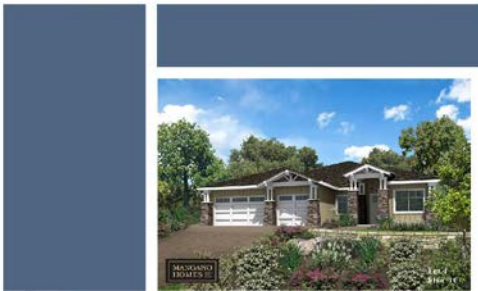


CITY OF ARROYO GRANDE



HOUSING ELEMENT

[June 30, 2014 – June 30, 2019](#)

[Public Review Draft](#)
[August 2014](#)

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CHAPTER 1 – INTRODUCTION

1.1 Purpose

The purpose of the Housing Element is to identify and provide: a) An analysis of existing and projected housing needs; b) an evaluation of housing constraints, c) a statement of goals, policies, quantified objectives and financial resources; and d) scheduled programs for the preservation, improvement, and development of housing. The State Legislature, in its adoption of planning law, has set forth the following policies toward the provision of housing:

- The availability of housing is of vital importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farm workers, is a priority of the highest order.
- The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the needs of Californians of all economic levels.
- The provision of housing affordable to low and moderate-income households requires the cooperation of all levels of government.
- Local and State governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the State in addressing regional housing needs.

This document is intended to comply with Article 10.6 (as amended) of State Planning Law and to meet the Department of Housing and Community Development (HCD) [guidelines for the implementation of Article 10.6](#). This document, upon adoption, will replace the Housing Element adopted by the City of Arroyo Grande on [October 22, 2013](#), deemed in compliance with state law by the Department of Housing and Community Development (HCD) on [December 5, 2013](#). The current planning period began [June 30, 2014](#) and will last through June [30, 2019](#).

This Housing Element includes all of the following information as required by State law:

- Specific goals, policies, and measurable programs.
- Information about the existing housing stock, covering such items as the amount, type, cost, tenure, and structural conditions of the ~~units.~~Other units. ~~Other~~ areas of concern include overcrowding and the needs of special subgroups of the population.
- An analysis of potential barriers to housing production, including both governmental and non-governmental constraints.
- Information about energy conservation opportunities for housing.
- A summary of the past housing efforts and an analysis of their success or failure.

1.2 Relationship to City General Plan

Housing elements are one of seven elements of the General Plan that every California city and county is required by State law to ~~prepare.~~Underprepare. ~~Under~~ State law, a General Plan must function as an integrated, internally consistent and compatible statement of ~~values.~~The values. ~~The~~ housing, land use and circulation elements form the heart of a community strategy to promote orderly growth and provide housing for all economic segments.

State law is more specific about the content of housing elements than any other portion of the general ~~plan.~~The plan. ~~The~~ housing element is also the only part of the general plan that is subject to mandatory deadlines for periodic updates and is the only element that is legally subject to review and “certification” by the State.

General Plan Consistency

The City’s Land Use Element of the 2001 General Plan designates the sites noted in this Housing Element for residential purposes at densities consistent with the goals of providing housing affordable to a wide range of incomes. The Housing Element has been reviewed for consistency with the City’s General Plan and is consistent with the policy direction the in the Plan. As portions of the General Plan are amended in the future, the Housing Element will be reviewed to ensure internal consistency. Due to the passage of AB 162 relating to flood protection, the City may be required to amend the Safety and Conservation Elements of the General Plan. If amendments are needed the Housing Element will be amended to be consistent with the Safety and Conservation Elements.

1.3 Organization of Housing Element

As noted above, the intent of this Housing Element update is to meet the statutory requirements of State housing law. ~~Chapter~~ [law. Chapter](#) 1 provides a brief overview of the laws and its relationship to the General ~~Plan. Chapter~~ [Plan. Chapter](#) 2 is the heart of the document, setting forth all the goals, policies, programs and objectives for housing in Arroyo Grande. ~~Chapter~~ [Grande. Chapter](#) 3 describes relevant demographics concerning housing needs and issues in the City, while Chapter 4 discusses the regional housing needs and provides an overview of the City's land availability and public services. Chapter 5 analyzes the constraints to housing development, and Chapter 6 reviews ~~the past~~ [the past](#) housing efforts as proposed in the [2013](#) Housing Element.

1.4 Public Participation

Housing issues affect the entire community, including residents, employers, and the public and private sectors. The public participation requirement of the housing element law presents an opportunity to engage constituents in a discussion, defining overall housing needs and constraints, as well as problems and the creation of solutions. The inclusion of community stakeholders in the housing element public participation process helps ensure appropriate housing strategies are more efficiently and effectively developed, implemented and evaluated.

~~On August~~ [On August XX](#), 2014, the City notified stakeholders, non-profit organizations, and interested parties of the availability of the Public Review Draft Housing Element. [\[to be completed\]](#)

[On September xx, 2014, the City presented the Public Review Draft Housing Element at a Planning Commission hearing](#) ~~Commission hearing~~ [for public review and comment. The Planning Commission recommended](#) ~~City recommended~~ [City Council adopt the Draft Housing Element. Comments from the Planning Commission and](#) [public included](#) [\[to be completed\]](#)

[On XXX 2014, the City Council](#) [\[adopted\]](#) [the Public Review Draft Housing Element](#). [\[to be completed\]](#)

Public Notices [for workshops and public hearings](#) were placed in The Tribune on [\[to be completed\]](#) for the Planning Commission and City Council hearings, and notices were sent directly to interested individuals and organizations. The agendas were posted in front of City Hall

and the agendas and reports were posted on the City's website. **[No] written public comments were received. [to be completed]** Verbal comments at the hearings were limited and did not result in any changes to the document.

CHAPTER 2 – GOALS, POLICIES, PROGRAMS AND QUANTIFIED OBJECTIVES

2.1 Housing Element Goals, Policies and Programs

State law requires that the Housing Element contain a "statement of the community's goals, policies, programs and quantified objectives relative to the maintenance, improvement, and development of ~~housing~~ **housing**". ~~This~~ Chapter describes the proposed goals, policies, and programs of the Housing Element for the City of Arroyo Grande.

Goals refer to general statements of purpose, and indicate a direction the City will take with respect to the identified housing ~~problems~~. ~~Policies~~ **Policies** are statements of the City's intent regarding the various housing issues identified, and provide a link between the goals and the ~~programs~~. ~~Programs~~ **Programs** are steps to be taken to implement the policies and achieve the quantified objectives. *Quantified Objectives* refer to the number of units that are expected or estimated to be constructed, conserved or rehabilitated during the time frame of the Housing Element, [June 2014 to June 2019](#) (not all programs have quantified objectives).

Goal A–Housing for All Income Groups within the Community

Provide a continuing supply of affordable housing to meet the needs of existing and future Arroyo Grande residents in all income categories.

Policies:

- A.1. The City shall adopt policies, programs, and procedures to attempt to meet the present and future needs of residents of the City, and to aim at providing their fair share regional housing need allocated for each income classification, within identified governmental, market, economic and natural constraints.
- A.2. The City shall continue to utilize the following incentives for the production of affordable housing: a) allowing secondary dwelling units under specified criteria;

b) allowing manufactured housing on legal parcels in all residential zones; c) allowing density bonuses for very low ~~and~~, low, ~~and moderate~~ income housing, and senior housing projects.

A.3. The City shall ~~give~~ priority to processing housing projects that provide for affordable housing, and lower development impact fees shall be charged as an incentive for low, very low, and extremely low-income housing.

A.4 The City shall establish minimum residential densities that are no lower than 75 percent of the maximum densities allowed in each multi-family residential zone, with exceptions made for properties with significant environmental constraints.

A.5. The City shall encourage housing compatible with commercial and office uses and promote "mixed use" and "village core" zoning districts to ~~facilitate integration of~~ residential uses ~~to be integrated~~ into such areas.

A.6 Where circumstances warrant, the City will work with mobile home owners to relocate mobile homes if the City seeks to modify a portion or all of a mobile home park for economic development purposes.

A.7. The City will continue to maintain a zoning district for mobile home and manufactured home park uses.

A.8. The City may annex land on the urban edge to promote orderly growth and the preservation of open space.

A.9. The City shall continue to enable and encourage multiple-family, rental apartments, senior, mobile home, and special needs housing in appropriate locations and densities. These multiple family residential alternative housing types tend to be more affordable than prevailing single-family residential low and medium density developments.

A.10. The City shall review and revise its development regulations, standards, and procedures to encourage increased housing supply as needed.

A.11. The City shall continue to utilize and expand the Density Bonus program to encourage affordable housing supply.

A.12. The City shall establish a system to inventory vacant and underutilized land.

A.13. The City shall pursue adequate water sources and conservation programs to accommodate projected residential development.

A.14. The City shall promote infill housing opportunities through an attainable housing program.

A.15. The City shall pursue program assistance for first-time home buyers.

Programs:

A.1-1. The City shall establish a five-year schedule of actions to implement the goals and policies of the Housing Element.

Responsible agency/department:	Community Development Department
Timeframe:	Ongoing – implemented over the life of the Housing Element
Funding:	General Fund
Expected Outcome:	Timeline for implementing the programs outlined in the Housing Element
Quantified Objective:	n/a

A.1-2. The City shall report annually on ~~the City's~~ its progress in meeting its fair share housing targets, and provide the collected information to the Department of Housing and Community Development (HCD), development community, and non-profit housing developers. HCD provides specific instructions and a template for the annual report.

Responsible agency/department:	Community Development
Timeframe:	Annually – due to HCD in April

Funding:	General Fund
Expected Outcome:	Annual assessment and reporting on progress meeting Housing Element housing targets and implementation of programs
Quantified Objective:	n/a

A.1-3. The City shall amend the Development Code to revise the requirements for the Traffic Way Mixed Use District to remove the limitation ~~to-of~~ only live-work residential uses. A mix of residential use types shall be allowed ~~as-allowed~~ ~~inconsistent with~~ all of the mixed use zoning districts (except the Industrial Mixed Use District). The Development Code shall also be amended to allow residential projects at densities up to 20 units per acre in the Traffic Way Mixed Use District.

Responsible agency/department:	Community Development
Timeframe:	Within 1 year of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Development Code amendment
Quantified Objective:	10 moderate-income units, 10 above moderate-income units

A.2-1. The City shall continue to encourage and publicize on the City's website the secondary dwelling program to increase public awareness.

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Expected outcome is continued consistent production of secondary units as an affordable housing alternative

Quantified Objective: 5 units/year during the planning ~~period.Total~~period. Total of 30 low-income units for the planning period.

A.3-1. The City shall amend the Municipal Code to provide incentives for the development of affordable housing projects, including expedited permitting, providing financial assistance through the City's ~~Inclusionary Housing Trust Fund~~In-Lieu Affordable Housing Fund, requiring lot consolidation, and providing greater flexibility in development standards.

Responsible agency/department: Community Development
Timeframe: Within 2 years of Housing Element Adoption
Funding: General Fund
Expected Outcome: Additional affordable units
Quantified Objective: 5 very low-income and 5 low-income units

A.3-2. The City shall amend the Development Code to include the definition of "Extremely Low-Income" as defined by Section 50093 of the California Health and Safety Code.

Responsible agency/department: Community Development
Timeframe: Within 1 year of Housing Element adoption
Funding: General Fund
Expected Outcome: Development Code amendment
Quantified Objective: n/a

A.3-3. The City shall amend the Development Code to provide additional incentives specific for extremely low-income housing projects. Incentives may include flexible standards for on- and off-site improvements such as reduced parking requirements, reduced curb, gutter, and sidewalk requirements; reduced or deferred water and/or sewer connection fees; development review and

permit streamlining procedures ~~and development review~~; or financial incentives and assistance.

Responsible agency/department: City Manager/Administration and Community Development
 Timeframe: Ongoing
 Funding: General Fund
 Expected Outcome: Draft program or ordinance to incentivize and/or streamline permitting and procedures for extremely low-income housing developments
 Quantified Objective: 2 extremely low-income units

A.10-1. To facilitate affordable housing, the City shall comply with State Density Bonus Law. The City shall update Development Code Chapter 16.82 to comply with AB 2280. The City will continue to update Chapter 16.82 on an ongoing basis to comply with any future updates to State Density Bonus law (Government Code Section 65915) as well as evaluate proposed Development Code amendments to assess whether they pose any constraints to developer utilization of density bonuses.

Responsible agency/department: Community Development
 Timeframe: Amend Development Code Chapter 16.82 to comply with AB 2280 – Within 1 year of Housing Element adoption; Assess Development Code Amendments - Ongoing
 Funding: General Fund
 Expected Outcome: City-initiated Development Code Amendments
 Quantified Objective: n/a

A.10-2. The City shall evaluate and amend the Planned Unit Development (PUD) Permit procedures in ~~the~~Development Code ~~(Section 16.16.060)~~ to provide more predictable options for small lot infill projects in the City’s Residential land use designations.

Responsible agency/department:	Community Development
Timeframe:	Within 2 year of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Improve the requirements and standards for the PUD process
Quantified Objective:	10 moderate and 10 above moderate-income units

A.12-1. The City shall continue to maintain its Geographical Information System (GIS) mapping and planning database inventory of vacant and underutilized “opportunity sites”.

Responsible agency/department:	Community Development
Timeframe:	On going
Funding:	General Fund
Expected Outcome:	Maintain land availability inventory
Quantified Objective:	n/a

A.14-1. The City shall amend the Development Code to include a definition of the term “Attainable housing.”

Responsible agency/department:	Community Development
Timeframe:	Within 2 years of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Development Code amendment
Quantified Objective:	n/a

A.15-1. The City shall establish a program to provide assistance to first-time home buyers.

Responsible agency/department: Community Development

Timeframe: Within 2 years of Housing Element adoption

Funding: General Fund: HCD Home Investments Partnerships Program (HOME)

Expected Outcome: Development of a first-time home buyers program

Quantified Objective: n/a

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Goal B- Affordable Housing

Ensure that housing ~~that is~~ constructed in the City is affordable to all income levels.

Policies:

B.1. All residential projects that receive additional densities or other City incentives to include affordable housing shall be placed into a City-approved program to maintain the affordability for at least 45(owner-occupied) or 55 years (rental units).Any sale or change of ownership of these affordable units prior to satisfying the year restriction shall be "rolled over" for same amount of years to protect "at risk" units. For rental housing, affordability shall be maintained through recorded agreements between a property owner and the City, its Housing Authority, or another housing provider approved by the City.ForCity. For owner-occupied units, long-term affordability can be maintained through property owner agreements to maintain the designated unit as affordable for the specified period, utilizing a promissory note and deed of trust recorded on the property.

B.2. The City shall continue monitoring ~~ef~~-affordable units to ensure ongoing compliance with the sales limits or rental rates established by agreement between the City and the developer. The City shall continue to take the necessary steps to assure compliance with the regulatory agreement,

~~including consideration~~ including consideration of contracting with a housing authority or joining a ~~regional monitoring~~ regional monitoring agency if one is developed.

B.4. The City may establish parking districts, or off-site shared parking, and use of in-lieu fees where appropriate to enable additional density.

B.5. Affordable housing shall not be concentrated into a condensed, identifiable portion of a development or subdivision but rather dispersed throughout and integrated into the development as determined acceptable considering site constraints, size and design.

B.6. The City shall continue to regulate the use of existing residences on residentially zoned properties for vacation rentals.

Programs:

B.1-1. The City shall continue tracking all residential projects that include affordable housing to ensure that the affordability is maintained for at least 45 years for owner-occupied units and 55 years for rental units, and that any sale or change of ownership of these affordable units prior to satisfying the 45 or 55-year restriction shall be "rolled over" for another 45 or 55 years to protect "at-risk" units.

Responsible agency/department:	Community Development
Timeframe:	Ongoing – at time of change of ownership
Funding:	General Fund
Expected Outcome:	Program to monitor affordable units
Quantified Objective:	n/a

B.2-1. The City ~~shall may continue to contract~~ may contract with the Housing Authority of San Luis Obispo (HASLO), local non-profit organizations, or a regional monitoring agency for the monitoring of affordable units to ensure compliance with terms of the development agreement.

Responsible agency/department:	City Manager/Administration and Community Development
Timeframe:	Ongoing
Funding:	Fees for service
Expected Outcome:	Expected outcome is consistent monitoring of affordable units.
Quantified Objective:	n/a

B.6-1. The City shall monitor the loss of permanent workforce housing from vacation rentals and consider modifying the Development Code to adjust for this loss.

<u>Responsible agency/department:</u>	<u>Community Development</u>
<u>Timeframe:</u>	<u>Ongoing</u>
<u>Funding:</u>	<u>General Fund</u>
<u>Expected Outcome:</u>	<u>Program to monitor vacation rentals and homestays</u>
<u>Quantified Objective:</u>	<u>n/a</u>

Goal C– Identify Funding for Extremely Low, Very Low, and Low-Income Housing

Research and identify various additional financial and other resources to provide extremely low, very low, and low-income housing for current and future residents of the City.

Policies:

- C.1. The City shall establish criterion for allocating financial resources from its In-[Lieu](#) ~~elusionary~~-Affordable Housing ~~Trust~~-Fund to augment extremely, very low, and low-income housing development.
- C.2. The City shall consider issuance of bonds to finance extremely, very low, and low-income housing.
- C.3. The City shall pursue State and federal funds to finance extremely, very low, and low-income housing.

C.4. The City shall consider cooperation with non-profit organizations and other developers for loan and/or grant applications to provide extremely, very-low, and low-income housing.

Programs:

C.1-1. The City shall continue to allocate financial resources to augment extremely low, very low, and low-income housing development based on the financial projection ~~of the of the In-Lieu inclusionary Affordable Housing Trust~~ Fund.

Responsible agency/department:	City Manager/Community Development
Timeframe:	Ongoing
Funding:	Inclusionary Affordable Housing Trust Fund/Other sources, as identified
Expected Outcome:	Funding to finance affordable housing
Quantified Objective:	3 extremely low, 3 very low, and 20 low-income units

C.4-1. The City shall continue to meet with local non-profit and private developers semi-annually or more frequently if opportunities arise, to promote the extremely low, very low, and low-income housing programs outlined in the Housing ~~Element.~~Element. The City shall direct private housing developers to funding sources (such as federal and State housing grant fund programs and local housing trust funds) to promote affordable housing as outlined in the policies of Goal C.

Responsible agency/department:	Community Development
Timeframe:	Semi-annually
Funding:	General Fund
Expected Outcome:	Increased awareness of the City's desire to provide affordable housing and to accommodate affordable housing

Quantified Objective: n/a

C.4-2. The City shall continue to participate in financial incentive programs established by the San Luis Obispo County Housing Trust Fund, such as a revolving loan program.

Responsible agency/department:	City staff person
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Leverage of financial resources to augment development of affordable housing
Quantified Objective:	Loan(s) provided for 5 very low-income units

Goal D– Encourage Diverse Housing Stock

In order to provide affordable housing, especially for extremely, very-low and low-income households, encourage apartment construction.

Policies:

- D.1. The City shall relax parking standards for apartments containing extremely, very ~~low, low, low, low, moderate~~ and/or senior housing.
- D.2. For the purposes of calculating density, fees and other development standards, an apartment is defined as follows:
 - A dwelling unit equivalent equals two bedrooms, or more;
 - A one-bedroom equals 0.75 of unit and is defined as 850 square feet or less;
 - A studio equals 0.5 of a unit and is defined as 600 square feet or less.

Programs:

D.1-1. The City shall encourage specific plans for land within its Sphere of Influence that include increased residential capacity for multiple-family development.

Responsible agency/department:	Community Development
Timeframe:	On-going , as specific plans are

	approved
Funding:	General Fund
Expected Outcome:	Possible increased land inventory to support affordable housing

Goal E- Regulate Condominium Conversions

Regulate residential condominium conversions to protect the City’s supply of apartments and to allow more moderately priced for-sale homes.

Policies:

- E.1. Apartments can only be converted and sold as residential condominiums to families earning State-defined very low, low or moderate-income levels, to the extent allowed by law.
- E.2. The City shall set a limit on how many rental units can be converted annually.
- E.3. To the extent provided by law, the property owner shall give the current residents the first right of refusal to buy the units being converted, provided they meet the income guidelines.
- E.4. Residential condo conversion units shall remain affordable through a 45-year deed restriction.

Programs:

E.4-1. When necessary, the City shall ~~continue~~[continue to](#) work with property owners of deed restricted affordable units who need to sell within 45 years of initial sale. When the seller is unable to sell to an eligible buyer within a specified time period, equity sharing provisions are established (as per the affordable housing agreement for the property) whereby the difference between the affordable and market value is paid to the City to eliminate any incentive to sell the converted unit at market rate. Funds generated would then be used to develop additional affordable housing within the City.

Responsible agency/department: Community Development

Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Maintaining affordability of deed restricted affordable units
Quantified Objective:	n/a

Goal F- Inclusionary Housing

Strengthen the City's inclusionary housing ordinance to require more affordable units in both ~~residential and residential and~~ commercial development projects.

Policies:

F.1. The City shall require housing projects greater than six units to ~~contain meet inclusionary meet inclusionary~~ housing ~~requirements by 1) payment of in-lieu fee, 2) on-site construction of affordable units, or 3) dedication of land or pay an in-lieu fee. The land. The~~ City may require payment of an in-lieu fee for housing projects containing up to six ~~units. An units. An~~ inclusionary unit is defined as one that will meet the State's standards for affordable housing.

~~F.2. The City shall offer multiple options for providing the inclusionary unit(s) particularly for projects proposed for neighborhoods unable to sustain the density bonus.~~

~~F.3.2.~~ An "affordable housing agreement" shall be required for projects subject to the ~~Inclusionary A~~affordable ~~H~~housing ~~O~~erdinace.

Programs:

F.1-1. The City shall evaluate and consider amending the inclusionary affordable housing requirements in the Development Code (Chapter 16.80) based on experience using the requirements in producing affordable units.

Potential changes to the requirements include: 1) consider contracting with a housing management organization to manage deed-restricted affordable units in the City; 2) consider adding incentives to encourage construction of

rental units; and 3) investigate extending the income categories served by the inclusionary requirements to extremely low-income households. The City will engage the development ~~community during~~community during the evaluation process.

Responsible agency/department:	Community Development
Timeframe:	Within <u>4</u> years of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Amendments to the inclusionary affordable housing requirements
Quantified Objective:	2 ; extremely low, 5 very low, 10 low, and 15 moderate-income units

F.1-2. The City shall amend the inclusionary affordable housing requirements in the Development Code (Chapter 16.80) to eliminate inclusion of moderate-income units in the requirements.

Responsible agency/department:	Community Development
Timeframe:	Within <u>2</u> years of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Amendments to the inclusionary affordable housing requirements
Quantified Objective:	n/a

F.1-3. The City shall amend the in-lieu fee as called for in the inclusionary affordable housing requirements in the Development Code (Chapter 16.80).

Responsible agency/department:	Community Development
Timeframe:	Within 2 years of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Inclusionary In-lieu Fee
Quantified Objective:	n/a

Goal G- Mitigate Governmental Constraints

Create clearer regulations and streamline the approval process for affordable housing projects.

Policies:

- G.1. The City shall review and periodically amend its Development Code and design review regulations and procedures to streamline permit processing for affordable housing projects and minimize application and development review costs.
- G.2. The City shall consider preparing a master plan or ~~form-based code design~~ [guidelines](#) for the East Grand Avenue Corridor with the goals of streamlining the development review process and encouraging economic development.

Programs:

- G.1-1. The City shall ~~continue to contract work~~ with ~~the Housing Authority of San Luis Obispo (HASLO)~~ [non-profit organizations](#) to maintain a mailing list of persons interested in development projects containing affordable ~~housing.~~ [Agendas](#) for all City meetings related to these projects shall be mailed to persons on the mailing ~~list.~~ [The list.](#) The City shall also continue to post the agendas on the City's website.

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Increased public awareness of affordable housing projects.
Quantified Objective:	n/a

- G.1-2. The City shall encourage construction and/or rehabilitation of housing units for low, very-low, and extremely low income households by developing and implementing incentive-based programs such as fee reductions, fee waivers, flexible development standards, updating the City's second unit ordinance to

reduce barriers to second units development in residential zones, and similar programs.

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Increased provision of affordable housing
Quantified Objective:	2 extremely low, 2 very low, and 2 low-income units

G.1-3. The City shall amend the Development Code to allow development of up to 15 multiple-family attached units in the MF and MFA zoning districts with a Minor Use Permit (MUP) subject to design review through the Architectural Review Committee. Development of over 15 multiple-family attached units in the MF and MFA zoning districts shall require a Conditional Use Permit (CUP).

<u>Responsible agency/department:</u>	<u>Community Development</u>
<u>Timeframe:</u>	<u>Within 2 years of Housing Element adoption</u>
<u>Funding:</u>	<u>General Fund</u>
<u>Expected Outcome:</u>	<u>Remove barrier to construct affordable housing</u>
<u>Quantified Objective:</u>	<u>n/a</u>

Goal H- Housing Conservation and Rehabilitation

Conserve and rehabilitate the City’s older stock, particularly to provide affordable housing.

Policies:

- H.1. The City shall encourage private and public financing of affordable housing rehabilitation.

H.2. The City shall ensure zoning compatibility when integrating public affordable housing projects into existing residential ~~neighborhoods.~~Adverse neighborhoods. All impacts relating to neighborhood stability and quality of life issues shall also be considered.

Programs:

H.1-1. The City shall continue to ~~contract and~~ coordinate with the San Luis Obispo Housing Authority to maintain and expand Section 8 rental housing assistance to qualified households.

Responsible agency/department:	Community Development
Timeframe:	Ongoing, when eligible
Funding:	General Fund
Expected Outcome:	Continued affordable housing.
Quantified Objective:	n/a

H.1-2. The City shall develop a program to offer housing developers an alternative to meet affordable housing requirements by contributing some “sweat equity” on projects where existing housing units will be rehabilitated or conserved ~~and where appropriate, deed restricted~~ as affordable as per the City’s Affordable Housing Program.

