



city of san luis obispo

Housing Element

2020-2028



community development department

MISSION STATEMENT

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

OUR SERVICE PHILOSOPHY

The City of San Luis Obispo Community Development Department staff provides high-quality service whenever and wherever you need it. We will:

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

Front Cover Photo: Top left, Noveno single family homes; Top right, View of the City of SLO; Middle bottom left, Single family home; Middle bottom right, Iron Works 100 percent affordable apartments (HASLO); Very bottom - Bishop Street Studios (Transitions-Mental Health Association), 33 units of supported housing for adults living with a mental illness in San Luis Obispo (Photo credit: Dennis Swanson).

city of san luis obispo

6th Cycle Housing Element

Adopted
November 17, 2020

SAN LUIS OBISPO CITY COUNCIL

Heidi Harmon, Mayor Carlyn Christianson
Andy Pease Aaron Gomez
Erica A. Stewart

Derek Johnson, City Manager

PLANNING COMMISSION

Hemalata Dandekar, Chair Robert Jorgensen, Vice-Chair
Mike Wulkan Steve Kahn
Michelle Shoresman Nicholas Quincy
Michael Hopkins

COMMUNITY DEVELOPMENT DEPARTMENT

Michael Codron, Director of Community Development
Tyler Corey, Principal Planner
Brian Leveille, Senior Planner
Rachel Cohen, Associate Planner
Cara Vereschagin, Housing Programs Coordinator
Graham Bultema, Planning Intern
Madison Driscoll, Planning Intern

City of San Luis Obispo
919 Palm Street
San Luis Obispo, CA 93401 – 3218

FOREWORD

This Housing Element updates the 5th Cycle Housing Element and addresses important changes to State housing law. Like the previous element, it has been prepared to help San Luis Obispo City residents' secure safe housing that will meet their personal needs and financial circumstances, and to meet State law.

The Housing Element is part of the General Plan and is one of nine “elements” or chapters of that plan. It sets out the City’s goals, policies, and programs for housing over the next eight years (2020-2028). It works in concert with the other plan elements to help achieve the broad community goals as expressed in the General Plan Land Use Element. The other elements are Circulation, Noise, Safety, Conservation and Open Space, Parks and Recreation, and Water and Wastewater. Housing elements must be updated periodically, according to a State adopted schedule.

The Housing Element is available on the City’s website at www.slocity.org, and copies of the General Plan are available from the Community Development Department, City of San Luis Obispo, 919 Palm Street, San Luis Obispo, California 93401-3218. Phone: (805) 781-7170. Fax: (805) 781-7173.

city of san luis obispo

6th Cycle Housing Element

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chapter 1

INTRODUCTION

1.10 Purpose

The City has prepared this document to help its citizen’s secure adequate and affordable housing, and to meet State law. In addition, this Housing Element update has the following basic objectives:

- To evaluate and quantify community housing needs, constraints and available resources to effectively satisfy those needs;
- To increase public awareness and understanding of the City's housing situation and its goals to encourage public participation in addressing those housing needs;
- To provide a comprehensive document that includes goals, policies and programs to help guide community efforts to meet housing needs through informed decision-making on land use and housing choices;
- To help develop more affordable housing, and a wider variety of housing, to meet the City's housing needs for the 6th cycle planning period;
- To track and document the effectiveness of City programs in meeting housing needs, and to evaluate opportunities for improving those programs;
- To enable the City to secure financial assistance for the construction of affordable housing for extremely low, very low-, low- and moderate-income persons; and
- To fully integrate environmental sustainability, “smart growth” and conservation strategies into the City’s housing policy.

Under State law, cities are responsible for planning for the well-being of their citizens. This Housing Element sets forth the City’s policies and detailed programs for meeting existing and future housing needs, for preserving and enhancing neighborhoods, and for increasing affordable housing opportunities for extremely low, very-low, low and moderate income persons and households. It is the primary policy guide for local decision-making on all housing matters. The Housing Element also describes the City’s demographic, economic and housing factors, as required by State law.

1.20 What is a Housing Element

The Housing Element is one of the seven required elements of the General Plan and is the primary document that local jurisdictions in California use to plan for current and future housing needs. State Housing Element law, enacted in 1969, mandates that each local government in California create a Housing Element to adequately plan to meet the existing and projected housing needs of all segments of the population. The Housing Element must be consistent with all other elements of the General Plan and is updated on a regular basis. The law acknowledges that for the private market to adequately address housing needs and demand, local governments must adopt plans and regulatory systems that support housing development. As a result, the successful growth of a community rests largely upon the implementation of local general plans, and in particular, the Housing Element.

Each jurisdiction's projected housing need during the Housing Element planning period is determined through the Regional Housing Needs Allocation (RHNA) process, which is based on projected Statewide growth in households as determined by the California Department of Housing and Community Development (HCD). Through the RHNA process, HCD distributes the Statewide projected housing need among the regions in the State, where each regional council of government allocates the projected regional growth to local jurisdictions within the region. The total housing need for each jurisdiction is distributed among income categories, requiring each jurisdiction to plan to meet the need for housing for households at all income levels. The agency responsible for distributing the RHNA in San Luis Obispo County is the San Luis Obispo Council of Government (SLOCOG).

Each city and county in California is required to produce a Housing Element that demonstrates the jurisdiction's ability to accommodate the housing need identified in its RHNA during the Housing Element planning period. This Housing Element covers the 6th cycle Housing Element planning period, which differs from previous update cycles as a result of recent changes in State Law, which are discussed below.

1.30 Consistency with State Law

California cities and counties must prepare housing elements as required by State law set forth in Sections 65580 to 65589.8 of the California Government Code. The law mandates that housing elements include "identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives and scheduled programs for the preservation, improvement and development of housing." State housing goals rely on the effective implementation of housing policies at the local level. To ensure local housing policies are consistent with State law, the State Department of Housing and Community Development (HCD) reviews local housing elements and reports its written findings to the local government. Housing elements must also be consistent with the jurisdiction's other general plan elements and must address several specific requirements regarding the element's scope and content.

Within the last several years, new state laws have been approved that impacts housing and specifically the information that must be contained within the Housing Element. Two of these laws are discussed below.

SB 375

In an effort to reduce greenhouse gas emissions associated with passenger cars, Senate Bill 375 calls for local jurisdictions and regional planning agencies to better coordinate land use plans with existing and planned transit investments and to plan for a greater proportion of residential and employment growth in areas accessible to transit. One outcome of the effort to coordinate housing and transit planning has been the eight-year planning period (2020-2028) for the upcoming Housing Element Update, rather than the five planning period that was used in previous Housing Element Update cycles, in order to coordinate the timing of the Housing Element Update with the Regional Transportation Plan.

SB 166 – No Net Loss

SB 166 requires local planning agencies to identify additional low-income housing sites in their housing element when market-rate housing is developed on a site currently identified for low-income housing. Appendix E outlines the City’s inventory, including the anticipated location of affordable and market-rate units. The inventory contains sufficient properties, that if a property is developed with market rate units instead of low-income units, there are other sites available to make up the difference. This ensures that there is no net loss of availability of potentially low-income housing sites.

1.40 General Plan Consistency

The Housing Element is one part of the City of San Luis Obispo General Plan. State law requires that general plans contain an integrated and internally consistent set of goals or policies. Although the Housing Element is the primary source of information on housing policies, programs and resources, other General Plan documents also address or affect housing. By law, new development projects must be consistent with all elements of the General Plan.

For example, the Land Use Element and Circulation Element set the City's policies for land use and transportation, which in turn, affect how, when and where the City's housing needs can best be met. While housing is important, it is but one of many community goals the General Plan addresses. The other elements contain policies that seek to preserve and enhance the quality of life San Luis Obispo citizens enjoy. Clean air and water, open space, parks and recreation, preservation of natural, historic, and cultural resources, public services and safety are also essential community attributes. These policies are of equal importance with those of the Housing Element.

City Staff has reviewed the goals, policies, and programs of other General Plan Elements and determined that the Housing Element is consistent with the City’s other General Plan elements. Additionally, the policies and programs in the Housing Element reflect policies and programs contained in other parts of the General Plan. As other elements are updated or amended, the Housing Element will be reviewed to ensure General Plan consistency is maintained.

1.50 Citizen Participation

The Housing Element expresses the community's housing priorities, goals, values and hopes for the future. Preparing the Element is a sizable task that involves extensive community input and the work of many individuals. Under State law, local governments must be diligent in soliciting participation by all segments of the community in this effort. During preparation of this Element Update, citizen participation was actively encouraged through the following forums:

- One public workshop focusing on housing needs, issues, and opportunities in the community.
- Two online public surveys.
- Three public meetings before the Planning Commission and two public meetings before the City Council.
- Posted the Draft Housing Element on the City's website.
- Public notices for meetings, outreach events and online surveys were distributed in local newspapers and public radio, the City's website, Twitter, and Facebook.
- Regular e-mail updates to a list of interested parties with a link to the City's website that contained links to staff reports, draft housing element and housing resources.
- Presentations and discussions with a variety of stakeholder groups including San Luis Obispo Association of Realtors, Economic Vitality Corporation, Home Builders Association, and Chamber of Commerce. Participation in the workshops and meetings from a variety of residents and stakeholders has resulted in an improved understanding of existing housing programs and housing issues in the community and increased public participation in the update process. Input from residents and stakeholder groups has been instrumental in providing information for program modifications and in providing a better sense of housing issues for the decision-makers when considering new policies or programs.

Feedback from the workshops, presentations, and meetings, as well as other correspondence, were used to inform the changes to the Housing Element Goals, Policies and Programs. The most frequently repeated comments and suggestions regarding housing were the topics of affordability, higher density and missing middle housing. Updates to the Housing Element include new and revised policies and programs that address these topics. These changes include pursuing flexible density in Downtown and Upper Monterey and Mid-Higuera Special Focus Areas (Program 2.15), encouraging "missing middle" type housing (Policy 5.4 and Program 5.6) and local preference (Policy 10.2 and Program 10.4), and updating the Inclusionary Housing Ordinance (Program 2.13).

chapter 2

COMMUNITY FACTORS

2.10 Community Overview

San Luis Obispo is a compact urban community blessed with rich ethnic, cultural, and historical traditions. Its namesake, Mission San Luis Obispo de Tolosa, founded in 1772, stands as the community’s physical, cultural, and spiritual center. With an estimated 2019 population of 46,802 people, San Luis Obispo is the largest city in terms of population in San Luis Obispo County and serves as the County seat. Situated in a valley and framed by rolling hills, the City’s setting and visual character are distinctive. The “morros”, a series of weathered peaks that are the remnants of ancient volcanoes, transect the City and create the City’s unique skyline. San Luis Obispo is home to California Polytechnic State University, Cuesta College and Camp San Luis Obispo (California Army National Guard), and is the retail, business, governmental, and transportation hub of the County.

In assessing the City’s housing issues and needs, many factors were considered. These factors became the foundation for the Element’s preliminary goals, policies, and programs. Preliminary housing goals and policies were then refined through the public review process. An overview of these factors is described below, including snapshots of the City’s key demographic, economic and housing characteristics. An analysis of community factors is provided in Appendix A.

2.20 Demographic Snapshots

- ❑ San Luis Obispo’s population has grown at a slow, steady pace since 1980. Since 2011, the City’s population has increased slightly at varying rates. During this period, annual population change never exceeded one percent, and only four times did it change more than half a percent (see Table A-1, Appendix A).
- ❑ When compared with California, the most ethnically diverse state in the nation, the City and County of San Luis Obispo are less ethnically diverse. The 2017 Census¹ found that 72 percent of the City is white, about five percent is Asian, with much smaller percentages of Native Americans, Pacific Islanders, other single races or persons self-identifying with two or more races. Persons of Hispanic or Latino origin are classified separately under the 2017 Census and can be of any race. About 17 percent of the City’s population is Hispanic, compared with 22 and 39 percent in the County and State, respectively.
- ❑ Many segments of the City’s population have difficulty finding affordable housing due to their economic, physical, or sociological circumstances. These special needs groups may include the elderly, families, single parent households, people with disabilities, very low and low-income residents, and the homeless.

¹ U.S. Census 2013-2017 American Community Survey 5-Year Estimates

- ❑ In 2017, City households earned less, on the average, than their County and State counterparts. The median household income was \$49,640, compared with \$67,175 for the County and \$76,975 Statewide. This reflects the high percentage of student households in San Luis Obispo. Many students attending California State Polytechnic University (Cal Poly) and Cuesta College are nominally classified as lower income, although they often have significant financial resources through parental support.
- ❑ While median City household incomes were less than many other areas of coastal California, median City housing costs were higher than both the County and State. Housing costs in San Luis Obispo have risen sharply in recent years while average household incomes have risen slowly or remained steady. Despite the housing market's upturn after the Great Recession (2007 to 2009), there is a continuing disparity between household income and housing costs which forces many to seek housing outside the City.
- ❑ San Luis Obispo contains the largest concentration of jobs in the County. During workdays, the City's population increases to an estimated 55,733 persons² (excluding any overnight visitors); this is an increase of 8,931 persons each workday.

2.30 Housing Snapshots

- ❑ The City median housing sales price has increased since the previous housing element in 2015. Since 2015 the median real estate sales price has increased steadily from \$546,600 to \$693,000 in 2019. By comparison, the median sales price in the County in 2015 was \$478,700, and \$585,800 in 2019. This pattern in both the City and County was also seen in the State, which saw a median sales price of \$398,300 in 2015 and \$500,500 in 2019.
- ❑ The City has seen a steady number of building permits for new housing units being issued each year since 2014. From 2014 to 2018 an average of 125 building permits were issued each year resulting in a total of 600 multi-family dwellings and 377 new single-family dwellings over the five years.
- ❑ The City's housing tenure is approximately 38 percent owner-occupied and 62 percent renter occupied. From 2010 to 2017 the City saw a one percent decrease in owner-occupied housing units. In contrast, the County and State saw increases in renter-occupied housing units of two percent and six percent, respectively.
- ❑ San Luis Obispo's housing market is strongly influenced by Cal Poly University and Cuesta College enrollment. Owner occupied housing units saw a one percent decrease since 2010 even with the large increase of on-campus student housing at Cal Poly. Cuesta College does not offer on-campus housing. Most of the area's students live off campus in single family or multi-family rental units in the City of San Luis Obispo. Students often

² The estimate uses 2017 & 2018 data from SLOCOG; this number takes the total population and subtracts the number of people who leave the City throughout the day, and adds both the number of people coming into the City of SLO during the AM peak period (such as people who work in the city) AND the number of people who are entering the city during off-peak hours and exiting during peak hour (in order to include short-term visits for shopping, part-time jobs, etc.).

live together in a house and share rental costs. Consequently, college students will out-compete non-student households for rental housing in areas that were historically single-family residential neighborhoods.

- ❑ Approximately 63 percent of the City’s housing stock was built before 1980. Despite its age, the City’s housing stock is generally in fair to good condition, with little outward evidence of substandard or blighted conditions. Illegal garage conversions and “bootleg” second units in low- and medium-density residential neighborhoods, lack of property maintenance, noise and parking have been the focus of citizen complaints and city code enforcement actions.
- ❑ While San Luis Obispo City appears mostly “built out,” significant areas of developable land remain that could help meet existing and future housing needs. A residential capacity inventory conducted by the City in 2018 (see Appendix E) indicates that the City has approximately 540 acres of vacant, underutilized, or blighted property that can accommodate approximately 3,155 dwelling units. Much of this capacity is located within the new development areas of San Luis Ranch and Avila Ranch.

2.40 Neighborhood Snapshots

- ❑ San Luis Obispo became a town in 1856. It has evolved from a small rural village of just over 2,200 people in 1880 to a vibrant “metropolitan” area. Its diverse neighborhoods reflect that evolution in terms of land use, population density, street width and appearance, applicable development codes and architectural style. The oldest neighborhoods are close to the downtown area, roughly bordered by State Highway 101, the railroad tracks and High Street. The newest neighborhoods are in the south and southwest areas of the City.
- ❑ San Luis Obispo has a strong “sense of place.” It began with the founding of Mission San Luis Obispo De Tolosa in 1772, and before that, was home to a large Chumash settlement, attracted to the area due to its mild climate and abundant resources. San Luis Obispo has been shaped by persons of many backgrounds, including: Native Americans, Spanish, Mexican, Chinese, English, French, German, Irish, Portuguese, Swiss-Italian, Japanese, Filipino, and many others. The community takes pride in its rich, multi-ethnic, and multi-cultural heritage, and its many historic homes and commercial buildings. Architectural and historic preservation are important considerations in many neighborhoods.
- ❑ San Luis Obispo’s neighborhoods traditionally have been made up mostly of single-family housing. Low-density, detached single-family housing is still the City’s predominant residential land use by land area. Of the roughly 8,600 acres of zoned land, residential zones account for over 41 percent of total zoned land area within City limits. The San Luis Obispo General Plan provides four residential zones, plus nine zones where housing is allowed with special approval. Appendix C, Table C-1 shows the land use zones that allow housing, their existing acreage and the ranges of density allowed.

- Code enforcement, neighborhood compatibility and property maintenance complaints in low- and medium-density residential neighborhoods have remained around the same year to year. Between 2014 and 2019, Community Development Department staff responded to an average of 253 code enforcement cases per year that included building and zoning code violations, garage conversions, substandard housing, high-occupancy residential uses, fence height, trailers, noise disturbances, parking and land use violations. Neighborhood Services code enforcement cases, which include violations such as visible storage, failure to screen waste containers, dead or overgrown vegetation and yard parking fluctuated during the last 5 years with an average of 618 cases per year.

- Neighborhood preservation is addressed by several City departments. In 2000, the Office of Neighborhood Services was established as part of the Police Department to address parking, property maintenance, and noise violations. Police Department SNAP employees (Student Neighborhood Assistance Program) conduct enforcement in neighborhoods during evening hours and will issue warnings and citations. An average of 2,381 parking citations for violations in residential parking permit districts and 457 Disturbance Advisory Cards (DACs) were issued. The Police Department is also a part of the SLO Solutions Program which offers free conflict resolution and mediation to City residents. The program has served an average of 1,286 residents over the last 5 years.

chapter 3

GOALS, POLICIES, AND PROGRAMS

3.10 Overview

This chapter includes the Housing Implementation Plan for the 6th Cycle Regional Housing Needs Allocation (RHNA) period (2020-2028). The following goals, policies and programs are based on an assessment of the City’s needs, opportunities, and constraints, and an evaluation of its existing policies and programs.

3.20 Goals, Policies, and Programs

This chapter describes the City’s housing goals, policies and programs, which together form the blueprint for housing actions during the Housing Element’s planning period. Goals, policies, and programs are listed in top-to-bottom order, with goals at the top and being the most general statements, working down to programs, the most specific statements of intent. Here are how the three policy levels differ:

- ❑ **Goals** are the desired results that the City will attempt to reach over the long term. They are general expressions of community values or preferred end states, and therefore, are abstract in nature and are rarely fully attained. While it may not be possible to attain all goals during this Element’s planning period, they will, nonetheless, be the basis for City policies and actions during this period.
- ❑ **Policies** are specific statements that will guide decision-making. Policies serve as the directives to developers, builders, design professionals, decision makers and others who will initiate or review new development projects. Some policies stand alone as directives, but others require that additional actions be taken. These additional actions are listed under “programs” below. Most policies have a time frame that fits within this Element’s planning period. In this context, “shall” means the policy is mandatory; “should” or “will” indicate the policy should be followed unless there are compelling or contradictory reasons to do otherwise.
- ❑ **Programs** are the core of the City’s housing strategy. These include on-going programs, procedural changes, general plan changes, rezoning or other actions that help achieve housing goals. Programs translate goals and policies into actions.

GOAL 1: SAFETY

Provide safe, decent shelter for all residents.

Policies

- 1.1 Assist those citizens unable to obtain safe shelter on their own.
- 1.2 Support and inform the public about fair housing laws and programs that allow equal housing access for all city residents.
- 1.3 Maintain a level of housing code enforcement to correct unsafe, unsanitary, or illegal conditions and to preserve the inventory of safe housing, consistent with City Council's code enforcement priorities.
- 1.4 Assist owners of older residences with information on ways to repair and upgrade older structures to meet higher levels of building safety, efficiency, and sustainability.

Programs

- 1.5 Continue to improve unsafe, unsanitary, or illegal housing conditions, barriers to accessibility, energy efficiency, or unsafe neighborhoods annually, by: 1) using Federal, State, and local housing funds, such as Community Development Block Grant Funds, and 2) proactively promoting neighborhood wellness through Code Enforcement's Neighborhood Service Program.
- 1.6 Continue code enforcement to expedite the removal of illegal or unsafe dwellings, to eliminate hazardous site or property conditions, and resolve chronic building safety problems. Code Enforcement staff shall continue to provide property owners and tenants with information on how to rectify violations, who to contact in Code Enforcement for assistance, and other resources that may be pertinent to the citation.
- 1.7 Continue to support local and regional solutions to homelessness by funding supportive programs services and housing solutions.

GOAL 2: AFFORDABILITY

Accommodate affordable housing production that helps meet the City's Quantified Objectives.

Policies

- 2.1 **Income Levels for Affordable Housing households.** For purposes of this Housing Element, affordable housing is that which is obtainable by a household with a particular income level, as further described in the City's Affordable Housing Standards. Housing affordable to Extremely Low, Very Low, Low, and Moderate-income persons or households shall be considered "deed-restricted affordable housing." Income levels are defined as follows:

- Extremely low: 30% or less of County Area median household income
- Very low: 31 to 50% of County Area median household income.
- Low: 51% to 80% of County Area median household income.
- Moderate: 81% to 120% of County Area median household income.
- Above moderate: 121% or more of County Area median household income.

- 2.2** Index of Affordability. The Index of Affordability shall be based on the City's Affordable Housing Standards, updated annually per the County of San Luis Obispo's Area Median Income determined by California Department of Housing and Community Development.
- 2.3** For housing to qualify as "deed-restricted affordable" under the provisions of this Element, guarantees must be presented that ownership or rental housing units will remain affordable for the longest period allowed by State law.
- 2.4** Encourage housing production for all financial strata of the City's population, as allocated in the Regional Housing Needs Allocation, for the 6th cycle planning period. The number of units per income category are: extremely low and very low income, 825 units; low income, 520 units; moderate income, 604 units; and above moderate income, 1,405 units.

Programs

- 2.5** Continue to manage the Affordable Housing Fund so that the fund serves as a sustainable resource for supporting, at a minimum, 4 new affordable housing developments during the planning period. The fund shall serve as a source of both grant funding and below-market financing for affordable housing projects; and funds shall be used to support a wide variety of housing types at the following income levels: extremely low, very low, low, and moderate, but with a focus on production efficiency to maximize housing benefits for the City's financial investment, and to support high-quality housing projects that would not be feasible without Affordable Housing Fund support.
- 2.6** Review existing and proposed building, planning, engineering and fire policies and standards every year to determine whether changes are possible that could assist the production of affordable housing, or that would encourage preservation of housing rather than conversion to non-residential uses, provided such changes would not conflict with other General Plan policies. Such periodic reviews will remove regulations within 2-6 months that have been superseded, are redundant, or no longer needed.
- 2.7** Continue to prioritize procedures that speed up the processing of applications, construction permits, and water and sewer service priorities for affordable housing projects. City staff and commissions shall give such projects priority in allocating work assignments, scheduling, conferences and hearings.
- 2.8** Coordinate an annual public and private sector meeting to discuss and encourage the development of housing that meets the City's housing needs.

- 2.9** Assist with the issuance of tax-exempt bonds, tax credit financing, loan underwriting or other financial tools to help develop or preserve at least 20 affordable units annually through various programs.
- 2.10** Update the Affordable Housing Standards to include Homeowners' Association (HOA) fees and a standard allowance for utilities in the calculation for affordable rents and home sales prices within two years of adopting the Housing Element.
- 2.11** In conjunction with the Housing Authority and other local housing agencies, continue to provide on-going technical assistance and education to tenants, property owners and the community at large on the need to preserve at-risk units as well as the available tools to help them do so.
- 2.12** In conjunction with housing providers and the residential design community, continue to provide planning services as requested by the public, builders, design professionals and developers regarding strategies to achieve affordable housing and density bonuses.
- 2.13** Update the Inclusionary Housing Ordinance, including Table 2A, based on findings and recommendations in the 2020 Affordable Housing Nexus Study and conduct further feasibility analysis in order to evaluate the City's ability to provide affordable housing in the proportions shown in the Regional Housing Needs Allocation, per Policy 2.4.
- 2.14** Continue to support density bonuses for residential projects above the state density bonus allowance of 35% to promote the development of units for extremely low, very low, and low-income households.
- 2.15** Evaluate a flexible density pilot program and initiate an update of the Zoning Regulations and Community Design Guidelines to incorporate flexible density development options in Downtown Core and portions of Upper Monterey and Mid-Higuera Special Focus Areas to support the production of 50 smaller residential units (150 to 600 square feet) per year during the planning period.
- 2.16** Create and make available to interested parties an informational packet that explains SB 35 streamlining provisions and eligibility within two years of Housing Element adoption.
- 2.17** In order to provide adequate sites for lower income households on non-vacant and vacant sites previously identified in the Housing Element (Table E-2), the City will, within one (1) year of the adoption of the Housing Element Update, allow developments (including mixed-use projects) that include at least 20 percent of the residential units as affordable to lower income households, by right (no discretionary review).
- 2.18** Utilize objective design standards to allow residential uses by right (no discretionary review) for those developments (including mixed-use projects) that include at least 20 percent of the residential units as affordable to low income households.

GOAL 3: HOUSING CONSERVATION

Conserve existing housing and prevent the loss of safe housing and the displacement of current occupants.

Policies

- 3.1** Continue to encourage the rehabilitation, remodeling or relocation of sound or habitable housing rather than demolition. Demolition of non-historic housing may be permitted where conservation of existing housing would preclude the achievement of other housing objectives or adopted City goals.
- 3.2** Discourage the removal or replacement of housing affordable to extremely low, very-low, low- and moderate income households, and avoid permit approvals, private development, municipal actions or public projects that remove or adversely impact such housing unless such actions are necessary to achieve General Plan objectives and: (1) it can be demonstrated that rehabilitation of lower-cost units at risk of replacement is financially or physically infeasible, or (2) an equivalent number of new units comparable or better in affordability and amenities to those being replaced is provided, or (3) the project will correct substandard, blighted or unsafe housing; and (4) removal or replacement will not adversely affect housing which is already designated, or is determined to qualify for designation as a historic resource.
- 3.3** Encourage the construction, preservation, rehabilitation or expansion of residential hotels, group homes, integrated community apartments, and single-room occupancy dwellings.
- 3.4** Preserve historic homes and other types of historic residential buildings, historic districts and unique or landmark neighborhood features.
- 3.5** Encourage and support creative strategies for the rehabilitation and adaptation and reuse of residential, commercial, and industrial structures for housing.

Programs

- 3.6** Continue to encourage the creation of dwellings in the Downtown Core (C-D Zone) and the Downtown Planning Area by continuing the “no net housing loss” program, consistent with Chapter 17.142 (Downtown Housing Conversion Regulations) of the Zoning Regulations.
- 3.7** Continue to identify residential properties and districts eligible for local, State or Federal historic listing in accordance with guidelines and standards help property owners repair, rehabilitate and improve properties in a historically and architecturally sensitive manner.
- 3.8** Continue to monitor and track affordable housing units at-risk of being converted to market rate housing annually and verify that tenants are properly noticed and aware of their rights. Provide resources to support the Housing Authority, and local housing agencies, purchase and manage at-risk units.

