the Community Action Team (CAT) to support public safety and community member access to homeless services, and
- Implement a Mobile Crisis Unit (MCU) to support the chronically homeless population.

AFFORDABLE UNITS & DENSITY BONUSES

The City's General Plan includes policies and standards that encourage housing projects that incorporate deed restricted units affordable to very low, low, and moderate-income households. There are also density bonuses, and other incentives, available to developers for including these types of units, in accordance with state law. The state oversees Density Bonus Law and the Housing Accountability Act; two laws intended to increase housing production by providing incentives and making it more difficult for local jurisdictions to deny or reduce the size of proposed housing projects. Jurisdictions that violate these laws may be subject to legal challenge and sanctions.

RECENT LEGISLATION

Senate Bill 9 (SB 9)

SB9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, is a state bill that streamlines the process for a property owner to create two units (such as a duplex) or subdivide an existing R-1 zoned lot. This means a parcel that currently has a single family home could be remodeled or redeveloped with a duplex and up to two ADUs, or could be subdivided into two lots with up to two units on each lot. Any new housing created as a result of this bill is subject to setbacks, height limits, and other development standards, and must meet a specific list of qualifications that protects historic districts, preserves environmental quality and the look of communities, and prevents tenants from being displaced.

Senate Bill 10 (SB 10)

SB 10 provides cities with a path to up-zone properties close to job centers, public transit, and existing urban areas. Under SB 10, cities can choose to authorize construction of up to ten units on a single parcel without requiring an environmental review (otherwise mandated under the California Environmental Quality Act). SB 10 is voluntary and requires local governments to pass their own resolutions in order to adopt the plan.