Responsible agency/department:	Community Development
Timeframe:	Within 2 years of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Conservation and <u>rehabilitation</u> of existing housing stock
Quantified Objective:	5 low-income housing units

H.2-1. The City shall continue to consider abatement of unsafe or unsanitary structures, including buildings or rooms inappropriately used for housing, contrary to adopted health and safety ~~codes.~~Where codes. Where feasible, the City will encourage rehabilitation and allow reasonable notice and time to correct ~~deficiencies.~~Where deficiencies. Where necessary and feasible,

extremely low, very low and low-income residents displaced by abatement action shall be eligible for relocation assistance, subject to Council approval.

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Conservation of existing housing stock
Quantified Objective:	n/a

Goal I- At Risk Unit Preservation

Preservation of at-risk units in Arroyo Grande

Policies:

- I.1. The City shall establish a notification procedure to occupants of affordable housing units of conversion to market rate units.
- I.2. The City shall assist in the preservation of affordable units at risk of conversion to market rate.

Programs:

- I.1-1. Written notice shall be required prior to the conversion of any units for low-income households to market rate units in any of the following circumstances:
 - The units were constructed with the aid of government funding
 - The units were required by an inclusionary zoning ordinance
 - The project was granted a density bonus
 - The project received other incentives

The property owner should work with the City and affordable housing developers, such as HASLO, to identify qualified buyers and/or funding prior to conversion. In cases where conversions occur, notice shall at a minimum be given to the following:

- The City of Arroyo Grande
- State Department of Housing and Community Development
- San Luis Obispo Housing Authority

- Residents of at-risk units

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Preservation of existing affordable units
Quantified Objective:	n/a

I.2-1. The City shall annually monitor the status of affordable housing developments. If any property owners indicate plans to convert affordable units to market rate pricing, or if the City identifies market conditions indicating potential for "at risk" unit conversion, the City will contact qualified non-profit organizations or other agencies and explore opportunities to assist and facilitate the transfer ownership of "at risk" units.

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Preservation of existing affordable units
Quantified Objective:	n/a

Special Needs

Goal J– Special Needs Housing

Meet the housing needs of special groups of Arroyo Grande residents, including seniors, persons with disabilities, [persons with developmental disabilities](#), single parents, large families, and farmworkers.

Policies:

J.1. The City shall encourage and shall seek funding to assist in the development of low and moderate-income senior rentals.

- J.2. The City shall permit larger group housing for seniors in appropriate multiple-family or mixed-use locations, subject to discretionary review.
- J.3. The City shall continue to allow small-scale group housing (less than seven persons) in multiple-family residential districts, in accordance with applicable State laws.
- J.4. The City shall encourage multiple-family housing projects that include a portion of the units with three or more bedrooms to accommodate larger families.
- J.5. The development of housing for farmworkers shall be encouraged. ~~Farmworker housing may be authorized in mixed use or multiple family residential zones.~~
- J.6. Co-housing and similar unconventional housing arrangements shall be considered in appropriate locations subject to review and approval on a case-by-case basis.

Programs:

- J.1-1. The City shall continue to promote housing opportunities for seniors and other special needs groups by identifying sites suitable for senior and transitional housing and considering other incentives to promote senior and transitional housing. Single-room occupancy units (SROs) shall be added to the use tables in the Development Code as allowed in all Mixed-Use zones with a conditional use permit. SROs shall be allowed in the MFVH zone district with a minor use permit.

Responsible agency/department:	Community Development
Timeframe:	Identifying sites - Ongoing; Development Code Amendments – Within <u>1</u> year of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Increased housing opportunities for seniors and other special needs groups

Quantified Objective: 5 extremely low and 10 very low-income units

J.5-1. [NEW] To encourage farmworker housing, the City will amend the zoning ordinance to identify farmworker housing as a residential use in the use tables. The City Zoning Ordinance will be amended to ensure that permit processing procedures for farmworker housing do not conflict with Health and Safety Code Sections 17021.5, which states that farmworker housing for six or fewer employees should be "deemed a single-family structure with a residential land use designation", and 17021.6 which states that for "employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household...no conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing of this employee housing that is not required of any other agricultural activity in the same zone".

Responsible agency/department: Community Development

Timeframe: Within 1 year of Housing Element adoption

Funding: General Fund

Expected Outcome: Increased housing opportunities for farmworkers

Quantified Objective: 5 very low-income units

The Homeless

Goal K- Housing for the Homeless

Reduce or minimize the incidence of homeless in the community.

Policies:

- K.1. The City shall consider joint powers development and cooperation agreements to develop homeless shelters and related services, or participate in the operations

and maintenance of countywide or south county regional homeless shelter facilities.

- K.2. The City shall allow homeless (emergency) shelters for overnight lodging in appropriate zoning districts as part of the Development Code Update in compliance with State law.

Programs:

- K.1-1. The City shall continue to participate in the South San Luis Obispo County working group cooperating with other cities, the county and other agencies in the development of programs aimed at providing homeless shelters and related services.

Responsible agency/department:	Community Development/City Manager
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Continued cooperation in providing homeless shelter and services
Quantified Objective:	n/a

- K.2-1. The City shall amend the Development Code to allow emergency ~~shelters without~~ shelters without a conditional use permit or other discretionary permits in appropriate locations in compliance with SB 2, the "Fair Share Zoning" ~~law.~~ law. The Development Code amendment shall include a definition for "emergency shelter." ~~Emergency shelters~~ Emergency shelters are currently not allowed in commercial mixed use districts, and are allowed through the Conditional Use Permit process in the Condominium/Townhouse (MF), Apartments (MFA) and Multifamily Very High Density (MFVH) residential districts. The Development Code shall be updated to ~~require administrative approval only for permit~~ by right in at least one zone or site. Potential zones include ~~in the~~ include the Industrial Mixed-Use (IMU) and Highway Mixed-Use (HMU) districts. These commercial districts have sufficient capacity to house emergency shelters with approximately 18 acres of vacant or underutilized land available. The IMU district has several large parcels

totaling almost 13.5 acres with ten (10) acres that are currently used as storage and/or construction yards with small or no permanent structures. The HMU district has less potential, although there are about four acres with a couple of large vacant parcels totaling 1.64 acres. ~~About 6.36 of the 18 acres have some type of permanent structure on the individual parcels, but could be redeveloped to accommodate transitional housing. Transitional and supportive housing shall be defined as residential uses subject to the same standards that apply to other housing.~~

The Development Code can include locational and operational criteria for ~~emergency shelters~~ emergency shelters such as:

- Proximity of public transit, supportive ~~services, and~~ services, and commercial services;
- Hours of operation;
- External lighting and noise;
- Provision of security measures for the ~~proper operation~~ proper operation and management of a ~~proposed facility~~ proposed facility;
- Measures to avoid queues of ~~individuals outside~~ individuals outside proposed facility; and
- Compliance with county and State health ~~and safety~~ and safety requirements for food, medical, ~~and other~~ another supportive services provided onsite.

Such criteria can act to encourage and facilitate emergency shelters and transitional ~~housing through~~ housing through clear and unambiguous guidelines for ~~the application~~ the application review process, the basis for ~~approval, and~~ approval, and the terms and conditions of approval.

The City will solicit input from local ~~service providers~~ service providers and the South San Luis Obispo County working group in ~~the preparation~~ the preparation and adoption of the amendment ~~to the~~ to the Development Code to ensure that ~~development standards~~ development standards and permit processing will not ~~impede the~~ impede the approval and/or development of emergency ~~shelters, and transitional housing.~~

Responsible agency/department: Community Development

Timeframe: ~~Within 1 year of~~ Concurrently with Housing Element adoption (per Government Code Section 65583(a)(4))

Funding: General Fund

Expected Outcome: Expected outcome is compliance with SB 2 regarding emergency shelters ~~and transitional housing.~~

Quantified Objective: n/a

K.2-2. [new] The City shall amend the Development Code to ~~comply with SB2.~~ define Transitional and supportive housing ~~shall be defined as~~ residential uses per Section 65582 of the Government Code subject to the same standards that apply to other housing in the same zone.

Responsible agency/department: Community Development

Timeframe: ~~Within 1 year of Housing Element adoption~~ Concurrently with Housing Element adoption (per Government Code Section 65583(a)(4))

Funding: General Fund

Expected Outcome: Expected outcome is compliance with ~~SB 2~~ Housing Element law regarding transitional and supportive housing.

Quantified Objective: n/a

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K.2-3. The City ~~shall~~ may consider implementing an overnight parking program, or similar program to forto, for the homeless in appropriate zoning districts.

Responsible agency/department: Community Development

Timeframe: Within 1 year of Housing Element adoption

Funding: General Fund

Expected Outcome: Provide approved parking locations for the homeless to sleep

Quantified Objective: n/a

Disabled Persons

Goal L- Housing for Persons with Disabilities

Ensure that those residents with handicaps or disabilities have adequate access to housing.

Policies:

- L.1. The City shall encourage housing development that meets the special needs of disabled persons, including developmentally disabled individuals, and ensure that all new multiple family developments comply with the handicapped provisions of the California Building Code and ADA.

- L.2. The City shall ensure, through the design review process for multiple housing projects, that project design, parking locations, pedestrian walkways, and direct access to the housing units accommodates handicapped or disabled access.

Programs:

- L.1-1 The City shall explore models to encourage the creation of housing for persons with disabilities, including developmental disabilities. Such models could include coordinating with the Tri-County Regional Center and other local agencies in encouraging affordable housing projects to dedicate a percent of housing for disabled ~~individuals; assisting individuals;~~ assisting in housing development; providing housing services that educate, advocate, inform, and assist people to locate and maintain housing; and models to assist in the maintenance and repair of housing for persons with developmental disabilities.

Responsible agency/department:	Building Department/Community Development
Timeframe:	Establish a model program within 2 years of Housing Element adoption
Funding:	General Fund
Expected Outcome:	Increased access to housing and housing resources for disabled

Quantified Objective: persons; including information and services available for developmentally disabled persons
5 low income units

L.2-1. The City shall create a policy or amend the Development Code to provide persons with disabilities seeking equal access to housing an opportunity to request reasonable accommodation in the application of City building and zoning laws.

Responsible agency/department: Building Department/Community Development

Timeframe: Within 1 year of Housing Element adoption

Funding: General Fund

Expected Outcome: Greater accessibility for disabled persons accommodated through the design review process for discretionary residential projects

Quantified Objective: n/a

L.2-2. The City will have brochures on universal design available at the ~~Community Development~~Community Development Department front counter. The City will also consider updating the building code to encourage use ~~of universal of universal~~ design in home ~~design. Universal design.~~ Universal design is based on the precept that throughout life, all ~~people experience~~people experience changes in their abilities. The goal of universal design is ~~to provide to provide~~ environments that are usable by all people, to the greatest ~~extent possible~~extent possible, without the need for specialization in design and construction and /or facilitate change in occupancy over time.

Responsible agency/department: Community Development

Timeframe: Develop brochure(s) - within 1 year of Housing Element adoption

Funding:	General Fund
Expected Outcome:	Greater accessibility for disabled persons accommodated through project design
Quantified Objective:	n/a

Energy Conservation

Goal M- Energy Conservation

Increase the efficiency of energy use in new and existing homes, with a concurrent reduction in housing costs to Arroyo Grande residents.

Policies:

- M.1. All new dwelling units shall be required to meet current State and local requirements for energy ~~efficiency.~~efficiency. The retrofitting of existing units shall be encouraged.
- M.2. New land use patterns shall encourage energy efficiency.
- M.3. When feasible, buildings shall be sited on a north-south axis and designed to take advantage of passive solar heating and cooling.

Programs:

- M.1-1. The City shall continue working to implement a water and electrical retrofit program for existing housing units. A plumbing retrofit program was established in 2004, and water conservation rebate programs were established in 2009. The City will continue to work with PG&E and other agencies to establish an electrical retrofit program.

Responsible agency/department:	Building Department
Timeframe:	Ongoing
Funding:	General Fund/PG&E
Expected Outcome:	Reduce usage of water and electrical resources

Quantified Objective: n/a

M.1-2. [Consistent with Measure E-4 of the City's Climate Action Plan,](#) the City shall establish a program to allow residential projects to receive minor exceptions if they meet 25% of items on the Tier 1 list of the California Green Building Code (Title 24) or 15% of items on the Tier 2 list of that code.

Responsible agency/department: Building Department

Timeframe: Establish program within 1-2 years of Housing Element adoption

Funding: General Fund

Expected Outcome: Encourage energy efficiency in new residential buildings

Quantified Objective: n/a

Equal Opportunity

Goal N- Equal Opportunity and Fair Housing

Assure access to sound, affordable housing for all persons, regardless of race, ~~creed~~[religion](#), age or sex.

Policies:

N.1. The City declares that all persons, regardless of race, ~~creed~~[religion](#), age, or sex, shall have equal access to sound and affordable housing.

Programs:

N.1-1. The City will continue to promote the enforcement of policies of the State Fair Employment and Housing Commission, and shall resolve housing discrimination complaints through assistance from HUD, and/or local, regional private fair housing ~~organizations.~~[The organizations.](#) The City will [develop a fair housing program to implement San Luis Obispo County's Urban County Team's fair housing program, "Fair Housing Analysis of Impediments" and](#) prepare a brochure that promotes equal housing opportunities and addresses discrimination. The brochure will be available at the Community

Development Department and a link to download the brochure will be placed on the City’s website. In addition the City shall disseminate information in one or more of the following ways to ensure the public is aware of Fair Housing Law:

- Distribute materials to property owners and apartment managers twice a year.
- Make public service ~~announcements through~~ announcements through multiple media outlets including newspaper, radio, television, and social media to run on a regular basis.
- Conduct public presentations with different community groups once or twice a year.

Responsible agency/department:	All City Departments
Timeframe:	Ongoing
	Brochure available June 2014 <u>within one year of housing element adoption, strategy to implement Urban County Team fair housing program within one year of County Fair Housing Plan adoption</u> <u>Plan adoption.</u>
Funding:	General Fund
Expected Outcome:	Dissemination of information at the front counter of all City Departments.
Quantified Objective:	n/a

Housing Element Implementation

Goal O- Public Participation

Ensure participation of all economic segments of the community in the development of housing policy for Arroyo Grande.

Policies:

- O.1. The City shall encourage the participation of all residents of Arroyo Grande in the development of housing policies for the City.
- O.2. The City shall provide a brief summary of key information about housing-related issues to help ensure widespread notice to all residents.

Programs:

- O.1-1. Prior to any public hearing where the City is considering amending or updating its Housing Element or housing policies, the City will notify all local housing organizations, as well as social service agencies, and post notices at significant locations.

Responsible agency/department:	Community Development
Timeframe:	Ongoing
Funding:	General Fund
Expected Outcome:	Provide information about housing programs
Quantified Objectives:	n/a

Goal P- Housing Element Consistency

Reduce governmental and infrastructure constraints to the improvement and development of housing for people of all income levels.

Policy:

- P.1. Update the Development Code and General Plan to maintain consistency and compatibility between the documents.

Program:

- P.1-1. Following amendment of the General Plan Conservation and Safety Elements to comply with AB 162 related to floodplain mapping, the City will amend the Housing Element if needed for consistency.

Responsible agency/department:	Community Development
--------------------------------	-----------------------

Timeframe:	Within 1 year of updates of the General Plan Conservation and Safety Elements
Funding:	General Fund
Expected Outcome:	Consistency between General Plan elements related to floodplain mapping and associated constraints.
Quantified Objectives:	n/a

2.2 Summary of Quantified Objectives

Quantified objectives estimate the number of units that are planned to be constructed, rehabilitated, and ~~conserved~~conserved over the planning period. This information is presented in Table 2-1_{below}.

Table 2-1 Quantified Objectives by Income Group						
Housing Program	Quantified Objectives by Income Group					Total
	Extremely Low-Income	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	
Housing Production						
Program A.1-3.	0	0	0	10	10	20
Program A.2-1.	0	0	30	0	0	30
Program A.3-1.	0	5	5	0	0	10
Program A.3-3.	2	0	0	0	0	2
Program A.10-2.	0	0	0	10	10	20
Program C.1-1.	3	3	20	0	0	26
Program C.4-2.	0	5	0	0	0	5
Program F.1-1.	2	5	10	10	0	27
Program G.1-2.	2	2	2	0	0	6
Program H.1-2.	0	5	0	0	0	5
Program J.1-1.	5	10	0	0	0	15
Program J.5-1.	0	5	0	0	0	5
Program L.1-1.	0	5	0	0	0	5
Totals	14	45	67	30	20	176

Source: City of Arroyo Grande and Lisa Wise Consulting

CHAPTER 3 – BACKGROUND INFORMATION

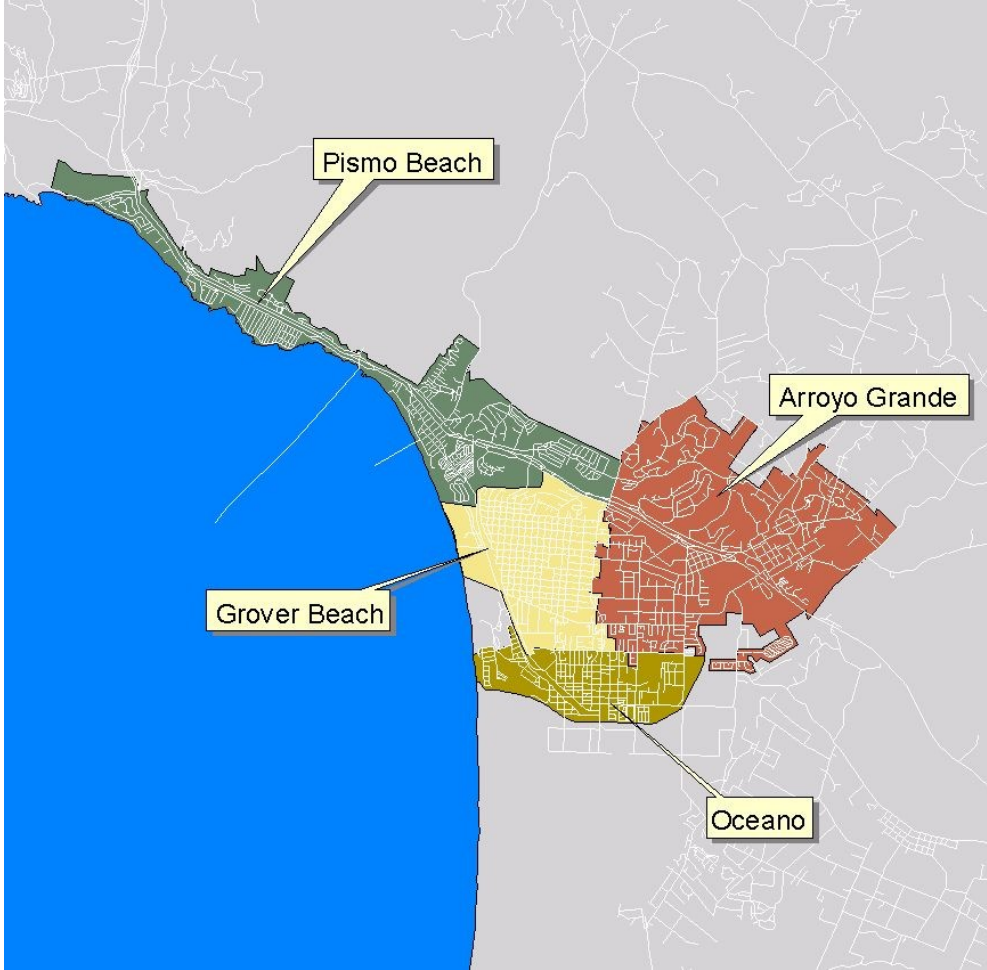
3.1 Introduction

The City of Arroyo Grande occupies 5.45 square miles (3,388 acres) of land along Highway 101 in southwestern San Luis Obispo County, as shown on Figure 3-1. It is immediately adjacent to the west, southwest and south to urban development within the cities of Pismo Beach and Grover Beach, and the unincorporated community of Oceano, as shown on Figure 3-2. Unincorporated lands adjoin the City to the north, east and ~~south~~ south. Residential rural and suburban developments characterize unincorporated areas to the north and southeast of the City, while agricultural uses dominate the Arroyo Grande Valley to the northeast and the Cienega Valley south of the ~~City~~ City. Arroyo Grande Creek runs in a generally north-south direction through the eastern portion of the City. This chapter presents and analyzes demographic, population, and housing characteristics that are crucial to understanding the local housing market to accommodate for different housing types for all income levels.

Figure 3-1 Regional Location Map



Figure 3-2 South County Location Map



3.2 Demographic Overview

This Section provides information on population trends (population growth, ethnicity, age, and sex), household data (size, tenure, and type of household), income, and employment.

Population Trends

~~Population Growth.~~
 The City of Arroyo Grande’s population has grown from 3,291 in 1960 to 17,252 in 2010¹. Population growth during the 1960’s occurred rapidly, some years exceeding 12 percent. In the 1970’s, growth slowed to an average of seven percent over the decade, falling still further in the 1980’s to less than two percent from 1980 to 1990. According to the Census, Arroyo Grande grew 10.2 percent between 1990 and 2000 and 8.8 percent between 2000 and 2010. Current estimates by the San Luis Obispo Council of Governments (SLOCOG) in their [2005-2040 Regional Growth Forecast \(2011\) Transportation Plan](#) project the City’s population to be approximately ~~19,302~~[20,234](#) residents by ~~2025~~[2040](#), based upon a [compound](#) annual growth rate of ~~one~~[0.57](#) percent.

Table 3-1 compares population growth in Arroyo Grande from 2000 to 2010 to Pismo Beach, Grover Beach, the County of San Luis Obispo, and the State of ~~California.~~
 This table indicates that the growth that occurred in Arroyo Grande from 2000 to 2010 was higher than the surrounding communities, but less than the State and County growth.

	2000		2010	
	Number	Change from 1990	Number	Change from 2000
Arroyo Grande	15,851	10.2%	17,252	8.8%
Grover Beach	13,067	12.1%	13,156	0.7%
Pismo Beach	8,551	11.5%	7,655	-10.5%
SLO County	246,681	13.6%	269,637	9.3%
California	33,871,648	13.8%	37,253,956	10.0%

Source: U.S. Census 2000 and 2010

~~Ethnic Composition.~~
 According to the 2010 Census, Arroyo Grande’s population is 15.7 percent Hispanic and 84.3 percent non-Hispanic. Of the non-Hispanic portion, white alone makes up 76.9 percent, with the remaining population being African American, American Indian, and Asian, or Pacific Islander.

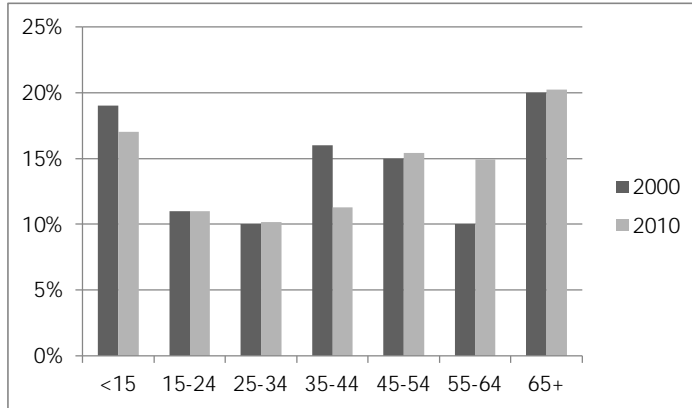
Age and Sex ~~Distribution~~ ~~Table~~ ~~Distribution~~. Table 3-2 shows that in 2010, 28 percent of the population of Arroyo Grande was age 24 years and under, 36 percent of the population between 25 and 54 years, and 35 percent was 55 years or older. The highest percentage in one age category, 20 percent, is in the 65 and older age range, followed by the under 15 age range (17 %). The median age in years is 45. These statistics reflect an older population than the State as a whole, with a higher percentage of those considered seniors (55 or over). However, this is similar to trends in San Luis Obispo County, with the senior population increasing more rapidly than other age groups. The ratio of male to female in the total population for Arroyo Grande is 48 percent male to 52 percent female.

Table 3-2 Trends in Population Age					
Age Group	2000		2010		Percent Change
	Number of Persons	Percent of Total	Number of Persons	Percent of Total	
<15	3,067	19%	2,933	17%	-4%
15-24	1,685	11%	1,893	11%	12%
25-34	1,513	10%	1,755	10%	16%
35-44	2,468	16%	1,949	11%	-21%
45-54	2,370	15%	2,657	15%	12%
55-64	1,526	10%	2,572	15%	69%
65+	3,222	20%	3,493	20%	8%
Total	15,851	100%	17,252	100%	100%

Source: U.S. Census 2000 and 2010

Between 2000 and 2010 there was a significant increase in the 55 to 64 age range and a large decrease in the 35 to 44 age range, while all other age ranges remained similar. These trends can be seen in [Figure 3-3](#).

Figure 3-3 Change in Population Age, 2000 to 2010



Source: U.S. Census 2000 and 2010

Household Data

Household Size According to Age. According to the 2010 Census the average household size in Arroyo Grande is 2.41, with owner-occupied units averaging 2.42 persons per household and renter-occupied units averaging 2.39 persons per household. The City’s average household size did not change from 2000 to 2010. For comparison purposes, the City’s average household size in 1990 was 2.48. As of 2010, the State of California has a larger household size of 2.90 persons per household, as do the unincorporated areas of the County, which have an average household size of 2.48 persons per household.

Tenure by Age of Householder. Table 3-3 shows the occupancy of housing units by age of the householder. Overall, two-thirds of households are owner-occupied, and one-third rent. The 35 to 65 age range is the largest category in both rental and owner-occupied housing units. For householders less than 35 years old, more householders rent than own. The opposite is true for householders over 65 years old.