- 3.9** Work annually with non-profit organizations, faith-based organizations, or the Housing Authority of the City of San Luis Obispo to encourage rehabilitation of residential, commercial, or industrial buildings to expand extremely low, very-low, low or moderate income rental housing opportunities.
- 3.10** In order to mitigate the loss of affordable housing units, replacement housing units shall be provided for sites identified in the site inventory when any new development (residential, mixed-use or non-residential) occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years. This requirement applies to: non-vacant sites and vacant sites with previous residential uses that have been vacated or demolished (see Government Code, section 65583.2, subdivision (g)(3), and Government Code, section 65915, subdivision (c)(3)).

GOAL 4: MIXED-INCOME HOUSING

Preserve and accommodate existing and new mixed-income neighborhoods and seek to prevent neighborhoods or housing types that are segregated by economic status.

Policies

- 4.1** Within newly developed neighborhoods, housing that is affordable to various economic strata should be intermixed rather than segregated into separate enclaves. The mix should be comparable to the relative percentages of extremely low, very-low, low, moderate and above-moderate income households in the City's quantified objectives.
- 4.2** Include both market-rate and affordable units in apartment and residential condominium projects and intermix the types of units. Affordable units should be comparable in size, appearance, and basic quality to market-rate units.
- 4.3** Extremely-low and very low-income housing, such as that developed by the Housing Authority of the City of San Luis Obispo or other housing providers, may be located in any zone that allows housing, and should be dispersed throughout the City rather than concentrated in one neighborhood or zone.
- 4.4** In its discretionary actions, housing programs and activities, the City shall affirmatively further fair housing and promote equal housing opportunities for persons of all economic segments of the community.

Programs

- 4.5** Review new development proposals for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the mixed-income policies.
- 4.6** Amend the City's Inclusionary Housing Ordinance to require that affordable units in a development be of similar size, number of bedrooms, character and basic quality as the non-restricted units in locations that avoid segregation of such units, including equivalent

ways to satisfy the requirement. Also evaluate adjusting the City’s allowable sales prices for deed-restricted affordable units per a variety of unit types.

- 4.7** The City shall support Affirmatively Further Fair Housing (AFFH) by:
- Facilitating public education and outreach by providing informational flyers on fair housing and reasonable accommodation at public counters and on the City’s website. Information will be included with utility billing at least once per year.
 - Training staff, elected officials, and appointees on issues of disparity, structural racism, and inequality.
 - Implementing language standards and procedures for providing equal access to City services and programs to all residents, including persons with limited proficiency in English.
 - Deed-restricting units to provide affordability and reduce displacement.
 - Supporting new technologies and/or products such as modular housing construction to reduce costs and increase access to housing.
 - Distributing information regarding tenant rights and Fair Housing resources as part of Code Enforcement’s response to housing code enforcement issues.
- 4.8** Continue to distribute information regarding Fair Housing by providing up to date information online and brochures at the front counter, providing educational materials to tenants, property owners and property managers, and making public service announcements (including but not limited to the City’s News page, social media sites, and newspaper ads) every year.

GOAL 5: HOUSING VARIETY

Provide variety in the type, size, and style of dwellings.

Policies

- 5.1** Encourage mixed-use residential/commercial projects in all commercial zones, especially those close to activity centers where compatible with existing and planned surrounding development.
- 5.2** New planned housing developments should provide a variety of dwelling types, sizes and styles.
- 5.3** Encourage the development of a variety of “missing middle” housing types.

Program

- 5.4** Evaluate and implement “missing middle” housing types (e.g. duplex, triplex, quadplex, cottages, etc.) to increase housing options in the City within three years of adopting the Housing Element.

- 5.5 Update the Zoning Regulations to allow mixed-use development within Service Commercial (C-S) and Manufacturing (M) zones without a use permit within one year of the adoption of the Housing Element.

GOAL 6: HOUSING PRODUCTION

Facilitate the production of housing to meet the full range of community housing needs.

Policies

- 6.1 Consistent with the growth management portion of its Land Use Element and the availability of adequate resources, the City will plan to accommodate up to 3,354 dwelling units for the 6th Cycle Housing Element update in accordance with the assigned Regional Housing Needs Allocation.
- 6.2 If City services must be rationed to development projects, residential projects will be given priority over non-residential projects. Housing affordable to lower income households will be given first priority.
- 6.3 City costs of providing services to housing development will be minimized. Other than for existing housing programs encouraging housing affordable to extremely low, very-low and low income persons, the City will not make new housing more affordable by shifting costs to existing residents.
- 6.4 When sold, purchased, or redeveloped for public or private uses, City-owned properties within the urban reserve shall include housing as either a freestanding project or part of a mixed-use development where land is suitable and appropriate for housing.
- 6.5 Support the redevelopment of excess public and private utility properties for housing where appropriately located and consistent with the General Plan.
- 6.6 Consistent with the City's goal to stimulate higher density infill where appropriate in the Downtown, Upper Monterey, and Mid-Higuera Special Focus Areas,, the City shall consider changes to the Zoning Regulations that would allow for flexible density standards that support the development of smaller apartments and efficiency units.
- 6.7 Encourage and support partnerships to increase housing opportunities specifically targeted towards the local workforce.
- 6.8 To help meet the 6th cycle RHNA production targets, the City will support residential infill development and promote higher residential density where appropriate.
- 6.9 Specific plans for any new area identified shall include R-3 and R-4 zoned land to ensure sufficient land is designated at appropriate densities to accommodate the development of extremely low-, very low- and low-income dwellings.

Programs

- 6.10** Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.144) exemption for new housing in the Downtown Core (C-D zone), accessory dwelling units (ADUs), and new housing in other zones for deed-restricted extremely-low, very low, low- and moderate income households, pursuant to the Affordable Housing Standards.
- 6.11** Continue to allow flexible parking regulations for housing development, especially in the Downtown Core (C-D Zone), including the possibilities of flexible use of city parking facilities by Downtown residents, where appropriate, and reduced or no parking requirements where appropriate guarantees limit occupancies to persons without motor vehicles or who provide proof of reserved, off-site parking. Such developments may be subject to requirements for parking use fees, use limitations and enforcement provisions.
- 6.12** Continue to evaluate, every two to three years within the planning period, opportunities to develop and implement incentives to encourage additional housing in the Downtown, Upper Monterey, and Mid-Higuera Special Focus Areas, particularly in mixed-use developments.
- 6.13** Consider General Plan amendments, as projects are proposed, to rezone commercial, manufacturing, or public facility zoned areas for higher-density, infill or mixed-use housing, where compatible with surrounding development. Group requested rezones so that as many as possible can be considered consistent with Government Code §65358, that allows a general plan to be amended four times during any calendar year. Areas to be considered for possible rezoning include, but are not limited to the following sites:
- A) 1499 San Luis Drive (rezone vacant and underutilized School District property)
 - B) 1642 Johnson Avenue (vacant School District property)
 - C) 4325 South Higuera Street (former P.G.&E. yard)
 - D) 4355 Vachell Lane (vehicle storage)
 - E) 2143 Johnson Avenue (adjacent to County Health Department)
 - F) 11950 Los Osos Valley Road (Pacific Beach High School)
 - G) 2500 Block of Boulevard Del Campo (adjacent to Sinsheimer Park)
 - H) 12165 & 12193 Los Osos Valley Road (adjacent to Home Depot)
 - I) 1150 & 1160 Laurel Lane (Atoll Business & Technology Center)
 - J) 600 Tank Farm Road (Temporary Unimproved Parking Area)
 - K) 12500 Los Osos Valley Road (053-141-013) (Agricultural fields and San Luis Creek)
 - L) Los Osos Valley Road (053-161-020) (Agricultural fields and San Luis Creek)
- 6.14** Continue to provide City resources, including \$40,000 annually for operational support, to support the SLO County Housing Trust Fund's efforts to provide below-market financing and technical assistance to affordable housing developers to construct or preserve five affordable housing units per year in the City of San Luis Obispo.
- 6.15** Meet every other year during the planning period with other public and private agencies to identify excess, surplus, and underutilized parcels for residential development.

- 6.16** Incentivize 20 affordable housing developments per year during the planning period consistent with SLOMC Affordable Housing Incentives.
- 6.17** Financially assist in the development of 20 housing units per year that are affordable to extremely low, very-low, low- and moderate income households during the planning period using State, Federal, and local funding sources, with funding priority given to projects that result in the maximum housing benefits for the lowest household income levels.
- 6.18** Actively seek and collaborate with non-profit housing providers to (jointly) apply for three revenue sources each year during the planning period, including State, Federal and private/non-profit sources, and financing mechanisms to financially assist with the development of housing affordable to extremely low, very low and low or moderate income households.
- 6.19** Review the Affordable Housing Incentives (Chapter 17.140, SLOMC) and Zoning Regulations every two years during the planning period and update to ensure density bonus incentives are consistent with State Law.
- 6.20** Evaluate and update the Subdivision Regulations, within three years of Housing Element adoption, to support small lot subdivisions, ownership bungalow court development and other alternatives to conventional subdivision design.
- 6.21** Continue to submit the Housing Element Annual Progress Report (APR) to the State Department of Housing and Community Development and the Governor’s Office of Planning and Research on or before April 1st of each year for the prior calendar year, pursuant to Government Code Section 65400.
- 6.22** Update the City’s municipal code to expand objective design standards within one year of the adoption of the Housing Element Update.
- 6.23** Update the development review process and expand the thresholds of each review level (minor, moderate, and major) to eliminate or reduce the number of public hearing required for housing projects within one year of adopting the Housing Element.

GOAL 7: NEIGHBORHOOD QUALITY

Maintain, preserve, and enhance the quality and livability of neighborhoods.

Policies

- 7.1** Within established neighborhoods, new residential development should be of compatible design that respects the existing neighborhood character, to enhance the quality of life for existing and future residents.
- 7.2** Higher density housing should maintain high quality standards for unit design, privacy, security, amenities, and public and private open space. Such standards should be flexible

enough to allow innovative design solutions.

- 7.3** New residential developments should incorporate pedestrian and bicycle linkages that provide direct, convenient and safe access to adjacent neighborhoods, schools, parks, and shopping areas.
- 7.4** Discourage the creation of walled-off or physical separations between residential enclaves, or of separate, unconnected tracts to enhance, the formation of safe, walkable, and enjoyable neighborhoods.
- 7.5** Housing should be sited to enhance safety along neighborhood streets and in other public and semi-public areas.
- 7.6** The physical design of neighborhoods and dwellings should promote walking and bicycling and preserve open spaces and views.
- 7.7** Continue to encourage strategies and programs that increase long-term residency and stabilization in neighborhoods.
- 7.8** Preserve the fabric, amenities, yards (i.e. setbacks), and overall character and quality of life of established neighborhoods.
- 7.9** Encourage neighborhood design elements that improve overall health of residents such as providing safe and convenient opportunities to access healthy food and attractive places for recreational exercise.

Programs

- 7.10** Continue to utilize a diverse range of outreach methods, including email notifications, the City's website and social media accounts, and neighborhood outreach meetings to ensure residents are aware of and able to participate in planning decisions affecting their neighborhoods early in the planning process.
- 7.11** Continue to work directly with neighborhood groups and individuals to address concerns pertaining to neighborhood needs, problems, trends, and opportunities for physical improvements.
- 7.12** Continue to fund neighborhood improvements, including parks, sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.
- 7.13** Continue the City's Neighborhood Services and Code Enforcement programs to support neighborhood wellness.
- 7.14** Evaluate and update the Community Design Guidelines to provide site design standards for developments with 11 or more residential units to include outdoor amenities such as

the following: outdoor visiting and gathering spaces, places to exercise or recreate, and spaces reserved for edible landscape or community gardens.

GOAL 8: SPECIAL HOUSING NEEDS

Encourage the creation and maintenance of housing for those with special housing needs.

Policies

- 8.1** Encourage housing development that meets a variety of special needs, including large families, single parents, disabled persons, the elderly, students, veterans, [farmworkers](#), the homeless, or those seeking congregate care, group housing, single-room occupancy, or co-housing accommodations, utilizing universal design.
- 8.2** Preserve manufactured housing or mobile home parks and support changes in these forms of tenure only if such changes provide residents with greater long-term security or comparable housing in terms of quality, cost, and livability.
- 8.3** Encourage Cal Poly University to continue to develop on-campus student housing to meet existing and future needs and to lessen pressure on City housing supply and transportation systems.
- 8.4** Strengthen the role of on-campus housing by encouraging Cal Poly University to require freshmen and sophomore students to live on campus.
- 8.5** Locate fraternities and sororities on the Cal Poly University campus. Until that is possible, they should be located in Medium-High and High-Density residential zones near the campus.
- 8.6** Encourage Cal Poly University to develop and maintain faculty and staff housing, consistent with the General Plan.
- 8.7** Disperse special needs living facilities throughout the City where public transit and commercial services are available, rather than concentrating them in one district.
- 8.8** Continue to support regional efforts to address homelessness.
- 8.9** Encourage a variety of housing types that accommodate persons with disabilities and promote aging in place and include amenities such as visiting space, first floor accessibility, etc.
- 8.10** Assist the homeless and those at risk of becoming homeless by supporting shelters, temporary housing, and transitional housing.

Programs

- 8.11** Continue to provide resources that support local and regional solutions to meet the needs of the homeless and continue to support, jointly with other agencies, shelters and programs,

such as Housing First and Rapid Rehousing, for the homeless and for displaced individuals and families.

- 8.12** Continue to enforce the mobile home rent stabilization program to minimize increases in the cost of mobile home park space rents.
- 8.13** Support opportunities within the City suitable for tenant-owned mobile-home parks, cooperative or limited equity housing, manufactured housing, self-help housing, or other types of housing that meets special needs.
- 8.14** Advocate developing more housing and refurbishing campus housing at Cal Poly University.
- 8.15** Work with Cal Poly University Administration to secure designation of on-campus fraternity/sorority living groups.
- 8.16** Continue to support “good neighbor programs” with Cal Poly State University, Cuesta College, the City and local residents. The programs should continue to improve communication and cooperation between all groups about student housing in residential neighborhoods.
- 8.17** Provide public educational information at various City Offices, on the City website, and other electronic media platforms on universal design concepts (i.e. aging in place) for new and existing residential dwellings.
- 8.18** Review and amend the Zoning Regulations within one year of Housing Element adoption to ensure compliance with: 1) the Supportive Housing Streamlining Act (AB 2162) to allow supportive housing a use-by-right in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed development meets specified criteria; and 2) AB 101, to allow Low Barrier Navigation Centers by-right in all residential zones, areas zoned for mixed-uses, and nonresidential zones permitting multifamily uses.
- 8.19** Continue to look for partnership opportunities with non-profit housing developers and service providers to acquire four vacant, blighted, or underutilized properties (land, retail or commercial space, motels, apartments, housing units, mobile home parks) during the planning period for conversion into affordable permanent and supportive housing for homeless persons and families.
- 8.20** Actively seek and collaborate with non-profit housing providers to (jointly) apply for two revenue sources each year during the planning period for State, Federal, and local funding sources to financially assist with the development of housing for persons with developmental disabilities.
- 8.21** Continue to coordinate monthly with the County Department of Social Services, Homeless Services Oversight Council (HSOC), social service providers, and non-profit organizations

to identify, evaluate, and implement strategies to reduce the impacts of homelessness on the City.

- 8.22** Work with other jurisdictions to advocate for State legislation that would: 1) provide funding to help Cal Poly University provide adequate on-campus student housing, and 2) allow greater flexibility for State universities and community colleges to enter into public-private partnerships to construct student housing.
- 8.23** Update Zoning Regulations, within ~~two~~one years of Housing Element adoption, to be consistent with the Employee Housing Act; including:
- 1) ~~an update of~~ Table 2-1 to allow employee and farmworker housing by right single-unit dwellings without a Conditional Use Permit within the Open Space and Conservation (C/OS) and Agriculture (AG) zones ~~and employee housing~~ consisting of no more than 36 beds in a group quarters, or 12 units or separate rooms or spaces designed for use by a single-family or household ~~within the C/OS and AG zones,~~ and
 - 2) Remove Chapter 17.148 - High-Occupancy Residential Use Regulations.

GOAL 9: SUSTAINABLE HOUSING

Encourage housing that is resource-conserving, healthful, economical to live in, environmentally benign, and recyclable when demolished.

Policies

- 9.1** Residential developments should promote sustainability consistent with the Climate Action Plan (CAP) and California Building Energy Efficiency Standards (Title 24) in their design, placement, and functionality.
- 9.2** Residential units, subdivision layouts, and neighborhood amenities should be coordinated to support sustainable design.
- 9.3** Continue to encourage the development of dwellings with energy-efficient designs, utilizing passive and active solar features, and the use of energy-saving techniques that exceed minimums prescribed by State law.
- 9.4** Continue to promote water conservation through housing and site design to help moderate the cost of housing.
- 9.5** Support programs that provide financing for sustainable home upgrade projects such as installation of solar panels, heating and cooling systems, water conservation and windows to improve the energy efficiency of the City's existing housing stock.

Programs

- 9.6** Continue to educate planning and building staff and citizen review bodies on energy conservation issues, including the City's energy conservation policies and Climate Action

Plan. Staff shall work with applicants to achieve the City’s energy conservation goals.

- 9.7 Continue to provide assurance of long-term solar access for new or remodeled housing and for adjacent properties, consistent with historic preservation guidelines.
- 9.8 Implement Climate Action Plan programs that increase the production of “green” housing units and projects and require use of sustainable and/or renewable materials, water and energy technologies (such as, but not limited to solar, wind, or thermal).
- 9.9 Continue to promote building materials reuse and recycling in site development and residential construction, including flexible standards for use of salvaged, recycled, and “green” building materials. Continue the City’s construction and demolition debris recycling program as described in Chapter 8.05 of the Municipal Code.
- 9.10 Continue to support programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.

3.30 Implementation Tools

Resources and Incentives Available for Housing Activities

A variety of federal, state, and local programs and resources are available to help implement the City’s housing goals and activities. These include both financial resources, as well as in-kind incentives that help address housing needs. Tables 1, 2, and 3 list the financial resources, incentives, and other tools that have been available to help address housing needs. Availability of the resources is contingent on legislation; Federal, State, and local priorities; and continued funding, which are all subject to change. At the time of the completion of this document, facilitating housing development, especially new deed-restricted affordable housing, and reducing homelessness, are main funding priorities at all governmental levels as evidenced by State of California 2020 Budget, 2020-25 San Luis Obispo Region Urban County Consolidated Plan, and the City’s Housing Major City Goal for 2019-21. The following table displays resources and incentives currently available for housing activities:

Table 1: Local Resources and Incentives Available for Housing Activities

<i>Local Resources</i>		
Resources & Incentives	Description	Eligible Activities
City of San Luis Obispo Affordable Housing Fund (AHF)	In-lieu fees paid by developers to meet inclusionary housing requirements.	Any expense in support of affordable housing development, subject to City Council approval and adopted criteria (Res. No. 9263, 2001 Series).

Development Services Fee Deferrals	Residential development projects that meet City affordable housing standards for extremely low, very low- and low-income households are exempt from all fees related to planning, engineering and building review, processing and permits, and water and sewer meter hook-ups. Projects with a combination of market-rate and affordable units receive the fee waiver on a per-unit basis.	<ul style="list-style-type: none"> • Housing projects with deed-restricted affordable housing³ units • Mixed-use developments with affordable units
Impact Fee Deferrals	Citywide development impact fees are deferred for affordable residential units that: 1) exceed the minimum required under inclusionary housing standards, or 2) are built, owned and managed by the Housing Authority of the City of San Luis Obispo, other government agencies, and non-profit housing agencies.	<ul style="list-style-type: none"> • Housing projects with deed-restricted affordable units • Mixed-use developments with affordable units
Density Bonus	The City allows an increase in residential density which varies based on the type of affordable housing (extremely low, very low, low, or moderate income) and the percentage of total dwellings.	<ul style="list-style-type: none"> • Housing projects with deed-restricted affordable units • Mixed-use developments with deed-restricted affordable units
Alternative Incentives	When developers agree to construct extremely low, very low-, low-, moderate income housing (including senior, veteran, transitional, etc. housing), the City may negotiate an alternative incentive of comparable value to the density bonus, such as exceptions to development standards, direct financial assistance, or city installation of off-site improvements.	<ul style="list-style-type: none"> • Housing projects with deed-restricted affordable housing units • Mixed-use developments with affordable units
Flexible Development Standards	A variety of flexible development standards are available for deed-restricted affordable housing (including senior housing, veteran housing, transitional housing, etc.) and for the preservation and rehabilitation of historic homes and apartments. These include easing of parking standards and building setbacks, height and lot coverage exceptions (with approval of Planned Development rezoning), and provisions for restoring non-conforming residential buildings following a fire or other disaster.	<ul style="list-style-type: none"> • Housing projects with deed restricted affordable housing units • Mixed-use developments with deed restricted affordable units • Historic homes and apartments • Planned residential developments • Non-conforming residential restoration
Human Relations Commission Grants-In-Aid (GIA) Program	The HRC's GIA program is annually available to financially support activities addressing homeless prevention, including affordable and alternative housing, supportive services, and transitional housing.	<ul style="list-style-type: none"> • Local non-profit-organizations including social service and housing providers
Mills Act Program	Reduces property taxes on historic residential and commercial properties in return for owner's agreement to preserve, and in some cases, improve the property. Minimum 10 years' participation; up to 10 properties can be added to the program per year.	<ul style="list-style-type: none"> • Historic preservation • Residential rehabilitation • Mixed-use historic rehabilitation
San Luis Obispo County Housing Trust Fund (HTF)	A nonprofit loan fund created to increase the supply of affordable housing in San Luis Obispo for very low-, low- and moderate income households.	<ul style="list-style-type: none"> • Acquisition of improved or unimproved sites/buildings • Construction, conversion, or rehabilitation

³ "Deed-restricted affordable housing developments" includes senior living facilities, transitional/supportive housing developments, housing for veterans, etc.

		<ul style="list-style-type: none"> • Project planning and pre-development
First Time Home Buyers Program	This program provides down payment assistance to eligible households through the State of California's BEGIN program. Under this program, low and moderate income, first time homebuyers may qualify for a loan in an amount not to exceed 20% of a property's purchase price, at 3% simple interest. Periodic payments are not required during the term of the loan to insure an affordable monthly payment for the borrower.	<ul style="list-style-type: none"> • Low and Moderate-Income first-time homebuyers
Technical Assistance from City of San Luis Obispo and non-profit housing providers	Technical assistance is available to help renters, homeowners, housing developers, and non-profit housing developers find, design, fund or build affordable housing.	<ul style="list-style-type: none"> • Housing projects with deed-restricted affordable housing units • Market-rate housing developments • Housing consumers

Table 2: State Resources and Incentives Available for Housing Activities

<i>State Resources</i>		
<i>California Department of Housing and Community Development</i>		
Resources & Incentives	Description	Eligible Activities
Affordable Housing and Sustainable Communities Program (AHSC)	The AHSC funds land use, housing, transportation, and land preservation projects that support infill and compact development and reduce greenhouse gas (GHG) emissions.	<ul style="list-style-type: none"> • Affordable Housing Developments • Housing-Related Infrastructure • Sustainable Transportation Infrastructure • Transportation-Related Amenities • Program Costs
Calhome	CalHOME makes grants to local public agencies and nonprofit corporations to assist first-time homebuyers become or remain homeowners through deferred-payment loans. Funds can also be used to assist in the development of multiple-unit ownership projects	<ul style="list-style-type: none"> • Predevelopment, site development, and site acquisition for development projects. • Rehabilitation and acquisition and rehabilitation of site-built housing, and rehabilitation, repair, and replacement of manufactured homes • Down payment assistance, mortgage financing, homebuyer counseling, and technical assistance for self-help
California Emergency Solutions and Housing (CESH)	The CESH Program provides grant funds to eligible applicants for eligible activities to assist persons experiencing or at-risk of homelessness. Eligible applicants are Administrative Entities (AEs) (local governments, non-	<ul style="list-style-type: none"> • Housing relocation and stabilization services (including rental assistance) • Operating subsidies for

	profit organizations, or unified funding agencies) designated by the Continuum of Care (CoC) to administer CESH funds in their service area.	<p>permanent housing</p> <ul style="list-style-type: none"> • Flexible housing subsidy funds • Operating support for emergency housing interventions • Systems support for homelessness services and housing delivery systems • Development or updating a Coordinated Entry System (CES), Homeless Management Information System (HMIS), or Homelessness Plan
Golden State Acquisition Fund (GSAF)	GSAF was seeded with \$23 million from the Department's Affordable Housing Innovation Fund. Combined with matching funds, GSAF makes up to five-year loans to developers	<ul style="list-style-type: none"> • Acquisition or preservation of affordable housing
Home Investment Partnerships Program (HOME)	HOME assists cities, counties, and non-profit community housing development organizations (CHDOs) to create and retain affordable housing for lower-income renters or owners. At least 50 percent of the amount is awarded to rural applicants and 15 percent is set aside for CHDOs. Funds are available in California communities that do not receive HOME funding directly from the U.S. Department of Housing and Urban Development.	<ul style="list-style-type: none"> • Housing rehabilitation, new construction, and acquisition and rehabilitation, for single-family & multifamily projects • Predevelopment loans to CHDOs • Must benefit lower-income renters or owners
Housing for a Healthy California (HHC)	HHC provides funding on a competitive basis to deliver supportive housing opportunities to developers using the federal National Housing Trust Funds (NHTF) allocations for operating reserve grants and capital loans.	<ul style="list-style-type: none"> • NHTF Applicants: Organization, agency, or other entity (including a public housing agency, a for-profit entity, or a nonprofit entity) that is an Owner or Developer as defined by 24 CFR 93.2 • NHTF Uses: Acquisition and/or new construction • SB2 Applicants: Counties • SB2 Uses: Acquisition, new construction or reconstruction and rehabilitation, administrative costs, capitalized operating subsidy reserves (COSR) and rental subsidies
Housing-Related Parks Program	The Housing-Related Parks Program funds the creation of new park and recreation facilities or improvement of existing park and recreation facilities that are associated with rental and ownership projects that are affordable to very low- and low-income households.	<ul style="list-style-type: none"> • Creation of new park and recreations facilities or improvement of existing park and recreation facilities
Infill Infrastructure Grant Program (IIG)	IIG provides grant funding for infrastructure improvements for new infill housing in residential and/or mixed-use projects. Funds are made available through a competitive application process.	<ul style="list-style-type: none"> • New construction, rehabilitation, demolition, relocation, preservation, and acquisition of infrastructure
Joe Serna, Jr., Farmworker	FWHG makes grants and loans for development or rehabilitation of rental and owner-occupied housing for	<ul style="list-style-type: none"> • Activities incurring costs in the development of rental housing

Housing Grant (FWHG)	agricultural workers with priority for lower-income households	for agricultural workers.
Local Early Action Planning (LEAP) Grants	The Local Early Action Planning (LEAP) program assists cities and counties with planning for housing through providing over-the-counter, non-competitive planning grants.	<ul style="list-style-type: none"> Reimbursement for activities that include the preparation and adoption of planning documents, process improvements that accelerate housing production, and facilitate compliance in implementing the sixth cycle of the regional housing need assessment (RHNA).
Local Housing Trust Fund Program (LHTF)	Helps finance local housing trust funds dedicated to the creation or preservation of affordable housing.	<ul style="list-style-type: none"> Loans for construction of low-income affordable housing projects
Mobile home Park Resident Ownership Program (MPROP)	Funds awarded to mobile-home park tenant organizations to convert mobile-home parks to resident ownership.	<ul style="list-style-type: none"> Mobile-home park acquisition and development
Multifamily Housing Program (MHP)	MHP makes low-interest, long-term deferred-payment permanent loans to developers of affordable multifamily rental and transitional housing projects for lower income households.	<ul style="list-style-type: none"> New construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing, and the conversion of non-residential structures to rental housing
National Housing Trust Fund	National Housing Trust Fund is a permanent federal program with dedicated source(s) of funding not subject to the annual appropriations. The funds can be used to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households (ELI households, with incomes of 30 percent of area median or less).	<ul style="list-style-type: none"> New construction
No Place Like Home	The No Place Like Home Program will have \$2 billion in bond proceeds to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness.	<ul style="list-style-type: none"> To acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.
Pet Assistance and Support (PAS) Program	Pet Assistance and Support provides funds to homeless shelters for shelter, food and basic veterinary services for pets owned by individuals experiencing homelessness.	<ul style="list-style-type: none"> Shelter, food, and basic veterinary services for pets owned by individuals experiencing homelessness, along with staffing and liability insurance related to providing those services
Predevelopment Loan Program	Provide predevelopment capital loans to finance the start of low income housing projects.	<ul style="list-style-type: none"> Construct, rehabilitate, convert, or preserve low-income housing

		<ul style="list-style-type: none"> • Site control, acquisition, technical studies/reports/plans, and fees
<i>California Housing Finance Agency</i>		
Resources & Incentives	Description	Eligible Activities
California Homebuyer's Down payment Assistance Program (CHDAP)	Collaboration with lenders to offer below market rate down-payment loans.	<ul style="list-style-type: none"> • Down-payment loans to moderate-, low-, and very low-income households
Affordable Housing Partnership Program (AHPP)	This program allows borrowers to combine a CalHFA first mortgage loan with down payment and/or closing cost assistance from an Affordable Housing Program Partner.	<ul style="list-style-type: none"> • Loans to moderate-, low-, and very low-income
Housing Enabled by Local Partnerships	HELP Program and other below-market-rate financing and deferred loans for local government and non-profits producing affordable housing development.	<ul style="list-style-type: none"> • Low- and moderate income affordable single- and multi-family housing
CaHLIF – California Housing Loan Insurance Fund	Provides primary mortgage insurance for hard-to-qualify borrowers, expanding home ownership opportunities.	<ul style="list-style-type: none"> • First-time homebuyers • Low- and moderate- income homebuyers • Workforce housing loans
CalHFA Conventional Loans	Various programs providing lower cost loans, such as a 30-year fixed, interest only PLUS, 40-year fixed	<ul style="list-style-type: none"> • First-time homebuyers • Low- and moderate- income home buyers
CalHFA Down-payment Assistance	Various programs providing loans for down payments, such as California Homebuyer's Down-payment Assistance Program (CHDAP)	<ul style="list-style-type: none"> • First-time homebuyers • Low- and moderate- income home buyers
Section 811 Project Rental Assistance	Section 811 Project Rental Assistance offers long-term project-based rental assistance funding from the U.S. Department of Housing and Urban Development (HUD) through a collaborative partnership among the California Housing Finance Agency (CalHFA), Department of Health Care Services (DHCS), Department of Housing and Community Development (HCD), Department of Developmental Services (DDS) and California Tax Credit Allocation Committee (TCAC).	<ul style="list-style-type: none"> • Rental assistance for lower income households
Self-Help Builder Assistance Program	Provides a source of financing to nonprofit 501(c)(3) corporations who use self-help type construction for affordable housing	<ul style="list-style-type: none"> • Site acquisition • Site development, • Home construction
Builder-Lock Program	Builders/Developers may purchase forward commitments for permanent first mortgage financing for CalHFA-eligible borrowers tied to their construction/marketing program at single family new-home developments anywhere in the state.	<ul style="list-style-type: none"> • Housing construction
Mortgage Credit	Federal tax credit for low- and moderate income	<ul style="list-style-type: none"> • First-time homebuyer's

Certificate	homebuyers who have not owned a home in the past three years.	assistance
<i>Office of the State Treasurer</i>		
California Tax Credit Allocation Committee (CTCAC): Low-Income Housing Tax Credits (LIHTCs)	The CTCAC administers the federal and state LIHTC Programs. Both programs were created to promote private investment in affordable rental housing for low-income Californians.	<ul style="list-style-type: none"> • Persons Seeking Housing • Developers Building Housing • Owners and Managers of Existing Tax Credit Projects •
California Tax Credit Allocation Committee (CTCAC): Historic Rehabilitation Tax Credits (HRTCs)	CTCAC and the CA Office of Historic Preservation also administer the HRTC program which provide a 10-20% one-time, IRS tax credit on eligible rehabilitation costs for pre-1936 and National Register historic properties.	<ul style="list-style-type: none"> • Rental housing rehabilitation • Mixed-use projects • Seismic strengthening • Ownership housing ineligible
California Debt Limit Allocation Committee (CDLAC): Various Programs	Federal law limits how much tax-exempt debt a state can issue in a calendar year for private projects that have a qualified public benefit. This cap is determined by a population-based formula. CDLAC was created to set and allocate California's annual debt ceiling, and administer the State's tax-exempt bond program to issue the debt. CDLAC's programs are used to finance affordable housing developments for low-income Californians, build solid waste disposal and waste recycling facilities, and finance direct loans used by in-need college students and their parents.	<ul style="list-style-type: none"> • Residential Rental Project Program • Single-Family First-Time Homebuyer Program • Home Improvement and Rehabilitation Program

Table 3: Federal Resources and Incentives Available for Housing Activities

<i>Federal Resources</i>		
<i>United States Department of Housing and Urban Development</i>		
Resources & Incentives	Description	Eligible Activities
Assisted-Living Conversion Program (ALCP)	To provide private nonprofit owners of eligible developments with a grant to convert some or all of the dwelling units in the project into an Assisted Living Facility (ALF) for the frail elderly.	<ul style="list-style-type: none"> • Physical conversion of existing project units, common and services space
Community Development Block Grants (CDBG)	Grant awarded to the City annually on a formula basis to fund housing and economic development for low- and moderate income persons.	<ul style="list-style-type: none"> • Affordable housing construction • Historic preservation • Property acquisition for housing • Housing rehabilitation • Public services and facilities • Code enforcement • Fair housing activities

		<ul style="list-style-type: none"> • Economic development
Emergency Capital Repairs Program	Provides grants for substantial capital repairs to eligible multifamily projects that are owned by private nonprofit entities.	<ul style="list-style-type: none"> • Rehabilitation • Modernization • Retrofitting
HOME Investment Partnership (HOME) Program	Grant program specifically for housing.	<ul style="list-style-type: none"> • Single- or multi-family housing acquisition/rehab/construction • CHDO Assistance • Administration
Emergency Shelter Grant Program (ESG)	Grant awarded on an annual formula basis for shelter and services to homeless persons.	<ul style="list-style-type: none"> • Homelessness prevention • Continuum of care • Operating expenses
Housing Opportunities for Persons With AIDS (HOPWA)	Funds available county-wide for supportive services and housing for persons with HIV/AIDS.	<ul style="list-style-type: none"> • Rental assistance • Social services • Housing
Shelter Plus Care (S+C)	Grants for rental assistance, in combination with supportive services from other sources, to homeless people.	<ul style="list-style-type: none"> • Tenant-based rental assistance • Sponsor-based rental assistance • Project-based rental assistance

chapter 4

REGIONAL VISION FOR HOUSING

In early 2020, local agencies adopted a San Luis Obispo Countywide Regional Compact to establish a united regional framework to unlock our potential to develop an adequate supply of housing and infrastructure that support our economic prosperity.

4.10 Overview

San Luis Obispo County is a rural coastal county with seven vibrant cities and numerous unincorporated communities that depend on collaborative relationships between and among government agencies, community organizations, and residents to solve the region’s significant issues including inadequate supply of affordable housing and resilient water, wastewater, and transportation infrastructure and resources.

The County and all seven Cities are working collaboratively to develop the region’s first Regional Infrastructure and Housing Strategic Action Plan (Regional Plan) that will identify actions to address these issues. A key component of the Regional Plan is the integration of efforts to address critical housing and related infrastructure needs. As part of the Housing Element update process, representatives of the County, seven Cities and San Luis Obispo Council of Governments (SLOCOG) developed this Chapter to showcase the ongoing commitment of each agency to this collaborative effort. This Chapter presents a regional vision and policies focused specifically on fostering regional collaboration to plan and develop housing and supportive infrastructure.

4.20 Alignment with Regional Compact

This effort is guided by the San Luis Obispo Countywide Regional Compact (Regional Compact). The Regional Compact, adopted by each jurisdiction in early 2020, outlines six shared regional goals to guide collaborative resolution of underlying housing and infrastructure needs:

Goal 1. Strengthen Community Quality of Life – We believe that our Region’s quality of life depends on four cornerstones to foster a stable and healthy economy for all: resilient infrastructure and resources, adequate housing supply, business opportunities, and educational pathways.

Goal 2. Share Regional Prosperity – We believe that our Region should share the impacts and benefits of achieving enduring quality of life among all people, sectors and interests.

Goal 3. Create Balanced Communities – We believe that our Region should encourage new development that helps to improve the balance of jobs and housing throughout the Region, providing more opportunities to residents to live and work in the same community.

Goal 4. Value Agriculture & Natural Resources – We believe that our Region’s unique agricultural resources, open space, and natural environments play a vital role in sustaining healthy local communities and a healthy economy, and therefore should be purposefully protected.

Goal 5. Support Equitable Opportunities – We believe that our Region should support policies, actions, and incentives that increase housing development of all types, available to people at all income levels.

Goal 6. Foster Accelerated Housing Production – We believe that our Region must achieve efficient planning and production of housing and focus on strategies that produce the greatest impact.

4.30 Policies

It will take regional collaboration and local actions to realize the vision and goals outlined in the Regional Compact. Below is an initial list of aspirational regional policies that further the Regional Compact vision, in addition to local policies. By listing these below, it does not mandate any individual agency to implement actions, but rather offers ways that the County, cities, SLOCOG, and other partners can consider moving forward, together. In addition, and consistent with each Housing Element cycle, each of the seven cities and the County has the opportunity to choose to implement local policies and programs that help to support their achievement of its RHNA, and if an agency chooses to, can also support the Regional Compact vision and goals in a way that works for its jurisdiction and community. See Chapter 3 above for Local Policies and Programs for The City of San Luis’ anticipated actions during this Housing Element cycle.

R-1: Promote awareness and support of regional efforts that further housing and infrastructure resiliency by utilizing community engagement, and consistent and transparent communication.

R-2: Encourage an adequate housing supply and resilient infrastructure, services, and resources to improve the balance of jobs and housing throughout the Region.

R-3: Develop inter-agency partnerships as appropriate to implement goals and policies related to housing and infrastructure.

R-4: Coordinate State, Federal, and other funding opportunities for housing and infrastructure development throughout the Region.

R-5: Encourage developers to sell newly constructed housing units to individuals residing or employed within the area of the development (a city or the County) first before selling to individuals from outside the County, to promote local preference.

R-6: Encourage rental units be prioritized for long term residents rather than short term users or vacation rentals.

R-7: Support housing development that is located within existing communities and strategically planned areas.

R-8: Encourage regional collaboration on a menu of housing types, models, and efforts to support streamlined approvals for such developments (i.e. Accessory Dwelling Units, etc.).

4.40 Moving Forward

The County, cities, SLOCOG, and other partners engaged in housing and infrastructure development will continue to collaborate on efforts moving forward – recognizing the benefits of working together to achieve an enduring quality of life among the region’s people, sectors and interests. This ongoing collaboration will include learning from each other and sharing possible tools, policies and actions that can allow the collective region to move towards our adopted Regional Compact vision. Ongoing collaborative efforts will be described in the Regional Plan, anticipated to be complete in 2021, and related regional efforts will live outside of each individual agency’s Housing Element.

chapter 5

QUANTIFIED OBJECTIVES

5.10 Overview of Quantified Objectives

State housing law requires that each jurisdiction identify the number of housing units that will be planned, built, rehabilitated, and preserved during the Housing Element’s planning period. These projections are termed “quantified objectives.” Quantified housing objectives allow the community to evaluate its progress toward meeting key housing needs and help prioritize planning and funding efforts. They are based on the jurisdiction’s regional housing needs assessment and corresponding regional housing needs allocation. However, San Luis Obispo cannot guarantee these objectives will be met, given limited financial resources, costs to provide public facilities to serve new development, and the growing, statewide gap between housing costs and incomes. Meeting the City’s quantified housing objectives will depend, in part, upon real estate market forces, developer & lender financial decisions, and availability of local, State and Federal funding.

5.20 Regional Housing Needs Allocation (RHNA) Objectives

As noted in Chapter 1, Section 2.20, under State law, each city and county in California is required to develop programs designed to meet their share of the surrounding region's housing needs for all income groups, as determined by the region’s council of governments. The Regional Housing Needs Allocation (RHNA) process seeks to ensure that each jurisdiction accepts responsibility, within its physical and financial capability to do so, for the housing needs of its residents and for those people who might reasonably be expected to move there. State housing law recognizes that housing need allocations are goals that jurisdictions seek to achieve; however, they are not intended as production quotas. These allocations are then included in each jurisdiction’s Housing Element so that plans, policies, and standards may be created to help meet housing needs within the element's planning term.

The City participated in regional discussions facilitated by the San Luis Obispo Council of Governments (SLOCOG) and negotiated allocating the region’s 6th Cycle RHNA distribution of 10,810 housing units amongst all 8 local jurisdictions, as shown in Table 4 below.

Table 4: 6th Cycle Regional Housing Needs Allocation (1/1/19 to 12/31/28)

	Very Low Income 24.6% ¹	Low Income 15.5% ¹	Moderate Income 18.0% ¹	Above Moderate Income 41.9% ¹	Totals	Percent Jurisdiction RHNA to Total RHNA
	Number of Units					
Arroyo Grande	170	107	124	291	692	6%
Atascadero	207	131	151	354	843	8%
Grover Beach	91	57	66	155	369	3%
Morro Bay	97	60	70	164	391	4%
Paso Robles	356	224	259	607	1,446	13%
Pismo Beach	113	71	82	193	459	4%
San Luis Obispo	825	520	603	1,406	3,354	31%
Unincorp. County	801	505	585	1,365	3,256	30%
Totals	2,660	1,675	1,940	4,535	10,810	100%

Source: San Luis Obispo Council of Governments (SLOCOG), 2019

¹Percent of total housing need in each jurisdiction.

The City has a new total RHNA allocation of 3,354 housing units to plan for in the new 6th Cycle Housing Element. The transition from a 5-year to an 8-year cycle, HCD has allowed the City 10 years to meet the new 6th Cycle RHNA allocation. This means that the City is allowed to count all issued building permits from January 1, 2019 until December 31, 2028 as credit towards achieving the 6th Cycle RHNA allocation. These units are then subtracted from the City’s total RHNA allocation to determine the balance of site capacity that must be identified for housing.

To credit units affordable to lower- and moderate-income households toward the RHNA requirement, a jurisdiction must demonstrate the units are affordable based on at least one of the following:

- Subsidies, financing, deed restrictions or other mechanisms that ensure affordability (e.g., MHP, HOME, LIHTC financed projects or deed-restricted inclusionary units);
- Actual rents; and
- Actual sales prices.

Table 5 shows the number of new housing units that have been issued a building permit between January 1, 2019 and December 31, 2019. These units are credited toward meeting the City’s RHNA during the eight-year planning period from December 31, 2020 to December 31, 2028. The City has prioritized housing production as a main focus and has a goal to issue building permits to satisfy all remaining 2,817 housing units left for this 6th RHNA Cycle, as displayed in the Table 5.

Table 5: RHNA Credit Captured in 2019 (1/1/2019 to 12/31/2019)

Income Level (% of County Median Income)	6th Cycle RHNA	Building Permitted Units Issued by Affordability			Total Units by Income Level	Total Units Remaining by Income Level
		Year 1 (2019)	Year 2 (2020)	Years 3 – 10 (2021 - 2028)		
Extremely Low & Very Low	825	0	n/a	n/a	0	825
Low	520	6	n/a	n/a	6	514
Moderate	603	8	n/a	n/a	8	595
Above Moderate	1,406	523	n/a	n/a	523	883
Total Units	3,354	537	n/a	n/a	537	
					Total Remaining for RHNA Period:	2,817

Source: Community Development Department, 2019

5.30 Rehabilitation and Preservation of At-Risk Units

Dwellings built with some form of government assistance or subsidy typically must remain affordable to extremely low, very low, low, or moderate-income households for a specific period. As part of the housing element update, State law requires an analysis of assisted housing developments that may lose their affordability provisions during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. These units are said to be at-risk of conversion to market-rate housing. In addition, jurisdictions also must describe measures to prevent at-risk from converting to market rate. There are several reasons why government-assisted housing might convert to market-rate housing, including expiring subsidies, mortgage prepayments, or most commonly, expiration of affordability and resale restrictions.

The analysis applies to “assisted housing developments”, or multi-family rental housing that was developed with or that receives governmental assistance under a number of Federal, State or local housing programs. Such developments may include units receiving funding under a variety of government programs, such as HUD Section 8, HUD Section 202, IRS Section 42 (Tax Credit projects), Community Development Block Grants, and local programs using inclusionary housing requirements, in-lieu fees, and density bonuses.

Appendix F includes an inventory of subsidized or assisted housing developments in San Luis Obispo. Nevertheless, Housing Element Program 3.9, and quantified objectives have been incorporated into the Housing Element to discourage affordable housing removals and to help track and preserve these affordable units. Housing Authority of the City of San Luis Obispo (HASLO) and Peoples’ Self-Help Housing Corporation are local private nonprofit corporations known to the local government that have the legal and managerial capacity to acquire and manage affordable housing developments. Program 3.10 calls for the City to work with the HASLO, Peoples’ Self-Help Housing Corporation, and other non-profit housing agencies and community housing development organizations to help preserve at-risk units and rehabilitate residential and compatible commercial buildings to expand affordable housing opportunities and prevent the loss of affordable housing. In addition, the City may also utilize HCD’s List of Qualified Entities that

includes 480 organizations with experience in preserving affordable units (available at: <https://www.hcd.ca.gov/policy-research/docs/HPD-00-01.xlsx>).

a) Inventory of At-Risk Units

Based on information provided by the City’s Housing Authority, local non-profit housing providers, and the State Housing and Community Development Department, there are three affordable housing developments at risk of losing its affordability restrictions and converting to market rate between January 2021 and January 2028: and Adriance Court, the Anderson Hotel, and Poinsettia Street Apartments. Further discussion is provided below.

Table 6: At-Risk Units in San Luis Obispo, 2020-2028

Project	Housing Type	Owner/Property Manager	Expiration Date	Assisted Units
Adriance Court	Low and Moderate Income, Supportive Housing	Access Support Network (formerly AIDS Support Network)	May 2026	9
Anderson Hotel	Very Low Income, Elderly, Disabled	HASLO	March 2021	68
Poinsettia Street Apartments	Low Income	HASLO	January 2020	20
Total Assisted Units				97

Source: HASLO, City of San Luis Obispo

Adriance Court

Nine units comprise the Adriance Court community, owned and managed by Access Support Network (ASN). The units were designed specifically to allow Persons Living With AIDS (PLWA) to remain as independent as possible during the course of their illness while continuing to reside in the City. All units are affordable to low- and moderate-income individuals, whether or not they have been diagnosed with HIV/AIDS. For those residents that have been diagnosed with HIV/AIDS, ASN provides supportive services throughout the course of their illness. In 1996, the City loaned ASN Community Development Block Grant funding to acquire and operate the property for no less than 30 years. The affordability covenant is due to expire in May of 2026, but it is anticipated that this property could be eligible for a tax credit award for rehabilitation, thus preserving the units.

Anderson Hotel

The Anderson Hotel was remodeled in the 1970’s to convert the original hotel rooms to small efficiency apartments, each with a bathroom and kitchenette, designed for one or two persons. The units were made affordable utilizing an ongoing HUD grant program. HASLO master leased the Anderson Hotel in 2001 to provide affordable rental housing for very-low income persons, primarily elderly and disabled persons.

Rents at the Anderson Hotel are made affordable to very-low income elderly and disabled residents through HUD Section 8 Rental Assistance Vouchers. These vouchers, along with tenant rent payments (30 percent of their income), and the commercial rent collected on the street level, help pay for on-going operating costs, and the master lease payments to the property owner, 995 Partnership. Several items place this affordable housing at risk: 1) the property is privately owned and there is no regulatory agreement on the property or long-term commitment assuring its ongoing use as affordable housing, 2) the HUD operating grant funding is awarded annually, and could be discontinued or the owner could opt out, 3) under the master lease terms, HASLO's required payments to the owner, 995 Partnership, are increasing at a rate that exceeds increases in grant and tenant rental revenue, jeopardizing financial sustainability, 4) the property is a 1926 building in need of substantial long-term capital improvements which are not covered under the HUD grant, and not paid by the property owner under the terms of the master lease.



Figure 1: Anderson Hotel

Source: Community Development Department, 2014



Figure 2: Poinsettia Street Apartments

Source: Community Development Department, 2020

HASLO is negotiating with the owners and considering use of eminent domain to acquire the property at the appraised fair market value in order to continue operating the units as affordable. However, given the owners estimate of the value, their active solicitation of purchase offers from large downtown developers, and the extensive capital improvements that will be needed, HASLO is concerned that the loss of the housing is a real possibility. Although HASLO is attempting to obtain HUD Protection Vouchers for the existing residents, loss of 68 affordable housing units would diminish the City's current inventory.

Poinsettia Street Apartments

Poinsettia Street Apartments is an older, well-maintained Low-Income Housing Tax Credit

(LIHTC) property consisting of 20 units, managed by HASLO. It had a 30-year LIHTC affordable regulatory agreement, that expired January 1, 2020; however, the current Section 8 Rent Subsidy protections were extended to the residents until January 1, 2021. To preserve these units as affordable, HASLO anticipates applying for another LIHTC award in 2020 to rehabilitate the property and thus extend the affordability covenant for an additional 55-years. HASLO also anticipates that they might be able to build more units on this site due to recent state law changes.

b) Preservation vs. Replacement

The cost of preserving assisted housing units is generally estimated to be significantly lower than replacing units through new construction. Preserving units entails covering the difference between market rental prices and subsidized rental prices. New construction is less cost efficient in San Luis Obispo because of the expensive land costs and labor prices, which tend to frequently be barriers when developing new deed-restricted affordable housing. To maintain the existing affordable housing stock, the City may either work to preserve the existing affordable at-risk units or replenish by building new units.

HASLO recently built 34 new units in the City (Bishop Street Studios), which cost roughly \$400,000 per unit. Using that cost as a baseline metric for this analysis, it would cost roughly \$8.2M more to replace the 68 units in the Anderson Hotel, and \$4.4M to replace the 20 units Poinsettia Street Apartments. Thus, it proves to be extremely more cost efficient to preserve the existing units in these existing developments:

	Anderson Hotel		Poinsettia Street Apartments	
	Project Total (68 units)	Per Unit Total (1 unit)	Project Total (20 units)	Per Unit Total (1 unit)
Purchase Price	\$11,000,000	\$161,765	\$2,000,000	\$100,000
Rehab/Improvement Cost	<u>+ \$8,000,000</u>	<u>+ \$117,647</u>	<u>+ \$1,600,000</u>	<u>+ \$80,000</u>
Est. Cost to Preserve	\$19,000,000	\$279,412	\$3,600,000	\$180,000
Est. Cost to Replace	\$27,200,000	\$400,000	\$8,000,000	\$400,000
Est. Cost to Replace Rather Than Preserve	\$8,200,000	\$120,588	\$4,400,000	\$220,000

c) Potential Financing for Preserving At-Risk Units

Funding sources that could be used for acquisition and rehabilitation of these properties include:

- A) City Affordable Housing Funds
- B) Countywide Housing Trust Fund
- C) Urban County CDBG Funds (City and County of San Luis Obispo funds)
- D) Urban County HOME Investment Partnership funds (HOME Program)
- E) Low-Income Housing Tax Credits and Historic Housing Tax Credits

- F) State Multi-Family Housing Program (low-interest loans and grants)
- G) Federal Home Loan Bank Affordable Housing Program grants

Some of the methods for addressing this challenge will be further addressed through Policies and Programs 2.9, 2.11, 3.2, 3.4, 3.7 and 3.9 that focus on preserving affordable dwellings.

d) Preservation Successes from 5th Cycle Housing Element

A total of 279 affordable housing units were successfully preserved during the past 5th Cycle Housing Element planning period and are discussed below:

1. **Judson Terrace Homes** – This affordable housing community is comprised of 107 studio and one-bedroom apartments exclusively for seniors. The development offers a variety of resources for their tenants including meals, health services, and educational classes operated by American Baptist Homes of the West (ABHOW). The owners of the facility had an expiring 40-year affordability covenant through HUD; thus in 2018, the City worked with the California Municipal Finance Agency (CMFA) to issue a tax-exempt loan to help a new owner acquire and rehabilitate the 107-unit property. In doing so, a new 55-year affordability covenant was executed, and the units were successfully rehabilitated and preserved.
2. **“RAD 175” Conversion Project** – In 2019, the Housing Authority of the City of San Luis Obispo (HASLO) successfully rehabilitated 14 existing public housing sites, thus preserving a total of 172 affordable housing units and creating 3 new units. HASLO utilized HUD’s Rental Assistance Demonstration (RAD) program, which is a program created to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the \$26 billion-dollar nationwide backlog of deferred maintenance. This RAD 175 Conversion allowed HASLO to leverage public and private debt and equity in order to reinvest in San Luis Obispo’s public housing stock. The 14 properties that were renovated and preserved included:

Table 7: HASLO RAD 175 Conversion Properties

Current Name of Facility	Location of Property	Number of Rental Housing Units
King-South-Branch	448 South Street, 441 Branch Street, and 2173 King Street	8
Toro Gardens	1600 Toro Street	20
Hathway Apartments	508-520 Hathway Street	22
Highland Apartments	478-480 High Street	11
Palm View Apartments	11650-11690 Los Osos Valley Road	20
Leff Street Apartments	456-493 Leff Street	20
High Street	228 High Street	6
Loma Vista Apartments	2929 Augusta Street	16
Harris	2126 Harris Street	3
Royal Way	1497 Royal Way	8
Southwood	1240 Southwood Drive	3
Upham	711 Upham Street	3
Puerta Del Sol	4280 South Higuera	15
Arbor Place	1172 Leff Street, 1175 Islay Street and 1635 Toro Street	20
TOTAL		175

Source: City of San Luis Obispo, Community Development Department, 2020

5.40 Quantified Objectives Summary

Quantified objectives describe number of units, by income category, to be built, rehabilitated, preserved (at-risk housing), and conserved; and the number of housing units to receive financial assistance to ensure affordability. During the Housing Element's 6th cycle planning period, the City will accommodate a net increase of 3,354 dwellings. The quantified objectives promote the development of housing that meets affordability standards for the income groups in the same proportion as the RHNA allocation, and emphasize production of multi-family, higher density housing, where appropriate. Although not counted toward meeting the City's RHNA allocation because it is located just outside city limits, housing developed by Cal Poly University on and adjacent to the campus on State land has helped and will continue to help meet City housing needs.

Table 6 summarizes all the City's quantified housing objectives for the eight-year planning period. Although the quantified objectives are theoretically achievable, they are not specific development quotas. The City intends to use the financial, planning, and administrative resources at its disposal to accomplish these objectives, but cannot guarantee they will be achieved given limited financial resources, economic uncertainty, independent financial decisions regarding housing development, and the large gap between housing cost and median County residents' incomes. Achieving the

quantified objectives will hinge largely upon private development decisions and the City’s ability to leverage additional Federal, State or local funding to meet extremely low, very-low, low- and moderate-income housing needs.

Table 8: Summary of Quantified Objectives, January 2021 - December 2028

Activity	Extremely Low	Very Low	Low	Moderate	Total
RHNA PROGRESS					
New Building Permit Issuance & Construction	825	514	595	883	2,817
REHABILITATION					
Units for Rehabilitation	0	20	9	-	29
CONSERVATION/PRESERVATION					
Units in Historic Structures	68	0	0	-	68
FINANCIAL ASSISTANCE					
Grant Funds (e.g. CDBG, HOME) & City Affordable Housing Fund (in-lieu fees)	39	67	110	-	216

Source: City of San Luis Obispo, Community Development Department, 2019.