Table 3-3 Tenure By Age of Householder						
	Owner-Occupied		Renter-Occupied		Totals	
	Number	Percent	Number	Percent	Number	Percent
Householders <35	226	5%	658	27%	884	12%
Householders 35-65	2,664	57%	1,250	52%	3,914	55%
Householders 65+ yrs	1,796	38%	493	21%	2,289	33%
Totals	4,686	66%	2,401	34%	7,087	100%

Source: U.S. Census 2010

Households by Type. According to the 2010 Census, 66.9 percent of Arroyo Grande's population lived in family households, a 7.33 percent increase from the year 2000. The remaining 34 percent of households in 2010 were classified as non-family households, 81 percent of which were single persons living alone. Single parent family households, including both male and female head of households, also significantly increased between 2000 and 2010 by 17.62 percent.

Table 3-4 Trends in Households

	2000		2010		Percent Change in Households
	Number	Percent	Number	Percent	
Average Household Size	2.41		2.41		
Household Types					
Family Households	4,350	67%	4,669	66%	7.33%
Married	3,561	82%	3,741	80%	5.05%
Married w/children	1,423	40%	1,355	36%	-4.78%
Single Parent household	789	18%	928	20%	17.62%
Non-Family Households	2,128	33%	2,418	34%	13.63%
Single Households	1,766	83%	1,968	81%	11.44%
Total	6,478	100%	7,087	100%	9.40%

Source: U.S. Census 2000 and 2010

Incomes

According to 2010 Census data, the median income for Arroyo Grande households was \$58,725. This is compared to the 2000 median household income (\$48,237) in Table 3-5. The median income for the households for the State as a whole in 2010 was \$60,883. The per capita income for Arroyo Grande in 2010 was \$32,617, compared to \$24,311 in 2000. The per capita income for 2010 for the State as a whole was \$29,188. Table 3-5 shows income ranges and the number of households in each range. The largest category in Arroyo Grande in 2000 was the \$50,000 to \$74,999 range (22%). The largest category in 2010 was the \$100,000 or more range (25%).

Table 3-5 Trends in Household Income					
	2000		2010		Percent Change in # of Households
	Households	Percent	Households	Percent	
Less than \$10,000	507	8%	258	4%	-49.1%
\$10,000 to \$14,999	338	5%	407	6%	20.4%
\$15,000 to \$24,999	693	11%	570	8%	-17.7%
\$25,000 to \$34,999	798	12%	713	10%	-10.7%
\$35,000 to \$49,999	1,030	16%	1,026	15%	-0.4%
\$50,000 to \$74,999	1,464	22%	1,334	19%	-8.9%
\$75,000 to \$99,999	698	11%	996	14%	42.7%
\$100,000 or more	950	15%	1,747	25%	83.9%
Total Households	6,478	100%	7,051	100%	
Median Income (All Households)	\$48,236		\$58,725		

Source: U.S. Census 2000 and 2010

Another method to evaluate income is to determine levels of poverty in a community. According to the 2000 Census, 191 families or 4.3 percent in Arroyo Grande were considered below the poverty level. According to 2010 Census data, 262 families or 4.6 percent were considered to be below the poverty level.

Employment

Table 3-6 provides a breakdown of the employed population 16 years and older by occupation for Census years 2000 and 2010. In 2010, the largest percentage category is that of management, professional, and related occupations (43%), which showed the largest increase since 2000. The second largest category in 2010 is that of sales and office occupations (26%), although there was a decrease in overall number of jobs during the same period. Between 2000 and 2010 there was also a decrease in farming, fishing, and forestry occupations and production and moving categories.

Table 3-6 Trends in Employed persons 16 years and older

Occupation	1990		2000	
	Number	Percent	Number	Percent
Management, professional, and related occupations	2,691	38%	2,694	43%
Sales and office occupations	2,130	30%	2,089	26%
Service Occupations	1,115	16%	1,603	20%
Construction, extraction, and maintenance occupations	612	9%	475	6%
Production, transportation, and material moving occupations	599	8%	424	5%
Farming, fishing, and forestry occupations	34	1%	0	0%
Total	7,181	100%	8,051	100%

Source: U.S. Census, 1990 and 2000

Using U.S. Census 2010 data, Table 3-7 shows the number of jobs within the City by industry category. The City's largest industry is the educational services and health care sector consisting of 1,970 jobs, or 24 percent. Following that is the retail sector supplying 19 percent of the jobs in the City.

	Jobs	Percent
Educational services, and health care and social assistance	1,970	24.5%
Retail trade	956	11.9%
Professional, scientific, and management, and administrative and waste management services	928	11.5%
Arts, entertainment, and recreation, and accommodation and food services	763	9.5%
Public administration	673	8.4%
Construction	537	6.7%
Finance and insurance, and real estate and rental and leasing	510	6.3%
Other services, except public administration	444	5.5%
Manufacturing	361	4.5%
Transportation and warehousing, and utilities	351	4.4%
Wholesale trade	218	2.7%
Information	176	2.2%
Agriculture, forestry, fishing, and hunting, and mining	164	2.0%
Total	8,051	--

Source: U.S. Census 2010

Another issue related to employment and residency is the matter of commuting to work. Census data indicates that of the 7,181 employed persons 16 years and over, 6,837 or 95 percent drove to work. Only 374 or 0.4 percent utilized public transportation. The mean travel time to work was 18.2 minutes.

[This](#) would indicate that a majority of the City's working residents are commuting to jobs outside of Arroyo Grande.

3.3 Housing Characteristics

This Section provides information on types of housing, vacancy rates, overcrowding, age of units, and housing conditions.

Types of Housing

Table 3-8 provides a breakdown of the total housing units by type of structure for 2000 and [2010](#). In [2010](#), it was estimated that there were [7,769](#) housing units in the City, an increase of [963](#) housing units from 2000, [which was a 29% increase in the number of housing units added from 1990 to 2000](#) (747 unit increase). As indicated, the vast majority of the units (76%) in Arroyo Grande are single-family units. From 2007 to 2011, 268 dwelling units have been constructed or approved. [\(see Table 4-5\)](#).

Table 3-8 Trends in Housing Type				
	2000		2010	
	Number	Percent	Number	Percent
Total Housing Units	6,806	100%	7,769	100%
Units in Structure				
1-unit, detached	4,516	66%	5,296	68%
1-unit, attached	590	9%	639	8%
Multiple-Family 2-4 Units	493	7%	367	5%
Multiple-Family 5 + Units	654	10%	861	11%
Mobile home	544	8%	597	8%
Boat, RV, van, etc.	9	0.1%	9	0.1%

Source: U.S. Census 2000 and 2010

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Vacancy Rates

The Census reported 541 vacant units, which is seven percent of the total housing units in the City. The number of vacant units in the City nearly doubled from the 272 vacant units reported in 2000. As shown in Table 3-9, slightly less than half of the vacant units are for seasonal, recreational or occasional use. Table 3-9 shows that 18 percent of the vacant units are for rent.

Table 3-9 Vacant Units by Type, 2010		
	Number	Percent
For rent	100	18%
For sale only	90	17%
Rented, not occupied	14	3%
Sold, not occupied	21	4%
For seasonal, recreational, or occasional use	226	42%
Other vacant	90	17%
Total Vacant Units	541	100%

Source: U.S. Census 2010

Vacancy rates are commonly used as an indicator of housing market activity in a given area. The individual vacancy rate for a community theoretically measures the health of the local housing market. The vacancy rate is a percentage of the total housing stock that is vacant and/or available for sale or rent at any one time. Generally, a two percent vacancy rate in units available for owner-occupancy and a six percent rate for rental units are considered desirable to keep prices down and to ensure that units are available to new and relocating residents.

Vacancy rates for 2000 and 2010 are shown in Table 3-10. For Arroyo Grande, it was reported that there was a 1.9 percent vacancy rate for owner-occupied units and a 4.0 percent vacancy

rate for rental units. In 2000 the vacancy rate was 0.8 percent for owner-occupied units and 2.9 percent vacancy rate for rental units. The 2010 vacancy rate for owner-occupied units is close to the optimal rate described above. However, the vacancy rate for rental units is less than the optimal rate and indicates a shortage of rental housing units in the City. However, this is not an uncommon statistic in the south San Luis Obispo County area. Grover Beach has an overall total unit vacancy rate of 11 percent and San Luis Obispo, seven percent, while Pismo Beach has an extremely high overall vacancy rate of 31 percent.

	2000	2010	Optimal Vacancy Rates
Owner-occupied	0.8%	1.9%	2.0%
Rental Units	2.9%	4.0%	6.0%
Overall Total Unit Vacancy	4.0%	7.0%	

Source: U.S. Census 2000 and 2010

Overcrowded Units

A common method of measuring overcrowding is to compare the number of persons to the number of rooms in the unit. The Census defines an overcrowded household as one that has more than 1.01 persons per room (not including kitchens and bathrooms), while units with more than 1.5 persons per room are considered severely overcrowded. In Arroyo Grande, the data collected from the 2010 Census shows that 2.1 percent of all occupied units were overcrowded. As shown in Table 3-11 Census data indicates 41 units or 0.5 percent of the total occupied housing units had been between 1.01 and 1.50 occupants per room, and 23 units or 0.3 percent of all units were severely overcrowded at 1.51 occupants or more per room.

Occupants Per Room	Owner-Occupied		Renter Occupied		Total	
	Number of Households	Percent	Number of Households	Percent	Number of Households	Percent
1.00 or less	4,901	99.4%	2,086	98.5%	6,987	99.1%
1.01 – 1.50	204	0.4%	217	1.0%	414	0.6%
1.51 or more	123	0.2%	114	0.5%	234	0.3%
Total	4,933	100.0%	2,118	100.0%	7,051	100%

Source: U.S. Census 2010

The rate of overcrowding in the City is lower than San Luis Obispo County as a whole, which has a 3.15-6 percent overcrowding rate (more than 1.01 persons per room), and less than half that of the overcrowding rate for the State of California at 8.0 percent.

While the rate may in comparison be lower than many other communities, the incidence of overcrowding should still be considered (64 units). The problem of overcrowding for large families can be addressed by the construction of more affordable larger units. However, overcrowding goes beyond family size to affordability issues. Even issues. Even single individuals and small families may be affected by overcrowding. Due overcrowding. Due to limited incomes and high housing costs and rents, they may be forced to double up with extended family members or non-relatives in similar circumstances.

Overcrowding will be addressed by promotion and production of more affordable units in the City and regional cooperation on housing issues.

Age of Housing Units

The age of housing is an important characteristic of its relative condition as older units tend to be in greater need of repair. Many repair. Many federal and State programs use age of housing to determine potential housing rehabilitation needs. Typically needs. Typically, the useful life of major components of an average quality housing structure ranges from 20 to 30 years for items such as roofing, plumbing, landscaping, paving and electrical. When electrical. When a housing unit is over 30 years old, the replacement or refurbishing of major components is an important factor in the ability of a community to provide safe, decent and sanitary housing.

Table 3-12 provides a breakdown of the age of housing units in Arroyo Grande as of the year 2010. In reviewing this table, the largest percentage of the housing units was constructed between 1970 and 1979 (25.4%), followed by units built from 1980 to 1989 (18.8%). This suggests that 74 percent of the housing stock is 20 years or older, while 51 percent is 30 years or older. The table indicates that 293 units were built prior to 1940. However, according to a survey of the housing stock most of the City's housing is in sound condition (see next section).

Table 3-12 Year Structure Built		
Year Structure Built	Number	Percent
2005 or later	358	4.6%
2000 to 2004	776	10.0%
1990 to 1999	886	11.4%
1980 to 1989	1,457	18.8%
1970 to 1979	1,974	25.4%
1960 to 1969	843	10.9%
1950 to 1959	898	11.6%
1940 to 1949	284	3.7%
1939 or earlier	293	3.8%

Source: U.S. Census 2000/2010

Condition of Units

One of the issues required by State housing element law for discussion and analysis is the condition of the community’s housing stock. The purpose for this is to provide a basis for determining which units are in need of rehabilitation and which units may be beyond feasible repair and determined to be in need of demolition and replacement. One of the guidelines set by the State is that units constructed before 1960 may be eligible for repair and/or rehabilitation to keep those units in the existing housing stock in order to maintain the historical nature of the community, many older communities like Arroyo Grande have already repaired and/or rehabilitated many of their older units.

Based upon the review of Table 3-12, 1,475 or 19 percent of the total housing units in the City were built prior to 1960. While these numbers could represent an estimate of the number of housing units that could be analyzed for rehabilitation need, the 1993 Housing Element survey was conducted to determine the structural condition of housing in Arroyo Grande. The structural condition of housing units was reported as “sound”, in need of “minor rehabilitation”, “moderate rehabilitation”, “substantial rehabilitation”, or “dilapidated”. The survey utilized a point system to evaluate the housing units in the City. The results of this survey was that 99.3 percent of the 1993 housing units were in “sound” condition, 0.4 percent or 26 units were in need of “minor rehabilitation”, 0.3 percent or 13 units were in need of “moderate rehabilitation” and one unit was in need of “substantial rehabilitation”. No units were determined to be dilapidated. The survey concluded that virtually all housing units were in sound condition and the overall appearance of the City is of well-maintained homes. To update the findings of the 1993 housing survey, City staff conducted a windshield survey of housing units in the older neighborhoods where housing conditions may be an issue.

survey located less than ten units that appear in need of substantial rehabilitation or removal. 16 units [that were deemed to be in dilapidated condition](#) were demolished during the [period of June 30, 2003 and June 30, 2007](#). The City has not identified any additional units in need of demolition.

3.4 Housing Affordability

One of the key issues facing the provision of housing in the state is affordability. Even with the downturn in the housing market, the ability to acquire safe and sound housing is a major social and economic [issue](#). It is affecting decisions regarding business retention and expansion, commuting distances for employees, as well as the overall quality of life. The housing affordability issue is further complicated by the lack of financial and other resources available to mitigate the current housing situation.

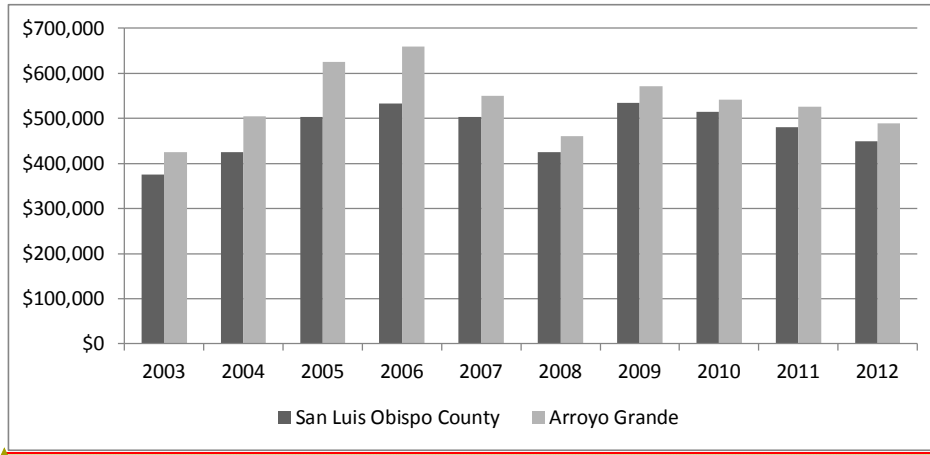
The primary issue of housing affordability on the Central Coast is the relationship between household income and the cost of housing. This Section covers housing prices, rental rates, affordability thresholds, overpayment, and long-term affordability issues.

Housing Prices

According to the [2010](#) Census, the median value of a home in San Luis Obispo County was [\\$513,900](#) and [\\$541,100](#) for Arroyo ~~Grande~~. [Median](#) means a point where 50 percent of housing prices, are below the listed number and 50 percent are above.

[While these statistics reflect housing prices in 2010, housing prices in San Luis Obispo County and Arroyo Grande have decreased since 2009 \(see Figure 3-4\).](#) A review of housing prices was conducted for the City and County using median home values through [2012](#) from the California Association of Realtors (CAR) [and the U.S. Census](#). [Figure 3-4](#) shows that between 2003 and 2006 median home prices for Arroyo Grande increased by a little over 50 percent, but by 2008 decreased nearly to 2003 prices. [In 2009 a small increase in prices occurred and since then there has been a slow decline in price trend.](#)

Figure 3-4 Median Home Prices Trend, Arroyo Grande



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Source: [U.S. Census and](#) California Association of Realtors (CAR), 2009

Rental Unit Rates

[According to the 2008-2012 US Census ACD estimates, the median rent in Arroyo Grande was \\$1,178 per month.](#)

Market rental rates were gathered using Craigslist, an online classifieds website, from [July 27 June 25](#) to [July 27 June 25, 2014](#). Table 3-13 shows the average market rental rates for each type of unit.

	Average	Median	Lowest	Highest
Studio	\$ 1,191	\$ 1,300	\$ 675	\$ 1,600
1 BR - Apartment	\$ 1,051	\$ 1,012	\$ 895	\$ 1,200
2 BR - Apartment	\$ 1,481	\$ 1,450	\$ 1,200	\$ 1,895
Single Family				
1-2 Bedrooms	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
3-5 Bedrooms	\$ 2,199	\$ 2,122	\$ 1,650	\$ 3,150

Source: Craigslist, retrieved July 27, 2011

While the above rental analysis involves a limited number of housing units that are available for rent (the number of units listed in each category ranges from [two](#) to [eight](#)), the data does give a perspective on rents being asked in Arroyo ~~Grande Market~~ [Grande. Market](#) rental rates varied for apartments and single-family residences. The lowest rent found for an apartment was \$[675](#), while the highest was \$[1,895](#). For apartments, the average asking rent for a studio ([including lofts and](#)

artist space) was \$1,191, for a one-bedroom \$1,051, and \$1,481 for a two-bedroom. For homes being rented, the average asking rent for a one to two-bedroom unit was \$901,200. For a three to five-bedroom unit, the average was \$2,199.

Affordability Thresholds

Affordable rental and sales prices for housing were calculated by the County of San Luis Obispo Planning and Building Department using HCD's 2014 income limits and are summarized in Table 3-14.

The median home price in Arroyo Grande in 2010 was reported as \$541,100. As can be seen in Table 3-14, not even a moderate-income household could afford this price. Even though median home prices have declined significantly over the last several years, they still are not affordable for the households who are in the moderate or below moderate-income categories. While they may be able to afford some rental housing, large households, low-income households, and extremely low-income households may still have a difficult time finding decent housing.

Table 3-14 San Luis Obispo County Housing Affordability					
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Maximum Affordable Rent*:					
Extremely Low-	\$404	\$462	\$520	\$578	\$624
Very Low-	\$674	\$770	\$866	\$963	\$1,039
Low-Income	\$809	\$924	\$1,040	\$1,155	\$1,247
Moderate	\$1,482	\$1,694	\$1,906	\$2,118	\$2,287
Maximum Affordable Sales Price**:					
Extremely Low	\$38,000	\$47,000	\$56,000	\$64,000	\$71,000
Very Low	\$79,000	\$93,000	\$108,000	\$122,000	\$134,000
Low	\$119,000	\$140,000	\$160,000	\$180,000	\$196,000
Moderate	\$238,000	\$275,000	\$312,000	\$349,000	\$379,000

*Notes on Maximum Rent Figures:

1. These rent limits include allowances for utilities as determined by the Housing Authority of the City of San Luis Obispo
2. Rent limits are updated when the State issues its annual update to median incomes, generally in April of each year.

** Notes on Maximum Sales Prices:

1. Homeowner association (HOA) dues are assumed at \$150/month
2. Mortgage financing assumed at a fixed rate for 30 years (per HSH Associates) is 4.35%
3. Prices shown are preliminary estimates and may be revised. Round to the nearest 1000th.
4. Actual sales price limits will be determined by the County on a case-by-case basis.

Source: County of San Luis Obispo Planning and Building, 2014

Overpayment

Another measure of housing affordability is the percentage of income paid for housing. State housing guidelines consider 30 percent of gross income paid for housing including utilities as the standard affordable level and those households paying 30 percent or more as overpayment. According to the 2010 Census, 1,321 households or 27 percent of the owner-occupied units were paying monthly housing costs of 30 percent or more of their income as shown in Table 3-15. For renter-occupied housing units, 1,038 households or 46 percent paid 30 percent or more for rent compared to household income.

Household Income (under \$75,000)	Owners		Renters		Total	
	Households Overpaying	Percent	Households Overpaying	Percent	Households Overpaying	Percent
<u>Less than \$20,000</u>	<u>277</u>	<u>21%</u>	<u>328</u>	<u>32%</u>	<u>605</u>	<u>26%</u>
<u>\$20,000 - \$34,999</u>	<u>240</u>	<u>18%</u>	<u>367</u>	<u>35%</u>	<u>607</u>	<u>26%</u>
<u>\$35,000 - \$49,999</u>	<u>382</u>	<u>29%</u>	<u>115</u>	<u>11%</u>	<u>497</u>	<u>21%</u>
<u>\$50,000 - \$74,999</u>	<u>422</u>	<u>32%</u>	<u>228</u>	<u>22%</u>	<u>650</u>	<u>28%</u>
Total	319	100%	1,038	100%	2,359	100%

Source: U.S. Census 2010

Long-Term Affordability

Affordable housing provided by City incentives is required to be maintained as affordable for at least a period of 45 (owner-occupied) or 55 years (rental units). This issue of long-term affordability is a subject of a number of existing programs that ensure that affordable units maintain their status.

Affordability terms are secured by a promissory note and deed of trust, recorded on the property prior to or concurrent with the initial occupancy (for rental units) or sale of property. The promissory note is based on the monetary difference between the initial purchase and the initial appraised value as an "affordability loan" or "silent second" payable to the City. The loan accrues interest at a rate set by the City when the note is executed, amortized over 45 years. Monthly payments (principal plus interest) on the affordability loan are typically waived as long as eligible residents continue to own and reside in the property. The City of Arroyo Grande does not have an equity-sharing program established. The City's established priority has been to maintain units as affordable. Therefore, they are only allowed to be sold at market value if the seller is unable to sell to an eligible buyer within a specified time period. In such cases, equity sharing provisions are established within the affordable housing agreement

whereby the difference between the affordable and market value is paid to the City to eliminate incentives for conversion to market rate units.

It is apparent, based on this data regarding the supply of housing units, including the lack of supply of rental units, and with the projected needs, that the households that appear to be in the greatest need of housing assistance are those of low and very low-income.

3.5 Special Housing Needs Groups

This Section reviews the characteristics of households with special housing needs, including elderly or senior households, families with female heads of households, large family households, farmworker households, disabled persons/households, homeless people, ~~and attainable and~~ [attainable](#) housing.

Elderly/Senior Households

An analysis of the needs of elderly or senior households or persons is important for four reasons: 1) many elderly have fixed, limited incomes; 2) many elderly persons are “over-housed” (living alone or with two people in a three or four bedroom house); 3) some elderly have mobility and health problems that can create special housing needs; and 4) recent projections indicate an increase in the elderly population in the planning period, both those currently living in the area or those that will be relocating to the area (in addition to data showing an increase in seniors during the previous planning period).

According to the 2010 Census, there are a total of 4,686 owner-occupied housing units and 2,401 renter-occupied housing units of which 2,289 are senior ~~households. Table~~ [households. Table](#) 3-16 represents householders by tenure and age in the City of Arroyo Grande.

Table 3-16 Senior Households						
	Owner		Renter		Total	
	Number	Percent	Number	Percent	Number	Percent
Total 65 and older	1,796	38%	493	21%	2,289	32%
Total 64 and under	2,890	62%	1,908	79%	4,798	68%
Total (all ages)	4,686	100%	2,401	100%	7,087	100%

Source: U.S. Census 2010

Families with Female Heads of Households

The 2010 Census reported that of the total 7,087 households in the City, there were [653](#) female-headed households with children and no husband ~~present. This~~ [present. This](#) represents [9.2](#)

percent of the total ~~households.~~households. Of these households, 388, or 51.8 percent had children less than 18 years of ~~age.~~age. Based upon the Census data for incomes in 2010, 101 families with a female householder, no husband present and with related children ~~under~~less than 18 years were reported to be under the poverty level.

	2010	
	Number	Percent
Total households	7087	100%
Total female householders	1930	27%
Female non-family householder	1277	18%
Female family householder, no husband present	653	9%
w/ children under 18	330	5%

Source: U.S. Census 2010

Large Families/Households

Large families can have special housing needs if they cannot find affordable, large housing units then and living conditions may become ~~overcrowded.~~overcrowded. Table 3-17 shows the total occupied housing units by the number of persons living within each ~~unit.~~this unit. This information is shown for owner-occupied and rental housing.

For owner-occupied units, the highest percentage is for a two-person unit (42%). Less than five percent of the owner-occupied households are occupied by five or more ~~persons.~~persons. For renter-occupied units, the highest percentage is a one-person household (36%). Less than seven percent of the renter-occupied units are occupied by five or more ~~persons.~~persons. These numbers are generally low compared to the State as a whole, as well as many cities and counties.

	Owner-Occupied Housing Units		Renter-Occupied Housing Units	
	Number	Percent	Number	Percent
1-person household	1,097	23%	871	36%
2-person household	1,989	42%	626	26%
3-person household	643	14%	358	15%
4-person household	621	13%	311	13%
5-person household	223	5%	161	7%
6-person household	66	1%	52	2%
7-or-more person household	47	1%	22	1%

Total	4,686	100%	2,401	100%
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Source: U.S. Census 2010

Low and Extremely Low-Income Households

Lower income households (earning 80 percent or less of median household income) generally have higher incidence of housing problems and overpayment (paying 30 percent or more of income for housing costs). Table 3-18 below shows the percentage of low-, very low-, and extremely low-income households with housing problems including overpayment for housing.