Appendix A

community profile

To understand San Luis Obispo’s housing needs, a demographic profile of the community is essential. Statistical information provided in this appendix forms the basis for the goals, policies, and programs in Chapter 3, and for establishing quantified housing objectives in Chapter 5, as required by State law. Social, economic, and housing characteristics are analyzed to determine how these factors affect housing needs, costs, and availability. Main sources of statistical data in this community profile include the 2010 U.S. Decennial Census, the 2013-2017 American Community Survey (ACS) 5-year estimates, the California Department of Finance, and the City of San Luis Obispo 2020 Affordable Housing Nexus Study completed by David Paul Rosen & Associates (DRA).

1. Population Trends and Characteristics

The City of San Luis Obispo is located in San Luis Obispo County in the Central Coast region of California. As shown in Table A-1, the City's estimated population in 2019 was 46,802 (California Department of Finance, January 1, 2019). The population of the County is estimated to be 280,393. Thus, around 17 percent of County residents lived in San Luis Obispo in 2019.

Table A - 1: Population Growth, 2011-2019

Year	City of San Luis Obispo		County of San Luis Obispo		State of California	
	Population	Rate of Change (%)	Population	Rate of Change (%)	Population	Rate of Change (%)
2011	45,286	-	271,644	-	37,594,781	-
2012	45,303	0.04	272,357	0.63	37,971,427	1.00
2013	45,558	0.56	274,144	0.66	38,321,459	0.92
2014	45,950	0.86	276,248	0.77	38,622,301	0.79
2015	46,331	0.83	277,219	0.35	38,952,462	0.85
2016	46,363	0.07	278,405	0.43	39,214,803	0.67
2017	46,705	0.74	279,538	0.41	39,504,609	0.74
2018	46,741	0.08	280,048	0.18	39,740,508	0.60
2019	46,802	0.13	280,393	0.12	39,927,315	0.47

Source: California Department of Finance (DOF), 2019
 SLOCOG 6th Cycle Data Package 2019, Table 1; California Dept. of Housing & Community Development (HCD)

The City’s long-term population growth rate has reflected slow, steady growth. From 2011-2019, the City’s population has increased slightly at varying rates. During this period, annual population change never exceeded one percent, and only four times did it change more than half a percent. Comparatively over the same period, the population of the County grew at rates ranging from 0.12 to 0.77 percent, and the State’s population grew annually at rates ranging from 0.47 to 1.00 percent. Table A-2 shows the average annual growth rate in population for the City, County, and State

between 2000, 2010, and 2019. There was relatively slow growth for the City between 2000 and 2010, when the City population increased only 0.2 percent. The average annual growth rate for the County and the State were higher during this period at 0.9 and 1.0 percent per year respectively. From 2010-2019, the average annual growth rate for the City increased compared to the 2000-2010 period, while the average annual growth rate for the State decreased slightly and the County decreased noticeably.

Table A - 2: Average Annual Population Growth, 2000-2019

Year	City of San Luis Obispo		County of San Luis Obispo		State of California	
	Population	Average Annual Growth Rate (%)	Population	Average Annual Growth Rate (%)	Population	Average Annual Growth Rate (%)
2000	44,174	-	246,681	-	33,871,648	-
2010	45,119	0.2	269,637	0.9	37,253,956	1.0
2019	46,802	0.4	280,393	0.4	39,927,315	0.8

Source: U.S. Census, 2000, 2010; California Department of Finance (DOF), 2019

San Luis Obispo is one of the seven incorporated cities located within San Luis Obispo County, and has the largest population. Table A-3 shows population growth trends for cities in the County from 2000-2019. From 2000-2010, coastal cities such as Pismo Beach, Morro Bay, and Grover Beach stagnated in growth, while inland cities such as Paso Robles, Atascadero, and Arroyo Grande experienced strong growth. From 2010-2019, coastal cities experienced more growth than the previous decade, while the growth of inland cities leveled off. San Luis Obispo’s growth was relatively consistent compared to neighboring cities during these periods of time.

Table A - 3: Pop. Growth in Cities of San Luis Obispo County, 2000-2019

	2000 Population	2010 Population	Change, 2000-2010		2019 Population	Change, 2010-2019	
			Number	Percent		Number	Percent
SLO City	44,174	45,119	945	2.1	46,802	1,683	3.7
Arroyo Grande	15,851	17,252	1,401	8.8	17,876	624	3.6
Grover Beach	13,067	13,156	89	0.7	13,533	377	2.9
Pismo Beach	8,551	7,655	-896	-10.5	8,239	584	7.6
Morro Bay	10,350	10,234	-116	-1.1	10,439	205	2.0
Atascadero	26,411	28,310	1,899	7.2	30,405	2,095	7.4
Paso Robles	24,297	29,793	5,496	22.6	31,244	1,451	4.9
SLO County	246,681	269,637	22,956	9.3	280,393	10,756	4.0

Source: U.S. Census, 2000, 2010; California Department of Finance (DOF), 2019

The California Department of Finance predicts that between 2015 and 2035, the State’s population will grow by over 6 million and result in over 45 million residents. This is a projected annual growth rate of 0.72 percent. As part of its regional planning functions, the San Luis Obispo Council

of Governments (SLOCOG) develops and publishes regional population, employment, and housing forecasts for the County and its communities. Table A-4 shows SLOCOG growth projections for the City and County prepared by Beacon Economics, and Department of Finance projections for the State.

Table A - 4: Population Growth Projections for City, County, and State

Year	SLO City	SLO County	CA State
2015	45,950	276,375	39,076,128
2020	47,214	286,657	40,467,295
2025	48,601	297,095	42,066,880
2030	49,759	305,692	43,631,295
2035	50,659	312,346	45,128,459
Annual Growth Rate	0.49%	0.61%	0.72%

Source: Regional Growth Forecast for San Luis Obispo Council of Governments, 2017; California Department of Finance, 2019

SLOCOG projections for the County show an annual growth rate of 0.61 percent. This annual growth rate is their middle-range projection. For the City, SLOCOG projects a 0.49 percent annual growth rate to 2035. The General Plan Land Use Element (LUE) includes policies to accommodate an eventual City population of 57,200. At a 0.49 percent growth rate, the City’s anticipated residential capacity would be reached by the year 2060.

a) Age Composition

San Luis Obispo’s age profile is shown in Table A-5 and graphically in the form of a population pyramid in Figure A-1. When compared with the County and State, San Luis Obispo has lower percentages of teenagers, middle-aged adults, and older working adults. The City is relatively representative of state demographics for percentages of young children and for senior citizens.

Table A - 5: Age Distribution, 2017

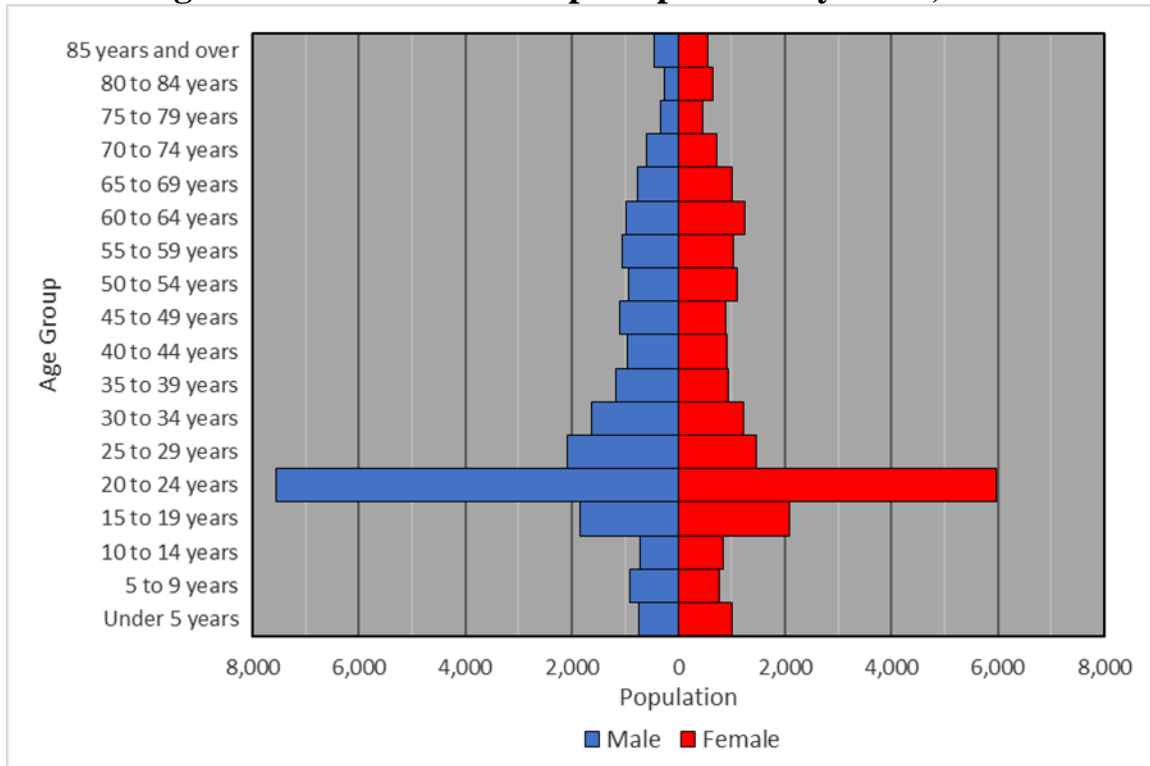
Age	City of San Luis Obispo		County of San Luis Obispo		State of California	
	Population	Percent	Population	Percent	Population	Percent
Under 5	1,761	4	13,648	5	2,493,545	6
5-17	4,267	9	37,118	13	6,621,175	17
18-24	16,446	35	43,550	16	3,917,309	10
25-44	10,375	22	62,255	22	11,002,942	28
45-64	8,358	18	72,886	26	9,799,428	25
65 +	5,790	12	50,662	18	5,148,448	13

Source: U.S. Census; 2013- 2017 American Community Survey 5-Year Estimates

Due to the concentration of students attending Cuesta College and California Polytechnic State University, San Luis Obispo, young adults age 18-24 are by far the largest age group in the City. The City’s component of residents age 18-24 is orders of magnitude greater than the County and State. With 35 percent of residents being age 18-24, the City has over double the percentage of young adults compared to the County, and over triple the percentage compared to the State. As

discussed in Appendix B, this demographic trend has significant implications for the San Luis Obispo area housing market in terms of housing type, tenure, and demand.

Figure A - 1: San Luis Obispo Population Pyramid, 2017



Source: U.S. Census; 2013-2017 American Community Survey 5-Year Estimates

b) Race and Ethnicity

As shown in Tables A-6 and A-7, San Luis Obispo City and County are less diverse racially and ethnically than the State as a whole. In 2017, roughly 85 percent of the residents in the City and County identified as White. Asian and Pacific Islanders have consistently been the second largest racial population group in the City from 2000 to 2017.

By census definitions, Hispanic or Non-Hispanic origin is an ethnic characteristic independent of race. Consistently since 2000, the population identifying as Hispanic or Latino origin has increased for the City, County, and State, with the City’s Hispanic population rising to about 17 percent of the population by 2017.

Table A - 6: Racial Composition for the City, County, and State, 2000-2017

Race	City of San Luis Obispo			County of San Luis Obispo			State of California		
	2000	2010	2017	2000	2010	2017	2000	2010	2017
White	84.1	84.5	84.7	84.6	82.6	85.9	59.5	57.6	60.6
Black / African-American	1.5	1.2	2.2	2.0	2.1	1.9	6.7	6.2	5.8
American Indian / Alaska Native	0.6	0.6	0.5	0.9	0.9	0.7	1.0	1.0	0.7
Asian or Pacific Islander	5.4	5.4	5.6	2.8	3.3	3.8	11.3	13.4	14.5
Some Other Race	4.8	4.4	3.5	6.2	7.3	4.2	16.8	17.0	13.7
Two or More Races	3.6	4.0	3.6	3.4	3.8	3.5	4.7	4.9	4.7

Source: U.S. Census 2000, 2010, 2013-2017 American Community Survey 5-Year Estimates

Table A - 7: Ethnic Composition for the City, County, and State, 2000-2017

Ethnicity	City of San Luis Obispo			County of San Luis Obispo			State of California		
	2000	2010	2017	2000	2010	2017	2000	2010	2017
Not Hispanic or Latino Origin	88.3	85.3	82.9	83.7	79.2	77.8	67.6	62.4	61.2
Hispanic or Latino Origin	11.7	14.7	17.1	16.3	20.8	22.2	32.4	37.6	38.8

Source: U.S. Census 2000, 2010, 2013-2017 American Community Survey 5-Year Estimates

Table A-8 shows the projected change in racial and ethnic composition of San Luis Obispo County from 2015 to 2035. According to the California Department of Finance (DOF), the projections show that growth in the Hispanic population is expected to continue. By 2035, the DOF projects that almost one quarter of the County’s population will be Hispanic. The Asian and Pacific Islander population is projected to be the second fastest growing population while the White population is projected to decline.

Table A - 8: Projected Change in Racial and Ethnic Composition, 2015-2035

Year	Total San Luis Obispo County Population	White (Non-Hispanic)		Black / African-American (Non-Hispanic)		American Indian / Alaska Native (Non-Hispanic)		Asian or Pacific Islander (Non-Hispanic)		Hispanic or Latino*	
		Number of persons	Percent of total	Number of persons	Percent of total	Number of persons	Percent of total	Number of persons	Percent of total	Number of persons	Percent of total
2015	276,859	194,257	70.2	5,106	1.8	1,443	0.5	8,994	3.2	60,670	21.9
2020	282,744	195,385	69.1	5,293	1.9	1,492	0.5	9,443	3.3	64,346	22.8
2025	290,341	198,776	68.5	5,365	1.8	1,540	0.5	9,944	3.4	67,518	23.3
2030	296,782	200,780	67.7	5,441	1.8	1,573	0.5	10,506	3.5	70,863	23.9
2035	302,046	201,550	66.7	5,530	1.8	1,602	0.5	11,004	3.6	74,327	24.6

Source: California Department of Finance, 2019

*Persons of Hispanic or Latino origin may be of any race

2. Employment Trends

Due to its centralized location, early settlement history and transportation links via the Southern Pacific Railroad and State Highways 101, 1 and 227, San Luis Obispo historically has served as the County’s governmental, retail, and cultural hub. City and County economies historically were based largely on agricultural activities. Table A-9 shows that in 2017, the educational services, health care, and social assistance industry was the largest employer of City and County residents with 26.8 and 23.46 percent respectively. Other major employment industries in the City and County with double digit employment shares in 2017 included the Arts, entertainment, recreation, accommodation, and food services industries, the professional, scientific, and management, and administrative and waste management services industries, and the retail trade industry.

Table A - 9: Employment by Industry for Residents, 2017

Industry	City of San Luis Obispo		County of San Luis Obispo		State of California	
	Number of Jobs	Percent	Number of Jobs	Percent	Number of Jobs	Percent
Agriculture, forestry, fishing and hunting, and mining	269	1.1	4,480	3.5	415,522	2.3
Construction	886	3.7	10,235	7.9	1,095,245	6.1
Manufacturing	1,585	6.5	8,841	6.8	1,711,597	9.5
Wholesale trade	509	2.1	2,820	2.2	532,171	3.0
Retail trade	3,044	12.6	14,851	11.5	1,944,607	10.8
Transportation and warehousing, and utilities	731	3.0	5,845	4.5	894,568	5.0
Information	457	1.9	2,012	1.6	529,359	2.9
Finance and insurance, and real estate and rental and leasing	846	3.5	5,842	4.5	1,108,073	6.2
Professional, scientific, and management, and administrative and waste management services	2,879	11.9	13,821	10.7	2,378,080	13.2
Educational services, and health care and social assistance	6,486	26.8	30,501	23.6	3,766,488	20.9
Arts, entertainment, and recreation, and accommodation and food services	4,292	17.7	16,229	12.6	1,877,141	10.4
Other services, except public administration	1,281	5.3	6,676	5.2	952,898	5.3
Public administration	948	3.9	7,124	5.5	788,166	4.4
Civilian employed population 16 years and over	24,213	100	129,277	100	17,993,915	100

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates
 SLOCOG 6th Cycle Data Package 2019, Table 2; California Dept. of Housing & Community Development (HCD)

According to the ACS, the City’s total work force (civilian employed persons 16 years or older) was estimated at 24,213 in the 2017. In 2010, the total workforce was 22,858, reflecting an increase of 1,355 persons, or 6.1 percent, during the decade. San Luis Obispo’s economy is relatively stable, mainly due to the large number of public sector employees, and private sector employers that receive government funds in the City and nearby unincorporated County, including the County of San Luis Obispo, California Polytechnic State University, Cuesta College, the California State Department of Forestry, the California Department of Transportation, the California Army National Guard, the California Men’s Colony, San Luis Coastal Unified School District and the City of San Luis Obispo. Large private sector employers include P.G.&E., the Cal Poly Corporation, Sierra Vista Regional Medical Center, French Hospital Medical Center, Economic Opportunity Commission, and Madonna Inn.

At the peak of the recent Great Recession, the unemployment rate in the City reached up to 10.9 percent in 2010. The City has seen a steady decrease in annual unemployment rates since the height of the recession, with unemployment falling to 2.1 percent in 2019, as shown in Table A-10.

Table A - 10: Labor Force and Unemployment, 2010-2019

Year	City of San Luis Obispo Labor Force			Unemployment Rate, (%)
	Employed	Unemployed	Total	
2010	24,900	3,000	27,900	10.9
2011	25,200	2,900	28,100	10.3
2012	26,300	2,600	28,800	8.9
2013	26,300	2,100	28,400	7.3
2014	24,100	1,500	25,600	5.9
2015	24,200	1,300	25,500	5.0
2016	24,400	900	25,300	3.6
2017	24,700	800	25,500	3.0
2018	24,900	600	25,500	2.5
2019	25,000	500	25,500	2.1

Source: California Employment Development Department, 2019

Note: Unemployment rate is unemployed labor force divided by total size of labor force.

Those who choose not to work or have given up searching for work typically are not calculated as members of the labor force.

As seen in Table A-11, about 61 percent of the San Luis Obispo’s residents work within the City, a decrease from 2010 when 64 percent of residents worked in the City. In 2017, 39 percent of residents worked outside the City. However, the total number of residents working outside the City increased by about 17 percent from 7,920 workers in 2010 to 9,256 workers in 2017. Since 2000, commuting patterns have not changed much, although the percentage of workers traveling between 15 and 30 minutes to work has increased slightly from 23 percent in 2000 to 27 percent in 2017. The majority of workers, 56 percent, commuted for 15 minutes or less to their jobs in 2017.

Table A - 11: Commuting Patterns in the City: 2000, 2010, and 2017

Commuting Pattern	2000		2010		2017	
	Number	Percent	Number	Percent	Number	Percent
Total Workers in SLO City	21,684	---	22,265	---	23,690	---
Workers in the City	12,901	60	14,345	64	14,434	61
Workers outside of the City	8,783	40	7,920	36	9,256	39
Commute Time to Work						
0-15 Minutes	13,149	61	12,921	58	13,158	56
15-30 Minutes	5,014	23	5,863	26	6,333	27
30-45 Minutes	1,587	7	1,952	9	2,000	8
Over 45 Minutes	922	4	725	3	976	4
Worked At Home	1,012	5	804	4	1,223	5
Mean Travel Time to Work (minutes)	15.4	-	14.7	-	15.2	-

Source: U.S. Census; 2013- 2017 American Community Survey 5-Year Estimates

3. Household Characteristics

Household formation and characteristics are key factors shaping housing need. Following is an analysis of household size, growth, income, tenure, and household trends. By definition, a “household” consists of all the people occupying a dwelling unit, whether or not they are related. For example, a single person living in an apartment, four students in an apartment, a couple with two children, and an unrelated tenant living in the same dwelling are all considered households.

a) Household Formation and Type

As shown in Table A-12, the 2010 Census identified 19,193 occupied housing units in the City of San Luis Obispo. In 2017, there were 18,728 occupied housing units with a decrease of 2.5 percent. As shown in Table A-13, during this same period, the average household size increased from 2.29 persons per household to 2.44 persons per household. This increase of 6.6 percent in household size was much larger than the change for the County and State during the same time period.

Table A - 12: Number of Households, 2000, 2010, and 2017

	Number of Households in 2000	Number of Households in 2010	Change, 2000-2010		Number of Households in 2017	Change, 2010-2017	
			Number	Percent		Number	Percent
SLO City	18,653	19,193	540	2.9	18,728	- 465	- 2.5
SLO County	92,739	102,016	9,277	10.0	105,044	3,028	2.9
CA State	11,502,870	12,577,498	1,074,628	9.3	12,888,128	310,630	2.4

Source: U.S. Census 2000, 2010, U.S. Census 2013-2017 American Community Survey 5-Year Estimates

The U.S. Census differentiates between a “household” and a “family.” As used here, the term “family” means two or more related persons living together as a unit. This may include single parents, children, and extended family members (e.g., grandparents). A “household” includes unrelated persons (e.g., single persons, roommates, and unmarried persons who live together), as well as households falling under the “family” definition.

Table A - 13: Household Size, 2000, 2010, and 2017

	Average No. of persons per household in 2000	Average No. of persons per household in 2010	Change, 2000-2010		Average No. of persons per household in 2017	Change, 2010-2017	
			Number	Percent		Number	Percent
SLO City	2.27	2.29	0.02	0.9	2.44	0.15	6.6
SLO County	2.49	2.48	-0.01	-0.4	2.51	0.03	1.2
CA State	2.87	2.90	0.03	1.1	2.96	0.06	2.1

Source: U.S. Census 2000, 2010, U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Tables A-14 and A-15 both show household patterns in 2017. When compared with the County, there is a higher percentage of non-family households in the City at about 59 percent. Non-family households and one person households are more common in the City of San Luis Obispo than family households due to the student population in the City.

Table A - 14: Estimated Households by Household Type, 2017

	Family Households		Non-Family Households		Single Male Households		Single Female Households		Total	
	# of persons	Percent	# of persons	Percent	# of persons	Percent	# of persons	Percent	# of persons	Percent
SLO City	5,787	30.9	11,077	59.1	627	3.3	1,237	6.6	18,728	100
SLO County	53,415	50.9	38,579	36.7	4,280	4.1	8,770	8.3	105,044	100

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Table A - 15: Estimated Households by Household Size, 2017

	1- Person Household		2- Person Household		3- Person Household		4- Person Household		5- Person Household		6- Person Household	
	# of persons	Percent	# of persons	Percent	# of persons	Percent	# of persons	Percent	# of persons	Percent	# of persons	Percent
SLO City	5,895	31.5	6,354	33.9	3,035	16.2	2,240	12.0	938	5.0	143	0.8
SLO County	27,366	26.1	41,553	39.6	15,069	14.3	12,244	11.7	5,894	5.6	1,863	1.8

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

b) Household Income

Both Tables A-16 and A-17 compare data from the U.S. Census, for median household and family incomes in the City, County, State, and other nearby counties. There has been significant growth in household income in the last decade in both the City and County. As shown in Table A-16, in 2010, the City's median household income was \$42,461, or about 75 percent of the County's 2010 median household income of \$56,967. In 2017, the City's median household income increased to \$49,640, still about 75 percent of the County's 2017 median household income of \$67,175.

Table A - 16: Median Household Income, 2000, 2010, and 2017

	Median Household Income, 2000	Median Household Income, 2010	Change in Income 2000-2010		Median Household Income, 2017	Change in Income 2010-2017	
	\$	\$	Amount (\$)	Percent	\$	Amount (\$)	Percent
SLO City	31,926	42,461	10,535	33	49,640	7,179	17
SLO County	42,428	56,967	14,539	34	67,175	10,208	18

Source: U.S. Census 2000, U.S. Census 2010, U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Table A-17 shows family income from 2010-2017 increased 18 percent in the City and 17 percent in the County over the past decade and is higher than the median household incomes in Santa Barbara County, Monterey County, Los Angeles County, and the State.

Table A - 17: Median Family Income, County Comparison, 2010-2017

	Median Family Income, 2010	Median Family Income, 2017	Change in Income, 2010-2017	
	\$	\$	Amount (\$)	Percent (%)
San Luis Obispo City	74,239	87,635	13,396	18.0
San Luis Obispo County	70,987	83,084	12,097	17.0
Santa Barbara County	68,723	78,481	9,758	14.2
Monterey County	61,688	69,222	7,534	12.2
Los Angeles County	60,857	68,272	7,415	12.2
California	67,874	76,975	9,101	13.4

Source: U.S. Census 2010, U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Another income measure is per capita income, as shown in Table A-18. In 2010, the per capita income in the City was \$26,204, compared with a per capita income in the County of \$29,790. In 2017, the per capita income in the City was \$29,748, compared with a per capita income in the County of \$33,972. In 2017, the per capita income for California residents was \$33,128.

Table A - 18: Per Capita Income, 2010-2017

	Per Capita Income, 2010	Per Capita Income, 2017	Change in Income, 2010-2017	
	\$	\$	Amount (\$)	Percent (%)
San Luis Obispo City	26,204	29,748	3,544	14
San Luis Obispo County	29,790	33,972	4,182	14
California	29,188	33,128	3,940	13

Source: U.S. Census 2010, U.S. Census 2013-2017 American Community Survey 5-Year Estimates

The State of California defines four income categories for the purposes of determining housing affordability and need in communities. These categories are based on the percentage of income earned compared to the County’s Area Median Income (AMI) as shown in Table A-19. This method is consistent with definitions of extremely low & very low, low, moderate, and above moderate income households as used in most Federal and State housing programs; however, HUD

(U.S. Department of Housing and Urban Development) applies different standards for Community Development Block Grant, Section 202, and other Federal grant programs.

Table A - 19: California Income Category Limits

Income Category	Percent of County Area Median Income
Extremely Low & Very Low Income	50% or less of AMI
Low Income	51% to 80% of AMI
Moderate Income	81% to 120% of AMI
Above Moderate Income	121% or higher of AMI

Source: California State Department of Housing and Community Development

Table A-20 shows the estimated number of households by income categories in the City of San Luis Obispo within varying income categories. The table indicates that in 2017, approximately 50 percent of the City’s households fell into the less than \$49,999 income category. While the large number of households with incomes below \$49,999 may be in part due to the large student population in San Luis Obispo, it is evident that housing affordability may be an issue for several of these income categories in the City.

Table A - 20: Estimated Households by Income Categories, 2017

Income Categories	Income Limits	Number of Households ¹	Percent of Total Households
Extremely Low & Very Low²	Income < \$49,999	9,401	50%
Low	Income \$50,000 - \$74,999	2,755	15%
Moderate	Income \$75,000 - \$99,999	1,837	10%
Above Moderate	Income > \$100,000	4,735	25%
	Total	18,728	100%

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

1 Assumed a 4-person household; this is consistent with how HCD determines Income Limits every year.

2 Government Code 65583(a)(1) says agencies may assume that 50% of very low is extremely low.

4. Housing Inventory and Market Factors

a) Housing Stock Profile and Population Growth

In 2010, the City housing stock grew to 20,553 housing units, an increase of 1,213 units, with a vacancy rate of 6.6 percent. In 2017, the City housing stock grew to 21,403, an increase of 850 units, with a vacancy rate of 6.3 percent. From 2010-2019, the population grew from 45,119 to 46,802, an average annual increase of 187 persons, or 0.41 percent. Table A-21 shows the number of building permits and units issued each year from 2014 to 2019, otherwise referred to the City’s 5th Cycle RHNA Progress. In 2019, building permits were issued for a total of 537 units, which was the largest number of annual residential development since 2014. In the 5th RHNA Cycle, single family and multifamily development was about equal, with about 56% of building permits being multifamily units and 44% for single family homes.

Table A - 21: RHNA Progress - Issued Building Permits, 2014–2019

Year	Single Family Units	Multi-Family Units	Total Residential Units
2014	79	126	205
2015	124	48	172
2016	62	72	134
2017	113	101	214
2018	124	162	286
2019	185	352	537
TOTAL	687	861	1,548

Source: City of San Luis Obispo, Community Development Department, 2019

Table A-22 shows the net change in the number of dwellings due to completed construction between 2010 and 2019. During this period, an average of 99 units were built each year. During the same period, 600 multi-family units were constructed, compared to 377 single-family units. Multi-family units typically provide a wider range of affordability than single family housing.

Table A - 22: Net Change from Completed Construction, 2010–2019

Year	Single Family Units		Multi-Family Units		Annex Units	Total Units	Net Market Rate	Growth Rate
	Market Rate	Affordable	Market Rate	Affordable				
2010	32	0	23	34	0	89	55	0.27%
2011	0	2	23	42	18	85	41	0.20%
2012	17	0	17	0	0	34	34	0.17%
2013	16	3	63	10	0	92	79	0.38%
2014	67	0	25	22	0	114	92	0.45%
2015	28	0	34	11	0	73	62	0.30%
2016	72	2	63	52	0	189	135	0.65%
2017	46	0	65	20	0	131	111	0.53%
2018	73	0	11	46	0	130	84	0.40%
2019	184	0	27	38	0	249	211	1.00%
10-yr Total	535	7	351	275	18	1,186	904	0.56%*

*Represents the 10-year average growth rate

Source: City of San Luis Obispo, Community Development Department, 2018 General Plan Annual Report

b) Unit Type

San Luis Obispo’s housing stock includes a wide range of dwellings, including “Victorian-style,” single-family houses near downtown, mobile home parks, duplexes, detached single-family housing, condominiums, and large, high-density apartment complexes. Many of the City’s older neighborhoods contain a mix of single houses, houses with attached and detached ADUs, and small duplexes or triplexes. Table A-23 summarizes the City’s housing stock in 2010 and 2019.

Table A - 23: Composition of Housing Stock by Unit Type, 2010-2019

Unit Type	2010		2019		Percent Change, 2010-2019
	Number of Units	Percent of Total	Number of Units	Percent of Total	
Single-Family Detached	9,541	46%	9,882	46%	4%
Single-Family Attached	1,379	7%	1,403	7%	2%
Multi-Family (2-4 units)	2,627	13%	2,723	13%	4%
Multi-Family (5+ units)	5,524	27%	5,912	27%	7%
Mobile Homes, Other	1,482	7%	1,482	7%	0%
Total	20,553	100%	21,403	100%	4%

Source: California Department of Finance (DOF), 2010, 2019 SLOCOG 6th Cycle Data Package 2019, Table 9; California Dept. of Housing & Community Development (HCD)

As shown in the Table A-23, in 2010, the City’s housing stock consisted of 53 percent single-family units (both attached and detached), 40 percent multi-family units (both structures containing 2-4 units and 5 or more units), and 7 percent mobile home units. From 2010 to 2019, the housing stock for the City did not change significantly, with the largest increase in units being a 7 percent increase of multi-family dwellings of 5 units or more.

c) Unit Size

Unit size is commonly described in terms of the number of bedrooms in a residence. As seen in Table A-24, the City’s housing stock in 2017 consisted of 6 percent studio units, 16 percent one-bedroom units, 35 percent two-bedroom units, 29 percent three-bedroom units, and 15 percent four-bedroom units and over. Under the City’s Affordable Housing Standards, estimated occupancy is based on the number of bedrooms in a unit, as follows:

- Studio unit: one-person household
- One-bedroom unit: two-person household
- Two-bedroom unit: three-person household
- Three-bedroom unit: four- and five-person household
- Four-bedroom unit: six-person household

Table A - 24: Housing Size - Number of Bedrooms by Tenure, 2017

		Housing Size									
		0 bedrooms		1 bedroom		2 bedrooms		3 bedrooms		4+ bedrooms	
Tenure	Total Units	# of Units	Percent	# of Units	Percent	# of Units	Percent	# of Units	Percent	# of Units	Percent
Owner-occupied	7,167	38	< 1%	354	2%	1,875	10%	3,312	18%	1,588	8%
Renter-occupied	11,561	1,036	6%	2,561	14%	4,641	25%	2,105	11%	1,218	7%
Totals	18,728	1,074	6%	2,915	16%	6,516	35%	5,417	29%	2,806	15%

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

d) Tenure

Tenure refers to whether householders rent or own their dwelling. Table A-25 shows that in 2017, 11,561 occupied housing units, or 62 percent, of City units were renter-occupied, a significantly higher proportion than in the County and State. Between 2010 and 2017 the City saw a 1 percent decrease in renter-occupied housing units. In contrast, the County and State saw increases in renter-occupied housing units of 2 percent and 6 percent respectively.

Table A - 25: Estimated Tenure of Occupied Housing Units, 2010-2017

	2010		2017		Change	
	Number	Percent	Number	Percent	Number	Percent
Owner-occupied	7,547	39%	7,167	38%	-380	-5%
Renter-occupied	11,646	61%	11,561	62%	-85	-1%
Total	19,193	100%	18,728	100%	-465	-2%

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates
SLOCOG 6th Cycle Data Package 2019, Table 5; California Dept. of Housing & Community Development

e) Vacancy Rates

The housing vacancy rate is one measure of general housing availability. A low vacancy rate, less than five percent, suggests that households will have difficulty finding housing within their price range. Conversely, a high vacancy rate may indicate a high number of housing units that are undesirable for occupancy, a high number of seasonal units, or an oversupply of housing. By maintaining a “healthy” vacancy rate of between five and eight percent, housing consumers have a wider choice of housing types and prices to choose from. As vacancy rates drop, shortages generally raise housing costs and limit choices. Table A-26 shows that the City’s vacancy rate has been around 3 percent for both 2010 and 2017. By comparison, the vacancy rate for the County was roughly the same as the City in 2010, but had decreased to less than 2 percent by 2017. The State’s vacancy rate was about 4 percent in 2010 and about 2 percent in 2017. The City’s low vacancy rate reflects the high demand for student housing near Cuesta College & Cal Poly.

Table A - 26: Housing Vacancy Rates, 2010 & 2017

Year	Percent Vacancy Rate		
	SLO City	SLO County	CA State
2010	3.1	2.8	3.9
2017	2.8	1.9	2.1

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

f) Age of Housing Stock

Housing age is one measure of identifying housing stock condition and the need for rehabilitation. Older units often do not meet current building or zoning standards, and without proper maintenance, are more likely to need major repairs. Generally, dwellings over 30 years of age fall into this category. Table A-27 shows the age of the City’s housing stock in 2017.

Table A - 27: Age of Housing Stock, 2017

Year Built	Number of Units	Percent of Units
2010 or later	464	2%
2000-2009	1,767	9%
1990-1999	2,259	11%
1980-1989	3,190	16%
1970-1979	4,911	24%
1960-1969	3,010	15%
1950-1959	1,970	10%
1940-1949	787	4%
Before 1939	1,974	10%
Total Housing Units	20,332	100%

Source: U.S. Census Bureau, 2013-2017 American Community Survey

According to the U.S. Census Bureau, 2013-2017 American Community Survey (ACS), only 10 percent of the City’s housing stock was built before 1939 and 23 percent of the housing stock was built before 1960. In contrast, about 40 percent was built between 1960 and 1979, and 27 percent was built between 1980 and 1999. Collectively, about 63 percent was built before 1980.

g) Housing Condition

In September 2020, a windshield survey was conducted within the City of San Luis Obispo to examine a sample of the City’s housing stock and analyze housing conditions. A windshield survey is a type of fieldwork conducted from a car to provide a visual overview of a community. A sample of 500 housing structures were randomly selected to be visually inspected in the field by City staff as part of the survey. A sample size of 500 units out of 20,332 units was selected to provide a confidence level of 95% and a margin of error under 5%. This sample of housing structures included housing from all neighborhoods within the City and a variety of housing types such as single family, townhomes, duplexes, multi-family units, and mobile homes. Based on guidance from the California Department of Housing and Community Development (HCD) regarding best practices for housing stock surveys & analysis, five categories were evaluated to determine the overall condition of the housing structures: foundation, roofing, siding, windows, and exterior electrical systems. City staff evaluated and graded each structure in the field during the survey based on these features according to the following scale:

- A – Great: no poor conditions, building in great condition
- B – Fair: one or two poor conditions, building in fair condition.
- C – Poor: three or more poor conditions, building in poor condition.

Overall, the City’s housing stock is in good condition. As shown in Table A-28, The majority of the sample of housing structures surveyed (around 87 percent) were found to be in great condition and were not in need of rehabilitation. Approximately 13 percent of the housing structures surveyed were in fair condition, needing only minor or moderate rehabilitation. The most frequently noted exterior conditions needing rehabilitation of the housing structures surveyed were peeling paint and to a lesser degree, roofs in need of minor replacement (old or missing shingles).

None of the housing structures within the housing stock sample that was evaluated as part of this survey were in poor condition. Although no residential units were identified in the survey as being in poor condition, the City assumes that there are units that fall into this category and the Housing Element includes Programs 1.5 and 1.6 that call out supporting safe and decent shelter for all residents.

Table A - 28: Housing Condition Survey Summary – September 2020

Unit Type	A - Great Condition	B - Fair Condition	Total
Single-Family	339	29	368
Townhome	22	2	24
Duplex	12	2	14
Multi-Family	44	20	64
Mobile Home	19	11	30
Total	436	64	500
Percent	87.2%	12.8%	100.0%

Source: City of San Luis Obispo, Community Development Department, 2020

The City’s housing stock was also analyzed, using Census data, to evaluate substandard conditions. Housing is considered substandard when conditions are below the minimum standards of living as defined by Section 1001 of the Uniform Housing Code. Households living in substandard housing may be exposed to health or safety threats, which, in turn, could adversely affect the safety and quality of life of neighborhoods. Such households are considered in need of housing assistance to correct any serious health or building safety problems, such as structural, plumbing, mechanical or electrical problems, and presence of unhealthful conditions or materials, e.g. asbestos and lead-based paint.

In addition to structural problems (sagging roofs, walls or porches, lack of or failing building foundation, termite infestation, etc.), the lack of certain basic facilities may also indicate substandard conditions. The United States Department of Housing and Urban Development (HUD) includes the lack of kitchen facilities and lack of plumbing facilities as two out of four housing problems in their Comprehensive Housing Affordability Strategy (CHAS) data.

According to the 2017 American Community Survey (ACS) 5-Year Estimates, there were 46 units in the City that lacked complete plumbing facilities. Of these, 32 were renter occupied. For Census purposes, complete plumbing facilities included: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three must be located inside a housing unit to be recognized as having full plumbing facilities. According to the 2017 ACS data, 380 units lacked complete kitchen facilities, and of these, 363 units were renter-occupied. The U.S. Census defines a complete kitchen as a unit with a sink & faucet, a stove, and a refrigerator. There were 901 units with no heating source, and 250 units that relied on heating oil, kerosene, coal, wood, or other heating fuel.

h) Housing Costs and Rents

Existing and New Housing Sales Price Trends

Following a trend throughout much of California, the City of San Luis Obispo experienced a strong economy in the late 1990s pushed housing costs up, with increased employment, higher Cal Poly enrollment and greater housing demand. The early 2000s saw a nationwide economic slowdown, yet local housing demand remained strong, buoyed by record low mortgage interest rates and the region’s attractiveness to retirees from both Southern and Northern California. Housing prices continued to increase until the Great Recession in 2007 which resulted in a decline in sales prices. In 2013, housing prices finally began a trend upwards that has continued to 2019.

Table A - 29: Median Residential Real Estate Sales Prices, 2014-2019

Year	SLO City		SLO County		CA State	
	Median Price (\$)	Percent Change	Median Price (\$)	Percent Change	Median Price (\$)	Percent Change
2014	\$594,200	---	\$441,300	---	\$374,200	---
2015	\$546,600	-8.0	\$478,700	8.5	\$398,300	6.4
2016	\$602,800	10.3	\$502,300	4.9	\$415,100	4.2
2017	\$611,900	1.5	\$532,200	6.0	\$435,800	5.0
2018	\$655,500	7.1	\$573,100	7.7	\$482,800	10.8
2019	\$693,000	5.7	\$585,800	2.2	\$500,500	3.7
Change, 2014-2019	\$98,800	16.6	\$144,500	32.7	\$126,300	33.8

Source: Zillow, 2010-2019

Table A-29 shows the median sales prices of residential real estate in the City, County, and State from 2014-2019. Over this 5-year period, median sale prices were consistently higher in the City than in the County and State. In 2019, the median sales price in the City was \$693,000. This was approximately 18 percent higher than the County median price of \$585,800 and 38 percent higher than the State median price of \$500,500. The median sales price in the County has also consistently been higher than the State over the same time period.

Rental Costs

As of 2019, the average rent prices in the City for one-bedroom and two-bedroom apartments were \$1,445 and \$2,094 respectively. In comparison, the Fair Market Rents (FMRs) for San Luis Obispo County in 2019 as determined by the United States Department of Housing and Urban Development (HUD) for one-bedroom and two-bedroom apartments were \$1,196 and \$1,542 respectively. The average rent prices in the City are noticeably higher than the fair market rents for these units. Table A-30 shows the average rents by unit type for the City and County in 2019.

Table A - 30: Comparison of Rent Costs, City and County, 2019

Unit Type	SLO City	SLO County Fair Market Rent (HUD) ¹	Percentage difference between City & County average rents
	Average Rent (\$)	Average Rent (\$)	
1-Bedroom	\$1,445	\$1,196	21%
2-Bedroom	\$2,094	\$1,542	36%

Source: Rentcafe.com, 2020 Affordable Housing Nexus Study

¹From HUD FY 2019 Fair Market Rent Documentation System for the SLO-Paso Robles-Arroyo Grande MSA

A possible contributing factor to high rents in the City is low rental vacancy rates as shown in Table A-31. In 2010, the City, County, and State had rental vacancy rates of 3.7, 4.1, and 5.9 respectively. In 2017, the City’s rental vacancy rate increased to 4.0 while the County and State rental vacancy rates decreased to 2.8 and 3.5 respectively. A balanced vacancy rate for an area is typically around five percent. Vacancy rates lower than five percent favor landlords and can signal a shortage of choice for renters, while vacancy rates above five percent favor renters.

Table A - 31: Owner & Renter Vacancy Rates, 2010 & 2017

Year	Percent Vacancy Rate					
	SLO City		SLO County		CA State	
	Owner	Renter	Owner	Renter	Owner	Renter
2010	2.2	3.7	2.0	4.1	2.2	5.9
2017	0.7	4.0	1.3	2.8	1.0	3.5

Source: U.S. Census 2010, 2017 American Community Survey 5-Year Estimates

SLOCOG 6th Cycle Data Package 2019, Table 10; California Dept. of Housing & Community Development (HCD)

i) Affordability Gap Analysis

Ownership Units

Table A-32 shows the values of owner-occupied, single family housing in 2017 for the City of San Luis Obispo and for San Luis Obispo County in 2017.

Table A - 32: Single Family Housing Values, 2017

Price Range \$	SLO City		SLO County	
	Units	Percent of Total	Units	Percent of Total
Less than 50,000	321	4.5	2,199	3.5
50,000 - 99,999	331	4.6	1,310	2.1
100,000 - 149,999	165	2.3	1,037	1.6
150,000 - 199,999	233	3.3	1,237	2.0
200,000 - 299,999	259	3.6	5,142	8.2
300,000 - 499,999	1,264	17.6	20,622	32.7
500,000 - 999,999	4,212	58.8	26,351	41.8
1,000,000 or more	382	5.3	5,154	8.2
Total	7,167	100	63,052	100

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

In 2017, very few homes in the City and County were valued at below \$300,000, with the City only having 18 percent and the County only having 17 percent of the total respectively. According to Zillow, in 2019 the median home value in the City was \$774,800, about a 4 percent increase from the 2015 median value of \$666,100.

Table A - 33: Median Monthly Owner Cost, Percent of Household Income, 2017

	Median Monthly Owner Cost, Percent of Household Income	
	With Mortgage	Without Mortgage
City of San Luis Obispo	25.5	10.0
County of San Luis Obispo	26.4	10.7
State of California	25.9	11.0

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Although the total price of a home is an important indicator of affordability, the primary affordability determinant is the monthly payment. Lenders typically require homebuyers to demonstrate that the total monthly loan payment, consisting of loan principal, interest, taxes, and insurance will not exceed 30 percent of gross monthly household income. Table A-33 compares the monthly median income and housing costs in the City, County, and the State in 2017.

In 2017, mortgaged median-priced houses in the City, County, and State were all below the 30 percent threshold. While median family incomes have increased since 2010, it has not kept pace with the growth in house prices. Table A-34 and Figure A-2 compare the median sales costs and median family income in the County from 2014 to 2019. The median family income data comes from the California Department of Housing and Community Development’s Official Median Incomes for four person households. From 2014 to 2019, median family income in the County grew over 13 percent. However, this is not nearly as large an increase as the 16 percent increase in median sales prices of homes during this time.

Table A - 34: Median Housing Costs vs. Median Family Income, 2014-2019

Year	Median City Sales Price (\$)	Percent Change from Previous Year	Median Family Income (\$) ¹	Percent Change from Previous Year	Income Required To Afford (\$) ²	% of Median Income Needed To Afford
2014	\$594,200	---	\$77,000	---	\$121,200	157
2015	\$546,600	-8.0	\$77,100	0.1	\$111,520	145
2016	\$602,800	10.3	\$77,100	0.0	\$122,960	159
2017	\$611,900	1.5	\$83,200	7.9	\$124,840	150
2018	\$655,500	7.1	\$83,200	0.0	\$133,720	161
2019	\$693,000	5.7	\$87,500	5.2	\$141,360	162
Change, 2014-2019	\$98,800	16.6	\$10,500	13.6	\$20,160	4

Source: Zillow, 2014-2019

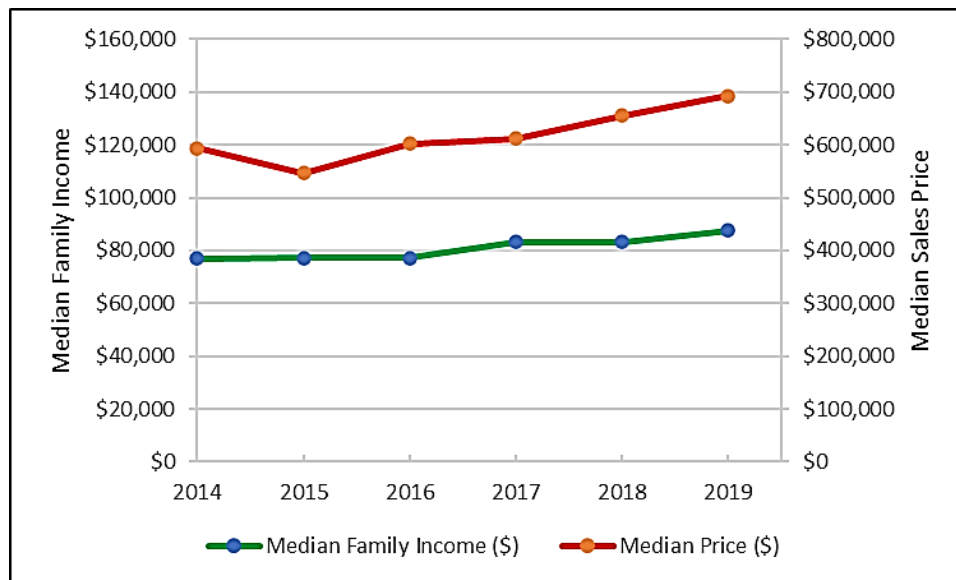
¹Based on HCD Official Income Limits for a four-person household.

²Income required to afford is annual income such that 30 percent of gross monthly income is the monthly mortgage payment for a median priced home. Mortgage payments are derived assuming 30-year fixed rate loan, at 5% interest, with a 5% down payment

Table A-34 compares the area median income to the average median sales prices within the City since 2014. It also derives the minimum amount of income required to afford the average unit sold in that year. The median sales price includes all unit types. The income required to afford the median sales price assumes that the monthly mortgage payment will be no more than 30 percent of the monthly income, which is an affordability standard set by HUD. Since 2014, the income needed to afford a median mortgage has been well over the City’s actual area median family income. In 2019, the income required to afford a \$693,000 median-priced home in the City was 162 percent of the actual area median family income of \$87,500. The gap between the median income and the median sales price has continued to grow over the past 5 years.

Figure A-2 shows the data from Table A-34 in a graphic form. The graph compares median family incomes with median sales prices from 2014 to 2019. The median family income axis is labeled on the left side of the graph, while the median sales price axis is labeled on the right side of the graph. The graph shows that the median sales price has gone up at a faster rate than median family incomes have over the 5 year period from 2014 to 2019.

Figure A - 2: Median Residential Sales Prices vs. Median Family Income, 2014-2019



Source: Zillow, 2014-2019
 Incomes Based on HCD Official Income Limits for a four person household

Rental Units

Table A-35 shows the median gross rent as a percentage of household income in 2017. As previously shown in Table A-33, homeowners were spending about 25 percent of their income for housing costs in 2017. However, Table A-35 shows that renters spent considerably more. The median renter was spending 45.7 percent of their income on rent in 2017, suggesting overpayment for rental housing is common in San Luis Obispo.

Table A - 35: Median Gross Rent as a Percent of Household Income, 2017

	Median Renter Cost, Percent of Income
City of San Luis Obispo	45.7
County of San Luis Obispo	32.6
State of California	33.1

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

The amount of rent different income groups can afford, using a 30 percent affordability standard, is shown below in Table A-36. As seen earlier in Table A-30, the average rents of one-bedroom and two-bedroom apartments in the City were \$1,445 and \$2,094 respectively. The average one-bedroom apartment would only be considered affordable for low- and moderate-income households. The average two-bedroom apartment would only be considered affordable to moderate income households.

Table A - 36: Affordable Rents by Income Group in San Luis Obispo, 2019

Income Group	Percent of Median Income Earned	Income Earned (4 person household)	Affordable Rent*
Extremely Low	30 or less	< \$26,950	\$459 - \$761
Very Low	31-50	\$26,950 - \$44,950	\$766 - \$1,269
Low	51-80	\$44,950 - \$71,900	\$919 - \$1,523
Moderate	81-120	\$71,900 - \$105,000	\$1,276 - \$2,115

*Affordable is defined as 30 percent or less of gross income spent on rent

Source: HCD 2019; based on median income of four-person household, which is \$87,500.

5. Summary and Conclusions

Appendix A describes the following demographic factors affecting the City’s housing market:

Population and household growth: Population growth has slowed in the City from 2010 to 2019. Over this period, City population has grown by only 1,683 persons to 46,802, which is an average annual growth rate of 0.4 percent. By 2035, the San Luis Obispo Council of Governments (SLOCOG) projects that the City population will grow slightly more to 50,659. SLOCOG projects that during this period, the average annual growth rate of the City will remain relatively unchanged at 0.49 percent.

Age Distribution: Both the City and the County have significantly higher proportions of young adults compared to the State due to the presence of the California Polytechnic State University and Cuesta College. In the City, over one third of the population is between 18-24 years old, which is consistent with the large college student populations. When compared with the County and State, the City has significantly lower percentages of school age children aged 5 to 17, middle-aged adults, and older working adults. The City is relatively representative of State demographics for percentages of young children and for senior citizens aged 65 and over.

Race and Ethnicity: The 2013-2017 American Community Survey (ACS) 5-year estimates indicate that almost 15 percent of the City's population was non-White, compared to 39 percent of the State. While not approaching the State distribution, the City is gradually becoming more ethnically diverse. The California Department of Finance projects that by 2035, about one third of the County's population will be non-white with the most rapid growth coming in Hispanic and Asian/Pacific Islander populations.

Employment: The City has seen a steady decrease in annual unemployment rates since the height of the recession in 2010, when the unemployment rate peaked at 10.9 percent. The unemployment rate has been steadily decreasing since that time. As of 2019, the unemployment rate in the City was 2.1 percent. In 2019, the three industries offering the most jobs in the City were educational services and healthcare and social assistance, arts entertainment and recreation and accommodation, and retail trade.

Household size and type: The City's average household size has been declining since the 1990s. As the average household size grows smaller, the existing housing stock accommodates fewer people. In 2017, non-family households were almost 60 percent of all households, while family households were about 40 percent.

Household and family income: The City of San Luis Obispo and the County's median family incomes continue to exceed other Central Coast counties' median family incomes as well as the State median family income. However, as of 2017, over 50 percent of household incomes are still less than \$50,000, which is considered very low income.

Housing Unit Size: Just over one-third of the City's housing stock consists of two-bedroom units, with three-bedroom units accounting for almost 30 percent and studio/one-bedroom units accounting for over 20 percent of the housing stock. Housing units with four bedrooms or more account for 15 percent of the housing stock. It is interesting to note that the percentage of owner-occupied and renter-occupied units varies distinctly by the number of bedrooms. For example, two-bedroom renter-occupied units make up 25 percent of all rental units compared to the 10 percent of all owner-occupied two-bedroom unit. This flips for three-bedroom units, with owner-occupied units consisting of 18 percent and renter-occupied units making up only 11 percent. Overall, renter-occupied units comprise the majority of the City's housing stock.

Housing Inventory and Market Factors: Housing units added increased faster than population rate. Between 2010 and 2019, there were 850 housing units added, compared to 1,683 people added. Between 2010 and 2019, there were 600 multi-family dwelling units constructed compared to 333 of single-family dwellings constructed. In 2017, there were 22% more renters than owners in the City.

Housing Affordability: Many people who live in San Luis Obispo overpay for housing, and many who work here cannot afford to live here. Median housing costs have outpaced incomes, between 2014 and 2019, median sales prices increased 16.6 percent while the median income only increased by 13.6 percent.

Appendix B

housing needs

Appendix B describes housing needs relative to various segments of the population, including groups with special housing needs. Several factors shape the type and amount of housing demand in San Luis Obispo. The main factors driving housing need during the planning period are:

- Population and job growth, both in the City and in the County;
- Increased rate of household formation due to smaller households;
- Inability of extremely low, very low, low, and moderate income working adults to find suitable affordable housing near jobs;
- Growth of special needs groups such as the elderly, single-parent households, households with disabled persons, and homeless individuals and families.

Analysis of the City’s demographic factors suggests that while almost all income households will continue to have difficulty finding suitable affordable housing, the largest gap between housing supply and need will be for residents in the extremely low, very low, and low income categories.

1. Regional Housing Needs Assessment

Under State law, each city and county are to develop programs designed to meet its share of the region’s housing needs for all income groups, as determined by the region’s council of governments. The State Department of Housing and Community Development (HCD) identifies housing needs for all regions of the State. Councils of governments then apportion the regional housing need among their member jurisdictions. The Regional Housing Needs Allocation (RHNA) process seeks to ensure that each jurisdiction accepts responsibility, within its physical and financial capability to do so, for the housing needs of its residents and for those people who might reasonably be expected to move there. State housing law recognizes that housing need allocations are goals that jurisdictions seek to achieve; however, they are not intended as production quotas. The allocations are included in each jurisdiction’s Housing Element so that plans, policies, and standards may be created to help meet housing needs within this element's planning term.

a) Existing Housing Needs

Households Overpaying for Housing

Overpayment refers to households paying more than 30 percent of their gross income to secure adequate shelter. This is also the classification that the U.S. Department of Housing and Urban Development (HUD) defines as “cost burden.” Cost burden is most common for lower income households, although in high-cost housing markets such as San Luis Obispo, even moderate and above moderate income households are often cost burdened as well.