Extremely low-income households earn 30 percent or less of the median household income. As of 2010, approximately 18 percent of Arroyo Grande households (775 households) had extremely low incomes. Fifty-seven percent of extremely low-income households had housing problems and were overpaying for housing. Of these households, the number of renter and owners was nearly equivalent, at 28 percent and 29 percent respectively.

	Renters		Owners		Total	
	Total	Percent	Total	Percent	Total	Percent
<u>Household Income <= 30% HAMFI (Extremely Low-Income)</u>						
	405	29%	370	13%	775	18%
<u>Any Housing Problems</u>	220	54%	225	61%	445	10%
<u>Cost Burden > 30%</u>	215	53%	210	57%	425	10%
<u>Cost Burden > 50%</u>	190	47%	160	43%	350	8%
<u>Household Income > 30% to <= 50% HAMFI (Very Low-Income)</u>						
	420	30%	195	7%	615	14%
<u>Any Housing Problems</u>	390	93%	130	67%	520	12%
<u>Cost Burden > 30%</u>	265	63%	120	62%	385	9%
<u>Cost Burden > 50%</u>	155	37%	75	38%	230	5%
<u>Household Income > 50% to <= 80% HAMFI (Low-Income)</u>						
	360	25%	730	25%	1090	25%
<u>Any Housing Problems</u>	330	92%	275	38%	605	14%
<u>Cost Burden > 30%</u>	300	83%	435	60%	735	17%
<u>Cost Burden > 50%</u>	60	17%	295	40%	355	8%
<u>Household Income > 80% to <= 100% HAMFI (Moderate Income)</u>						
	200	14%	375	13%	575	13%
<u>Cost Burden > 30%</u>	200	100%	250	67%	450	10%
<u>Cost Burden > 50%</u>	0	0%	125	33%	125	3%

Household Income > 100% HAMFI (Above Moderate Income)	30	2%	1,290	44%	1,320	30%
Cost Burden > 30%	30	100%	1,075	83%	1,105	25%
Cost Burden > 50%	0	0%	215	17%	215	5%
TOTAL	1415	100%	2,960	100%	4,375	100%

Source: CHAS Databook, 2006 – 2010 ACS

Between January 1, 2014 and June 30, 2019 the RHNA estimate for very low-income housing need in Arroyo Grande is 60 housing units. Based on HCD standards, 50 percent of these should be planned for extremely low-income households. Therefore, it is projected that an additional 30 extremely low-income households will be added to the City.

Farmworker Households

According to the 2010 Census, ACS estimates, there are 164 residents of Arroyo Grande employed in farming, forestry, fishing and hunting or mining operations. Given the location and environment of Arroyo Grande, it is assumed that a majority of those employed in these professions are in the agricultural community.

Several studies that have been completed over the past 10 years found that most farmworkers live in seriously substandard conditions. A majority of current farmworkers have families and thus are residents versus migrant workers who reside or work for a period of time in the City but live elsewhere. The actual percent of resident versus migrant workers in this area is unknown. The major issue for resident farmworkers is that they are generally low-income and thus have to compete for housing with other lower income residents. The issue for many migrant workers is that farm employers are not required to provide housing, so the migrants may have to find their own housing, which sometimes is living in their car or in illegal units. The greatest need for migrant workers is temporary seasonal housing. This could be in the form of bunk houses on the property where the workers are employed. In summary, farmworkers generally earn low-incomes, live in overcrowded units, and pay a disproportionate share of income for housing. The City is in compliance with Health and Safety Code Sections 17021.5 and 17021.6.

Persons with Disabilities

The 2012 Census recorded the disability status of the civilian non-institutional population of City residents. Approximately 12 percent of these residents in the City reported as having a disability. The age breakdown can be seen in Table 3-19,

showing that the largest percentage (57 %) of the disabled population are 65 years of age or older. Only 3 percent of persons with disabilities reported disabilities reported being under the age of 18.

Table 3-20 Persons With Disabilities by Age		
	Number	Percent
Under 18 years	70	3%
18 to 64 years	1,340	64%
65 years and over	1,184	57%
Total Civilian Non-institutionalized Population with disabilities	2,082	100%

Source: U.S. Census 2012

There are two major problems facing persons with a disability: the need for housing that meets particular physical needs (wheelchair accessible, etc.) and monetary needs. Because of limited job opportunities, many persons with disabilities have incomes below the median.

Persons with disabilities living in Arroyo Grande may have varying housing needs depending on the nature and severity of their disability. Persons with physical disabilities generally require modifications to housing units such as wheelchair ramps, elevators, wide doorways, accessible cabinetry, modified fixtures and appliances. If the disability prevents the person from operating a vehicle, then proximity to services and access to public transportation are important.

If the physical disability prevents the person from working or limits their income, then the cost of housing and needed modifications can be significant. Because physical handicaps vary, this group rarely gravitates toward a single service organization. This makes estimating the number of persons and specific needs difficult. The physical modification of housing is not necessary to accommodate persons with mental disabilities, but they will generally require special services and monetary support. Since jobs and income are often limited, affordable housing is important. Issues related to those with a mental disability would suggest that there is a need for apartment or other housing complexes that are reserved or designed to accommodate persons requiring extra assistance. If the person is unable to drive, access to public transportation is very important.

Although the City has not adopted a reasonable accommodation policy or ordinance for persons with disabilities, the City has mechanisms, which allow for the modification of standards and retrofitting to increase the suitability of homes to accommodate persons living with special needs, including those with disabilities. In addition, the City proposes Program L.2-1 to create a reasonable accommodation policy for the City.

Developmentally Disabled

According to Section 4512 of the Welfare and Institutions Code a "developmental disability" is defined as a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual which includes mental retardation, cerebral palsy, epilepsy, and autism. This term also includes disabling conditions found to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, but does not include other handicapping conditions that are solely physical in nature.

Many developmentally disabled persons can live and work independently within a conventional housing environment; however, more severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

[The California Department of Developmental Services \(DDS\) provided community-based services to about 279,000 persons in 2014 with developmental disabilities and disabilities and](#) their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Tri-County Regional Center (TCRC) is one of 21 regional centers in California that provides point of entry to services for people with developmental disabilities in Ventura, Santa Barbara, and San Luis Obispo Counties. The center is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. [In 2012](#), TCRC provided services to approximately 11,600 persons in the Tri-County area. Table 3-20 shows the number of individuals served by TCRC in the 93420 [zipcodezip code](#). While this is the primary [zipcodezip code](#) for the City, the 93420 [zipcodezip code](#) includes unincorporated areas within the County.

Table 3-20 Developmentally Disabled Persons

Location	0-14 years	15-22 years	23-54 years	55-65 years	65+ years	Total
93420	<u>44</u>	<u>41</u>	<u>82</u>	24	<u>3</u>	<u>194</u>
Arroyo Grande	<u>44</u>	<u>41</u>	<u>82</u>	24	<u>3</u>	<u>194</u>

Source: Tri-County Regional Center, [2014](#)

There are a number of housing types appropriate for people living with a development disability: rent subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, and HUD housing. Similar to the needs of disabled residents and households mentioned above, the design of housing-accessibility modifications, the proximity to services and transit, the availability of group living opportunities, and consideration of the affordability of housing for people with disabilities living on a fixed income represent some of the types of considerations that are important in serving this need group. Incorporating ‘barrier-free’ design in all, new multifamily housing (as required by State and Federal Fair Housing laws) is especially important to provide the widest range of choices for disabled residents.

There are local and county programs and services which provide housing and living assistance for disabled residents. Locally the Housing Authority of San Luis Obispo administers the Housing Choice Voucher program, commonly known as Section 8, which provides long-term rental assistance for families with children, elderly and disabled individuals, as well as families with members who are disabled. Additionally, Transitions-Mental Health Association (TMHA), a nonprofit organization serving San Luis Obispo County, provides housing assistance to disabled individuals. HASLO and TMHA have partnered over the years to provide case management services to homeless/disabled individuals.

In order to assist in the housing needs for persons with disabilities the City will continue to implement program L.1-1 to encourage creation of housing for persons with disabilities. Suggested models include coordinating housing activities and outreach with the Tri-County Regional Center and other local agencies, encouraging housing providers to designate a portion of new affordable housing developments for persons with disabilities, especially persons with developmental disabilities, and assisting individuals in locating and maintaining suitable housing.

Homeless

The [2013 San Luis Obispo County Homeless Census and Survey](#) provided a “point-in-time” survey of the homeless population in [South San Luis Obispo County, which includes the cities and communities of Pismo Beach, Grover Beach, Oceano, Arroyo Grande, and Nipomo](#). The homeless population in [South County](#) represents 38 percent of the total homeless population in the County, which was reported at 2,186 people. [Of the total homeless population in San Luis Obispo County, 88 percent were over the age of 18.](#) Past studies have indicated that the majority of homeless persons are found within the City of San Luis Obispo, probably as a result of the fact that most services for the homeless are centered [there](#). [Observations there](#). [Observations](#) from service providers and law enforcement indicate that a large share of the homeless in South County reside in the beach towns.

Since 1989, the Community Action Partnership of San Luis Obispo County’s (CAPSLO) Homeless Services program has been working to meet the needs of the homeless in the County, offering emergency housing, on-site information, referral services and assistance in finding permanent [housing](#). [This housing](#). [This](#) organization operates the Maxine Lewis Memorial shelter in San Luis Obispo, which provides 50 beds nightly year-round. An additional 25 to 35 beds are added through the Interfaith Coalition for the Homeless, bringing the overflow total to more than 25,000 shelter nights provided per [year](#). [There year](#). [There](#) are several other organizations in the County that provide services and housing for the homeless, including several churches.

The City [provides many services for the homeless that includes mental health services, drug and alcohol services and student services. These resources are provided by the City as well as by the support of the Homeless Services Oversight Council of San Luis Obispo County. San Luis Obispo County has also incorporated a 10-year Plan to End Homelessness that was completed in 2008. This plan includes goals in housing attainability, ongoing services for the homeless and prevention action to divert individuals from becoming part of the cycle of homelessness.](#)

Attainable Housing

Housing has become out of reach for most workers in San Luis Obispo County and the City of Arroyo [Grande](#). [This Grande](#). [This](#) has made it very difficult for the employers of many industries to recruit and retain [employees](#). [It employees](#). [It](#) has also caused the situation that many employees must commute from varying locations, causing traffic congestion and related air quality [impacts](#). [Additionally impacts](#). [Additionally](#), housing is out of reach for many others in lower income categories including seniors, single mothers, those with special needs and others as discussed earlier in this chapter.

The City of Arroyo Grande has identified the provision of housing to those unable to afford market-rate housing prices as a priority and a policy and program are included in this Housing Element to establish an “Attainable Housing” program in the City. Defining “Attainable Housing” will be part of this effort. The City envisions assessing whether proposed projects include “Attainable Housing” as applications are submitted.

Elements considered part of “Attainable Housing” are anticipated to include but will not be limited to:

- Projects with a high percentage of rental units
- Projects including single-room occupancy units (see also Program J.1-1)
- Projects in mixed-use districts
- Projects that include universal design elements (see also Program L.2-2)
- Infill projects, and
- Projects that include elements that exceed the mandatory California Green Building Code Standards in Title 24

Incentives available for “Attainable Housing” projects are anticipated to include but will not be limited to:

- Reduced parking standards
- Setback reductions
- Impact fee reductions or waivers

3.6 At Risk Housing Units

Existing affordable housing units in the City, including those available to low and very low-income families that were created through government subsidies, may be eligible to convert to market rate ~~units.~~~~Such~~~~units.~~ ~~Such~~ conversions may jeopardize a significant amount of the existing affordable housing ~~stock.~~~~Housing~~~~stock.~~ ~~Housing~~ elements are required to:

- 1) identify those low-income units that may convert to market rate units within 10 years;
- 2) analyze the costs of preservation of these “at-risk” units versus replacing them;

- 3) identify resources for preservation; 4) set objectives for preserving at risk-risk units; and
- 5) incorporate programs to try to preserve the units as affordable housing.

| During this reporting period, [three](#) of the [twenty-nine](#) units restricted to the moderate-income level [and two of the six units restricted to the low income level](#) through the City's inclusionary housing program have also been lost. This loss is largely due to the formula used to determine the maximum allowable sales price. Under the program, when interest rates go down, the maximum affordable sales price goes up. Hence, in recent years, the decrease in the interest rate has created a maximum affordable sales price that exceeds the market rate. Other losses | have been due to foreclosures. However, this situation is expected to stabilize [as](#) the housing market recovers and interest rates are normalized. To the extent that subsidized housing units are established in the City in the future, policies and programs shall be identified to ensure that these affordable units may remain available for lower income families. Programs I.1-1 and I.1-2 address | situations where affordable units are at risk of converting to market rate.

CHAPTER 4 - Housing Resources

This Chapter evaluates the availability of land and public services in Arroyo Grande to support future residential development. The Chapter also summarizes financial resources available for affordable housing and energy conservation opportunities.

4.1 Regional Housing Needs Determinations

State law requires councils of government to prepare Regional Housing Needs Plans (RHNP) for all cities and counties within their ~~jurisdiction.~~jurisdiction. The RHNP for San Luis Obispo County, including the City of Arroyo Grande was prepared by the San Luis Obispo Council of Governments (SLOCOG). The RHNP was adopted by SLOCOG in August 2013 and was subsequently accepted by HCD. The RHNP is intended to assure that adequate sites and zoning exist to address anticipated housing demand during the planning period (June 30, 2014 through June 30, 2019). The RHNP sets targets to ensure the availability of sites to accommodate the housing needs of a wide range of socioeconomic segments of a community.

To develop estimates of future housing needs by jurisdiction, SLOCOG evaluated past construction trends, the relationship between job and housing opportunities, public service availability, as well as housing needs provided by the State. SLOCOG, in its preparation of the RHNP, considered the following factors in its distribution of the housing needs to the individual jurisdictions:

- SLOCOG goal to increase the housing supply and the mix of housing types, tenure, and affordability in all jurisdictions within the region in an equitable manner in accordance with SLOCOG's Regional Transportation Plan and as envisioned under SB375.
- Concentration of new growth in each jurisdiction's Target Development Areas.
- Each jurisdiction's employment base and population growth in relation to regional employment and population growth;
- The extent to which a jurisdiction's current income distribution differs from that of the regional average;
- The HCD determined regional housing needs; and
- The capacity of the presently zoned land in the unincorporated County for residential development in the above moderate-income category.

State law requires that RHNP's divide the specified housing allocation into four income groups. ~~The groups.~~ The groups are defined as percentages of County median income. ~~Table income.~~ ~~Table~~ 4-1 displays the criteria for the four income groups.

Table 4-1 Income Group	
Very Low	Household income is less than 50% of the county median income.
Low	Household income is between 50% and 80% of the county median income.
Moderate	Household income is between 80% and 120% of the county median income.
Above Moderate	Household income is greater than 120% of the county median income.

Source: HCD Income Definitions

4.2 [2014-2019](#) Regional Housing Needs Allocation

The total number of dwelling units that needs to be accommodated during the planning period for Arroyo Grande is [242](#) housing units, as outlined in Table 4-2. The very low and low-income categories make up [40](#) percent of the housing allocation.

	Number	Percent Share
Very Low	60	24.9%
Low	38	15.6%
Moderate	43	17.6%
Above Moderate	101	41.8%
Total	242	100%

Source: Regional Housing Needs Plan 2013, San Luis Obispo Council of Governments

According to HCD, based upon federal income standards, in 2014 the median household income for a family of four in San Luis Obispo County was \$77,000. Table 4-3 indicates the income levels for 2014.

Number of Persons in HH	1	2	3	4	5	6	7	8
Extremely low-income	\$15,850	\$18,100	\$20,350	\$22,600	\$24,450	\$26,250	\$28,050	\$29,850
Very low-income	\$26,400	\$30,200	\$33,950	\$37,700	\$40,750	\$43,750	\$46,750	\$49,800
Low-income	\$42,250	\$48,250	\$54,300	\$60,300	\$65,150	\$69,950	\$74,800	\$79,600
Median Income	\$53,900	\$61,600	\$69,300	\$77,000	\$83,150	\$89,300	\$9,500	\$101,650
Moderate Income	\$64,700	\$73,900	\$83,150	\$92,400	\$99,800	\$107,200	\$114,600	\$121,950

Source: State Department of Housing and Community Development, 2014

Over the period from January 2014 to June 2014, 20 primary units, 1 secondary unit, and a 69 bed assisted living facility were constructed or constructed or permitted in Arroyo Grande. Table 4-4, below, details the income categories of the approved projects. A total of eight single family residences and one second unit were constructed. The single-family residences are assumed above moderate. The 1 secondary unit was assumed to be low-income based on affordability in the City, current rents, and second unit regulations (See also Tables 3-13 and 3-14). The average market rate for apartments ranges from about \$1,051 per month for a one-bedroom apartment to \$1,481 per month for a two-bedroom with the lowest priced units ranging from \$895 per month to about \$1,200 per month. The monthly rent that low-income households can afford ranges from \$924 to \$1,040, placing many market-rate one-bedroom, two-bedroom and second and second units in the affordable range for low-income households. In addition, pursuant to Arroyo Grande Municipal Code Section 16.52.150, size limits are placed on second units depending on the zoning district they are in.

Given that the 1 constructed secondary units is a one bedroom and less than 850 square feet in size, it is likely rented for less than \$1,000 or provided to family members for no rent.

The 81 units approved during the planning period included one assisted living project, a new 69-bed assisted living facility (see Table 4-4). These units are not income-restricted and provide food and care; therefore, they are classified as "above moderate". In addition to the 69-bed assisted living facility, the remaining approved units have been in the above moderate-income category.

Table 4-4 Approved Projects January 2014-June 2014

ID#	Address	Very Low	Low	Moderate	Above Moderate	Total (added across)
	<u>880 Oak Park Blvd.</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>	<u>77</u>
	<u>228 Le Point Street</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>308 Stillwell Drive</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>324 Stillwell Drive</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
	<u>328 Stillwell Drive</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Totals		<u>0</u>	<u>0</u>	<u>0</u>	<u>81</u>	<u>81</u>

Source: City of Arroyo Grande, 2014

~~A "second dwelling unit" is defined in Section 16.04.070 of the City's Municipal Code as "a detached or attached dwelling unit that provides complete, independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking and sanitation on the same parcel or parcels upon which the primary unit is situated."~~

Due to the elimination of redevelopment agencies by the State as of December 2011, the City will use funds from the City's Affordable Housing in-Lieu Fee Program when feasible to finance future affordable housing projects. The City strives to make funding available to local affordable housing non-profit organizations to assist with housing projects when possible. However, the level of funding the City can provide is not sufficient to address direct and associated costs of providing this level of housing without increased State financial assistance.

After accounting for permit ~~and construction and construction~~ activity in the period from January 2014 to June 2014, the City has a remaining RHNA of 152 units, 97 of those are very low and low-income (see Table 4-5).

Table 4-6 shows the remaining RHNA for the planning ~~period and period and~~ the vacant land and opportunity sites available for residential development. It is important to note that the City is not

responsible for the actual construction of these units. The City is, however, responsible for creating a regulatory environment in which the private market can build units affordable to very low, low, moderate, and above moderate households to meet the City’s allocation. This includes the creation, adoption, and implementation of General Plan policies, development standards, and/or economic incentives to encourage the construction of various types of units.

<u>Table 4-5 City Share of Regional Housing Need 2014-2019</u>					
	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Total (added across)</u>
<u>2014-2019 RHNA</u>	60	38	43	101	242
<u>Units Constructed/Approved</u>	0	0	0	89	89
<u>Second Units Constructed/Approved</u>	0	1	0	0	1
<u>Remaining 2014-2019 RHNA</u>	60	37	43	12	152

Source: Regional Housing Needs Plan 2013, San Luis Obispo Council of Governments, City of Arroyo Grande

<u>Table 4-6 Remaining RHNA, 2014-2019</u>					
	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Total (added across)</u>
<u>Subtotal remaining RHNA</u>	60	37	43	12	152
<u>Vacant Land Inventory¹</u>	129		90		219
<u>Total Remaining RHNA</u>	0		0		0
<u>Additional Sites</u>					
<u>Second Unit Potential</u>	0	12	12	0	24
<u>Opportunity Sites²</u>	139	127	0	51	317
<u>Total Additional Sites</u>	139	139	12	51	341

Notes:

1: Details about these sites are found in Table 4-7

2: Details about these sites are found in Table 4-8

Source: Regional Housing Needs Plan 2013, San Luis Obispo Council of Governments, City of Arroyo Grande

As Table 4-6 shows, the City can meet all of its remaining RHNA with available vacant sites. The City has vacant land available to accommodate 219 units. Of these, 129 units are located on higher density sites and can be developed to accommodate the very low and low-income allocation. Additionally, the City has identified opportunity sites and second unit development potential, which provide alternative options and development flexibility and could accommodate over 300 units. Vacant land, underutilized land opportunities, and second unit potential are discussed in Section 4.3 below.

4.3 Land Availability

State housing law requires that the housing element provide an inventory of land suitable and available for residential development, including vacant sites and sites having potential for intensification and/or redevelopment. The purpose of this requirement is to identify sites that could accommodate residential development as set forth by the RHNP. This analysis is not a construction quota or an anticipated list of projects that will be constructed, given that the law recognizes that there may be limitations that would affect residential development, as well as the fact that private development and market forces affect the level of housing construction.

Following are two tables (Tables 4-7 and 4-8) that provide listings of vacant and opportunity (underutilized) sites available for housing ~~construction. Figure~~ [construction, as well as Table 4-9 providing the sites where projects have received entitlements. Figure 4-1](#) presents a housing opportunity inventory map with locations for the sites discussed in Tables 4-7 ~~through and 4-9~~.

The City's Land Use Element ~~was updated in November 2001 to include~~ [includes](#) a new "Mixed Use" land use category that encompasses approximately 85 percent (254 acres) of all the commercially zoned land within the City. The Development Code was updated in 2007 to implement the changes in the Land Use Element. New development standards for the Village Core Downtown (VCD) and Village Mixed Use (VMU) districts have been established including allowable densities of up to 15 dwelling units per acre (densities were not previously established in the superseded Village Commercial district). The City also rezoned properties within the General Commercial (GC) district to Gateway Mixed-Use (GMU), Fair Oaks Mixed-Use (FOMU), and Traffic Way Mixed-Use (TMU) depending on location. Properties in the Office, Industrial and Highway zoning districts have been rezoned to Office Mixed-Use (OMU), Industrial Mixed-Use (IMU), and Highway Mixed-Use (HMU), respectively. New development standards for these mixed-use districts have been established with maximum densities ranging from 15 to 25 dwelling units per acre, and minimum densities set at 75 percent of maximum for certain districts.

Consequently, most of the land (the exception is the Regional Commercial zoning district) within the City is zoned for some level of residential development with minimum densities. This is a significant change from what was allowed and analyzed in the City's 2003 Housing Element. The City recognizes that the State requires land zoned at a minimum of 20 units per acre to meet the very low and low income housing allocation. With the flexible density for mixed-use zoned areas the City is able to exceed the 20 units per acre, and in some areas only 10

~~percent of percent of~~ the site is required to be commercial, allowing the remaining site to be developed as residential.

Recent high-density residential projects in the mixed-use zone include the Pike and Elm project (22 du/ac) which was considered mixed-use due to its location adjacent to a commercial use although the site is fully residential, and [a People Self Help Housing \(PSHH\) project currently under construction](#) on East Grand Avenue built to 22 units per acre providing 36 low and very low-income ~~units and units and~~ is located in the Gateway Mixed-Use Zone. The City has demonstrated that it is flexible in approving higher density residential projects. With the increase of allowable densities as well as the increase of land suitable for residential development, the City has expanded its capacity to develop affordable housing.

~~Vacant Land Vacant Land~~

The vacant land inventory identifies the realistic potential for 219 units. While many of the vacant parcels are expected to accommodate moderate- and above moderate-income households, there are several sites that are appropriate for high-density housing units for very low- and low-income households, accommodating approximately 129 very low- and low-income ~~units. The units. The~~ number of very low- and low-income units is based on conservative estimates and allocating a portion of the site for non-residential development. For sites located in a PED zone, residential uses are not permitted on the ground ~~floor facing floor facing~~ the street and, ~~therefore, it therefore, it~~ is assumed a minimum of 10 percent of the site would be dedicated to commercial and retail uses. Site number 10 (discussed in Table 4-7) can accommodate ~~all but three~~ of the very low and low-income housing need. This site is subject to PED regulation and therefore must be developed as a mixed-use property. As this site is located adjacent to very-high density multifamily residential land use and a multifamily apartment zone, it is anticipated this site will be built to maximum density capacity as compatible with surrounding residential uses. ~~The remaining three units can be accommodated by the other vacant high density sites, which are not subject to the PED regulation.~~

Second Units

A review of City planning permit records indicated that five second units are constructed, on average, every year. Using this historic average, it is assumed that ~~25~~ second units will be permitted between now and June 2019, ~~with one already constructed~~. Based on affordability calculations (See Table 3-14) and current rental rates it is expected that the second units will be affordable to low-income ~~and moderate income households. However, households. However,~~ the

vacant land inventory and opportunity sites have sufficient capacity to meet the RHNA target without relying on second units.

Underutilized Sites

While the vacant sites identified in Table 4-7 are able to accommodate the remaining RHNA, the City has also identified opportunity sites with some existing development that are zoned ~~for residential~~ [for residential](#) development (see Table 4-8). These sites are suitable for infill and redevelopment to provide alternate opportunities for new housing development and affordable units. The opportunity sites provide the possibility for an additional 317 units total including 139 very low-income and 127 low-income ~~units.~~ [units.](#) The City's General Plan Land Use Element identifies numerous polices to promote a variety of housing types and affordability diversification.