High housing costs impact lower-income households more because lower-income households

must use a disproportionately higher percentage of their incomes for housing and typically have the least financial flexibility to meet other basic needs. For these individuals, the eventual result may be a series of financial problems leading to housing deterioration, as limited funds must be used for more immediate needs, or the result may be an entire loss of housing. For the community, it could mean overcrowding as households seek to maximize income to meet housing costs, a visible decline in housing conditions, neighborhood parking issues, and other related problems.

Within San Luis Obispo County, very low- and low-income households also have had a higher frequency of overpaying for housing, with many paying more than one-half of their incomes for housing, a level referred to by HUD as “severe cost burden.” For some, overpaying is a choice to secure a certain type of housing. For many others, it is a necessity to meet basic housing needs.

Overpayment for rental housing has been a continuing problem in the City of San Luis Obispo. The Census indicates that in 2010, 66 percent of the City’s 11,702 renter households overpaid for housing. The figures also show that 32 percent of the City’s 7,229 owner-occupied households overpaid for housing in 2010. This translates into an estimated 9,977 of City households who were cost burdened, paying more than 30 percent of their gross income for housing in 2010. These households consisted of over half of the total households within the City. In 2010, household overpayment was down from 2000, when 61 percent of households overpaid for housing.

The American Community Survey (ACS) indicates that in 2017, 6,445 of the City’s 11,425 renter households, or 56 percent, were overpaying for housing. Of the City’s 6,620 owner-occupied households, 775 households, 12 percent of all owner-occupied households, were overpaying for housing. In total, 7,220 households in San Luis Obispo were cost burdened, spending more than 30 percent of their gross income on housing in 2017. These households consisted of 40 percent of the total households within the City. The number of households and the overall percentages of households that were cost burdened and overpaying for housing decreased from 2010 to 2017.

In San Luis Obispo, overpayment figures may be misleading. The percentage of households overpaying may significantly understate the problem, since high housing costs force many to seek affordable housing outside the City. Those unable to afford any housing in San Luis Obispo are not reflected in the figures. However, the data may also overstate the problem due to the fact that many renters in the City are students. Most student households, including families headed by students, are nominally in the lower income categories but have significant financial resources due to parental support, loans or savings that is not reflected in their current income levels. Nevertheless, rising housing costs and relatively slow income growth are well documented, affirming that overpayment is an ongoing issue in the City.

Overcrowding

High housing prices often force lower-income households to accept smaller housing units, resulting in overcrowding. Overcrowding can have serious housing and neighborhood consequences. It places additional demands on housing facilities, neighborhood parking, community infrastructure and services, and can contribute to deterioration of the housing stock.

Table B-1 below compares overcrowding figures for the City and County of San Luis Obispo and

the State of California in 2017. Census data indicate that the percentages of overcrowded rental units in the City and County have declined since 2010, from 5.4 and 6.5 percent to 3.7 and 6.2, respectively. City and County figures for overcrowding remain relatively low compared to the State. In San Luis Obispo, among the 11,561 renter households in 2017, an estimated 423 households were overcrowded. For owner-occupied housing, San Luis Obispo has fewer people per room than the State, with over 99 percent of owner households averaging one person or fewer per room. About 48 of the City’s 7,167 owner-occupied households were overcrowded.

Table B - 1: Residential Overcrowding, 2017

	Percent of all renter-occupied housing units, by number of occupants per room			Percent of all owner-occupied housing units, by number of occupants per room		
	1.00 person or fewer	Moderate Overcrowding (1.01- 1.50)	Severe Overcrowding (1.51+)	1.00 person or fewer	Moderate Overcrowding (1.01- 1.50)	Severe Overcrowding (1.51+)
SLO City	96.3%	1.8%	1.9%	99.3%	0.6%	0.1%
SLO County	93.7%	4.0%	2.2%	98.5%	1.0%	0.5%
CA State	86.7%	8.2%	5.0%	96.0%	3.0%	1.0%

Sources: U.S. Census 2010; 2013- 2017 American Community Survey 5-Year Estimates; SLOCOG 6th Cycle Data Package 2019, Table 11; California Dept. of Housing & Community Development (HCD)

Another measure of residential overcrowding is the number of persons per occupied housing unit, or average household size. The average household size in the City of San Luis Obispo increased from 2010 to 2017. The ACS reports that the average household size in the City for 2017 was 2.44. In 2010, the U.S. Census reported an average household size of 2.29 in the City, compared with 2.51 and 2.83 in the County and State, respectively. Table B-2 compares average household size between the City, County and State in 2017.

Table B - 2: Average Household Size by Tenure, 2017

	Renter Occupied (persons)	Owner Occupied (persons)	Average (persons)
City of San Luis Obispo	2.51	2.33	2.44
County of San Luis Obispo	2.55	2.48	2.51
State of California	2.91	3.00	2.96

Source: U.S. Census 2013- 2017 American Community Survey 5-Year Estimates

b) Housing Needs for 2020-2028

In San Luis Obispo County, the San Luis Obispo County Council of Governments (SLOCOG) is charged with allocating the region’s assigned housing needs among seven cities and the unincorporated County area. The numbers supplied by the State's Department of Housing and Community Development (HCD) are “goal numbers” and are not intended as production quotas. State law recognizes that a jurisdiction’s ability to meet regional housing needs within the planning period may be constrained by several factors. Government Code Section 65583 states:

“It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community’s ability to satisfy this need within the content of the

general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the total housing needs.”

Jurisdictions must accommodate the RHNA numbers in their Housing Elements or explain why their quantified housing objectives differ and identify actions the jurisdiction will take to remove constraints to achieving the RHNA number. These numbers apply to the planning term from January 2019 through June 2028. Each jurisdiction’s total need is broken down by income group. These needs are included in each jurisdiction’s housing element as residential growth objectives for which plans and policies are established to be accomplished within the planning term.

On October 2, 2019, the San Luis Obispo Council of Governments approved the County’s Regional Housing Needs Plan incorporating the HCD’s housing needs determination of 10,810 total County units, significantly higher than the 2014 RHNA of 4,090 units. The approved RHNA Plan is shown in Table B-3.

**Table B - 3: Regional Housing Needs Allocation (RHNA)
for San Luis Obispo County, Jan. 2019 – Dec. 2028**

	Very Low Income 24.6% ¹	Low Income 15.5% ¹	Moderate Income 18.0% ¹	Above Moderate Income 41.9% ¹	Totals	Percent City RHNA to Total RHNA
	Number of Units					
Arroyo Grande	170	107	124	291	692	6%
Atascadero	207	131	151	354	843	8%
Grover Beach	91	57	66	155	369	3%
Morro Bay	97	60	70	164	391	4%
Paso Robles	356	224	259	607	1,446	13%
Pismo Beach	113	71	82	193	459	4%
San Luis Obispo	825	520	603	1,406	3,354	31%
Unincorporated County	801	505	585	1,365	3,256	30%
Totals	2,660	1,675	1,940	4,535	10,810	100%

Source: San Luis Obispo Council of Governments (SLOCOG), 2019

¹Percent of total housing need in each jurisdiction.

A jurisdiction’s housing need allocation is the number of additional dwellings necessary to accommodate expected growth in the number of households, and to: 1) replace expected demolitions and conversions to non-residential use, 2) achieve an ideal vacancy rate (five to eight percent) that allows adequate housing choice, and 3) avoid concentrating lower-income housing in areas that already have disproportionately high proportions of lower income households. Total housing need is broken down by household income categories used in State and Federal programs: extremely low, very-low, low, moderate, and above-moderate income. As shown in Table B-3, San Luis Obispo’s allocation is 3,354 dwellings, 31 percent of the County’s total allocation.

c) Extremely Low-Income Households

Local governments have typically used four different income categories to describe and plan for housing needs: very-low, low, moderate, and above moderate-income levels. State law requires quantification and analysis of existing and projected housing needs of extremely low income (ELI) households. ELI is defined as 30 percent of area median income and below. Table B-4 shows the relationship of the four household income categories, projected number of households in each category and the percentage of households paying more than 30 percent of their income for housing. This table identified extremely low-income renter occupied households as one of the most cost burdened income categories, with 84 percent of households paying more than 30 percent of their monthly income on housing.

Table B - 4: Household Problems by Tenure and Income Level, 2015

	Renter Households	Owner Households	Total Households
Extremely Low Income Households (<= 30% median family income)	4,275	420	4,695
Percent with any housing problems	84%	70%	83%
Percent with cost burden (>30% of income)	84%	69%	82%
Percent with severe cost burden (>50% of income)	79%	62%	78%
Very Low Income Households (30% - 50% median family income)	1,740	430	2,170
Percent with any housing problems	92%	58%	85%
Percent with cost burden (>30% of income)	89%	58%	83%
Low Income Households (50% - 80% median family income)	2,125	655	2,780
Percent with any housing problems	64%	36%	57%
Percent with cost burden (>30% of income)	62%	36%	56%
Total Households	11,425	6,620	18,045

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2011-2015 SLOCOG 6th Cycle Data Package 2019, Table 4; California Dept. of Housing & Community Development (HCD)

In 2019, San Luis Obispo County’s median income for a four-person household was \$87,500. For extremely low-income households, this results in an income of \$26,950 or less for a four-person household or \$18,900 or less for a one-person household. Households with extremely low incomes have a variety of housing situations and needs. For example, most families and individuals receiving public assistance, such as social security insurance (SSI) or disability insurance, are considered extremely low-income households.

Existing Needs

In 2015, approximately 4,695 extremely low-income households resided in the City, representing 26 percent of the total households. Most (91 percent) extremely low-income households are renters and experience a high incidence of housing problems. According to 2011-2015 HUD

Comprehensive Housing Affordability Strategy (CHAS) data, 83 percent of extremely low-income households faced housing problems (defined as a housing cost burden greater than 30 percent of income and/or overcrowding and/or without complete kitchen or plumbing facilities) and 82 percent spent over 30 percent of their income on housing. A total of 48 percent of all households across all income categories paid more than 30 percent of their income for housing.

Projected Needs

To calculate the projected housing needs, the City assumed one-half of its assigned very low-income regional housing need is comprised of extremely low-income households. As a result, from the very low income need of 825 units, the City has a projected need of 412 units for extremely low-income households. Many extremely low-income households will be seeking rental housing and most likely facing an overpayment, overcrowded or substandard housing condition. To address this need, the City employs a diversified strategy including promoting construction of a variety of housing types (veteran's housing, transitional housing, 100% deed-restricted affordable development projects, etc.) and preservation of extremely low and very low-income housing.

Extremely low-income households often need supportive housing and are particularly vulnerable to becoming homeless due to local high housing costs and limited incomes. Supportive housing is generally defined as permanent and affordable housing with on-site services, such as childcare, after-school tutoring, and career counseling. These services help residents transition into safer and more stable living conditions. City regulations allow supportive and transitional housing by right in all zones. To address the housing needs of extremely low-income households, the City will continue to identify opportunities to work with developers and non-profit builders who specialize in developing affordable projects and supportive housing.

The goals of the City's efforts to develop affordable and supportive housing include:

- Build a long-term partnership with development groups;
- Gain access to specialized funding sources, including funding sources that support deeper subsidies for ELI housing;
- Identify the range of local resources and assistance needed to facilitate the development of housing for extremely low-income households, and
- Promote a variety of housing types, including higher density, multifamily supportive, single room occupancy, and shared housing.

As described in Program 3.13, the City will work with its nonprofit partners to develop housing for extremely low-income households. Possible activities include organization capacity building, assisting with site identification and acquisition, providing local financial resources (Affordable Housing funds and CDBG funds), issuing impact and development fee deferral loans, prioritizing and streamlining planning entitlements, and utilizing flexible development standards & incentives.

2. Special Housing Needs

Certain segments of the population may have more difficulty finding decent, affordable housing due to their specific circumstances. In San Luis Obispo, this may include elderly persons, large families, female-headed households, the disabled, homeless and farm workers.

a) Elderly Persons

Elderly residents are classified as being 65 years of age or older. The 2010 Census shows that elderly populations accounted for 12 percent, 5,431 residents, of the City’s total population. In 2017, elderly populations still made up 12 percent, 5,790 residents, of the City’s total population. As seen in Table B-5, the elderly population in the City has not changed significantly since 2010.

Table B - 5: Elderly Population in San Luis Obispo, 2010-2017

Age	2010		2017		Percent Change, 2010-2017
	Elderly Population	Percent of Total Population that is Elderly	Elderly Population	Percent of Total Population that is Elderly	
65 to 74 years	2,381	5	3,077	7	29
75 to 84 years	1,787	4	1,702	4	-5
85 years and over	1,263	3	1,011	2	-20
Total Elderly Population	5,431	12	5,790	12	7

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates

As seen in Table B-6, according to the 2017 ACS, there are 2,953 owner-occupied elderly householders in the City and 978 renter-occupied elderly householders. Households with persons age 65 years or older comprise over 20 percent of the total occupied households.

Table B - 6: Elderly Householders by Tenure and Age, 2017

Householder Age	Owners	Renters	Total
65 to 74 years	1,686	397	2,083
75 to 84 years	769	401	1,170
85 years and over	498	180	678
Total 65 years and over	2,953	978	3,931
Total (all ages)	7,167	11,561	18,728

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates
SLOCOG 6th Cycle Data Package 2019, Table 13; California Dept. of Housing & Community Development (HCD)

Elderly persons may need regular medical care, special residential access features, home medical equipment or trained medical care, transportation, and opportunities to socialize. Those with moderate or above moderate incomes can usually afford to accommodate those needs. However, many elderly citizens have fixed or low incomes and do not own a home. They must compete for rentals with other small households that may have greater financial resources or may have the potential for greater income in the future.

Low-income elderly people who do own homes may have difficulty affording property maintenance costs, or meeting special accessibility or mobility needs such as ramps, handrails, door widths, counters and cupboard height and design. Due to limited mobility or health issues, elderly people may have a more difficult time meeting their personal needs, such as shopping, health, or other errands, making their housing locations especially important. Table B-7 shows that of 1,877 elderly city residents, 34 percent of residents age 65 or older, have disabilities such as hearing difficulties, vision difficulties, cognitive difficulties, ambulatory (mobility) difficulties,

self-care difficulties, and independent living difficulties.

Table B - 7: Elderly Population with Disabilities, 2017

Disability Type	Males		Females		Total	
	Population	Percent of Total Elderly Population	Population	Percent of Total Elderly Population	Population	Percent of Total Elderly Population
Total Elderly Population (>65 years old)	2,332	42	3,264	58	5,596	100
With a hearing difficulty	412	50	405	50	817	15
With a vision difficulty	131	40	194	60	325	6
With a cognitive difficulty	92	21	345	79	437	8
With an ambulatory difficulty	425	39	658	61	1,083	19
With a self-care difficulty	176	44	227	56	403	7
With an independent living difficulty	273	28	695	72	968	17
Total Elderly Population with a Disability	813	43	1,064	57	1,877	34

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates
 SLOCOG 6th Cycle Data Package 2019, Table 13; California Dept. of Housing & Community Development (HCD)

Elderly residents who own their homes are in relatively good positions financially. Given the high cost of housing in the area, some could sell their homes for a profit and use it to purchase a smaller apartment or condominium, or for a residential care facility if needed. However, seniors on fixed incomes with few assets have a more difficult time securing housing. Based on requests to the City’s Housing Authority for housing affordable to the elderly, there is a clear need for more subsidized elderly housing in the City. With the aging of the so-called “baby-boom” generation born in the 1950’s, and with longer life expectancies, the need for suitable housing and related services is expected to grow.

As seen in Table B-8, according to the U.S. Department of Housing and Urban Development (HUD), 555 elderly San Luis Obispo households had incomes below the poverty threshold within the extremely low income category in 2015. Of these 555 households, 325 were renter households and 230 were owner households. Over 40 percent of all elderly households in the City were within the low, very low, or extremely low-income categories in 2015.

Table B - 8: Elderly Households by Income & Tenure, 2015

Income Category	Owner Households	Renter Households	Total Households
Extremely Low Income Households (≤ 30% median family income)	230	325	555
Very Low Income Households (30% - 50% median family income)	290	335	625
Low Income Households (50% - 80% median family income)	345	230	575
Moderate Income Households (80% - 100% median family income)	210	90	300
Above Moderate Income Households (>100% median family income)	1,840	225	2,065
Total Elderly Households	2,915	1,205	4,120

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

Residential Care Facilities

San Luis Obispo has a limited number of residential care facilities and special housing geared toward the elderly. Residential care homes may also serve youths, adults, and persons with disabilities. As of 2019, the City had 20 facilities providing housing for these special needs groups. Table B-9 summarizes these special housing facilities.

Table B - 9: Special Needs Housing and Residential Care Facilities, 2020

Facility	Total Capacity (# of Beds)	Disabled Housing	Senior Independent & Assisted Living	Shelter
40 Prado Homeless Center	100			✓
StandStrong Safe House	14			✓
Anderson Hotel	68	✓	✓	
Brizzolara Street Apts.	30	✓		
Bishop Street Studios	34	✓		
Del Rio Terrace	41		✓	
Judson Terrace Lodge	33		✓	
Judson Terrace Homes	107		✓	
Marvin Gardens	24	✓		
Pismo Station	10	✓		
Broad Street Apartments	6	✓		
Carmel Street Apartments	19		✓	
Avila Senior Living	39		✓	
Vista Rosa	6	✓	✓	
Vista Rosita	19	✓	✓	
Las Brisas	110		✓	
Bella Vista Transitional Care	162	✓	✓	
Mission View Health Center	65	✓	✓	

Facility	Total Capacity (# of Beds)	Disabled Housing	Senior Independent & Assisted Living	Shelter
The Village at Sydney Creek	84	✓	✓	
The Village at The Oaks	50		✓	
The Village at The Palms	128		✓	
The Village at Garden Creek	72		✓	
Total	1,221	11	16	2

Source: City of San Luis Obispo, Community Development Department 2020

Large Households Total Capacity equation: Total large family households multiplied by 5 persons.

b) Large Households

According to the 2017 ACS, 1,204 households, or six percent of San Luis Obispo's households, consist of “large families.” Large families are defined as households with five or more persons, at least two of which are related by blood, marriage, or adoption. Large families are included as a special needs group because they typically require larger dwellings with more bedrooms than typically needed by most households. Large families require dwellings with five or more rooms, and of these, three or more are probably bedrooms.

Table B - 10: Number of Units by Bedrooms in San Luis Obispo, 2017

Bedroom Type	Units
No Bedroom	1,329
1 Bedroom	3,154
2 Bedrooms	7,089
3 Bedrooms	5,853
4 Bedrooms	2,273
5 or more Bedrooms	634
Total Units	20,332

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates

Table B-10 above highlights the City's housing stock as of 2017, which contained 634 large dwellings with five or more rooms, or three percent of the housing stock. Large families face the dual challenge of finding an adequately sized dwelling at a cost that they can afford. These families often have the largest affordability gap in securing housing among the special needs groups. This is especially true for renter households, since most of the City's larger dwellings are owner occupied. As shown in Table B-11 below, of the City's roughly 8,800 dwellings with three or more bedrooms (consisting of about 8,200 households), 60 percent are owner occupied. The remaining 40 percent (about 3,500 large rental housing units) are often priced for the student housing market.

Reinforcing the data from Table B-11, Table B-12 shows household sizes by tenure in the City. In 2017, large households consisting of 5 or more persons consisted of 27 percent owner households and 73 percent renter households. This reinforces the demand for large rental housing units to accommodate large households, the majority of which are renters. It is evident from the census data that there are a sufficient number of large dwellings to accommodate the numbers of large families in the City. However, data also shows that lower-income households are priced out of

both the ownership and rental housing markets for that type of housing. Moderate income families may be able to afford rental costs for large dwellings; however, a tight student-housing market coupled with relatively low vacancy rates (averaging about three percent) make it more difficult for families to secure large dwellings.

Table B - 11: Household Tenure by Bedrooms in San Luis Obispo, 2017

Bedroom Type	Owner Households		Renter Households		Total
	Number	Percent	Number	Percent	
No Bedroom	38	4	1,036	96	1,074
1 Bedroom	354	12	2,561	88	2,915
2 Bedrooms	1,875	29	4,641	71	6,516
3 Bedrooms	3,312	61	2,105	39	5,417
4 Bedrooms	1,330	61	842	39	2,172
5 or more Bedrooms	258	41	376	59	634
3 or more Bedrooms	4,900	60	3,323	40	8,223
Total Households	7,167	38	11,561	62	18,728

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates

Table B - 12: Large Households by Tenure in San Luis Obispo, 2017

Tenure	1 - 4 Persons		5+ Persons		Total	
	Number	Percent	Number	Percent	Number	Percent
Owner Households	6,845	39	322	27	7,167	38
Renter Households	10,679	61	882	73	11,561	62
Total Households	17,524	---	1,204	---	18,728	---

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates
SLOCOG 6th Cycle Data Package 2019, Table 7; California Dept. of Housing & Community Development (HCD)

As seen in Table B-13, according to the U.S. Department of Housing and Urban Development, 100 large households of 5 or more persons were in the low, very low, or extremely low-income categories in 2015. This consisted of around 20 percent of all large households in 2015, and 30 percent if including moderate income households. Market-rate housing options for large families includes overcrowded multi-family units and older single-family homes. The development of more on-campus student housing may help make more housing available for large families.

Table B - 13: Household Size by Income in San Luis Obispo, 2015

Income Category	1 – 4 Persons		5+ Persons		Total	
	Number	Percent	Number	Percent	Number	Percent
Extremely Low Income Households (≤ 30% AMI)	580	12	30	6	610	11
Very Low Income Households (30% - 50% AMI)	440	9	15	3	455	8
Low Income Households (50% - 80% AMI)	745	15	55	11	800	15
Moderate Income Households (80% - 120% AMI)	335	7	59	11	394	7
Above Moderate Income Households (>120% AMI)	2,890	58	360	69	3,250	59
Total Households	4,990	---	519	---	5,509	---

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2011-2015

c) Female-Headed Households

In 2010, females headed 7 percent of the City’s households, or an estimated 1,336 households with no husband present. About 6 percent of county households and 8 percent of State households were female-headed in 2010. By comparison, females headed 1,237 households, still 7 percent of all households in the City in 2017 as seen in Table B-14. Female-headed households also consisted of 8 percent of county households and 13 percent of state households in 2017. Although the actual number of female-headed households did not necessarily increase for the City, County, and State from 2010 to 2017, the percentage of female-headed households increased slightly in this period.

Female-headed households are included as a special needs group because of their low rate of homeownership, lower average incomes, and relatively high poverty rates. This group’s housing needs are similar to those of the elderly in that affordability, limited income and access to services are key concerns. Female-headed households have space needs similar to two-parent households but are at a distinct disadvantage in competing for suitable housing with the financial resources of only one adult. Often, the single parent must settle for a small dwelling that does not meet the household’s needs or must spend an excessively large share of the household's monthly income on housing and childcare.

Housing close to employment, schools and services tends to be more desirable and therefore more expensive. In their search for affordable housing, families are often forced to trade the convenience of proximity for affordability. As the distances between work, school, daycare, and the grocery store increase, so is the time spent connecting the stops, leaving less time for the family to spend together, a particularly difficult situation for single-parent families. Table B-14 shows the number of female-headed households in 2017. Of the total female-headed households, 284 were listed as having incomes under the poverty level.

Table B - 14: Female-Headed Households in San Luis Obispo, 2017

Household Type	Number	Percent
Total City households	18,728	100%
Total Female-headed households	1,237	7%
Female-headed households with children under 18	589	3%
Female-headed households without children under 18	648	3%
Total households under the poverty level	529	3%
Female-headed households under the poverty level	284	2%

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates
SLOCOG 6th Cycle Data Package 2019, Table 8; California Dept. of Housing & Community Development (HCD)

Affordable housing needs of female-headed households can be addressed through rent assistance, low- and moderate-income housing production, shared equity/down payment assistance and group housing. Housing opportunities also can be improved through city policies calling for the provision of affordable childcare, and by locating family-oriented housing developments close to major employment areas, transportation facilities and shopping.

d) Disabled Persons

As shown in Tables B-15 and B-16, 4,210 people, or 9 percent of all City residents, reported some type of disability in the 2017 ACS, with 2,520 residents reporting ambulatory (mobility) and self-care disabilities. Access and affordability are two major issues that may limit housing choices for disabled people. This group is included as a special housing needs group because people with disabilities often need facilities not typically provided in conventional housing.

Depending on the disability, special accommodations may include specially designed interior features and accessibility provisions outside the unit. California Administrative Code Title 24 sets access and adaptability requirements for persons living with disabilities, and these apply to most new residential and commercial developments. The regulations require special architectural features to meet the needs of disabled persons, including access ramps, accessible restrooms and appropriately designed interior features. These requirements do not apply to single-family residential construction.

Table B - 15: Persons Reporting Ambulatory or Self-Care Difficulties, 2017

	Ambulatory Difficulty Only	Self-Care Difficulty Only	Total	Percent of Total Population
Persons Ages 5-17	23	78	101	0.2
Persons Ages 18-64	708	225	933	2.1
Persons Ages 65+	1,083	403	1,486	3.3
Total Persons	1,814	706	2,520	5.6

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates
SLOCOG 6th Cycle Data Package 2019, Table 13; California Dept. of Housing & Community Development (HCD)

Other adults, who need less medical attention than is provided by a convalescent home, are accommodated by an increasing number of small group homes (discussed below). Those with multiple or severe disabilities, usually both physical and mental, require group living arrangements where care and supervision can be provided. The demand for such accommodations is expected to grow at about the same rate as the overall population. Sites for large facilities of this type are limited in number, although moderate-sized and smaller facilities could be accommodated in many residential areas throughout the City.

Table B-16 shows the number of City residents that live with disabilities such as hearing, vision, cognitive, ambulatory (mobility), self-care, and independent living difficulties. Persons with mental or physical disabilities who do not need medical supervision but are not able to live independently can usually be accommodated in large or small group homes. Small residential care facilities typically accommodate between six and 12 people, and provide beds, meals and 24-hour assistance by caregivers. According to Access Support Network of San Luis Obispo, there are estimated to be 130 persons in the city suffering from HIV/AIDS and other illnesses. Those suffering from HIV/AIDS have specific housing needs. The main housing problems for this group is housing affordability, since in many cases, these patients can no longer hold down a job and do not have independent means of transportation and are dependent upon public transit.

Table B - 16: Disability by Type and Age in San Luis Obispo, 2017

Disability Type	Youth (Ages 5 - 17)	Adults (Ages 18 - 64)	Seniors (Ages 65 +)	Total
With a hearing difficulty	37	489	817	1,343
With a vision difficulty	51	349	325	725
With a cognitive difficulty	113	1,015	437	1,565
With an ambulatory difficulty	23	708	1,083	1,814
With a self-care difficulty	78	225	403	706
With an independent living difficulty	---	564	968	1,532
Total individuals with a disability	231	2,102	1,877	4,210

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates
SLOCOG 6th Cycle Data Package 2019, Table 13; California Dept. of Housing & Community Development (HCD)

e) Developmental Disabilities

State law (SB 812) requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that is attributable to a mental or physical impairment or combination which manifested before the age of 22 and is likely to continue indefinitely. The disability results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency. The disability would also reflect the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of extended duration and are individually planned and coordinated.

Many developmentally disabled persons can live and work independently within a conventional housing environment. 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.