In addition to the sites in Tables 4-7 and 4-8, [the City is currently in the process of annexing a 48.74-acre site south of the City limits. The site, located at the southeast terminus of Castillo of Castillo Del Mar, was approved for a 16 lot subdivision \(VTIM 1789\) by the San Luis Obispo County Planning Commission in 2008. In 2006, the City entered into a Memorandum of Understanding \(MOU\) with the Lucia Mar Unified School District \(the "District"\), J.H. Land Partnership \(the applicant for VTIM 1789\) and John Taylor \(agricultural land owner\) to enable the City to accomplish an extension of Castillo Del Mar to Valley Road. The MOU was amended in January 2007, April 2007, April 2008, December 2010 and August 2013. The applicant has since revised the project and submitted an application to the County for six additional units, for a total of 22 units \(VTIM 3048\). The County approved VTIM 3048 in December 2013. The MOU established a strategy to provide water to Tract 3048 by utilizing a portion of the developer water conservation offsets paid by the developer, and therefore come from conservation ~~instead of~~ \[instead of a new supply. The annexation by the City is anticipated to go before was approved by LAFCO in August, 2014. The 22 units are expected to be above the -moderate- income level.\]\(#\)](#)

Table 4-7 Vacant Sites Inventory									
ID #	APN	Address	Site Size (acres)	GP Land Use	Zoning	Density	*Number of Dwelling Units	Notes	Site Constraints
Low Density Sites									
1	007-011-048, 047	100 Rodeo Dr.	2.9	CF	PD 1.3	4.5/ac	13 Mod/AM	Grace Church Property	
2	007-011-040	Rodeo Dr.	6.9	MFR & SFR	MF/RS	9/ac (MF) 2.5/ac (RS)	20 Mod/AM	County Property (mixed zoning)	
3	Portion of 007-011-044	PF & SF Old Ranch Rd.	5.0	CF & SFR	PF/SF	4.5/ac	4 Mod/AM	City Property – (South County Regional Center; mixed zoning)	
4	077-051-052, 053; portion of 077-061-016	Hillcrest Dr.	1.88	MU	MF	9/ac	14 Mod/AM	Mankins/ City Project Pending	
5	Portion of 077-055-061	Hillcrest Dr.	1.12	MU	MF	9/ac	10 Mod/AM	Mankins	
6	007-031-038; 007-791-034	251 Corbett Canyon	5.08	C/OS & SFR	PF/RS	2.5/ac	8 Mod/AM		creek setback area
7	007-011-041	Grace Lane and Rodeo Dr.	7.43	SFR	PD 1.3	2.5/ac	11 Mod/AM		steep slopes
8	077-163-001	Cedar & Aspen Streets	0.6	SFR	SF	4.5/ac	3 Mod/AM	SF Infill	
9	006-095-024	Castillo Del Mar	11.0	SFR LD	RH	.67/ac	7 Mod/AM		
High Density Sites									
10	077-111-072	143 & 147 Brisco Rd.	4.2	MU	GMU/ **PED	15/ac (25/ac for mixed use)	94 VL/Low	RV Storage 10% commercial 90% residential	
11	077-011-010	700 Oak Park Blvd.	0.73	MU	OMU	15/ac (20/ac for mixed use)	7 VL/Low	50% of site due to mixed-use zoning	
12	077-012- 013	1650 Chilton St.	1.88	MU	OMU	15/ac (20/ac for mixed use)	18 VL/Low	50% of site due to mixed-use zoning	

Table 4-7 Vacant Sites Inventory									
ID #	APN	Address	Site Size (acres)	GP Land Use	Zoning	Density	*Number of Dwelling Units	Notes	Site Constraints
13	077-223-064	142 S. Halcyon Rd.	0.8	MU	OMU	15/ac (20-ac for mixed use)	10 VL/Low		One parcel is completely surrounded by the other parcel. Two separate owners
	077-223-068			MU	FOMU	15/ac (25/ac for mixed use)			
Totals							90 Mod/AM 129 VL/Low	219_total units	
<p>Legend: AM – Above-Moderate Income Mod – Moderate Income Low – Low Income VL – Very Low Income</p> <p>Notes: *The estimated number of dwelling units for high density zones is conservative. Sites zoned FOMU or GMU can yield up to 25 du/ac. Sites zoned OMU are assumed to include 50% commercial development, which is not a requirement. **PED = Residential not permitted in pedestrian oriented storefront locations on ground floor facing E. Grand Avenue, East/West Branch Street or prime real estate space within shopping centers.</p>									

Source: City of Arroyo Grande, 2014

Table 4-8 Opportunity Sites Inventory									
ID #	APN	Address	Site Size (acres)	GP Land Use	Existing Zoning	Density	Existing (no. dwelling units)	Add'l (no. dwelling units)	Existing Uses, Surrounding Uses, Other Information
High Density Sites									
14	007-531-002, 005	980 & 1010 Huasna Rd.	1.86	AG	AG	n/a (AG) 9/ac (MF)	2	14 (VL)	Possible Farm Worker Housing: Farm worker housing is allowed on this site. Density of farm worker housing is determined through discretionary review. Another option is to rezone to MF (9 du/ac). Surrounding uses include a mobile home park and agricultural uses. Owners are Dunn Douglass Family Trust and Charles Cabassi.
15	077-204-014, 026, 031, 036, 037	370 - 382 So. Halcyon Rd.	1.8	MU	OMU	15/ac (20/ac mixed use)	5	11 (VL) 11 (Low)	Existing use is single family residential development (older, small homes), site is underutilized. Surrounding uses include Arroyo Grande Hospital, Harloe Elementary School, and multi-family development. Owners are Barbara Finn and Jones Family Trust.
16	077-201-012	910 Dodson Way, 224 & 230 Halcyon Rd.	0.7	MU	OMU	15/ac (20/ac mixed use)	3	3 (VL) 4 (Low)	Existing use is single family residential development (older, small homes), site is underutilized. Surrounding uses include commercial and residential development. Owner is Tierra Pacific Development, LLC.

Table 4-8 Opportunity Sites Inventory

ID #	APN	Address	Site Size (acres)	GP Land Use	Existing Zoning	Density	Existing (no. dwelling units)	Add'l (no. dwelling units)	Existing Uses, Surrounding Uses, Other Information
17	077-111-009, 011, 012, 014, 057; 077-112-001 to 006; 077-113-015, 016 077-211-010, 015, 018, 022 to 024, 035 to 037, 077-221-002, 003, 026, 027, 028, 031, 036, 037	1070-1150 E. Grand Ave., 1013-1167 E. Grand Ave.	Total area = 11.92 acres. Assume 1/3 avail. for infill, or about 4 acres.	MU	FOMU	15/ac (25/ac mixed use)	Existing commercial buildings, parking, couple of residences.	30 (VL) 30 (Low)	Assume back lot and infill development. Multiple parcels along Grand Avenue. Existing use is strip mall development. Surrounding uses are primarily other similar commercial uses. The subject properties are under multiple ownerships.
18	077-203-009, 019	265 & 279 Alder	0.4	VHD (Very High Density)	SF ¹	25/ac	2	13 (VL) 13 (Low)	Existing use is single-family residential. The two parcels are adjacent to and owned by Tose Family Trust, which operates a senior assisted living facility (Alder House). Surrounding uses include single- and multi-family residential and office development.
19	077-241-013, 035, 062	406 S. Elm; 1210, 1212 & 1220 Farroll Ave.	9.84 (Estimated 25% of property developed at maximum density)	MFR/CF/MU	MFA/PF / OMU	15-25/ac	1 SFR, Church & care facility	30 (VL) 30 (Low)	Special needs or high density. Current uses include single family residence, residential care facility (Arroyo Grande Care Center owned by Compass Health, Inc.) and Coastal Christian School (grades K-12). Property owners are Mathias Family Trust, McMullen Juanita Living Trust, and Landmark Missionary Baptist Church.

Table 4-8 Opportunity Sites Inventory									
ID #	APN	Address	Site Size (acres)	GP Land Use	Existing Zoning	Density	Existing (no. dwelling units)	Add'l (no. dwelling units)	Existing Uses, Surrounding Uses, Other Information
20	077-204-028	280 Halcyon Road	0.8	MU	OMU	15/ac (20/ac mixed use)	1	5 (VL) 6 (Low)	MF Infill. The property is developed with a small single-family residence and therefore underutilized. Surrounding uses include commercial and high density residential development. Owner is George Gay.
21	077-141-018, 027, 028	1203-1243 E. Grand Ave.	7.5	MU	GMU/MF	15/ac (50% of site) (25/ac mixed use)	0	28 (VL) 28 (Low)	Existing commercial buildings. Tri-W/ RDA (identified redevelopment area of existing shopping center)
22	077-011-011	1587 El Camino Real	1.11	MU	OMU	15/ac (50% of site) (20/ac mixed use)	0	5 (VL) 5 (Low)	Existing office building. Surrounding uses include, office, residential and vacant. Owner is Dechance Living Trust. Constraints include mature oak trees.
Low Density Sites									
23	007-571- all except 606	Lierly Ln. & E. Cherry Ave.	12.77	SFR Med. Density with NP Overlay	RR	4.5/ac	12	25 (AM)	This site is subject to Neighborhood Plan requirements to coordinate infrastructure improvements and circulation. Existing use is low density single-family development under multiple ownerships. Surrounding uses include single-family residences and active agricultural land. Site constraints include creek setback and agricultural buffer.

Table 4-8 Opportunity Sites Inventory

ID #	APN	Address	Site Size (acres)	GP Land Use	Existing Zoning	Density	Existing (no. dwelling units)	Add'l (no. dwelling units)	Existing Uses, Surrounding Uses, Other Information
24	007-861-018, 070; 007-751-004	1041 Huasna Rd. 1075 Huasna Rd.	6.62	SFR Low Medium Density	RS	2.5/ac	3	13 (AM)	Existing are 3 single-family residences on 2 parcels. One of the properties is vacant. Owners include Beck Family Trust and Nancy Kelley. Surrounding land uses include low density single family residential development and agriculture. The properties are somewhat constrained by slope.
25	077-192-026, 031	1029 Ash Street	1.3	CF/SF	SF	4.5/ac	2	4 (AM)	SF Infill. Existing use is low-density single-family residential. Surrounding the property is single-family residential development. Owner of the property is Edmondson Living Trust. The land use designation of CF should be changed to SFR consistent with the zoning.
26	007-501-012	513 Ide Street	1.63	C/OS SFR	PF/SF	4.5/ac	1	5 (AM)	SFR Infill. Existing use is one single-family residence. Surrounding the site is single-family residential development. Property owner is Wilks Trust. Site constraint is creek setback.
27	006-095-025	Valley Road	7.32	SFR LD	RH	.67/ac	1	4 (AM)	Owned by Judith Haddox
Totals								51 AM 0 Mod 127 Low 139 VL	317 total units

Legend:
 AM – Above-Moderate Income
 Mod – Moderate Income
 Low – Low Income
 VL – Very Low Income

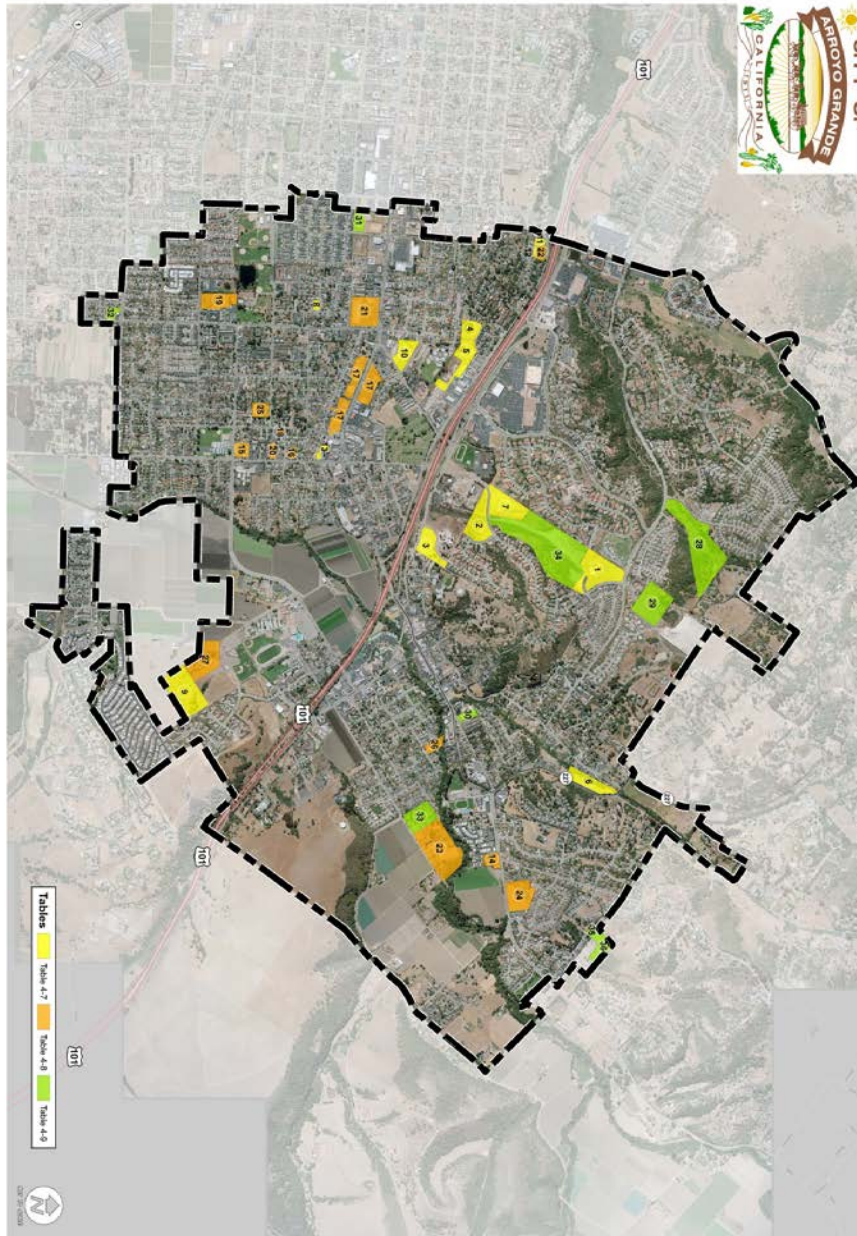
Note 1: Current zoning is not in compliance with the land use. A proposal to expand Alder House was recently submitted. The zoning will be brought into compliance through this project proposal.

Source: City of Arroyo Grande, 2014

Table 4-9 Approved Projects 2007-2014						
ID#	Address	Very Low	Low	Moderate	Above Moderate	Total (added across)
<u>28</u>	<u>Rancho Grande (VTIM 01-001)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>15</u>
<u>29</u>	<u>451 Hidden Oak Rd. (Nester)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>10</u>
<u>30</u>	<u>415 E. Branch St. (Creekside)</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>22</u>	<u>24</u>
<u>31</u>	<u>Southwest corner of E. Grand Ave. and S. Courtland St. (PSHH)</u>	<u>18</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>36</u>
<u>32</u>	<u>The Pike and S. Elm St.</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>28</u>
<u>33</u>	<u>Myrtle St. & E. Cherry Ave. (Cherry Creek)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>28</u>
<u>34</u>	<u>Grace Lane</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>15</u>
<u>35</u>	<u>Pearwood Ave. (Zogata)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
<u>36</u>	<u>Pearwood Ave. (City)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>
Totals		<u>18</u>	<u>18</u>	<u>2</u>	<u>124</u>	<u>162</u>

Source: City of Arroyo Grande, 2011

Figure 4-1 Housing Opportunity Sites Inventory Map



**2011 Housing Element Update:
Housing Opportunity Sites Inventory Index**

4.4 Infrastructure Resources

This section examines the availability and capacity of public facilities and services within the City that are essential to residential development. These include water, sewer, public safety, and schools.

Water

The City receives water from both groundwater and treated surface water. Groundwater is extracted from two separate basins: the Santa Maria Groundwater Basin and the Pismo Formation. The Santa Maria Basin is adjudicated, and the City currently has a right to 1,323 acre feet per year (AFY). The Pismo Formation is not adjudicated and the City has established 160 AFY of appropriative rights. The most significant portion of the City’s water supply is from Lopez Lake. The City is in contract with the San Luis Obispo County Water Conservation and Flood Control District Zone III for an entitlement of 2,290 AFY of treated surface ~~water.~~water. The current total supply available to the City is 3,873 AFY.

In calendar year ~~2010-2013~~, the City used ~~2,956,111~~ acre feet of water, which calculates to a per capita rate of ~~156-164~~ gallons per day. If the per capita water consumption remains the same, the City’s buildout population of 20,000 would require an annual supply of 3, ~~495-674~~ acre feet, which can be met with the current water supply. [Table 4-9 shows the current and projected water supply through 2030.](#)

Table 4-9 Current and Projected Water Supply – A cre feet per year (AFY)					
Water Supply Sources	2010	2015	2020	2025	2030
Groundwater – Santa Maria Groundwater Basin	1,323	1,323	1,323	1,323	1,323
Groundwater – Pismo Formation¹	80	200	200	200	200
County of San Luis Obispo Lopez Reservoir Project	2,290	2,290	2,290	2,290	2,290
Oceano Community Services District ²	100				
TOTAL	3,793	3,813	3,813	3,813	3,813

Notes:
 1. Assumes 80 AFY of groundwater from Well No. 9, 80 AFY from Well No. 10, and 40 AFY from Well No. 11 will be available as a reliable source of supply from 2015 through 2030.
 2. Assumes that the remaining three years of the five year contract of 100 AFY with OCSD will be utilized in 2012, 2013 and 2014.

The projected water supply in 2015 is 3,813 AFY when considering the loss of 100 AFY from the OCSD and the addition of 40 AFY with Well No. 11, a net loss of 60 AFY. Additional water supply opportunities include options of purchasing State Water or recycled water.

The 2010 Urban Water Management Plan Update proposes that water use be reduced to 149 gallons per capita per day (gpcd) to be in compliance with the California Water Code and Senate Bill X7-7 (SB7). SB7 requires urban water suppliers using more than 3,000 acre feet per year or serving more than 3,000 connections to reduce per capita water use by 20% by the year 2020. Strategies from the City's Water Conservation Plan and mandatory water conservation measures will be utilized to achieve the required reduction.

Sewer

The City maintains a sewer collection system of approximately 65 miles of sewer main and five sewer lift stations. The collection system is managed under the guidance of the Sewer System Management Plan and discharge permit from the State Water Resources Control Board.

The system capacity is currently being modeled with the preparation of the Wastewater System Master Plan Update. The Master Plan will detail all system requirements including main replacements and upgrades. The collection system conveys the sewage to the South San Luis Obispo County Sanitation District. The District provides collection, treatment and disposal services for the City. The treatment plant is located in Oceano and also treats sewage from the Oceano Community Services District and the City of Grover Beach. The plant is designed to treat an average daily flow of 4.2 million gallons per day. The current average flow is 2.9 million gallons per day. The plant has been estimated to provide ample service until at least 2025.

Public Safety

The City of Arroyo Grande Police Department is responsible for law enforcement, investigations and crime prevention programs with the City ~~limits.~~limits. The Five Cities Fire Authority was established in July 2010 by a joint Powers Agreement between the Cities of Arroyo Grande, Grover Beach and Oceano Community Services District and is responsible for providing fire protection and medical response. The City historically has low levels of major crime or fire loss despite below average police and fire department staffing. There are no uniform standards regarding appropriate or adequate numbers of officers per number of residents. Average response time with the City limits is between 4 to 6 minutes, which for some of the areas of the City is consistent with a recognized standard of 5 minutes.

It is generally expected that police and fire resources will improve with additional development that generates increased tax ~~revenues.~~~~However,~~~~revenues.~~ ~~However,~~ with the recent shifts of local tax revenues to the State, and decreasing State revenues being provided to local governments, additional development may cause a decrease in public safety for the community.

Schools

School facilities for Arroyo Grande are provided by the Lucia Mar Unified School District, which provides educational services in the South County Area, which includes Grover beach, Pismo Beach, Oceano, Nipomo and the remaining unincorporated ~~county.~~~~The~~~~county.~~ ~~The~~ District operates and maintains 11 elementary schools, three middle schools, and ~~three~~~~high~~~~three~~ ~~high~~ schools. ~~With the exception of Nipomo High, r~~Recent studies have indicated that most of the schools, with the exception of Nipomo High, were built in the 1950's and 1960's and thus may be subject to needed ~~renovation.~~~~Information,~~~~renovation.~~ ~~Information~~ provided in the Arroyo Grande General Plan EIR adopted in 1991 indicated that many of the schools were operating at an over capacity ~~level.~~~~With~~~~level.~~ ~~With~~ the opening of Nipomo High ~~in 2002,~~ the high school level capacity ~~seems has been to be~~ resolved.

~~According to the 2014 San Luis Obispo County Annual Education Report, enrollment is projected to slightly decline due to the number of graduating seniors exceeding the amount of students entering kindergarten.~~~~This~~~~kindergarten.~~ ~~This can be attributed to a r~~Recent studies report in the San Luis Obispo *Tribune* newspaper indicate that the population in the area will be shifting from families to a more senior population, mainly because of the cost of ~~housing.~~~~Recent~~~~housing.~~ ~~Recent~~ State budget cuts are also affecting the operation ability of the school district to provide education services.

4.5 Financial Resources

Many State programs exist to provide cities, communities, and counties financial assistance in the development, preservation, and rehabilitation of units for workforce housing. The Department of Housing and Community Development identifies and provides detailed information on the grants and loans available for affordable and workforce housing, which are listed below. A couple of Federal programs are included as well.

Affordable Housing Innovation Program: This program provides grants or loans to fund the development or preservation of workforce housing.

Golden State Acquisition Fund (GSAF) Affordable Housing Innovation Program: This program provides quick acquisition financing for the development or preservation of workforce housing. Provides loans for developers through a nonprofit fund manager. <http://www.hcd.ca.gov/fa/ahif/ahif-l.html>

Local Housing Trust Fund Program: Matching grants (dollar-for-dollar) to local housing trust funds dedicated to the creation or preservation of affordable housing that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs. <http://www.hcd.ca.gov/fa/ahif/lhtf.html>

American Recovery and Reinvestment Act – CDBG Recovery Program (CDBG-R): This is an economic development grant program and includes goals of modernizing infrastructure, improving energy efficiency, expanding educational activities, and access to healthcare. The program disburses housing-related grants for single- and multi-family housing to rehabilitate housing, acquire rental units, homeownership assistance, and activities complementing new construction. <http://www.hcd.ca.gov/fa/ahif/cdbgr.html>

CalHome Program: Provides grants to local agencies and nonprofit developers to assist very-low income homeowners through deferred payment loans as well as direct, forgivable loans to assist development projects. www.hcd.ca.gov/fa/calhome

Emergency Solutions Grant (ESG): Provides grants to fund projects that serve homeless individuals and families with supportive services, emergency shelter/transitional housing, assisting persons at risk of becoming homeless with homelessness prevention assistance, and providing permanent housing to the homeless population. <http://www.hcd.ca.gov/fa/esg/index.html>

Enterprise Zone Program: Provides incentives such as sales tax credits and operation deductions for business investment. <http://www.hcd.ca.gov/fa/ez/EZoverview.html>

Governor's Homeless Initiative: Provides loans and grants for the development of permanent supportive housing for chronically homeless residents who suffer from severe mental illness.

www.hcd.ca.gov/fa/ghi

HOME Investment Partnerships Program: Provides cities, counties, and nonprofit organizations with grants and low-interest loans to develop and preserve workforce create and retain affordable housing.

www.hud.gov/offices/cpd/affordablehousing/programs/home/

Infill Infrastructure Grant Program: Provides grants to assist in the creation and rehabilitation of infrastructure that supports higher-density affordable and mixed-income housing in places designated for infill.

<http://www.hcd.ca.gov/fa/iig/>

Mobilehome Park Resident Ownership Program (MPROP): Provides loans to finance the preservation of affordable mobilehome parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies.

<http://www.hcd.ca.gov/fa/mprop/>

Multifamily Housing Program (MHP): Provide deferred payment loans to fund the construction, rehabilitation, and preservation of preservation of permanent and transitional rental units for supportive housing. This includes housing for low-income residents with disabilities, or those who are at risk of homelessness.

www.hcd.ca.gov/fa/mhp

Office of Migrant Services: ~~Provides~~ **Services:** Provides grants to local government agencies that contract with HCD to operate OMS centers in California. OMS centers provide safe and affordable seasonal rental housing and support services for migrant farmworker families.

www.hcd.ca.gov/fa/oms

Predevelopment Loan Program: Provides short-term loans for financing low-income housing projects.

www.hcd.ca.gov/fa/pdlp

State CDBG Program Economic Development Allocation: Provides grants for planning and technical assistance and the creation or maintenance of jobs for rural low-income workers.

<http://www.hcd.ca.gov/fa/cdbg/EconDevelopment.html>

[State CDBG Program Community Development Allocation: Provides grants to fund housing, public improvement, community facilities, public services, and planning and technical assistance that benefit lower-income residents in rural communities.](http://www.hcd.ca.gov/fa/cdbg/CommunityDevelopment.html)
<http://www.hcd.ca.gov/fa/cdbg/CommunityDevelopment.html>

Local Housing Funds

The City has an inclusionary housing ordinance. Fees collected under the ordinance are kept in [the In-Lieu Affordable Housing Trust Fund](#). Funding from this source can be directed to affordable housing projects in the City and/or used to leverage State and federal housing funds.

As of June [30, 2014](#), the [In-Lieu](#) Affordable Housing Trust Fund had funds in the amount of [\\$58,92781,000](#) devoted to affordable ~~housing~~ [housing](#). To date, the City has allocated funds from this source for two affordable senior housing projects. This fund will increase during the housing period as additional projects are developed. [The City also another fund used for affordable housing, the Successor RDA –Housing Function. The Successor RDA fund currently has a negative balance, as the City recently paid HASLO for an affordable housing project at 224 S. Halcyon in June, 2014.](#)

Another source of local housing funding is through the San Luis Obispo County Housing Trust Fund (SLOCHTF), which is a private nonprofit corporation created to increase the supply of affordable housing in San Luis Obispo County for very low, low and moderate income households. SLOCHTF provides financing and technical assistance to help private developers, nonprofit corporations and government agencies produce and preserve homes that working families, seniors on fixed incomes and persons with disabilities can afford to rent or buy. More information on SLOCHTF can be found at www.sloctf.org.

Chapter 5 Housing Constraints

| The price of a home is based upon several basic ~~costs:land~~costs: land, materials, labor, financing rates and insurance, government requirements and fees, as well as environmental constraints. The first two sections of this Chapter discuss governmental constraints and environmental ~~andpublic~~and public service constraints.

| The cost of land, materials, and labor are determined by the free market economy. Financing rates ~~andinsurance~~and insurance costs are set by the capital markets and State and federal ~~regulations.Theseregulations.~~ These items are discussed in the last Section under nongovernmental requirements.

5.1 Governmental Constraints

The intent of this sub-section is to analyze governmental constraints that affect housing development, as well as to identify those that may be modified to reduce barriers to the maintenance, improvement or development of housing for all income levels.

| The California Legislature has delegated to local governments specific responsibilities and a certain amount of discretionary control over the development and use of ~~land.Throughland.~~ Through land use controls, development review procedures, and fees, cities influence the location, density, type, size, quality and appearance of ~~housing.Thesehousing.~~ These requirements significantly affect the cost and availability of housing.

Many of these controls are required by local government in response to State and federal mandates to protect public health and safety, and others are adopted to achieve the desired quality of life and objectives of the local community.

Land Use and Development Controls

| The primary policy tool for promoting a balanced use of land and resources is through the City's General ~~Plan.ThePlan.~~ The 2001 General Plan establishes an overall framework for development and conservation of land in the City, primarily through the Land Use ~~Element.StateElement.~~ State law divides the required content of a general plan into seven distinct elements, and requires that the General Plan be designed as a balanced, integrated document that is internally consistent. Housing is one of seven elements and has a number of issues the City must address.

The primary means to implement the General Plan is the Development Code, which establishes development standards, intensity of development, and minimum site ~~standards.~~~~Various standards.~~ ~~Various~~ residential and mixed-use zones are established which are intended to implement the densities set by the General ~~Plan.~~~~Other Plan.~~ ~~Other~~ requirements in the Development Code are setbacks, lot coverage, parking, open space and other related property development ~~standards.~~~~Table standards.~~ ~~Table~~ 5-1 provides a comparison ~~of the~~~~of the~~ land use designations from the General Plan Land Use Element (including 2003 amendments) to the zones implemented by the Development ~~Code.~~~~Table Code.~~ ~~Table~~ 5-1 also shows the maximum density per land use designation.

The Development Code was recently updated to include regulations that increased the allowable height to enable higher densities. This issue was addressed through implementation of Program B-4.1 in the 2003 Housing Element and resulting Development Code ~~amendments.~~~~Mixed amendments.~~ ~~Mixed~~ use districts located along the East Grand Avenue corridor and South Halcyon Road allow building heights up to 35 feet and three stories with the ability to go up to 40 feet in some districts depending on the building size and proximity to residential ~~development.~~~~The development.~~ ~~The~~ Industrial Mixed Use (IMU) district along El Camino Real allows heights to 30 feet and three ~~stories.~~~~All stories.~~ ~~All~~ Multiple-Family zoning districts remain at 30 feet or two ~~stories.~~~~Minor stories.~~ ~~Minor~~ Exceptions can allow up to 33 feet in these ~~districts.~~~~Housing districts.~~ ~~Housing~~ types permitted by residential and mixed use zoning districts are provided in Tables 5-2 and 5-3. Residential zone development standards are shown in Table 5-4, Multi-family and other zones development standards are shown in Table 5-5, and Mixed-Use development standards are shown in Table 5-6.

Multi-family projects of 2 to 4 units are permitted subject to a Minor Use Permit (MUP), which is an administrative process. With these projects, the Architectural Review Committee (ARC) makes a recommendation to the Community Development Director. Multi-family projects greater than 4 units require a Conditional Use Permit (CUP), which is a discretionary review process. The ARC considers all CUPs associated with development projects and makes a recommendation to the City Council, Planning Commission and/or Community Development Director. Design Review (DR) permits are limited to residential subdivisions approved with specific design guidelines. The ARC reviews DR applications for consistency with the approved design guidelines and makes a recommendation to the Community Development ~~Director.~~~~Chapter Director.~~ ~~Chapter~~ 2.19 of the Municipal Code outlines the functions, duties, procedures, and guiding purposes in reviewing projects for the ARC. The function of the ARC is to make recommendations to decision

makers regarding the administration of the provisions of Title 16 (Development Code), whenever applicable, in a manner that will:

1. Be consistent with the requirements of the General Plan and of Title 16;
2. Develop and maintain a pleasant and harmonious environment;
3. Promote and enhance real property values;
4. Conserve the City’s natural beauty;
5. Preserve and enhance its distinctive visual character;
6. Ensure orderly and harmonious development of the City; and
7. Preserve historic structures and neighborhoods.

The ARC meets twice per month.

Development applications are subject, in many cases, to the California Environmental Quality Act (CEQA). CEQA requires that development applications be subject to an environmental review of the impacts that would result from implementation of a project.

The City, as part of its 2001 General Plan, prepared a program environmental impact report (EIR) to address the impacts of development proposed by the Plan. The anticipated residential development evaluated in the Plan is similar to that required by the Regional Housing Needs established for the City. The Program EIR concluded that there were several significant environmental impacts that could not be mitigated to less than significant levels. Required findings and statements of overriding considerations also required mitigation measures that will influence future residential development and may require project EIRs that will increase the cost of the development. These costs are unavoidable given the State mandated requirements of CEQA.

Table 5-1 Urban Land Use Element and Development Code			
Classification	General Plan DU Max. Density	Development Code Consistency	
		Consistent Zoning	Min Lot Size
Agriculture (Ag)	1 du/10_ac.	General, Agricultural Preserve or Agricultural Preservation Overlay	20 ac. (currently 10 ac. In City)
Conservation/ Open Space(C/OS)	1 du/20_ac. 1 du/10_ac. 1 du/5_ac.	OS & PF	5_ac, 10_ac, & 20 ac.
County Residential Rural (RR)	1 du/5_ac	RR 1.0 du/acre	
County Residential Suburban (RS)	1 du/2½ ac.	RS	12,000 sf
Single Family Residential			

Very Low Density (VLD)	1 du/2 ½ ac.	RE	2½ ac.
Low Density (LD)	1 du/1½ ac 1 du/1 ac	RH RR	1½ ac. (cluster) 1 ac.
Low Medium Density (LM)	2.5 du/1 ac.	RS	17,000_sf
Medium Density (MD)	4.5 du/ac	SF/VR	9,680_sf
Multi-Family Residential			
Multi-Family Residential (MFR) Medium High Density (MHD) Townhouse/Condo	9.0 du/ac	MF	10,000 sf
Mobile Home Park (MHP)	12.0 du/ac	MHP	5 ac.
High Density (HD) Apartments	14 du/ac	MFA	10,000 sf
Very High Density (VHD)	25 du/ac	MFVH	20,000 sf
Mixed Use (MU) Village Core (VC) Office (O) PD, SP and CF	25 du/ac	See Table 5-4	

Source: City of Arroyo Grande General Plan and Development Code

Table 5-2 Housing Types Permitted by Zoning District – Residential Zones

Residential Uses/Housing Type	RE	RH	RR	RS	SF	VR	MF	MFA	MFVH	MHP
Single-family detached	P	P	P	P	P	MUP	P	P	NP	NP
Small lot single-family detached	NP	PUD	PUD	PUD	PUD	PUD	PUD	NP	NP	NP
Single-family attached (twin home, triplex, fourplex)	NP	PUD	NP	NP	PUD	NP	PUD	PUD	NP	NP
Condominium (air space)	NP	NP	NP	NP	NP	NP	C	C	C	NP
Multiple-family attached (2 - 4 units)	NP	NP	NP	NP	NP	NP	MUP	MUP	P	NP
Multiple-family attached (5 or more units)	NP	NP	NP	NP	NP	NP	C	C	MUP	NP
Mobilehome subdivisions	C	C	C	C	C	C	C	C	C	C
Mobilehome parks	C	C	C	C	C	C	C	C	C	C
Boarding/rooming houses	NP	NP	NP	NP	NP	NP	C	C	C	NP
Senior independent living uses	NP	NP	NP	NP	NP	NP	C	C	C	NP
Congregate care, assisted living	NP	NP	NP	NP	NP	NP	C	C	C	NP
Convalescent care	NP	NP	NP	NP	NP	NP	C	C	C	NP
Residential care facility (6 or fewer persons)	P	P	P	P	P	P	P	P	P	P
<u>Second residential dwelling unit</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Small family day care (6 or fewer children)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Large family day care (7 or more children)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>
<u>Homeless shelters within religious or social organization buildings</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>NP</u>
<u>Home occupations</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Accessory use: guest quarters</u>	<u>P</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>	<u>NP</u>

Source: City of Arroyo Grande Development Code

Legend	
P	Permitted
MUP	Minor Use Permit
PUD	Permitted subject to issuance of a Planned Unit Development Permit
C	Permitted subject to issuance of a Conditional Use Permit
NP	Not Permitted

Table 5-3 Housing Types Permitted by Zoning District – Mixed Use Zones										
Residential Uses	IMU	TMU D-2.11	VCD HCO D-2.4	VMU D-2.11 HCO D-2.4	GMU	FOMU	HMU	OMU D-2.20	RC	Specific Use Standards
Assisted Living	NP	NP	CUP	CUP	CUP/PED	CUP/PED	NP	CUP	NP	
Home occupation	NP	MUP	P	P	P	P	MUP	P	NP	16.16.090
Multi-family housing not located within a mixed use project	NP	NP	NP	CUP	CUP/PED	CUP/PED	CUP (on lots >20,000 square feet)	CUP (on lots >20,000 20,000 square feet)	NP	Minimum density (75% of total density allowed by district) required by Housing Element is not required on lots fronting E. Grand Ave., E. Branch Street or in HMU or IMU districts.
Multi-family housing in a mixed use project	NP	NP	MUP/PED	MUP	CUP/PED	CUP/PED	CUP	CUP	NP	Minimum density (75% of total density allowed by district) required by Housing Element is not required on lots fronting E. Grand Ave., E. Branch Street or in HMU or IMU districts.
Residential care facility, 6 or less clients	NP	NP	MUP/PED	MUP	MUP/PED	MUP	NP	MUP	NP	
Residential care facility, 7 or more clients	NP	NP	CUP/PED	CUP	CUP/PED	CUP/PED	NP	CUP	NP	
Single family residential within a mixed use project	NP	NP	NP	MUP	NP	NP	NP	NP	NP	

Source: City of Arroyo Grande Development Code

Legend	
IMU = Industrial Mixed Use District (El Camino)	FOMU = Fair Oaks Mixed Use District
TMU = Traffic Way Mixed Use District	HMU= Highway Mixed Use District
VCD = Village Core Downtown District	OMU =Office Mixed Use District
VMU = Village Mixed Use District	RC = Regional Commercial District
GMU = Gateway Mixed Use District	HCO = Historic Character Overlay District (Design Overlay District 2.4)

P = Permitted Use	MUP = Minor Use Permit
CUP = Conditional Use Permit	PED = Residential not permitted in pedestrian oriented storefront locations on ground floor facing E. Grand Avenue, East/West Branch Street or prime real estate space within shopping centers
NP = Not Permitted	

	RE	RH	RR	RS	SF	VR
Maximum density (DU's per gross acre)	0.4	0.67	1.0	2.5	4.5	4.5
Minimum building site ¹ (Net area in sq. ft.)	92,500 ²	49,000	40,000	12,000(reduced minimum building site area allowed with provision to permanently preserve sensitive habitat and/or open space corridors and/or to avoid development of steep slopes and ridgelines)	7,200	6,750
Minimum lot width ³	200 ft.	130 ft.	120 ft.	80 ft.	70 ft.	50 ft.
Minimum lot depth	250 ft.	200 ft.	200 ft.	100 ft.	100 ft.	100 ft.
Minimum front yard	50 ft.	35 ft.	35 ft.	25 ft.	20 ft.	15 ft.
Minimum interior side yard setback	30 ft.	10% of lot width	10% of lot width	5 ft. one side, 10 ft. other side	5 ft. one side, 10 ft. other side	5 ft.
Minimum street side yard setback	30 ft.	15% of lot width	15% of lot width	15 ft.	15 ft.	10 ft.
Minimum rear yard setback	50 ft.	40 ft.	25 ft.	20 ft. (For lots < 12,000 sq. ft. use SF)	10 ft. (1-story) 15 ft. (2-story)	10 ft. (1-story) 15 ft. (2-story)
Maximum lot coverage ⁴	35%	35%	35%	30% (For lots < 10,000 sq. ft. use SF)	40%	40%
Maximum height for buildings and structures	30 ft. or 2 stories, whichever is less, 14 ft. for accessory buildings					
Minimum distance between buildings (including main dwellings and accessory structures) ⁵	20 ft.	20 ft.	6 ft.	10 ft.	10 ft.	10 ft.

Source: City of Arroyo Grande Development Code

	MF	MFA	MFVH	MHP
Maximum density (DU's per gross acre)	9.0	14.0 ¹	25.0	12.0
Minimum building site (Net area in sq. ft.)	10,000	10,000	20,000	5 acres
Minimum lot width	80 ft.	80 ft.	80 ft.	60 ft. ⁶
Minimum lot depth	100 ft.	100 ft.	100 ft.	100 ft. ⁶
Minimum front yard setback	20 ft.	20 ft.	20 ft.	20 ft.
Minimum interior side yard setback	10 ft.	10 ft.	10 ft.	5 ft.
Minimum street side yard setback	10 ft.	10 ft.	10 ft.	15 ft.
Minimum rear yard setback	Average 15 ft. ⁷	Average 15 ft. ⁷	Average 15 ft. ⁷	5 ft.
Maximum lot coverage	40%	45%	60% ⁶	50%
Maximum height for buildings and structures	30 ft. or 2 stories, whichever is less, 14 ft. for accessory buildings	30 ft. or 2 stories, whichever is less, 14 ft. for accessory buildings	30 ft. or 2 stories, whichever is less, 14 ft. for accessory buildings	30 ft. or 2 stories, whichever is less, 14 ft. for accessory buildings
Minimum distance between buildings (including main dwellings and accessory structures)	10 ft.	10 ft.	10 ft.	5 ft.

Source: City of Arroyo Grande Development Code

	IMU	TMU	VCD	VMU	GMU	FOMU	HMU	OMU
Maximum density - Mixed Use (DU's per gross acre)	8	8	15	15	25 ¹⁶	25 ¹⁶	20 ¹⁶	20 ¹⁶
Maximum density - Multi-family housing (DU's per gross acre)	n/a	n/a	n/a	n/a	15	15	20	15
Minimum density ¹⁷	n/a	n/a	n/a	n/a	75% of max. density ¹⁶	75% of max. density ¹⁶	n/a	75% of max. density ¹⁶
Minimum Lot Size	18,000 sf (gross)	10,000 sf (gross)	2,500 sf	5,000 sf	20,000 sf (gross)	15,000 sf (gross)	20,000 sf (gross)	20,000 sf
Minimum lot width	100 ft.	80 ft.	25 ft.	40 ft.	100 ft.	80 ft.	80 ft.	100 ft.
Front Yard Setback	10 ft.	0-15 ft. ²⁵	0-15 ft. ²⁶	0-15 ft.	0-10 ft. ²¹⁸	0-10 ft. ¹⁸	0-15 ft.	0-10 ft.
Rear Yard setback	0-15 ft. ⁹	0-15 ft. ¹⁰	0-15 ft.	0-15 ft. ¹⁴	0-15 ft.	0-15 ft.	0-15 ft. ¹⁰	0-15 ft.
Side yard setback	0-15 ft. ²³	0 ft. ¹⁰	0 ft.	0 ft. ¹⁵	0-5 ft. ¹⁹	0-5 ft. ¹⁹	0 ft. ¹⁰	0-5 ft.
Street side yard	20 ft. ²⁴	0-15 ft. ²⁵	0-15 ft.	0-15 ft.	0-15 ft.	0-15 ft.	0-15 ft.	0-15 ft.

setback								
Maximum height	30 ft. or 2 stories	30 ft. or 3 stories ¹¹	30 ft. or 3 stories ¹³	30 ft. or 3 stories ¹³	35 ft. or 3 stories ²⁰	35 ft. or 3 stories ²⁰	30 ft. or 3 stories ¹¹	35 ft. or 3 stories ²¹
Maximum building size	102,500 sf	50,000 sf ¹²	20,000 sf	10,000 sf	102,500 sf	50,000 sf	50,000 sf ¹²	50,000 sf ²²
Site Coverage	50%	75%	100%	100%	75%	70%	75%	70%
Floor Area Ratio	0.45	0.75	2.0	1.0	1.5	1.0	0.75	100
Off-street parking and loading	Reference Section 16.56.020	Reference Standards D-2.11 and Section 16.56.020 Exceptions allowed by Section 16.16.120	Reference Parking and Business Improvement District Plan in Section 16.56.020	Reference Parking VMU and HCO in Section 16.56.020 (C)	28	30	31	Reference Section 16.56.020
Site design and signs	Reference Chapter 16.60	Reference Standards D-2.11 and Chapter 16.60	Reference Standards for Historic Districts and Chapter 16.60	Reference Standards for Historic Districts and Chapter 16.60	27	29	Reference Standards D-2.11 and Chapter 16.60	32

Source: City of Arroyo Grande Development Code

Notes (Tables 5-4, 5-5, and 5-6)

1. See Table 16.32.050-A for minimum lot sizes for parcels with slope greater than seven percent.
2. Area shall be increased to five acres for slope conditions exceeding twenty (20) percent.
3. Width measurements for cul-de-sac or otherwise odd-shaped lots shall be determined on the basis of the average horizontal distance between the side lot lines, measured at right angles to the lot depth at a point midway between the front and rear lot lines.
4. The following floor area ratios shall be adhered to in all zoning districts in addition to lot coverage requirements:

Lot Size		Floor Area Ratio (FAR)
0	—	4000 square feet net
4001	—	7199 square feet net
7200	—	11999 square feet net
12000	—	39999 square feet net
		40000 + square feet net

The above FAR's shall not apply to condominium or PUD projects where the proposed lot consists of a building footprint.

5. Within a planned unit development, building separations may be reduced to zero feet, provided that fire walls are provided per UBC standards.
6. The minimum parcel size within the mobile home district may be reduced to three thousand six hundred (3,600) square feet with a minimum average width of forty (40) feet and a minimum frontage of not less than thirty (30) feet if common open space areas and recreational facilities are provided as part of the subdivision and if the open space areas and recreational facilities are reserved for the exclusive use of residents of the subdivision. Standards for the provision of common open space required to permit a reduction in lot size are as follows:
 - (1) A minimum of five hundred (500) square feet of common open space and recreational area shall be provided for each residential lot in the subdivision.
 - (2) The combined square footage of common open space, recreational area, and residential lot area, not including public and private streets and cannon parking areas shall average not less than six thousand (6,000) square feet per lot within the subdivision.

- (3) Open space and recreational areas shall be designated on the subdivision map, and shall be located entirely within the subdivision.
7. For two-story buildings average rear yard setback shall be twenty (20) feet. Average includes all buildings along rear property line and is subject to city approval.
 8. New residential limited to live-work units in conjunction with allowed uses. Density determined by discretionary action.
 9. 50 feet if adjacent to a residential district.
 10. Wherever a lot in any commercial or mixed use district abuts a residential use or a lot in any residential use district, a minimum building setback of twenty (20) feet measured from the property line shall be required for proposed commercial use.
 11. 30 ft. or three stories whichever is less; a maximum of 36 feet is allowable through the CUP process for visitor serving uses.
 12. A greater size may be allowed through the CUP process.
 13. Maximum height is 30 feet or three stories, whichever is less; a maximum of 36 feet is allowable through the MUP process.
 14. If project is mixed use and/or abuts a residential district then 10 feet required.
 15. If a project is mixed use and/or abuts a residential district, then 5 feet is required for single story structures and 110 feet is required, on one side, for a multiple stories.
 16. Based on gross project area.
 17. Projects that do not front E. Grand Avenue; densities do not include density bonus. See Chapter 16.80.
 18. Exceptions for larger setbacks may include entrance courtyards, areas for outdoor dining, or for projects facing a residential district as determined through discretionary review.
 19. For projects abutting a residential district, corresponding residential setback shall apply.
 20. Maximum height is 35 feet or three stories whichever is less; a maximum of up to 40 feet for mixed use projects by discretionary action on lots larger than 20,000 square feet and where the building is not adjacent to a residential district.
 21. Maximum height for mixed residential/commercial use is 35 feet or three stories whichever is less.
 22. A greater size may be allowed through the CUP process.
 23. Except as otherwise permitted, required rear and interior side building setback areas shall be used only for landscaping, pedestrian walkways, driveways, off-street parking or loading, recreational activities or facilities, and similar accessory activities.
 24. Except as otherwise permitted, a street side building setback area shall be used only for landscaping, pedestrian walkways, driveways or off-street parking.
 25. Exceptions may include areas for outdoor sales determined through discretionary action.
 26. Structures typically built at back of sidewalk. Exceptions include entrance courtyards and areas for outdoor dining determined through discretionary review.
 27. Commercial and mixed use projects larger than 20,000 sf.: 200 sf. of public accessible open spaces is required for every 5,000 sf. of office or commercial spaces exclusive of areas for parking and driveways. See General Commercial and Mixed Use Design Guidelines and Standards. General Plan Policies LU5-11. For mixed use projects, refer to Section 16.48.065. Additional sign standards also in Chapter 16.60.
 28. See Design Guidelines and Standards. Parking is to be located behind buildings or to the side. Driveways along E. Grande Avenue shall be minimized by combining driveways, using alleys or designing development so that access is provided from local streets. See Section 16.56.020.
 29. See Design Guidelines and Standards. Please note General Plan Policies LU5-11. For mixed use projects refer to Section 16.48.065. Additional sign standards are found in Chapter 16.60.
 30. See Design Guidelines and Standards. Parking is to be located behind buildings or to the side. Driveways along E. Grande Avenue shall be minimized when possible by combining driveways, using alleys or designing development so that access is provided from local streets. See Section 16.56.020.
 31. See Design Guidelines and Standards D-2.11 Exhibit 'A' for shared parking locations. See also Section 16.56.020. Exceptions allowed by Section 16.16.120.
 32. See OMU-D-2.20. Please note General Plan Policies LU5-11. For mixed use projects, refer to Section 16.48.065. Additional sign standards also in Chapter 16.60.

Building Code Requirements

The Arroyo Grande building requirements are based upon the latest version of the California Building Code, which is a version of the ~~International Building Code~~ [International Building Code](#) adopted by the State. The City adopted Ordinance No. [657](#) on [October 8, 2013](#) entitled: An Ordinance of the City Council of the City of Arroyo Grande amending Arroyo Grande Municipal Code Chapter 8.04 [and 8.08](#) related to the adoption of the California Fire Code and International Fire Code; and amending Chapter 15.04 related to the adoption of the California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Code, California existing Building Code, California Energy Code, California Historical Building Code and the International Property Maintenance Code. No local amendments to the State Building Code have been adopted. Code enforcement is complaint-based. If an infraction is found the enforcement officer provides a list of potential resources to the homeowner. The degree and type of enforcement is described in this ~~Ordinance~~ [The Ordinance](#). The Code ensures safe housing and is not considered a significant constraint to housing production.

Inclusionary Housing

In 2000 (last amended in 2007), the City adopted an Inclusionary ~~Housing Ordinance~~ [Housing Ordinance](#) (Development ~~Code Chapter~~ [Code Chapter](#) 16.80 Inclusionary Affordable Housing Requirements). Its implementation resulted in the construction of 163 affordable housing units during the previous ~~planning periods~~ [planning periods](#).

According to the ordinance, any residential development of two units ~~or more or more~~ is required to build a certain percentage of ~~the units~~ [the units](#) as affordable, pay an in-lieu fee, ~~or donate or donate~~ a suitable amount of land. The required percentages are as follows:

- At least five percent very low-income units; or
- At least 10 percent lower-income units; or
- At least 15 percent moderate-income units where the proposed project is planned for rental units or units that are not developed as a common interest development pursuant to Civil Code Section 1351; or
- An equivalent combination as determined by the Community Development Director.

The inclusionary units can be owner-~~occupied or occupied or~~ rental units and restrictions ~~must be~~ [must be](#) put in place to maintain their affordability for at least 45 years for owner-occupied units and 55 years for rental units. The determination whether an applicant constructs

units, pays an in-lieu fee, or donates land is made by the City Council on a project-by-project basis.

Allowances and ~~incentives~~incentives are available for projects with inclusionary units including density bonuses, fee waivers or reductions, modification of development standards, and technical assistance from the City on applying for financial subsidy programs. Establishment of ~~these regulations~~these regulations has increased the supply of ~~affordable housing~~affordable housing in Arroyo Grande. Increased flexibility during the review process and ~~with project with project~~with project with project review costs are intended to offset ~~increased costs~~increased costs and time required to meet the ~~requirements of~~requirements of this inclusionary section of the Development Code. Program F.3-1 is proposed to evaluate ~~the effectiveness~~the effectiveness of these regulations to date and amend Chapter 16.80 Inclusionary Affordable Housing Requirements, as deemed helpful to increase production of affordable units.