Table B - 17: Developmental Disabilities by Age and Location, 2019

Zip Code	Ages 0 - 17	Ages 18+	Total
93401	98	147	245
93405	49	107	156
Total	147	254	401

Source: California Department of Developmental Services, 2019 SLOCOG 6th Cycle Data Package 2019, Table 14; California Dept. of Housing & Community Development (HCD)

The Census does not record developmental disabilities. According to the California Department of Developmental Services, approximately 401 developmentally disabled residents live in the two San Luis Obispo zip codes of 93401 and 93405 in 2019. Table B-17 shows that 147 people, or 37 percent, of developmentally disabled residents are less than 17 years of age while 254, or 63 percent, of developmentally disabled residents are over the age of 18. Policy 8.9 and Program 8.20 in the Housing Element address the housing needs of persons with developmental disabilities.

Table B - 18: Developmental Disabilities by Residence Type, 2019

Zip Code	Home of Parent / Guardian	Independent / Supported Living	Community Care Facility	Intermediate Care Facility	Foster Home	Other	Total
93401	137	92	<11	<11	<11	<11	>229
93405	74	17	<11	61	<11	<11	>152

Source: California Department of Developmental Services, 2019 SLOCOG 6th Cycle Data Package 2019, Table 15; California Dept. of Housing & Community Development (HCD)

Table B-18 highlights that of the approximately 381 developmentally disabled residents in San Luis Obispo, 55 percent reside in the home of parents or guardians, 29 percent reside in Independent/Supportive Living scenarios and 19 percent live in Intermediate Care Facilities.

f) Homeless Persons and Transitional Housing

Homeless Persons

The City has been a long-standing supporter of service provision to those who are experiencing homelessness. Implementing strategies and programs that help transition people out of homelessness has been a regional effort. The City adopted a Housing Major City Goal which includes supporting the development of housing for unhoused (homeless) people as a top priority

in the 2019-2021 Financial Plan. In 2014, the City updated the Zoning Regulations to allow Homeless Shelters by right without a conditional use permit within the Public Facility (PF) zone. Approximately 16 acres within the PF zone could accommodate a Homeless Shelter. These sites range in size from 0.84 acres to 4.98 acre (average lot size of 3.08 acres); all sites are underutilized with two having surface parking lots and the others having over 50 percent of the site undeveloped. Each parcel is located with ¼ mile of a bus stop along one of the City’s arterial roads which allows for convenient access to social services and other services that might be needed by these individuals. As further discussed below, a new homeless services center was opened in 2018 and was specifically designed to accommodate the services needed by the homeless within the center, as well as located within walking distance of Social Services and local and regional bus stops.

The City’s role in addressing homelessness includes the following:

1. Politically support and strategically supplement efforts lead by the County.
2. Financially support housing and service agencies whose mission it is to develop programs for the City’s homeless population.
3. Provide funding assistance from Community Development Block Grant (CDBG), Grants-In-Aid (GIA), and General Fund monies to social service programs, such as the 40 Prado Homeless Services Center.
4. Leverage grant and loan opportunities and allocate City Affordable Housing Fund awards to assist with the development and preservation of affordable housing.

Table B - 19: San Luis Obispo County Homeless Count by City, 2019

Region	Number	Percent of Total Homeless Counted
Arroyo Grande	30	2%
Atascadero	173	12%
Grover Beach	67	5%
Morro Bay	94	6%
Paso Robles	239	16%
Pismo Beach	5	0%
City of San Luis Obispo	482	33%
<i>Sheltered</i>	<i>326</i>	<i>22%*</i>
<i>Unsheltered</i>	<i>156</i>	<i>11%*</i>
Unincorporated County	393	27%
Total Point in Time Homeless Count	1,483	100%

Source: 2019 San Luis Obispo County Homeless Point-in-Time Census & Survey

*Percent of City of San Luis Obispo Total Homeless counted on January 28, 2019.

Homelessness is inherently difficult to quantify because it is often a transitional situation, dependent upon a household’s or individual’s changing economic condition or location. Lacking permanent housing, homeless persons are often missed in census surveys. Table B-19 summarizes the 2019 San Luis Obispo County Homeless Point-in-Time Census and Survey Report, which

includes a total count of homeless individuals and families on January 28, 2019. According to the report, 1,483 homeless persons were living in San Luis Obispo County in 2019, of which 482 persons, or 33 percent, were based in the City of San Luis Obispo. Approximately 174, or about 12 percent of the County's total homeless persons counted, were under the age of 18. In the County, 32 percent of homeless persons are female. In terms of sleeping arrangements, of the County's total number of homeless persons observed and interviewed, 29 percent regularly slept on the street, 26 percent slept in a car, van, RV, or other vehicle, and 22 percent in encampment areas.

The largest facility providing homeless services in the County is located in San Luis Obispo: 40 Prado Homeless Services Center. In October 2018, Community Action Partnership of San Luis Obispo (CAPSLO) finished construction and opened the 40 Prado Homeless Services Center which provides all homeless services in one place. The Center is a 365 days per year facility that helps individuals and families improve their health and stability and move them towards self-sufficiency. Services available to all participants include: overnight shelter (up to 100 beds), meals, showers, laundry, mail/phone services, access to case management, primary medical care, animal kennels, secured bicycle parking, a safe parking program and a community garden. The Center also serves as the Warming Center location for the City of San Luis Obispo during times of inclement weather. In 2019, an average of about 200 individual homeless persons per month received one or more nights of emergency shelter in the City. In addition, Stand Strong, formerly the Women's Shelter of San Luis Obispo County, is headquartered in the City, and provides services, programs, and facilities for homeless, displaced, and abused individuals.

The 2019 homeless enumeration data also shows that significant numbers of homeless persons are living in cars, campers, city creeks and open space areas and do not avail themselves of the homeless shelters. Homeless service providers require that homeless persons not be under the influence of drugs or alcohol in order to receive services. For these reasons, many homeless people in San Luis Obispo remain invisible in terms of their numbers and the services provided to them.

Transitional Housing and Supportive Services

A primary goal is to help homeless individuals and families achieve a measure of stability and enable them to transition to safe, secure housing. Transitional housing gives homeless people a stable environment while they seek employment or learn life skills towards self-sufficiency. San Luis Obispo public and non-profit agencies, including CAPSLO, Transitions-Mental Health Association (TMHA), and San Luis Obispo County Social Services use a "continuum of care" approach that places clients in supportive housing in San Luis Obispo City, serving a range of residents including homeless persons, disabled persons, and persons with substance abuse issues. To help homeless persons transition from emergency to permanent shelter, the City collaborates with local nonprofit housing providers to develop transitional housing in the City. Transitional Housing includes a broad range of housing types and typically includes a resident manager with visiting staff providing counseling, health care, education, and other services. Table B-20 lists homeless and transitional facilities in the City San Luis Obispo.

The Consolidated Plan is a five-year strategic planning document for the Urban County of San Luis Obispo that establishes the goals for the Urban County's community development and affordable housing activities. The U.S. Department of Housing and Urban Development (HUD) requires that San Luis Obispo Urban County outline a vision for an effective and coordinated

community development strategy. Eligible state and local governments receive annual block grants for affordable housing and community development from HUD. These grants include the Community Development Block Grant (CDBG), the Emergency Solutions Grant (ESG), and the HOME Investment Partnerships program (HOME). On May 5, 2020, the Board of Supervisors adopted a Consolidated Plan for the time period of July 1, 2020 through June 30, 2024, which identified five priority areas to consider future Federal funding, including increasing and maintenance of affordable housing, and decreasing homelessness.

The Urban County utilizes a Continuum of Care (CoC) approach for addressing homelessness on a regional basis. Each participating jurisdiction, including the City of San Luis Obispo, is encouraged to collaborate with social service providers to provide a range of homeless services, including rapid rehousing, outreach and assessment, basic emergency shelter, emergency services, counseling and case management, and transitional and permanent housing. The San Luis Obispo County CoC received a total of \$105,588 for the 2019 Fiscal Year and is estimated to receive \$119,621 for the 2020 Fiscal Year from HCD.

Table B - 20: Emergency Shelters and Supportive Housing Facilities, 2019

Name /Agency	Number of People	Population Served
40 Prado Homeless Services Center (Community Action Partnership of SLO County)	100	Homeless adults, families & children
Safe House – Stand Strong (formerly the Women’s Shelter of SLO County)	14	Abused adults as well as children who are either homeless or at risk of becoming homeless
Marianne Court Transitional Housing (Stand Strong)	17	Abused, low income, single adults, and legally emancipated minors
70Now Supportive Permanent Housing - TMHA	17	Disabled persons and chronically homeless individuals and families
HUD Permanent Supportive Housing - TMHA	20	Disabled persons and chronically homeless individuals
Community Housing Program - TMHA	40	Adults with an open mental health case with the SLO County Behavioral Health Department
Full Service partnership Housing - TMHA	15	Adults with an open mental health case with an intensive Full Service Partnership team
Homeless Outreach Partnership Housing - TMHA	4	Adults with an open mental health case with a Full Service Partnership team, priority for Homeless Outreach Team clients
Nipomo Street Studios - TMHA	8	Adults with an open mental health case with the SLO County Behavioral Health Department, priority goes to residents experiencing homelessness

Name /Agency	Number of People	Population Served
Broad Street Bungalows - TMHA	2	Adults with an open mental health case with the SLO County Behavioral Health Department
Bishop Street Studios - TMHA	33	Adults with an open mental health case with the SLO County Behavioral Health Department
Adult Transitional Program - TMHA	12	Intensive, 24-hour treatment for adults, aged 18-59, with an open mental health case with SLO County Behavioral Health Department
Youth Treatment Program -TMHA	6	Intensive, 24-hour treatment program for youth, ages 12-17, with an open mental health case with SLO County Behavioral Health Department
Total People Served	288	

Source: Transitions-Mental Health Association, 2020; Community Development Dept. 2020

Homeless Shelters, Transitional Housing and Supportive Housing Allowed By Right

Assembly Bill 101 outlines that Homeless Shelters, Transitional Housing and Supportive Housing developments (Low Barrier Navigation Centers) be a use by right within those zones that allow for mixed-use and residential uses. The law defines the term “use by right” in this context to mean that the local government’s review of the Low Barrier Navigation Center development may not impose certain requirements, such as a conditional use permit or other discretionary review or approval. The City allows, by right, the development of Homeless Shelters, Transitional Housing and Supportive Housing within specific zones, but not in all zones that allow mixed-use or residential development. As such, the Housing Element includes revised Program 8.18 that states, “Amend the Zoning Regulations to allow homeless shelters, transitional housing and supportive housing (low barrier navigation centers) in all residential zones, areas zoned for mixed-uses, and nonresidential zones permitting multifamily uses without a conditional use permit to be alignment with Government Code Section 65660 (AB 101).” This is identified as a high priority program to be implemented by July 2021 (see Appendix I).

g) Farmworkers

The City of San Luis Obispo is in the County's central coast agricultural region. The City is mostly urbanized with only a few small agricultural operations (family and non-profit) still engaged in agricultural production. According to the 2017 ACS, about 1.1 percent of the City’s labor force over 16 years of age work in the agriculture, forestry, fishing, hunting, and mining industries, or approximately 269 persons. Since less than two percent of the City’s labor force works in agriculture, it follows that few farm workers actually work or live in the City; thus not stimulating a critical housing need for the City.

Table B - 21: San Luis Obispo County Farm Operations, 2017

	Farmworkers	Farms
Farm operations with less than 10 employees		
Permanent (150 days or more)	1,049	465
Seasonal (less than 150 days)	1,260	485
Total	2,309	950
Farm operations with 10 or more employees		
Permanent (150 days or more)	3,686	85
Seasonal (less than 150 days)	5,421	103
Total	9,107	188

Source: USDA Agriculture Census, 2017

SLOCOG 6th Cycle Data Package 2019, Table 17; California Dept. of Housing & Community Development (HCD)

Agriculture is one of San Luis Obispo County’s primary industries; however, it is difficult to determine how many farmworkers live in the City because it is surrounded by land devoted to agricultural uses. It is likely that farmworkers are housed on site at agricultural operations outside City limits. Some are permanent residents and others are seasonal migratory workers. The US Department of Agriculture’s (USDA) Census compiles farm employment information. Table B-21 shows farmworkers and farms in San Luis Obispo County by size of farm operations. In 2018, the Board of Supervisors directed County Planning staff to create an ordinance to incentivize and remove barriers for the development of agricultural worker housing for these larger farms.

The Employee Housing Act (Government Code Section 17021.5 and 17021.6) requires that any employee housing occupied by six or fewer employees shall be considered a single-family structure with a residential land use, and must be treated the same as a single-family dwelling of the same type in the same zone. In addition, employee housing consisting of no more than 36 beds in a group quarters, or 12 units or separate rooms or spaces designed for use by a single-family or household, must be considered an agricultural land use and be treated the same as any other agricultural activity in the same zone.

Sections of the City’s Zoning Regulations are consistent with the Employee Housing Act and others require revisions to comply. Table 2-1 (Uses allowed by zone) identifies that “Single-Unit Dwellings, Detached” and “Caretakers Quarters” are a permitted residential uses, where no Conditional Use Permit (CUP) is required, in Agricultural (AG) and Residential (R-1, R-2, R-3, and R-4) zones and thus employee housing (including Farmworker housing) is allowed in these zones. To address conflicts of the City’s code and the Employee Housing Act, the City is including new Program 8.23 that requires an update to the Zoning Regulations including: 1) An update of Table 2-1 to allow single-unit dwellings without a CUP within the Open Space and Conservation (C/OS) zone and allow employee housing consisting of no more than 36 beds in a group quarters, or 12 units or separate rooms or spaces designed for use by a single-family or household within the C/OS and AG zones, and 2) Removal of Chapter 17.148 - High-Occupancy Residential Use Regulations.

h) Students

It is estimated that Cal Poly State University and Cuesta College students comprise more than one third of the City's population. As a result, students strongly influence the City's housing supply and demand. Although often grouped into low-income categories statistically, many students can spend more on housing than income data suggests because of parental support or larger household sizes. By pooling their housing funds, groups of students can often afford more expensive housing. This contributes to higher rents in San Luis Obispo compared to other parts of the County.

Cal Poly's total enrollment was 21,812 students in fall 2018. In fall 2018, Cal Poly had on-campus housing available for 7,758 students, with about one third of the Cal Poly student population housed on campus. In fall 2018, 14,050 Cal Poly students, or about two-thirds of the University's total student body, lived off-campus within the City of San Luis Obispo or other nearby areas within the County. According to the 2018 Cal Poly Campus Transportation Survey, approximately 7 percent of students living off campus reside outside the City within the County, which is about 980 students. Subtracting out these students who live outside city limits, the remaining estimated number of Cal Poly students who live in city limits is about 13,070 students.

According to Cuesta College, the enrollment of the Cuesta campus north of San Luis Obispo for the fall 2019 semester was 7,224 students. Historically, half of the student body of the main campus has lived within City limits, which would be about 3,600 Cuesta students living in San Luis Obispo in 2019. Overall in 2019, about 16,670 college students were estimated to be living in San Luis Obispo, about 36 percent of the City's population. Cuesta College has no on-campus housing.

Student housing preferences sometimes result in competition and conflicts with other segments of the City's population. Student housing complexes close to Cal Poly State University have, since the late 1990s, experienced high occupancy rates, prompting many students to seek alternative housing arrangements outside the immediate campus area. Many students choose to find apartments or condominiums elsewhere in the City, and increasingly, students choose to share houses in single-family neighborhoods. The presence of students renting houses in neighborhoods sometimes leads to complaints from surrounding property owners due to lifestyle conflicts, parking congestion, noise, and property maintenance concerns.

A central theme of the Cal Poly 2035 Master Plan is to create several on-campus student residential communities and provide faculty and staff housing to accommodate 25,000 students and over 3,900 staff and faculty members on campus, a 20 percent increase for the planning period of 2015-2035. As of 2018, Cal Poly had the largest on-campus housing program in the California State University system with over 7,700 students living on-campus. Recent student and faculty housing facilities built to help meet expanding enrollment are highlighted below:

- 1) Cal Poly Lofts – 32 student apartments for Cal Poly business students, located downtown above retail stores along Monterey Street and across the street from Mission Plaza, housing a total of 35 students. The Cal Poly Lofts opened in 2016.
- 2) Yak?itvutvu - 696 freshmen student housing units on the Cal Poly campus, containing 3 to 4 beds in each unit and housing a total of 1,475 students. Yak?itvutvu opened in 2018.

The 728 recently built student housing units developed by Cal Poly will help reduce pressure on the City's housing market and help moderate rental cost increases by providing additional housing

options. In addition to Cal Poly affiliated development, there has been other private housing development that has helped house students in the City. One example is the high-density housing development “The Academy Chorro” located at 22 Chorro Street which opened in 2018 and has 27 housing units, including four very low-income units. Another recently completed student housing project is located at 71 Palomar Avenue and has 33 units, 4 of which are very low-income units. A mixed-use project at 790 Foothill Boulevard is anticipated to start construction in the fall and will have and 78 units, 12 of which will be very low-income units.

Although these new housing units will help to address housing needs generated by Cal Poly enrollment growth during the planning period, they will not fully address the existing shortage of student housing. Student housing will continue to be a major housing need in the City. As of 2020, Cal Poly is in the process of finalizing their 2035 Master Plan, which guides future student enrollment and on campus student housing. According to the Master Plan, Cal Poly is planning for the development of 7,200 more beds by 2035 to accommodate for the future student population.

i) Fraternities and Sororities

Another important concern is meeting the housing needs of student fraternities and sororities. “Greek” houses are allowed in medium-high- and high-density residential zones, with a Planning Commission use permit. As of 2019, there are 10 sororities and 15 fraternities that hold fraternal events and maintain a presence in San Luis Obispo, most of which occupy fraternal “houses” owned or rented by the organizations. According to Cal Poly, in 2019, over 4,000 students or about 18 percent of Cal Poly students were members of a fraternity, sorority, or other Greek organization. As part of Greek activities, many Cal Poly fraternities and sororities actively participate in beneficial university and community programs and events. In addition, they often host meetings, recruitment activities and social events that can have a negative impact on their neighbors. For example, on-street parking is affected, and noise and traffic levels often increase due to frequent visits by students attending fraternal activities. When Greek housing is located close to non-student housing, compatibility conflicts sometimes arise.

There are few large sites available that could accommodate a new fraternity or sorority house and still satisfy parking and group meeting needs without posing neighborhood conflicts. Conflicts between these sororities and fraternities and other citizens have occurred, in part, because there has never been a shared community consensus on a plan to guide the University, fraternities and sororities, neighbors and the City on how and where to meet the need for Greek housing. The solution may be, at least in part, to identify appropriate locations for additional Greek housing on or near the Cal Poly campus. The Cal Poly 2035 Master Plan briefly discusses this, but states that further analysis must be done regarding this option in the future before it becomes more realistic.

j) “Shared” Households

San Luis Obispo encourages a variety of housing types to meet varied lifestyles and needs. Many people are looking for alternative ways to limit the amount of income they spend on housing. Census figures for 2017 show that more unrelated adults are sharing houses than ever before. In the City, the percentage of non-family households (households with one or more non-relatives, and not including living alone) is 27 percent. In addition to saving money, sharing a house also

provides the benefits of companionship and security. There appears to be substantial community interest in shared-housing opportunities such as cooperatives or co-housing. Co-housing allows residents to live in their own private spaces and share centralized dining and recreation facilities. One local shared housing service in the City of San Luis Obispo is the HomeShareSLO program provided by SmartShare Housing Solutions. The HomeShareSLO program matches homeowners with empty rooms, with people seeking housing. Rooms are rented at affordable prices, and owners and tenants are “matched” based on their compatibility. SmartShare Housing Solutions has found that the majority of the matches have been lower-income seniors. Some of the obstacles to providing co-housing in the City are availability of sites, public acceptance, and the possible need for exceptions to current development standards.

k) Single Room Occupancy (SRO)

A single room occupancy dwelling (more commonly called an “SRO”) houses one or two people in an individual room (sometimes one room plus separate bathroom or half bathroom) in a multi-unit building – often a former hotel or boarding house. SRO tenants may share bathrooms and/or kitchens, while some SRO tenants have individual kitchenettes, bathrooms, or half-baths. SROs are typically rental dwellings with floor areas of 150 to 450 square feet. They provide a viable housing option for lower income persons, including extremely low income, very low and low income, and others who do not desire or require large dwellings or private domestic appliances. Their small size and limited amenities generally make SROs an affordable housing option, especially in downtown areas with high land values. They also can serve as transitional housing to provide an entry point into the housing market for formerly homeless people.

San Luis Obispo allows single room occupancy dwellings in all zoning districts where residential uses are allowed. The City has two SRO buildings downtown: the historic Anderson Hotel (discussed in Chapter 5) and the Wineman Hotel. The Anderson Hotel is operated by the Housing Authority of the City of San Luis Obispo and has 68 units serving very-low and low income persons, many of whom are elderly or disabled. The Wineman Hotel is privately owned and managed, and has 48 units serving moderate, low- and very-low income persons under an affordability agreement with the City.

The Housing Element includes a new program (2.15) to encourage the development of new SROs and small units:

Evaluate a flexible density pilot program and initiate an update of the Zoning Regulations and Community Design Guidelines to incorporate flexible density development options in Downtown and portions of Upper Monterey and Mid-Higuera Special Focus Areas to support the production of smaller residential units (150 to 600 square feet).

l) Reasonable Accommodations

The City has adopted a Reasonable Accommodation Ordinance (Ordinance 650 §3) to implement state law and Housing Element programs. The Ordinance provides a fair and reasonable procedure for disabled persons to request flexibility in the application of land use and zoning regulations to ensure equal access to housing. The Ordinance establishes a process where the Community

Development Director reviews requests for developing housing to accommodate disabilities as defined in the fair housing laws. If the requested accommodation is necessary to overcome a barrier to housing, the Director may grant the request. For a full discussion on the City's Reasonable Accommodations process, please refer to Appendix C, page C4.

m) Fair Housing

The Fair Housing Act of 1988 was adopted to safeguard against illegal housing discrimination. The Law protects a person's right to own, sell, purchase, or rent housing of his or her choice without fear of unlawful discrimination. The City of San Luis Obispo does business in accordance with the Federal Fair Housing Law and provides resources for those that feel they have been discriminated against. Information is provided on the City's website (slocity.org/government/department-directory/community-development/affordable-housing/fair-housing-act) and is also distributed by code enforcement as a part of their interaction with tenants, property owners and property managers. The City encourages those that have been discriminated reach out to the U.S. Department of Housing and Urban Development or California Rural Legal Assistance (CRLA), a local, non-profit legal organization. The Housing Element includes Program 4.8 which calls for the continuance of providing information regarding Fair Housing by providing up to date information online and brochures at the front desk, providing educational materials to tenants, property owners and property, and making public service announcements (including but not limited to the City's News page, social media sites, and newspaper ads) every year."

n) Affirmatively Further Fair Housing

The City Council has made a commitment to make San Luis Obispo a welcoming, inclusive, and safe community for everyone, and to promoting free thought and speech, while condemning racism, hate speech, bigotry, violence, and prejudice. In ~~June~~ 2020, the [City formed a Diversity Equity and Inclusion \(DEI\) Committee and the](#) City Council approved and created the Diversity, Equity, and Inclusion Task Force [\(see Section 3 below regarding DEI\)](#). This commitment extends into furthering fair housing within the community for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act. The City has addressed affirmatively furthering fair housing in the Housing Element by focusing on the prevention of neighborhoods or housing types that are segregated by economic status. Policies 4.1, 4.2, 4.3 and 4.4 all focus on providing housing for all persons, making sure that housing is equitable in size, location, and affordability throughout the City. Policy 4.4 states, "In its discretionary actions, housing programs and activities, the City shall affirmatively further fair housing and promote equal housing opportunities for persons of all economic segments of the community." Through program 4.5 the City will continue to review new development proposals for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the mixed-income policies 4.1, 4.2, 4.3 and 4.4.

3. Diversity, Equity, and Inclusion (DEI)

[In 2019, the City Council set a vision of a dynamic community embracing its future while respecting its past with core values of civility, sustainability, diversity, inclusivity, regionalism,](#)

partnership, and resiliency as a guide to approaching the work on the City’s Major City Goals, including Housing. In 2020, the City formed a Diversity Equity and Inclusion (DEI) Committee to identify gaps and opportunities to advance DEI within the organization and the City Council approved the creation of a DEI Task Force as part of a wider effort to help make San Luis Obispo an inclusive community for everyone and to advise the City in developing recommendations that advance diversity, equity, and inclusion for the entire community. The Task Force was comprised of 11 volunteer community members and a Council member. In addition to administering a grant process that awarded over \$100,000 for DEI High Impact programs, the Task Force put forward five (5) essential recommendations as first step priorities for a comprehensive framework through which the City can systematically and structurally support the advancement of DEI. These recommendations included:

1. Adopt a Diversity, Equity & Inclusion Major City Goal for Fiscal Year 2021 – 2023 (complete)
2. Establish Office for DEI within the City (funded and in progress)
3. Develop and Implement DEI Strategic Plan for the City (funded and in progress)
4. Commit to ongoing, annual funding of at least \$150,000 for DEI High-Impact Grants (funded in the 2021-2023 Financial Plan)
5. Charge the Human Relations Commission to Designate Diversity, Equity, and Inclusion as a Standing Priority (in progress)

The entire Recommendations Report is available online at (<https://www.slocity.org/home/showpublisheddocument/29101/637468139376530000>).

In 2021, DEI was adopted as one of the City’s Major City Goal for the 2021 – 2023 budget cycle, including the establishment of the Office of DEI. The Office of DEI will focus on supporting diversity, equity, and inclusion in City operations and in the community and advancing the recommendations of the DEI Task Force.

43. Conclusions

Appendix B describes various segments of the population that have varying housing needs and challenges they face due to those needs. Table B-22 summarizes the total number of individuals that require specific housing needs.

Table B - 22: Summary of Housing Needs, 2020

2014-2019 Housing Needs (RHNA) Remaining and Total Units		Special Needs Groups	
Extremely Low income	412 (412)	Elderly households	5,790 (2017)
Very Low income	413 (413)	Disabled persons	4,210 (2017)
Low income	514 (520)	Large households	1,204 (2017)
Moderate income	595 (603)	Female-headed	1,237 (2017)
Above Moderate	883 (1,406)	Farmworker households	269
TOTAL	2,817¹ (3,354)	Homeless	482
		TOTAL	13,192
Overpaying Households		Overcrowding	
Renters	11,425 (2017)	Renters	423 (2017)
Owners	6,620 (2017)	Owners	48 (2017)
TOTAL	18,045 (2017)	TOTAL	471 (2017)

¹Remaining new housing need after credit for dwellings permitted between January 1, 2019 and December 31, 2019.

Source: City of San Luis Obispo Community Development Department, 2020

The main findings of the needs analysis are:

- **Overpayment.** In 2017, 40 percent of all City households overpaid for housing. Among low, very low, and extremely low income households, 12 percent of owner households overpaid, and 56 percent of renters overpaid for housing.
- **Overcrowding.** Overcrowding has continued to decline in San Luis Obispo since 2010. less than four percent of rental units and less than one percent of owner-occupied units were overcrowded in 2017.
- **Elderly Households.** According to the 2017 U.S. Census, elderly individuals (age 65 and above) make up seven percent of the total population (5,790 persons) and 1,877 of those individuals have a disability.
- **Disabled Persons.** 2,102 individuals within the City aged 18-64 have a disability. The Census does not record developmental disabilities, however according to the California Department of Developmental Services, approximately 401 developmentally disabled residents (all ages) live in the two San Luis Obispo zip codes of 93401 and 93405 in 2019.
- **Large Families.** In 2017, about six percent of City households, or 1,204 households, were “large families” with five or more members, at least two of which were related. Large dwellings with three or more bedrooms made up about 44 percent of the City’s housing stock, or 8,223 units. The majority of these units were owner-occupied.
- **Female-headed Households.** Female-headed households comprised seven percent of the City’s 18,728 households, or about 1,237 households in 2017. Of these, about one-half

include children less than 18 years of age.