Density Bonus Standards

The City's density bonus program (Development Code Chapter 16.82) implements the State's Density Bonus Law and supports inclusionary housing. The purpose of the density bonus requirements is to increase the production of affordable housing for very low, low ~~and moderate~~and moderate income households as well as senior housing and mobile home developments.

Developer concessions or incentives are granted for a residential project that meets the criteria for a density bonus projects. Incentives granted by the City include, but are not limited to:

- Flexibility in development standards;
- Approval of mixed-use zoning in conjunction with the housing project; or
- ~~Leniency on parking ratios set forth in Government Code~~Leniency on parking ratios set forth in Government Code Section 65915
- Other regulatory incentives or concessions proposed by the City or developer.

AB 2280 became effective in September 2008. AB 2280 institutes various changes to the density bonus law, most notably the bill amends the timing for density bonus requests, clarifies density bonus requirements for senior housing, and institutes a 10% across the board increase in the percentage of affordable units that must be included in a housing development project to qualify for incentives.

The City updated their density bonus program in 2007 to be consistent with SB 1818, however amendments are required to bring regulations into compliance with the changes made from AB 2280. Therefore, Program A.10-1 is proposed to bring the City into complete compliance with current State density bonus law.

Emergency Shelters and Transitional Housing

State legislation SB 2 requires jurisdictions to permit emergency shelters without a Conditional Use Permit (CUP) or other discretionary permits, and transitional housing and supportive housing must be considered residential uses and must only be subject to the same restrictions that apply to the same housing types in the same ~~zone~~Programszone. Programs K.2-1 and K.2-2 are~~is~~ proposed to amend the Development Code to allow emergency shelters without any discretionary review (by right) in ~~the IMU and HMU~~at least one zone and to define transitional and transitional and supportive housing as required per SB2s.

Secondary Dwelling Units

To ~~encourage establishment~~encourage establishment of secondary dwelling units ~~on existing~~existing developed lots, State law requires ~~cities~~cities to either adopt an ordinance ~~based on~~based on standards set out in the law ~~authorizing creation~~authorizing creation of second units in residentially zoned areas, or where no ordinance has ~~been adopted~~been adopted, to allow second units if they ~~meet standards~~meet standards set out in the State law. State ~~law requires~~law requires ministerial consideration of second unit applications in zones where single-family dwellings are permitted. Local ~~governments are~~governments are precluded from totally prohibiting ~~second units~~second units in residentially zoned areas unless ~~they make~~they make specific findings (Government Code §65852.2). Second units can be an ~~important source~~important source of affordable housing since they ~~are smaller~~are smaller than primary units and they do not ~~have direct~~have direct land costs. Second units can also ~~provide supplemental~~provide supplemental income to the homeowner, ~~thus allowing~~thus allowing the elderly to remain in their homes ~~or moderate~~or moderate-income families to afford housing.

In the City's Development Code secondary ~~dwelling units~~dwelling units are referred to as a "second residential dwellings". A second residential dwelling ~~is either~~is either a detached or attached dwelling unit ~~that provides~~that provides complete, independent living ~~facilities for~~facilities for one or more persons, including ~~permanent provisions~~permanent provisions

for living, sleeping, eating, cooking, and sanitation on the same parcel as the ~~primary residence~~ primary residence.

Table 5-5 sets out the primary standards ~~for second~~ for second residential dwellings in the City. The City's standards do not conflict with State law governing second units. ~~However, having~~ However, having a minimum parcel size requirement for a second residential ~~dwelling and~~ dwelling can often be a constraint to developing secondary units.

Standards	Second Residential Dwelling
Development Standards	Shall comply with all zoning regulations and property development standards of the district in which it is located. Any proposed deviation from standards of Development Code Section 16.52.150 (Second residential dwellings) shall be processed through a conditional use permit or minor use permit application as determined by the Community Development Director.
Minimum Lot Size	6,750 sf
Maximum Size	50% of square footage of primary residence ¹
Rental of Unit	Shall be occupied on month-to-month basis or longer. Either primary residence or second residential dwelling must be occupied by owner of property
Building Separation	Detached second residential dwelling - located a minimum distance equal to twice the applicable side yard setback from primary residence.
Average Slope	20% max.
Parking	1 space/bedroom (max. 2 spaces)

Source: City of Arroyo Grande Development Code

Development Processing and Development Impact Fees

Like most cities in California, Arroyo Grande charges planning, building, and impact fees for residential developments. Table 5-6 summarizes the planning fees charged by the Community Development Department for processing residential applications. These applications. These fees are established by the City Council to cover the staff and other costs associated with processing a housing development application. These application. These fees are comparable to other area jurisdictions and not considered excessive.

The fees charged at the time of the issuance of a building permit for residential development include standard building permit plan check and inspection fees as well as impact fees set by the City Building. City. Building fees are set by the Building Code and represent the costs for plan review and inspection of the project construction. Given construction. Given the nature of these fees, they are not considered excessive in that they are essential to ensure the health and safety of the project construction.

Impact fees cover the costs of infrastructure and public services. Given the current tax structure the City must operate under, there are not adequate general funds to provide the services and infrastructure necessary for new residential development, thus development impact fees must be charged to cover the costs of the services or infrastructure requirements.

School impact fees that have been imposed by the local school district help cover their costs to provide additional building construction needed to support additional school population associated with additional residential development. Development impact fees increase the cost of housing, and proportionally affordable housing.

As an incentive to produce more affordable housing, the City eliminated or reduced development impact fees for very low and low-income housing developments, including second units. Water and sewer fees still apply.

Table 5-6 Schedule of Typical Fees for Residential Development	
APPLICATION TYPE	BASE FEES
Appeals	
From Community Development Director to Planning Commission	\$ 250
From Planning Commission decision to City Council	\$ 250
Certificate of Compliance	\$ 750
Conditional Use Permit (CUP)	
Major (Determined by Director)	\$ 7,000
Minor (Determined by Director)	\$ 3,450
Amendment	\$ 900
Design Review	\$ 600
Development Agreement	\$3,000
Development Code Amendment	
Major (Determined by Director)	\$ 4,000
Minor (Determined by Director)	\$ 2,000
EIR/Environmental Studies	
5% of EIR or Environmental Doc. Contract and cost of document preparation by consultant or staff (time and materials)	
General Plan Amendment	
Major (Determined by Director)	\$ 7,000
Minor (Determined by Director)	\$ 1,700
Minor Use Permit	
Architectural Review	\$ 300
Minor Exception	\$ 404
Plot Plan Review	\$ 400
Specific Plan	
Major (Determined by Director)	\$ 7,000

Table 5-6 Schedule of Typical Fees for Residential Development	
APPLICATION TYPE	BASE FEES
Planned Unit Development	
Major (Determined by Director)	\$ 7,000
Minor (Determined by Director)	\$ 1,700
Pre-Application Review	
Staff Advisory Committee (per meeting)	\$ 250
Architectural Review Committee (per meeting)	\$ 250
Planning Commission (per meeting)	\$ 250
City Council (per meeting)	\$ 250
Second Dwelling Unit(see CUP)	
Tentative Parcel Map (<5 lots)	
Base Fee	\$ 1,285
Vesting	\$ 382
Recording Fee (per lot)	\$ 100
Tentative Tract Map (>4 lots)	
Base Fee	\$ 3,765
Vesting	\$ 993
Recording Fee (per lot)	\$ 100

Source: City of Arroyo Grande. Community Development Department Application Fees, September 2011.

The total fees charged at Building Permit issuance for the average single family is approximately \$25,000 per unit, which includes building fees and impact fees. For condominium projects, the estimated building and impact fees are estimated at between \$18,000 and \$20,000 per unit, while the same fees for an apartment are estimated at \$18,000 per unit. These fees are one of the substantial costs of housing, but as noted above, these fees are either required by the building code, are needed to finance infrastructure or services, or serve as mitigation for the project impacts.

Total fees comprise approximately 5.4 percent of the home purchase price (see Table 5-7). Given the prices of housing in the City and fees in other jurisdictions, fees charged for residential development are not a significant factor contributing to the high housing costs in the City.

Table 5-7 Proportion of Fee in Overall Development Cost for a Typical Residential Development

Development Cost for a Typical Unit	Single Family	Multiple Family
Total estimated fees per unit ¹	\$25,000	\$20,000
Median sale price per unit ²	\$460,000	\$339,000 ³
Estimated proportion of fee cost to overall development cost per unit	5.4%	5.8%

Notes

1. Source: City of Arroyo Grande, 2014.
2. Source: SLO County Homes, 2014
3. Median price for condominium in 2014

Permit Processing Timelines

Permit processing times in Arroyo Grande are comparable to other cities in the county. Most of the processing times are a result of State mandated reviews and hearings, including the time required for preparation of the required environmental documents. Projects requiring an EIR can be processed in a year. Those not requiring an EIR may be processed in six months or less. While application and permit processing times may seem excessive by some, they are generally prescribed by law.

It should be noted that timelines can also change depending on if a proposed project is in a Planned Development Area. Any project within a Planned Development requires City Council approval. The 2001 General Plan Land Use Map eliminated reference to already developed Planned Development (PD) areas, but retained vacant areas. The Development Code and Zoning Map were updated to rezone commercial properties located in Planned Development areas from PD 1.1 and PD 1.2 to Regional Commercial (RC). This change results in shorter permit processing timelines for commercial projects in developed PD areas.

The goal of the City of Arroyo Grande Community Development Department is to issue a decision within the time periods listed in Table 5-8. These time periods begin when a complete application is submitted and are extended when additional information is requested by the City. To assist applicants, the City provides the timeframes below for "target issuance date"—when an applicant can expect a decision on their application, and an "initial comments due" date—when they can expect to receive initial review comments from us.

Table 5-8 Permit Processing Timeline		
Permit Type	Initial Comments Due:	Target Issuance Date:
Minor Use Permit (administrative) (Formerly Viewshed, Plot Plan, Architectural Review, and Minor Exception permits)	14 days	21 days
Temporary Use Permit (administrative)	7 days	14 days
Administrative Sign Permit (administrative)	7 days	14 days
Conditional Use Permit (discretionary)	30 days	120 days
Lot Line Adjustment (discretionary)	30 days	90 days
Tentative Parcel Map (discretionary)	30 days	90 days
Tentative Tract Map (discretionary)	30 days	120 days
Development Code Amendment (discretionary)	30 days	120 days
General Plan Amendment (discretionary)	30 days	120 days
Specific Plan (discretionary)	30 days	180 days
Variance (discretionary)	30 days	90 days

Source: City of Arroyo Grande

On and Off-Site Improvement Requirements

Typical on and off-site improvement requirements for residential subdivisions and/or mixed-use projects are imposed as part of the approval process for a subdivision and/or conditional use permit ~~application.~~Current application. Current improvement standards include submittal of the following improvement plans: grading and drainage; erosion control; street improvements; curb, gutter and sidewalk; public utilities; water and sewer; landscaping and irrigation. These improvement plan requirements are generally based on health, safety and to a lesser extent, aesthetic ~~issues.~~As issues. As with land costs, several variables affect the amount of site improvement costs including site topography and proximity to established roads and utilities.

The City requires that curbs, gutters and sidewalks be placed along the frontage of every lot on which new construction is ~~done.~~Many done. Many of these improvements, especially sidewalks, generally are required to provide pedestrian access and access for the ~~handicapped.~~These handicapped. These costs have been estimated at \$45 per linear foot for curb, gutter, and ~~sidewalk for~~sidewalk for a standard single-family housing subdivision. While these costs contribute to the cost of a housing unit, the improvements required by the City are typical of all cities in the State and do not impose a significant constraint on the development of housing in the ~~City.~~City City. City regulations are intended to generally encourage high-quality private development and new construction.

Improvement requirements also include off-street parking standards. Table 5-9 lists applicable parking space requirements for residential ~~developments.~~developments. In certain situations, parking requirements may be reduced or ~~waived.~~waived. This includes some alternative parking arrangement options such as common parking facilities and density bonus parking reduction ~~concessions.~~concessions. The Development Code does not require bicycle parking for residential uses, however the City does encourage bicycle parking to reduce traffic congestion and air pollution problems.

Off-street disabled/handicapped parking is required in compliance with the California Building Code and California Code of Regulations Title 24.

Table 5-9 Residential Parking Standards	
RESIDENTIAL USE	PARKING STANDARD
Single-family homes	
Conventional size lot	2 spaces per unit within an enclosed garage
Small lot (PUD)	2 spaces per unit within an enclosed garage and 0.5 space/unit for visitor parking
Duplexes	2 space per unit within an enclosed garage and 1 uncovered space per unit
Second residential units	1 uncovered space per unit
Townhouse and condominiums (Attached ownership units)	
RESIDENT and VISITOR PARKING:	
Studio	1 space per unit within an enclosed garage
1 bedroom	1 space per unit within an enclosed garage and .5 uncovered spaces per unit for developments over four units.
2+ bedrooms	2 spaces per unit within an enclosed garage and 0.5 uncovered space per unit for developments over four units.
Apartments and multifamily dwellings (rental units)	
RESIDENT PARKING:	
Studio	1 covered space per unit
1 bedroom	1 covered space per unit and 0.5 uncovered space per unit for developments over four units
2+ bedrooms	2 covered spaces per unit and 0.5 uncovered space per unit for developments over four units.
Senior housing - independent living	
RESIDENT PARKING:	
Studio	1 covered space per unit
1 bedroom	1 covered space per unit
2+ bedrooms	1 covered space per unit and 0.5 uncovered space per unit
Senior housing - assisted living	1 uncovered space per 3 beds and 1 space per employee on the largest work shift
Mobile home parks	2.5 uncovered spaces per unit
Large family day care facilities	1 uncovered space per staff person other than the homeowner in addition to the required parking for the

	residential building
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Source: City of Arroyo Grande Development Code

Constraints on Housing for Disabled Persons

As part of the governmental constraints analysis, State law calls for the analysis of potential and actual constraints to the development, maintenance and improvement of housing for persons with disabilities. Table 5-10 reviews the Development Code, land use policies, permitting practices, and building codes to ensure compliance with State and federal fair housing laws. Where necessary, the City proposes new policies or programs to remove constraints.

Arroyo Grande has not specifically adopted a reasonable accommodation policy or ordinance to accommodate housing or access considerations for persons with disabilities. However, the City does follow California’s handicap and accessibility laws through the implementation of the 2013 California Building Code, which includes the 2012 International Building Code. Program L.2-2 is proposed to provide information about Universal Design to the development community and to consider updating the building code to include Universal Design criteria.

Table 5-10 Constraints on Housing for Persons with Disabilities	
Overarching and General	
Does the City have a process for persons with disabilities to make requests for reasonable accommodation?	Arroyo Grande has not adopted a reasonable accommodation policy or ordinance for persons with disabilities in the enforcement of development and building codes and the issuance of building permits. However, the City allows retrofitting to increase suitability of homes for people with disabilities. Program L.2-1 is proposed to create a reasonable accommodation policy for the City.
Has the City made efforts to remove constraints on housing for persons with disabilities?	Group homes (residential care facility) of six persons or less are permitted by right in all residential zones in the City. Group homes of seven or more are permitted with a CUP in the VCD, VMU, GMU, FOMU, and OMU mixed-use zones.
Does the City assist in meeting identified needs?	Program L.2-2 is proposed to provide information about Universal Design to the development community and to consider updating the building code to include Universal Design criteria.
Zoning and Land Use	
Has the City reviewed all its zoning laws, policies, and practices for compliance with fair housing law?	Yes, the City has reviewed the land use regulations and practices and is in compliance with fair housing laws.
Are residential parking standards for persons with disabilities different from other parking standards? Does the City have a policy or program for the reduction of parking requirements for special needs housing if a proponent can demonstrate a reduced parking	Section 16.56.070 of the Development Code (Design and paving standards for off-street parking facilities) mandates the provision of disabled parking spaces in accordance with California Building Code (part 2 of Title 24) Chapter 11. In certain situations, parking requirements may be reduced or waived. This includes some alternative parking

Table 5-10 Constraints on Housing for Persons with Disabilities	
need?	arrangement options such as common parking facilities and density bonus parking reduction concessions
Does the locality restrict the siting of group homes?	No. Group homes for less than six people are permitted by right in all residential zones.
What zones allow group homes other than those allowed by State law? Are group home over six persons allowed?	Group homes (referred to as Residential Care Facilities in the Development Code) of six or less individuals are allowed by right in all residential districts. They are allowed in the Village Core Downtown (VCD), Village Mixed Use (VMU), Historic Character Overlay (HCO), Gateway Mixed Use (GMU), Fair Oaks Mixed Use (FOMU), and Office Mixed Use (OMU) districts with a Minor Use Permit. Facilities with more than 7 residents are allowed in the VCD, VMU, HCO, GMU, FOMU, and OMU districts with a Conditional Use Permit.
Does the City have occupancy standards in the zoning code that apply specifically to unrelated adults and not to families?	No
Does the land use element regulate the siting of special needs housing in relationship to one another?	No. There is no minimum distance required between two or more special needs housing.
Permits and Processing	
How does the City process a request to retrofit homes for accessibility?	Arroyo Grande allows residential retrofitting to increase the suitability of homes for people with disabilities in compliance with ADA requirements, as permitted in the California Code.
Does the City allow groups homes with six or fewer persons by right in single-family zones?	Yes
Does the City have a set of particular conditions or use restrictions for group homes with greater than six persons?	Group homes with greater than six persons are allowed by Conditional Use Permit in the VCD, VMU, HCO, GMU, FOMU, and OMU districts. They are subject to review by the architectural review committee and are required to be in compliance with the same parking and site coverage requirements as multi-family uses. The City does not have a set of conditions of approval for these facilities.
What kind of community input does the City allow for the approval of group homes?	Group homes (or Residential Care Facilities) of six or less individuals are allowed by right in all residential districts. They require no other planning approval other than to ensure that the development conforms to the standards of the Development Code. The facilities with more than 7 residents are allowed in VCD, VMU, HCO, GMU, FOMU, and OMU districts with a Conditional Use Permit. The Conditional Use Permit provides the public with an opportunity to review the project and express their concerns in a public hearing.
Does the City have particular conditions for group homes that will be providing services on site?	No, the City does not have special standards or conditions of approval for group homes regarding services or operation.
Building Codes	
Has the locality adopted the Uniform Building Code?	Arroyo Grande has adopted the 2013 California Building Code, which incorporated the 2012 International Building Code. No amendments have been made that affect the ability to accommodate persons with disabilities.
Has the City adopted any universal design element into the code?	With the recommendation of Program L.2-2, the City will encourage the incorporation of universal design in new construction.

Table 5-10 Constraints on Housing for Persons with Disabilities

Does the City provide reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits?	Arroyo Grande allows for reasonable accommodation for persons with disabilities in the enforcement of building codes and issuance of building permits. Program L.2-1 is proposed to create a reasonable accommodation policy for the City.
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Source: City of Arroyo Grande

5.2 Environmental Constraints and Energy Conservation

Environmental Constraints

The City adopted a General Plan Update in 2001. As part of the process of adopting the update, a program EIR was prepared to address the environmental issues attributed to the growth ~~proposed.~~ ~~It proposed.~~ It is important to note that the General Plan Update evaluated residential growth that is very similar to that included in the Regional Housing Needs Assessment adopted for the City of Arroyo Grande, except that the General Plan assumes a longer planning period than the Needs ~~Assessment.~~ ~~The Assessment.~~ The General Plan Update EIR concluded that there were three major environmental impacts that were significant and could not be feasibly mitigated to less than significant: water availability, traffic, and air quality. Thus findings and statements of over-riding consideration were ~~adopted.~~ ~~These adopted.~~ ~~These~~ critical issues are considered constraints on residential development as discussed below.

Water Availability

According to the 2010 Urban Water Management Plan, the City used approximately 78 percent of its available average annual water resources in 2010. This equates to 156 gallons per capita per day. In March 2014, the San Luis Obispo County Board of Supervisors declared a countywide drought emergency. These water shortfalls highlight the need for continued use of a tiered water rate structure as well as water conservation measures. The implementation of a citywide Water Conservation Program consists of plumbing retrofit, irrigation system assessment, enforcement of City water conservation regulations, washing machine rebates, public information and education programs, and irrigation system improvements or landscape modifications. If the City's water conservation programs continue to be successful, it is anticipated that current water resources will be sufficient to serve the increased population proposed by the General Plan, and thus, adequate to serve the projected population proposed by the Regional Housing Needs Assessment.

Traffic/Circulation

The General Plan Program EIR evaluated traffic impacts, both from proposed City development as well as regional impacts of growth. The EIR concluded that many local streets and Highway 101 will be significantly impacted. It is difficult to estimate how significant Highway 101 impacts will be during the timeframe of the General Plan in that the improvements required to serve much of the undeveloped land in the southeast and south portions of the City are not yet planned and likely will not be implemented until after the Housing Element planning period. However, there has been planning progress for Highway 101 interchange improvements in the vicinity of Brisco Road. Despite this, additional development will cumulatively impact area

roadways and thus is another constraint to continued regional residential development, including within the City.

Air Quality

Like traffic/circulation, air quality has been determined in the General Plan Program EIR to be a significant impact that cannot be mitigated to less than significant. This is a cumulative impact attributed to additional growth, thus is considered a significant constraint to continued residential regional development, including within the City.

Flooding

Arroyo Grande is located in a Mediterranean climate with a rainy season lasting from approximately November to March. While rain is possible during other times of the year, these are months where the most substantial rainfall occurs in the City. The waterways with potential for 0.1 percent (100 year) flood events include Canyon/Meadow Creek, Corbett Canyon, Tally Ho, Arroyo Grande, and Los Berros creeks. One of the greatest challenges for the City is managing flood risks that begin upstream and outside City limits. One solution that has been implemented by the San Luis Obispo County Resource Conservation District (RCD) is the creation of a special zone. This RCD zone 1/1A provides funding for flood control projects. Severe flooding events in 2003 indicated that additional flood control measures are required to reduce the long-term risk.

Earthquakes and Ground-Shaking

There are two faults within the City limits – the Pismo Fault and the Wilmar Avenue Fault. The Pismo Fault is an inactive fault, and presents a low risk to Arroyo Grande. The Wilmar Avenue fault is a potentially active fault that runs through the City and follows Highway 101. California defines potentially active as a fault that has experienced surface rupture within the last 1.6 million years. According to the City's Local Hazard Mitigation Plan, the Wilmar Avenue Fault presents a moderate risk to the City.

The greatest risk to Arroyo Grande for ground-shaking is from the San Andreas Fault and the Hosgri Fault. The San Andreas Fault historically has caused earthquakes greater than 8.0 in magnitude and will likely cause future earthquakes of this magnitude. In December 2003, a 6.5 magnitude earthquake from the Hosgri Fault struck northern San Luis Obispo County. This earthquake resulted in two deaths and damage to 40 buildings.

There are 26 buildings identified under the Unreinforced Masonry Building Law in Arroyo Grande. The existence of these buildings led to the City establishing a mandatory strengthening program to reduce risk from these buildings. As of 2006, all 26 buildings are in compliance with the local strengthening program.

Landslides

A majority of Arroyo Grande is at low risk for landslides. The areas at greatest risk are hillsides where steeper slopes are located. The potential for slope stability hazards in valley areas is low to very low. The areas at greatest risk for landslide are just north of Highway 101 in the hillsides and in the eastern sections of Arroyo Grande.

Energy Conservation

Planning and design to maximize energy efficiency and the incorporation of energy conservation and green building features, contributes to reduced housing costs as well as reduced greenhouse gas emissions. Energy efficient design community design can reduce dependence on automobiles.

Residential water heating and heating/cooling are major sources of energy consumption. With the application of energy efficient design and the use of solar power systems, home heating and cooling can be operated on a more efficient and sustainable level.

By encouraging solar energy technology for residential heating/cooling in both retrofits and new construction the City can play a major role in energy conservation. There are two distinct approaches to solar heating: active and passive. The best method to encourage use of solar systems for heating and cooling is to not restrict their use in the zoning and building ordinances and to require subdivision layouts that facilitate solar use.

Active Systems use mechanical equipment to collect and transport heat, such as a roof plate collector system used in solar water and space heaters.

Passive Systems use certain types of building materials to absorb solar energy and can transmit that energy later, without mechanization.

Residential water heating can be made more energy efficient through the application of solar water heating technologies. Solar water heating uses the sun to heat water, which is then stored for later use, a conventional water heater is needed only as a ~~back-up~~ backup. Solar water heating systems can lower energy bills and reduce green house gas emissions.

In response to legislation on global climate change, local governments are required to implement measures that cut greenhouse gas emissions attributable to land use decisions. Executive Order S-E-05 initiated the first steps in establishing greenhouse gas emission reduction targets in California. This was followed by the California Global Warming Solutions Act (AB 32), which required the California Air Resources Board (CARB) to establish reduction measures.

[In November 2011, the City adopted a Climate Action Plan \(CAP\). In conjunction with other SLO County jurisdictions, the City secured a \\$102,940 grant through the California Strategic Growth Council for the "Central Coast Collaborative CAP Implementation and Monitoring Program".](#)

[The collaborative implementation and monitoring program is an innovative strategy which will help the region achieve significant GHG reductions and allow them to track these reductions and determine overall progress toward achieving state goals. The program will provide a user-friendly tool to record data associated with CAPs and other GHG-reducing activities, which will result in tangible data regarding the effectiveness of GHG reduction strategies. Therefore, if strategies are not performing as well as initially expected, corrective action can be taken immediately to focus efforts on achieving the largest GHG reductions at the lowest cost. This work program will also include best practices for implementation of one of the GHG reduction strategies; an energy audit and retrofit program. The tools and best practices developed as part of this work program will provide valuable resources which can be implemented in other local and regional jurisdictions across the state](#)

[In addition to implanting GHG reduction programs as part of the CAP,](#) there are several areas where programs for energy conservation in new and existing housing units are supported by the City:

- Through application of State residential building standards that establish energy performance criteria for new residential buildings (Title 24 of the California Administrative Code and California Energy Commission requirements). These regulations establish insulation, window glazing, air conditioning and water heating system requirements.
- Through appropriate land use policies and development standards that reduce energy consumption, such as promoting more compact, walkable neighborhoods, with housing close to jobs, community facilities and shopping; planning and zoning for mixed-use and higher density development; and permitting second units.

The following opportunities for energy conservation are available to the City, homeowners, and developers:

- Pacific Gas and Electric (PG&E) provides a variety of energy conservation services for residents and provides several other energy assistance programs for lower income households. These programs include their Energy Watch Partnerships and the Charitable Contributions Program.
 - The Energy Watch Partnerships help residents lower their energy bills and promote cleaner energy production. Through this program, PG&E has extended the reach of effectiveness of energy efficiency programs, and provided information about demand responses programs, renewable energy and self-generations opportunities.
 - The Charitable Contributions Program gives millions of dollars each year to non-profit organizations to support environmental and energy sustainability. Projects include residential and community solar energy distribution projects, public education projects, and energy efficiency programs. The goal is to ensure that 75 percent of the funding assist underserved communities, which includes low-income households, people with disabilities, and seniors.
- PG&E also offers rebates for energy efficient home appliances and remodeling. Rebates are available for cooling and heating equipment, lighting, seasonal appliances and remodeling (cool roofs, insulation, water heaters). These opportunities are available to all income levels and housing types.
- The Solar Water Heating and Efficiency Act of 2007 (AB 1470) created a \$250 million, ten-year program to provide consumer rebates for solar water heating systems.
- Green Building Executive Order, S-20-04 (CA 2004), the Green Building Initiative set a goal of reducing energy use in public and private buildings by 20 percent by the year 2015, as compared with 2003 levels. The initiative encourages residential development projects to increase energy efficiency percentage beyond Title 24 requirements. In addition projects could implement other green building design (i.e., natural day lighting and on-site renewable, electricity generation). The City could also consider adopting standards that encourage or require specific LEED standards for green building.
- The California Solar Initiative required installation of 1 million solar roofs or an equivalent 3,000 MW by 2017 on homes and businesses, increased use of solar thermal systems to

offset the increasing demand for natural gas, use of advanced metering in solar applications, and creation of a funding source that can provide rebates over 10 years through a declining incentive ~~schedule.~~schedule. ~~The~~ City should access the incentives that will be made available and provide information to developers, to encourage the installation of solar roofs on new residential development.

Program M.1-1 has been included to incorporate newly adopted state energy efficiency standards and to encourage alternative energy efficient technologies.

5.3 Non-Governmental Constraints

This Section provides information related to constraints to producing housing, specifically affordable housing, that result not from governmental regulation, but from other forces ~~effecting~~affecting the housing ~~market.~~market. ~~Primarily,~~ Primarily, this examines the economic factors that contribute to the price of housing in Arroyo ~~Grande.~~Grande. ~~Other~~ factors that have an effect on housing costs that are not addressed are sales and marketing costs, property taxes, and developer profits.

Land Costs

Land costs vary substantially based upon a number of ~~factors.~~factors. ~~The~~ main influences on land value are location and zoning, and to a degree available supply of ~~land.~~land. ~~Land~~ Land that is conveniently located in a desirable area that is zoned for residential uses will likely be more valuable, and thus more expensive.

Based on local real estate sources ~~it is~~ it is estimated that the median cost per acre if unimproved residential zoned land in the City is \$332,000, ranging between \$48,000 per acre and \$1,200,000 per acre. Currently, some of these vacant lots are located in more rural areas and are encouraged to be subdivided, potentially reducing the cost per acre. Improved lots can be even more costly. The price varies due to the site zoning, with higher density zoned land being more expensive per acre (but less per unit). Land costs present a significant constraint to the production of affordable housing in the City.

Construction Costs

Construction costs are those incurred in actually constructing a dwelling ~~unit.~~unit. ~~These~~ These costs can vary depending on the location or style of development. Important determinants of construction costs include the amenities built into the unit, materials used, the prevailing labor

rate (a significant issue with subsidized affordable housing given recent legislation), and the difficulty of building on the [site-insite](#). In Arroyo Grande, expansive soils may necessitate more extensive foundations for housing [units](#). [According to the National Association of Home Builders 2013 Construction Cost Survey](#), the construction costs for a typical single-family home were estimated at \$246,500, approximately \$95 per square foot.

Availability of Financing

The availability of financing affects the ability to purchase or improve homes. In the Arroyo Grande area, 474 loan applications for home purchase or improvements were received in 2012, of which 349 were conventional loans. Of the 349 conventional loan applications, 314 were for home purchase and 35 were for home improvements. Only 4.9 percent of the 349 conventional loans were denied, 11.7 percent were withdrawn or not accepted by applicant, and 54.2 percent were approved and accepted.

There were 125 applications for government assisted home purchase or improvement loans (VA, FHA, FSA/RHS) in 2012. Of these, 52, or 41.6 percent of government assisted loans were approved and accepted by the applicant. Table 5-11 shows the breakdown of loan applications by type, purpose and outcome.

Table 5-11 Applications for Loans		
	Number	Percent
Type of Loan		
Total	474	173.6%
Conventional	349	73.6%
Government assisted	125	26.4%
FHA-insured	96	76.8%
VA-guaranteed	29	23.2%
Loan purpose		
Conventional	349	100.0%
Home Purchase	314	90.0%
Home Improvement	35	10.0%
Government assisted	125	100.0%
Home Purchase	124	99.2%
Home Improvement	1	0.8%
Loan Outcome		
Conventional	349	100.0%
Approved and accepted	189	54.2%
Denied	17	4.9%
Withdrawn or not accepted	41	11.7%
Closed/Incomplete	7	2.0%
Purchased by Institution	95	27.2%

<u>Government assisted</u>	<u>125</u>	<u>100.0%</u>
<u> Approved and accepted</u>	<u>52</u>	<u>41.6%</u>
<u> Denied</u>	<u>11</u>	<u>8.8%</u>
<u> Withdrawn or not accepted</u>	<u>14</u>	<u>11.2%</u>
<u> Closed/Incomplete</u>	<u>1</u>	<u>0.8%</u>
<u> Purchased by Institution</u>	<u>47</u>	<u>37.6%</u>

Source: Consumer Financial Protection Bureau 2012

Most (85.6 percent) applicants for government assisted loans had an annual income equivalent to or greater than the County median income of \$60,264 in 2012. Similarly, over 85.6 percent of conventional loan applicants earned greater than the County median income. Of all originated loans, 16.2 percent were awarded and accepted by applicants with less than median household income.

Insurance Availability

One of the significant issues identified by the City as reported by local developers is the cost and/or availability of workers compensation and liability insurance. These types of insurance have become very costly or are not available at all. This is having a negative effect on the likelihood of construction of multi-family units such as condominiums and apartments as well as a substantial cost per unit. This situation has escalated to a point that only single-family residential development appears profitable. This has and continues to be a constraint to multi-family and condominium development, which are the types of housing most feasible for affordable housing. This is a situation that needs to be addressed at the State level in that it is generally out of the control of the City.

Chapter 6 Review of the Previous Housing Element

This Chapter evaluates and reports on the status and implementation of the programs of the 2007-20014 Housing Element. The main purpose is to evaluate which programs were successful and should be continued, and which programs were ineffective and should be eliminated or modified.

Table 6-1 summarizes the City's previous RHNA for the period from January 2007 through December 2013 and the number of housing units built or approved during that planning period. The City needed to account for 362 units during the 2007-2014 period. From January 2007 through December 31, 2013, the City constructed or approved 363 units and 19 second units. The City met the above moderate income housing needs for the 2007-2014 planning period.

Table 6-1 Progress Toward Meeting Goals 2007-2014					
	Very Low	Low	Moderate	Above Moderate	Total (added across)
2014-20192007-2014 RHNA	84	59	67	152	362
Units Constructed/Approved	23	25	51	264	363
Second Units Constructed/Approved	0	19	0	0	19
Remaining 2014-20192007-2014 RHNA	61	15	16	0	92

Source: Regional Housing Needs Plan 2013, San Luis Obispo Council of Governments, City of Arroyo Grande

6.1 Evaluation of 2007-2014 Housing Element Programs

Below are the programs identified in the 2007-2014 Housing Element followed by a brief evaluation or status comment.

A.1-1. The City shall establish a five-year schedule of actions to implement the goals and policies of the Housing Element.

Response: An implementation schedule of goals and policies are outlined in the Housing Element but many of the programs associated with these goals and policies have not yet been implemented.

This program will continue to be implemented.

A.1-2. Report annually on the City's progress in meeting its fair share housing targets. Provide the collected information collected information to the Department of Housing and Community

Development (HCD), development community, and non-profit housing developers. HCD provides specific instructions and a template for the annual report.

Response: [The program is on-going.](#)

This program will be continued.

A.1-3. The City shall amend the Development Code to revise the requirements for the Traffic Way Mixed Use District to remove the limitation to only live-work residential uses. A mix of residential use types shall be allowed as allowed in all of the mixed use zoning districts (except the Industrial Mixed Use District). The Development Code shall also be amended to allow residential projects at densities up to 20 units per acre in the Traffic Way Mixed Use District.

Response: [The City has not amended the Development Code has not yet been amended regarding the limitations on uses nor the density in the Traffic Way Mixed Use District.](#)

This program will continue to be implemented.

A.2-1. The City shall continue to encourage and publicize on the City's website the secondary dwelling program to increase public awareness.

Response: [Currently the City provides information about secondary dwelling units on the City's website, including development standards, procedures, and fees.](#)

This program will be continued.

A.3-1. The City shall amend the Municipal Code to provide incentives for the development of affordable housing projects, including expedited permitting, providing financial assistance through the City's Inclusionary Housing Trust Fund, requiring lot consolidation, and providing greater flexibility in development standards.

Response: [The Municipal Code has not yet been amended to include incentives for affordable housing projects.](#)

This program has not successfully implemented and will be continued.

A.3-2. The City shall amend the Development Code to include the definition of "Extremely Low-Income" as defined by Section 50093 of the California Health and Safety Code.

Response: The definition of "Extremely Low-income" has not yet been included in the Development Code. Extremely low-income households earn 30 percent or less of the median household income.

[This program will be continued.](#)

A.3-3. The City shall amend the Development Code to provide additional incentives specific for extremely low-income housing projects. Incentives may include flexible standards for on- and off-site improvements such as reduced parking requirements, reduced curb, gutter, and sidewalk requirements; reduced or deferred water and/or sewer connection fees; permit streamlining procedures and development review; or financial incentives and assistance.

Response: The City has not yet amended the Development Code, regarding additional incentives for extremely low-income housing projects.

[This program will be continued.](#)

A.10-1. To facilitate affordable housing, the City shall comply with State Density Bonus Law. The City shall update Development Code Chapter 16.82 to comply with AB 2280. The City will continue to update Chapter 16.82 on an ongoing basis to comply with any future updates to State Density Bonus law (Government Code Section 65915) as well as evaluate proposed Development Code amendments to assess whether they pose any constraints to developer utilization of density bonuses.

Response: The City has not completed the Development Code amendment to comply with recent changes to State Density Bonus Law.

[This program will be continued.](#)

A.10-2. The City shall evaluate and amend the Planned Unit Development (PUD) Permit procedures in ~~the Development~~ the Development Code (Section 16.16.060) to provide more predictable options for small lot infill projects in the City's Residential land use designations.

Response: The Development Code has not been amended regarding the PUD permit procedures.

This program will be continued.

A.12-1. The City shall continue to maintain its Geographical Information System (GIS) mapping and planning database inventory of vacant and underutilized "opportunity sites".

Response: The City maintains a GIS database inventory of vacant and underutilized "opportunity sites".

This program has been successfully implemented and will be continued.

A.14-1. The City shall amend the Development Code to include a definition of the term "Attainable housing."

Response: The Development Code has not yet been amended to include the definition of "Attainable housing". This effort will be ~~achieved through~~ achieved through an "Affordable Housing" program. The City envisions assessing whether proposed projects include "Attainable Housing" as applications are submitted.

This program will be continued.

B.1-1. The City shall continue tracking all residential projects that include affordable housing to ensure that the affordability is maintained for at least 45 years for owner-occupied units and 55 years for rental units, and that any sale or change of ownership of these affordable units prior to satisfying the 45 or 55-year restriction shall be "rolled over" for another 45 or 55 years to protect "at-risk" units.

Response: The City tracks ~~all affordable~~ all affordable projects through a database, inputting any updates regarding ownership or affordability ~~when they~~ when they occur.

This program will be continued.

B.2-1. The City shall continue to contract with the Housing Authority of San Luis Obispo (HASLO) for the monitoring of affordable units to ensure compliance.

Response: The City has an Agreement with the Housing Authority of San Luis Obispo (HASLO) for affordable housing eligibility verification and compliance. The City is also a member of the San Luis Obispo Housing Trust Fund (SLOCHTF), which provides ongoing technical assistance.
This program will be continued.

C.1-1. The City shall continue to allocate financial resources to augment extremely low, very low and low-income housing development based on the financial projection of the Inclusionary Affordable Housing Trust Fund.

Response: The Inclusionary Affordable Housing Trust Fund will continue to devote funds to affordable housing projects for people of extremely low, very low and low income.
This program will be continued.

C.4-1. The City shall continue to meet with local non-profit and private developers semi-annually, or more frequently if opportunities arise, to promote the extremely low, very low, and low-income housing programs outlined in the Housing ~~Element~~Element. The City shall direct private housing developers to funding sources(such as federal and State housing grant fund programs and local housing trust funds) to promote affordable housing as outlined in the policies of Goal C.

Response: The City will continue to promote the development of affordable housing opportunities for people of extremely low, very low and low income.
This program will be continued.

C.4-2. The City shall continue to participate in financial incentive programs established by the San Luis Obispo County Housing Trust Fund (SLOCHTF), such as a revolving loan program.

Response: The City continues to receive local housing funding through the SLOCHTF.

This program will be continued.

D.1-1. The City shall encourage specific plans for land within its Sphere of Influence that include increased residential capacity for multiple-family development.

Response: Multiple family developments will continue to be encouraged through specific plans.

This program will continue to be implemented.

E.4-1. When necessary, the City shall ~~continue to~~ continue to work with property owners of deed restricted affordable units who need to sell within 45 years of initial sale. When the seller is unable to sell to an eligible buyer within a specified time period, equity sharing provisions are established (as per the affordable housing agreement for the property) whereby the difference between the affordable and market value is paid to the City to eliminate any incentive to sell the converted unit at market rate. Funds generated would then be used to develop additional affordable housing within the City.

Response: The City will continue to support the affordable housing agreement of properties, working with property owners, as ~~needed, when needed,~~ who need to sell of deed restricted affordable units.

This program will be continued.

F.1-1. The City shall evaluate and amend the inclusionary affordable housing requirements in the Development Code (Chapter 16.80) based on experience using the requirements in producing affordable units.

Potential changes to the requirements include: (1) consider contracting with a housing management organization to manage deed-restricted affordable units in the City; (2) consider adding incentives to encourage construction of rental units; and (3) investigate extending the income categories served by the inclusionary requirements to extremely low income households. The City will engage the development community during the evaluation process.

Response: The City has not amended the Development Code regarding the inclusionary affordable housing requirements.

This program will be continued.

F.1-2. The City shall amend the inclusionary affordable housing requirements in the Development Code (Chapter 16.80) to eliminate inclusion of moderate-income units in the requirements.

Response: The City has not amended the Development Code, eliminating the inclusion of moderate-income units in the inclusionary affordable housing requirements.

This program will be continued.

F.1-3. The City shall amend the in-lieu fee as called for in the inclusionary affordable housing requirements in the Development Code (Chapter 16.80).

Response: The City has not amended the Development Code.

This program will be continued.

G.1-1. The City shall continue to contract with the Housing Authority of San Luis Obispo (HASLO) to maintain a mailing list of persons interested in development projects containing affordable housing. Agendas for all City meetings related to these projects shall be mailed to persons on the mailing list. The City shall also continue to post the agendas on the City's website.

Response: This program will be continued.

G.1-2. The City shall encourage construction and/or rehabilitation of housing units for low, very-low, and extremely low income households by developing and implementing incentive-based programs such as fee reductions, fee waivers, flexible development standards, updating the City's second unit ordinance to reduce barriers to second units development in residential zones, and similar programs.

Response: This program will be continued.

H.1-1. The City shall continue to contract and coordinate with the San Luis Obispo Housing Authority to maintain and expand Section 8 rental housing assistance to qualified households.

Response: The City coordinates with HASLO regarding Section 8 housing assistance when needed.

This program will continue to be implemented.

H.1-2. The City shall develop a program to offer housing developers an alternative to meet affordable housing requirements by contributing some "sweat equity" on projects where existing housing units will be rehabilitated or conserved and where appropriate, deed-restricted as affordable as per the City's Affordable Housing Program.

Response: *This program will be continued.*

H.2-1. The City shall continue to consider abatement of unsafe or unsanitary structures, including buildings or rooms inappropriately used for housing, contrary to adopted health and safety codes. Where feasible, the City will encourage rehabilitation and allow reasonable notice and time to correct deficiencies. Where necessary and feasible, extremely low, very low and low-income residents displaced by abatement action shall be eligible for relocation assistance, subject to Council approval.

Response: *This program will be continued.*

I.1-1. Written notice shall be required prior to the conversion of any units for low-income households to market rate units in any of the following circumstances:

- The units were constructed with the aid of government funding
- The units were required by an inclusionary zoning ordinance
- The project was granted a density bonus
- The project received other incentives

The property owner should work with the City and affordable housing developers, such as HASLO, to identify qualified buyers and/or funding prior to conversion. In cases where conversions occur, notice shall at a minimum be given to the following:

- The City of Arroyo Grande
- State Department of Housing and Community Development

- San Luis Obispo Housing Authority
- Residents of at-risk units

Response: [This program will be continued.](#)

I.2-1. The City shall annually monitor the status of affordable housing developments. If any property owners indicate plans to convert affordable units to market rate pricing, or if the City identifies market conditions indicating potential for "at risk" unit conversion, the City will contact qualified non-profit organizations or other agencies and explore opportunities to assist and facilitate the transfer ownership of "at risk" units.

Response: The City monitors the development of affordable housing, classifying the development of new units based on income brackets of very low, low, moderate and above moderate. The City will continue to ensure the availability of affordable housing units for people of very low and low income.

[This program will be continued.](#)

J.1-1. The City shall continue to promote housing opportunities for seniors and other special needs groups by identifying sites suitable for senior and transitional housing and considering other incentives to promote senior and transitional housing. Single-room occupancy units (SROs) shall be added to the use tables in the Development Code allowed in all Mixed-Use zones with a conditional use permit. SROs shall be allowed in the MFVH zone district with a minor use permit.

Response: [Within the planning period, one project included the expansion of an existing assisted living facility by 17 units \("Alder House"\). Recently, a 69 bed assisted living facility was approved.](#)

[This program will be continued.](#)

K.1-1. The City shall continue to participate in the South San Luis Obispo County working group cooperating with other cities, the county and other agencies in the development of programs aimed at providing homeless shelters and related services.

Response: The City continues to work the county and other relevant agencies in providing homeless shelters and shelters and related services.

This program will be continued.

K.2-1. The City shall amend the Development Code to allow emergency shelters without shelters without a conditional use permit or other discretionary permits in appropriate locations in compliance with SB 2, the "Fair Share Zoning" law. The Development Code amendment shall include a definition for "emergency shelter." Emergency sheltersEmergency shelters are currently not allowed in commercial mixed-use districts, and are allowed through the Conditional Use Permit process in the Condominium/Townhouse (MF), Apartments (MFA) and Multifamily Very High Density (MFVH) residential districts. The Development Code shall be updated to require administrative approval only for emergency shelters in the Industrial Mixed-Use (IMU) and Highway Mixed-Use (HMU) districts. These commercial districts have sufficient capacity to house emergency shelters with approximately 18 acres of vacant or underutilized land available. The IMU district has several large parcels totaling almost 13.5 acres with ten (10) acres that are currently used as storage and/or construction yards with small or no permanent structures. The HMU district has less potential, although there are about four acres with a couple of large vacant parcels totaling 1.64 acres. About 6.36 of the 18 acres have some type of permanent structure on the individual parcels, but could be redeveloped to accommodate transitional housing.Transitionalhousing. Transitional and supportive housing shallshall be defined as residential uses subject to the samestandardsame standards that apply to other housing.

The Development Code can include locational and operational criteria for emergency shelters such as:

- Proximity of public transit, supportive services and services, and commercial services;
- Hours of operation;
- External lighting and noise;
- Provision of security measures for the proper operation and management of a proposed facilityproposed facility;
- Measures to avoid queues of individuals outside individuals outside proposed facility; and
- Compliance with county and State health and safety and safety requirements for food, medical, and other and other supportive services provided onsite.

Such criteria can act to encourage and facilitate emergency shelters and transitional housing through housing through clear and unambiguous guidelines for the applicationthe

application review process, the basis for approval and approval, and the terms and conditions of approval.

The City will solicit input from local service providers and the South San Luis Obispo County working group in the preparation and adoption of the amendment to the Development Code to ensure that development standards and permit processing will not impede the approval and/or development of emergency and transitional housing.

Response: The Development Code has not yet be amended regarding establishment of emergency shelters without a conditional use permit. The City will need to also define transitional and supportive housing as a residential use subject to the same restrictions of a residential use in the same zone.

This program will be modified and continued.

K.2-2. The City shall implement an overnight parking program for the homeless in appropriate zoning districts.

Response: An overnight parking program has not yet been implemented. The City will consider the legality of existing regulations prohibiting sleeping in vehicles in response to recent appeal and overturned of Los Angeles ban on sleeping in cars.

This program will be continued.

L.1-1. The City shall explore models to encourage the creation of housing for persons with disabilities, including developmental disabilities. Such models could include coordinating with the Tri-County Regional Center and other local agencies in encouraging affordable housing projects to dedicate a percent of housing for disabled individuals; assisting in housing development; providing housing services that educate, advocate, inform, and assist people to locate and maintain housing; and models to assist in the maintenance and repair of housing for persons with developmental disabilities.

Response: The City will continue to explore models to encourage development of housing for persons with disabilities.

This program will continue to be implemented.

L.2-1. The City shall create a policy or amend the Development Code to provide persons with disabilities seeking equal access to housing an opportunity to request reasonable accommodation in the application of City building and zoning laws.

Response: The City has not amended the Development Code to provide an opportunity to request reasonable accommodation for persons with disabilities.

This program will be continued.

L.2-2. The City will have brochures on universal design available at the ~~Community Development~~ Community Development Department front counter. The City will also consider updating the building code to encourage use ~~of universal~~ of universal design in home design. ~~Universal design~~. Universal design is based on the precept that throughout life, all ~~people experience~~ people experience changes in their abilities. The goal of universal design is ~~to provide to provide~~ to provide environments that are usable by all people, to the greatest ~~extent possible~~ extent possible, without the need for specialization in design and construction and/or facilitate change in occupancy over time.

Response: The City has not yet made progress promoting the universal design concept.

This program will be continued.

M.1-1. The City shall continue working to implement a water and electrical retrofit program for existing housing units. A plumbing retrofit program was established in 2004, and water conservation rebate programs were established in 2009. The City will continue to work with PG&E and other agencies to establish an electrical retrofit program.

Response: The City has continued to promote Water Conservation Incentive programs, ~~including the~~ including the Plumbing Retrofit Program as well as rebate and education programs. The City has also been involved in the San Luis Obispo County

Energy Watch, a joint project between San Luis Obispo County, Pacific Gas and Electric Company and Southern California Gas Company. In 2013 the City adopted a Climate Action Plan and partnered with San Luis Obispo County jurisdictions to receive a California Strategic Growth Council grant to develop an implementation and monitoring program. The program provides tools and best practices for implementing all CAP programs, such as the energy audit and retrofit program.

This program will be modified and continued.

M.1-2. The City shall establish a program to allow residential projects to receive minor exceptions if they meet 25% of items on the Tier 1 list of the California Green Building Code (Title 24) or 15% of items on the Tier 2 list of that code.

Response: The City has yet to establish a program regarding minor exceptions for residential projects that meet a minimum number of items from the California Green Building Code.

This program will be continued.

N.1-1. The City will continue to promote the enforcement of policies of the State Fair Employment and Housing Commission, and shall resolve housing discrimination complaints through assistance from HUD, and/or local, regional private fair housing organizations. The City will prepare a brochure that promotes equal housing opportunities and addresses discrimination. The brochure will be available at the Community Development department and a link to download the brochure will be placed on the City's website. In addition the City shall disseminate information in one or more of the following ways to ensure the public is aware of Fair Housing Law:

- Distribute materials to property owners and apartment managers twice a year.
- ~~Make public~~ Make public service announcements through multiple media outlets including newspaper, radio, television, and social media to run on a regular basis.
- ~~Conduct public~~ Conduct public presentations with different community groups once or twice a year.

Response: The City has not yet prepared a brochure to promote equal housing opportunities and address discrimination or disseminated information about the Fair Housing Law to the public.

[This program will be continued.](#)

O.1-1. Prior to any public hearing where the City is considering amending or updating its Housing Element or housing policies, the City will notify all local housing organizations, as well as social service agencies, and post notices at significant locations.

Response: The City will continue to notify the necessary organizations, agencies and other parties when amending or updating the Housing Element or housing policies.

[This program will be continued.](#)

P.1-1. Following amendment of the General Plan Conservation and Safety Elements to comply with AB 162 related to floodplain mapping, the City will amend the Housing Element if needed for consistency.

Response: The City has not yet amended the General Plan Conservation and Safety Elements to comply with AB 162. [Following any amendments, the Housing Element will be modified, as necessary.](#)

[This program will be continued.](#)

APPENDIX A BIBLIOGRAPHY

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