- Farmworkers. Less than two percent of the City's labor force works in agriculture (269 persons) and very few farm workers work or live in the City.
- Homeless. Homelessness is inherently difficult to quantify. The 2019 San Luis Obispo County Homeless Point-in-Time Census & Survey reported 482 individuals that were homeless within the City of San Luis Obispo.
- Regional Housing Needs. San Luis Obispo's assigned regional housing need for the 6th Cycle planning period is 3,354. 537 residential units have received building permits in 2019, leaving a remaining total of 2,817.

Appendix C

HOUSING CONSTRAINTS & RESOURCES

1. Governmental Constraints

Governmental constraints are the policies, standards, requirements, actions, or fees imposed by local, State or Federal governments to guide land use and development. Their purpose is to ensure communities are well planned, and to protect the health, safety, and wellbeing of all residents. Within the City of San Luis Obispo, local building and zoning regulations are the primary regulatory tools guiding development. Some regulations, such as the Uniform Building Code and the California Environmental Quality Act, are State-mandated policies and standards implemented at the local level. Although State and Federal agencies do play a role in the imposition of government constraints, these agencies are generally beyond the influence of local government and are not analyzed in this document.

As further described below, land use, development, economic stability, and construction standards can affect the type, location, number, and cost of new dwellings. In general, these standards are intended to protect public health, welfare and safety and are necessary to carry out state, federal or local law. In achieving these public purposes, government rules may serve to constrain the construction rate, amount, or design of new housing. State law requires that governmental constraints on housing be addressed in the Housing Element, with the goal of removing or modifying such constraints where possible to encourage suitable housing. Program 2.6 calls for the City to evaluate code requirements and development standards to remove unnecessary constraints to housing while still protecting public health, welfare, and safety. Such evaluation is on-going, as part of the preparation, review, or amendment of local development regulations, or as needed to address specific issues raised by decision makers or the public.

a) Land Use Controls

General Plan

By State law, all California cities must have a general plan to guide land use, transportation, housing, and other important facets of the community. The general plan is the foundation of all local land use controls and embodies the community's vision for the future. Seven mandated elements, or chapters, make up the general plan, plus optional elements adopted by the jurisdiction to address special community concerns. Among these elements, the land use element identifies the location, nature, distribution, and character of land uses in the City.

To implement the General Plan, the City uses a number of planning tools including Zoning Regulations, Specific Plans, Subdivision Regulations, Community Design Guidelines, Historic Preservation Guidelines, and Parking & Driveway Standards. Property owners, architects, and developers use these standards in designing new housing developments. The standards help explain the City's requirements and expectations and are used to review development proposals.

Policies outlined in the Land Use Element stipulate the amount, type, and location of housing. They also help establish the prevailing housing patterns and population density. Four residential zones account for over 32 percent of total zoned land area within City limits. The City’s General Plan also includes nine other zones where housing is allowed as part of a mixed-use project or with special approval. Table C-1 shows the land use zones that allow housing, their existing acreage and the ranges of density allowed. On average, projects that include residential units utilize the maximum density allowed for the site (shown in Table C-1) unless they are located within an airport safety zone (further discussion on airport compatibility can be found in Section d below).

Table C - 1: Land Use Categories Allowing Residential Uses, 2019

Zone	Description	Acres in 2019	Max. Allowed Density (Density Units/Net Acre)¹
R-1	Low-density Residential	1,712	7
R-2	Medium-density Residential	631	12
R-3	Medium-high-density Residential	213	20 (18 for properties within the Airport Safety Zone)
R-4	High-density Residential	220	24
C / OS	Conservation / Open Space	2,501	One dwelling per 5 acres ²
AG	Agricultural	52	One dwelling per 5 acres ³
C-C	Community Commercial	94	36
C-D	Downtown Commercial	49	36
C-R	Retail Commercial	200	36
C-N	Neighborhood Commercial	39	12
C-T	Tourist Commercial	119	12
C-S	Commercial Service ⁴	451	24
M	Manufacturing ⁴	240	24
O	Office	194	12

Source: City of San Luis Obispo, Community Development Department, 2019

¹Density Unit is equivalent to a two-bedroom dwelling. Other sized dwellings: studio dwelling, 0.5 DU; one-bedroom dwelling, 0.66 DU; three-bedroom, 1.5 DU; four or more bedrooms, 2.0 DUs. Net acre refers to site area minus dedicated right-of-way.

²The minimum parcel size may be required to be larger than 5 acres as designated by the zone suffix. For example, C/OS40 requires a minimum parcel size of 40 acres.

³Each legal lot of record may have one dwelling and the minimum parcel size may be required to be larger than 5 acres as designated by the zone suffix. For example, AG-20 requires a minimum parcel size of 20 acres.

⁴In combination with Mixed-Use (MU) overlay zone, up to 24 DU/acre allowed. 12 DU/acre considered average density.

General Plan policies encourage infill development to avoid sprawl, and also designate major residential expansion areas outside city limits and within the Urban Reserve, the City’s anticipated urban limits at build out. The policies seek to balance residential development with open space preservation and availability of urban services. According to the Land Use Element, a total of 25,762 dwellings are anticipated within the City by the year 2035, accommodating approximately 56,686 persons. As of January 2019, the State Department of Finance reported 21,403 dwellings in San Luis Obispo, housing a total of 46,802 persons.

b) Zoning Regulations and Development Standards

Zoning Regulations implement the City's General Plan land use policies. They establish specific development standards, allowable land uses, performance standards and the permit process necessary for the City's orderly development. Zoning regulations control development by regulating allowed uses, and by development standards that set density, building setbacks, building height, lot area and parking requirements. The regulations apply equally to traditional housing, mobile homes, and manufactured housing. Tables C-2 and C-3 summarize residential zoning development standards for San Luis Obispo. The standards are comparable to other communities' requirements and help ensure quality of life for all people in the City.

Table C - 2: Development Standards in Nonresidential Zones, 2019

Zone	Minimum Lot Area (sq. ft.)	Max. Lot Coverage	Max. Bldg. Height (ft)	Min. Front Setback (ft)	Min. Other Setback (ft)	Car Parking Required (number of spaces)	Use Permit Required?
C/OS	5 acres	3 - 5%	35	20	20	Same as R-1	Yes
AG	5 acres	3 - 5%	35	20	20	Same as R-1	No
O	5,000	60%	35	15	5 – 10	Same as R-2	No
C-N	6,000	75%	35	10	5 – 10	Same as R-2	No ¹
C-R	9,000	100%	45	As provided in zone of adjacent lot	As provided in zone of adjacent lot	Same as R-2	No ¹
C-C	6,000	75%	35	5	As provided in zone of adjacent lot	Same as R-2	No ¹
C-D	3,000	100%	50 ²	As provided in zone of adjacent lot	As provided in zone of adjacent lot	Half of R-2 requirement	No ¹
C-T	9,000	75%	45	10	As provided in zone of adjacent lot	Same as R-2	No ¹
C-S³	9,000	75%	35	10 – 15	As provided in zone of adjacent lot	Same as R-2	Yes
M³	9,000	75%	35	10 – 15	As provided in zone of adjacent lot	Same as R-2	Yes
BP	9,000	75%	45	10 - 15	As provided in zone of adjacent lot	Same as R-2	No

Source: City of San Luis Obispo, Community Development Department, 2019

¹Housing allowed by right as part of mixed-use developments.

²Additional building height up to 75 feet may be approved if specific standards are met (SLO Mun. Code Ch. 17.42)

³Mixed-use projects only.

Table C - 3: Development Standards in Residential Zones, 2019

Zone	Minimum Lot Area (sq. ft.)	Max. Lot Coverage	Max. Bldg. Height (ft)	Min. Front Setback (ft)	Min. Other Setback (ft)	Car Parking Required (number of spaces)	Use Permit Required?
R-1	6,000	40%	25 ¹	20	5 – 15	2 parking spaces for the first 4 bedrooms, 0.75 spaces for each extra bedroom, plus 1 guest space per 5 units in a large residential development	No
R-2	5,000	50%	35	20	5 – 15	0.75 spaces per bedroom (no less than 1 space per dwelling unit), plus 1 guest space per 5 units or 2 spaces for the first 4 bedrooms, 0.75 spaces for each extra bedroom if single family dwelling	No
R-3	5,000	60%	35	10	5 – 10	Same as R-2	No
R-4	5,000	60%	35	10	5 – 10	Same as R-2	No

Source: City of San Luis Obispo, Community Development Department, 2019

¹Up to 35 feet with Administrative Use Permit

Exceptions to Development Standards

Several exceptions or variance procedures are possible for Planned Developments and Specific Plans. They allow flexibility in site planning and building design to encourage the development of housing for special needs groups, and to provide density bonuses for projects which include affordable housing which meets or exceeds City standards. Table C-4 shows the City’s residential development standards and exceptions as of 2019.

Additionally, the City has adopted a Reasonable Accommodation Ordinance (Ordinance 650 §3) to implement state law and Housing Element programs. The Ordinance provides a fair and reasonable procedure for disabled persons to request flexibility in the application of land use and zoning regulations to ensure equal access to housing. Examples of accommodations may include such things as yard area modifications for ramps, handrails, or other such accessibility improvements; hardscape additions, such as widened driveways, parking areas or walkways; building additions for accessibility; or reduced off-street parking where the disability clearly limits the number of people operating vehicles.

The Ordinance establishes a process where the Community Development Director (or other review authority if the request is submitted for concurrent review with another discretionary land use application) would determine that the individual making the request for accommodation has a disability as defined in the fair housing laws or is developing housing for individuals with such disabilities. As part of the application requirements, the applicant would need to establish that,

because of the disability, the requested accommodation is necessary to overcome a barrier to housing. If the individual has established the need for the accommodation based on the disability, the Director may grant the request, subject to findings and applicable conditions, unless granting the request would be an undue financial or administrative burden to the City or would result in a fundamental alteration in the City’s land use and zoning programs.

Table C - 4: Residential Development Standards & Exceptions, 2019

Development Feature	Flexible Standard	Potential Uses
Residential Density Bonuses	35% density bonus automatically allowed if 11% of project units affordable to very-low income. Other standards and negotiable density bonuses allowed	Extremely low, very-low, low- and moderate-income housing, elderly housing.
Non-Conforming Lots	Lots that were legally created but do not meet current size or dimension standards may be individually developed	Residential lots less than 5,000 square feet.
Non-Conforming Structures	Dwellings that are non-conforming in terms of density, yards, coverage or parking may be rebuilt as previously existing if involuntarily destroyed	Legal, non-conforming single- and multi-family dwellings that are legal, non-conforming and are involuntarily damaged or destroyed
Density Transfer	Residential density may be transferred within areas covered by a planned development rezoning (PD)	Hillside or creekside lots where development capacity transferred to cluster development
	Where a portion of a lot is within a zone or zones that allow residential use and the rest of the lot is in a C/OS zone, and the portion within the C/OS zone is not large enough to allow one dwelling.	The fractional dwelling unit potential from the C/OS zone may be transferred to the other portion of the lot, without planned development rezoning
Street or Other Yard Setbacks	Street yards may be reduced to 10’ for buildings, and Other Yards reduced to 0’ with minor use permit (MUP) approval	Additions/remodels of legal, non-conforming dwellings; zero-lot line developments
Tandem Parking	Required spaces may be arranged in tandem (1 space behind another) subject to Director’s review and approval of Director’s Action.	Dwellings with garage conversions and for additional parking for single dwellings
Shared Parking	Where a shared parking facility serving more than one use will be provided, the total number of required parking spaces may be reduced by up to 20 percent with Director approval via a Director’s Action	Mixed-use developments where compatible residential and commercial uses share parking
Parking for Elderly and Low-Income Housing	½ space/unit required for elderly housing; 1 car space plus 1 bicycle space/unit for very low/low income	In combination with density bonus, allows efficient utilization of site for special needs housing
Parking and Driveway Requirements	Parking and driveway standards (width, design, materials) variable with Director approval	Allows more creative design of housing; especially useful on small sites or for older neighborhoods
Building Height	Components of solar energy systems, chimneys, mech. equipment, vents, steeples, and antenna may extend up to 10 ft. beyond allowed building height	Housing with solar energy systems, roof-mounted mechanical equipment, or telecommunications facilities.
Downtown Building Height	Additional building height (to 75 ft.) where 50 ft. normally allowed if affordable housing is included	SROs, extremely low, very low-, low-, and moderated-income housing in denser, urban setting

Source: Community Development Department, 2019

Energy Conservation and Climate Action

The City continues to seek ways to support energy conservation and climate action in a variety of ways. The California Building Code (CBC) contains standards that regulate the method of use, properties, performance, or types of materials used in the construction, alteration, improvement, repair, or rehabilitation of a building or other improvement to real property. The CBC includes mandatory green building standards (CALGreen) for residential and nonresidential structures, the most recent version includes the 2019 Building Energy Efficiency Standards. These standards focus on four key areas: smart residential photovoltaic systems, updated thermal envelope standards (preventing heat transfer from the interior to the exterior and vice versa), residential and nonresidential ventilation requirements, and non-residential lighting requirements. All new structures, including new residential units, are required to comply with the CBC resulting in reduced energy demands.

The City's Conservation and Open Space Element, Subdivision and Zoning Regulations promote energy-conserving design and placement of buildings. Additionally, in 2018, the City committed to developing a plan to achieve carbon neutrality by 2035. This effort is one of the most ambitious in the nation and will require collaboration throughout the community. Along with this effort, the City adopted an updated Climate Action Plan (CAP) in August 2020 and implementation of a REACH code. The REACH code would amend the Energy Section of the California Building Code and require new construction to be all electric or provide a carbon offset for new mixed-fuel buildings. In December of 2018, the City joined Central Coast Community Energy (3CE). 3CE is an existing community choice energy program that serves the counties of Santa Cruz, San Benito, and Monterey and provides 100 percent carbon free electricity with a rate savings relative to PG&E. Programs 9.10 and 9.11 continue to support the creation and implementation of incentives to promote "green" housing construction and the reuse and recycling of materials through the development review process, implementation of the City's updated CAP, and other Climate Action goals.

Mixed Residential and Commercial Uses

Mixing residential and commercial uses is encouraged to promote housing development close to jobs and employment centers, to exploit affordable infill housing opportunities and to promote a compact, pedestrian- and transit-friendly urban structure. Mixed-use projects are allowed by right in all commercial zones except for Service-Commercial and Manufacturing zones, which require Director approval and Planning Commission approval respectively. Program 5.5 has been added to the Housing Element to update the Zoning Regulations to allow mixed-use development within Service Commercial (C-S) and Manufacturing (M) zones without a use permit within three years of the adoption of the Housing Element. Mixed-use development refers to the vertical or horizontal mixing of commercial and residential uses on the same parcel. There is no minimum commercial floor area or number of dwellings established. Typical mixed-use developments include one to two residential floors above commercial uses on the ground level, and mixed-use development is allowed on parcels as small as 3,000 square feet. The Downtown Commercial zone ideal for mixed-use development and the Zoning Regulations have been updated include a requirement that all new commercial developments in the C-D zone shall include housing (Section 17.32.030.C). Program 6.12 calls for additional incentives to encourage mixed-use developments in the

Downtown, Upper Monterey, and Mid-Higuera Special Focus Areas including flexible density, use, height, or parking incentives.

Parking Requirements

San Luis Obispo's residential vehicle parking requirements are shown in Tables C-2 and C-3. The type and number of parking spaces varies by zone. The City's parking standards allow variety in parking locations, layouts, and design in order to promote more efficient and attractive use of residential sites. Bicycle, motorcycle, and electric vehicle charging spaces are also required for multi-family housing; the bicycle parking requirement is 2 spots per unit, plus 1 guest spot per every 5 units and the motorcycle parking requirement is 1 motorcycle space per 20 car spaces.

Parking for affordable housing units can utilize affordable housing incentives. Zoning Regulations Chapter 17.140: Affordable Housing Incentives, Section 17.140.040 (k) provides the parking requirements for affordable units:

1. Upon the request of the developer, parking ratios that meet the criteria outlines in Chapter 17.140, inclusive of handicapped and guest parking, shall be as follows:
 - a. Studio to one bedroom: one onsite parking space per unit.
 - b. Two to three bedrooms: two onsite parking spaces per unit.
 - c. Four or more bedrooms: two and one-half parking spaces per unit.
 - d. Senior housing: 0.5 spaces per bedroom
2. Housing developments occupied exclusively by extremely low, very low, or low-income households, as defined by the State, may provide one car and one bicycle space per dwelling unit.
3. If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number.
4. For purposes of this Chapter, a development may provide onsite parking through tandem or uncovered parking, but not through on-street parking.
5. An applicant may request additional parking incentives or concessions beyond those provided in this Chapter.

Parking requirements indirectly constrain housing because the Zoning Regulations require that parking be provided on the same site as the use, this reduces the amount of land available for residential development. While excessive parking requirements can unduly constrain housing, insufficient parking can adversely affect residents' safety, quality of life and neighborhood compatibility. The City's standards seek to establish a balance by allowing flexible requirements that can be tailored to specific site conditions where necessary. Program 6.11 calls for continued flexibility in parking regulations for housing development, especially in the Downtown (C-D zone), which allows a base residential density of 36 density units per acre with reduced or no parking requirements in conjunction with payment of an in-lieu fee.

Although the C-D zone allows the highest base residential density housing in the City, housing is difficult to build, in part, because of the difficulty in providing parking. The long-term strategy is to build public parking facilities on the edges of Downtown to encourage infill and intensification, increase public transit opportunities and design a more "pedestrian friendly" Downtown. ACS data shows that in 2017, 8.3% of the households in San Luis Obispo did not own a car. For those without

cars, or those who use cars infrequently, Downtown provides an alternative housing choice near schools, shopping, nightlife, jobs, and services. For those who do need cars, the City offers the Downtown Residential Overnight Parking Program (DROP). The overnight parking option is available, for a fee, within two of the parking structures located downtown and is limited to downtown residents only. Additional flexibility to allow very low or no parking requirements for residents without cars and with adequate guarantees tied to occupancy, could help expand housing opportunities in this important and desirable location.

Subdivision Regulations

Subdivision regulations determine how land is subdivided and sets requirements for facilities such as public streets and utility lines that serve the new subdivisions. Special limits and requirements are often set by the City Council when approving individual subdivisions. The minimum lot size of most residential zones is 5,000 square feet, with minimum widths of 50 feet; however, exceptions to lot size and dimensions are possible with City Council approval. As a special type of attached, ownership housing, the Condominium Regulations set minimum standards for open-space recreation, laundry facilities, solar heating and storage that are higher than those applied to rental housing.

Lot Sizes

Lot sizes and established neighborhood patterns influence the types of housing within a community. Historically, most residential lots in San Luis Obispo ranged in size from 5,000 to 7,500 square feet, with about 6,000 square feet being common in newer subdivisions. The subdivision of land into parcels of 6,000-10,000 square feet, regardless of allowed density, has encouraged the development of low-density, detached housing. Reducing the minimum lot size is often recommended as a means of increasing housing density and thereby reducing land cost per unit of housing. It does not necessarily follow, however, that small lots will result in more affordable housing. There are many coastal resort communities in California with high-priced cottages on small lots. In high-density residential areas, small lots may encourage the construction of detached, rather than multi-family housing. Large parcels in medium-high and high-density residential zones offer the best opportunities to encourage affordable housing.

San Luis Obispo allows relatively small lots of 6,000 square feet in the R-1 zone, and 5,000 square feet in all other residential zones. San Luis Obispo has the second highest residential density of the County's cities (after Grover Beach) with about 4,500 persons per square mile. It remains, however, one of the most expensive housing markets in the County. Clearly, market demand strongly influences housing costs. And while the City's lot pattern has been established in most areas, lot patterns in new specific plan areas encourage a mix of residential densities and lot sizes. For example, the San Luis Ranch Specific Plan contains minimum lot size of 3,200 square feet compared to the typical low-density residential lot size of 6,000 square feet. Reducing lot areas with a resultant reduction in house size is one strategy to reduce housing costs for those desiring "starter housing," such as working couples and small families just entering the housing market. The Housing Element includes Program 6.20 that sets up a plan to update the Subdivision Regulations, within three years of Housing Element adoption, to support small lot subdivisions, as

well as ownership bungalow court development and other alternatives to conventional subdivision design.

c) Specific Plans and Area Plans

As the name implies, specific plans guide the development of a defined area to implement the General Plan and guide development in expansion areas. Such plans can vary widely in terms of geographic area covered, degree of specificity, and land uses addressed.

Table C - 5: Estimated Housing Capacity in Specific Plan Areas, 2019

Specific Plan Areas	Dwelling Unit Capacity
Orcutt Area	979
Margarita Area	868
Avila Ranch	720
San Luis Ranch	580
Froom Ranch	174
TOTAL	3,321

Source: Community Development Department, 2019

As shown in Table C-5, The City has five housing expansion development areas that are planned to accommodate 3,329 dwellings. There are no phasing requirements associated with these specific plan areas that would limit residential development and they are all currently under construction, with the exception of Froom Ranch which anticipates beginning construction in 2022. Each area's phasing is determined by the plan itself or through a development agreement. Each of the specific plan areas are committed to producing the largest number of dwellings affordable to very low-, low-, and moderate-income residents. Descriptions of the land available and suitable for housing, including higher density, multi-family rental and ownership housing within the next eight years, are available in Appendix E Residential Capacity Inventory. Details and discussions about each specific plan or development area are provided below.

Orcutt Area Specific Plan

~~Nestled at the base of the Santa Lucia foothills, the Orcutt Area Specific Plan (OASP) provides a variety of scenic resources for residents of the area and travelers along Orcutt Road and Tank Farm Road, including views of Righetti Hill, Islay Hill and the Santa Lucia foothills.~~ Located along the southwestern edge of the city limits of San Luis Obispo and bounded by Orcutt Road, railroad and Tank Farm Road, the area encompasses 230 acres of land at the base of Righetti Hill.

The Orcutt Area Specific Plan calls for a residential neighborhood with up to 979 residential units within a variety of housing types. The OASP includes a wide range of zoning to accommodate single-family and multi-family residential units, as well as market rate and moderate-income units and low and very low-income units. The Capacity Inventory in Appendix E identifies the various sites and their affordability based on projects under review or the density allowed by the zone. It is not unreasonable to expect low and very low-income units to be developed on the parcels

identified because a similar project was approved in this area for a 68-unit housing project on 1.85 acres for very low- and low-income individuals (APN 053-061-057).

The build out of the OASP is nearing completion and there are no phasing requirements that would limit residential construction. All properties within the OASP can access water, sewer, and dry utilities. The City anticipates that the remaining parcels will be developed within the next 4-6 years because almost all of the necessary infrastructure for the area has either been constructed or is under construction.

Margarita Area Specific Plan

The Margarita Area is located in southern San Luis Obispo and is bound by South Higuera Street, Broad Street, Tank Farm Road, and the ridge of the South Hills. Primarily envisioned for residential development with another 68 acres slated for residential and business park uses. Proposals for the Margarita area thus far have included ~~mainly~~ single-family homes and multi-family 100% affordable housing projects with portions of open space and pedestrian network advancing.

The Margarita Area is ideally suited to accommodate San Luis Obispo's planned residential growth for the near future as the area provides convenient access for residents to employment, shopping and recreation. Community goals for this area include up to 868 homes in a wide range of housing types. The Capacity Inventory in Appendix E identifies the various sites and their affordability based on projects under review or the density allowed by the zone. It is not unreasonable to expect low and very low-income units to be developed on the parcels identified because two similar projects were approved in this area; a 36-unit housing project on 1.39 acres and 38-unit project on 1.21 acres.

Residential development in the MASP continues and there are no phasing requirements that would limit residential construction. All properties within the MASP can access water, sewer, and dry utilities. The City anticipates that the area will build-out the various remaining parcels within the next 8 years.

Airport Area Specific Plan - Avila Ranch Development Plan

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

The project will address housing affordability in several ways, most notably through the design itself, which includes cluster development and many medium and high-density housing units (197 R-3 units and 125 R-4 units), as well as R-2 units that have floor areas that are well below the typical average for single-family detached units in the community. In addition, the project includes design and development strategies that serve to provide lower cost housing by providing for a range of housing sizes and types, greater number of deed restricted affordable units, deed restricted affordable workforce housing ~~incentive program units~~, and down payment assistance. These are contractual requirements of the Affordable and Workforce Housing Plan in the Council-adopted

Development Agreement pursuant to Ordinance No. 1639 (2017 Series) and are reflected in the Capacity Inventory (Appendix E).

Residential development in Avila Ranch is under construction and there are no phasing requirements that would limit residential development. All properties within Avila Ranch can access water, sewer, and dry utilities. Critical infrastructure to support build-out of the development plan is underway and the City anticipates that the area will build-out within the next 7 years.

San Luis Ranch Specific Plan

The San Luis Ranch Specific Plan project includes a mix of 580 residential units that will be located along Madonna Road, just south of Laguna Lake Park. The project implements the development parameters set forth in the Land Use and Circulation Elements with the provision of housing, commercial floor space, hotel/visitor serving uses, and preservation of agricultural area. In 2019, the site was annexed into the City and the final map for the overall specific plan was approved. Similar to Avila Ranch, the project includes design and development strategies that serve to provide lower cost housing by providing for a range of housing sizes and types, a greater number of deed restricted affordable units, deed restricted affordable workforce housing ~~incentive program~~, and down payment assistance. These contractual requirements of the Development Agreement are reflected in the Capacity Inventory (Appendix E).

Residential development in San Luis Ranch is under construction and there are no phasing requirements that would limit residential development. All properties within San Luis Ranch can access water, sewer, and dry utilities. Critical infrastructure to support build-out of the development plan is underway and the City anticipates that the area will build-out within the next 5 years.

Madonna on LOVR Specific Plan (Froom Ranch Specific Plan)

On September 15, 2020, the City Council approved the Froom Ranch Specific Plan. A major component of the Froom Ranch Specific Plan is a Life Plan Community (LPC) known as Villaggio, which would provide a variety of independent and assisted senior living units, memory care beds; skilled nursing beds; and a wellness center and ancillary services. In addition to the LPC, the Specific Plan anticipates: 174 multi-family units; 100,000 square feet of commercial retail uses; a three-acre trailhead park, and 59 acres of land designated for conservation/open space.

The Froom Ranch Specific Plan is currently located just outside the City's Limits, but within the City's Urban Reserve Line and was specifically planned for in the 2014 Land Use Element Update (Program 8.1.5. SP-3, Madonna on LOVR Specific Plan Area). The project approval includes a condition of approval that requires the project to be annexed into the City within one year of the project approval. This condition supports the planning and construction of the multi-family units, identified in the Capacity Inventory (Appendix E), to be completed during the planning period of this Housing Element.

Residential development in Froom Ranch is anticipated to start in 2022 and there are no phasing requirements that would limit residential development. Critical infrastructure (e.g., roads, water, sewer, and dry utilities) to support build-out of the development plan is also anticipated to start in 2022 and the City anticipates that the area will build-out within the next 3 years.

d) Residential Growth Management Regulations

The Housing Crisis Act (Government Code §66300, subsection (b)(1)(D) states:

(b) (1) Notwithstanding any other law except as provided in subdivision (i), with respect to land where housing is an allowable use, an affected county or an affected city shall not enact a development policy, standard, or condition that would have any of the following effects:

- (D) Except as provided in subparagraph (E), establishing or implementing any provision that:
 - (i) Limits the number of land use approvals or permits necessary for the approval and construction of housing that will be issued or allocated within all or a portion of the affected county or affected city, as applicable.
 - (ii) Acts as a cap on the number of housing units that can be approved or constructed either annually or for some other time period.
 - (iii) Limits the population of the affected county or affected city, as applicable.

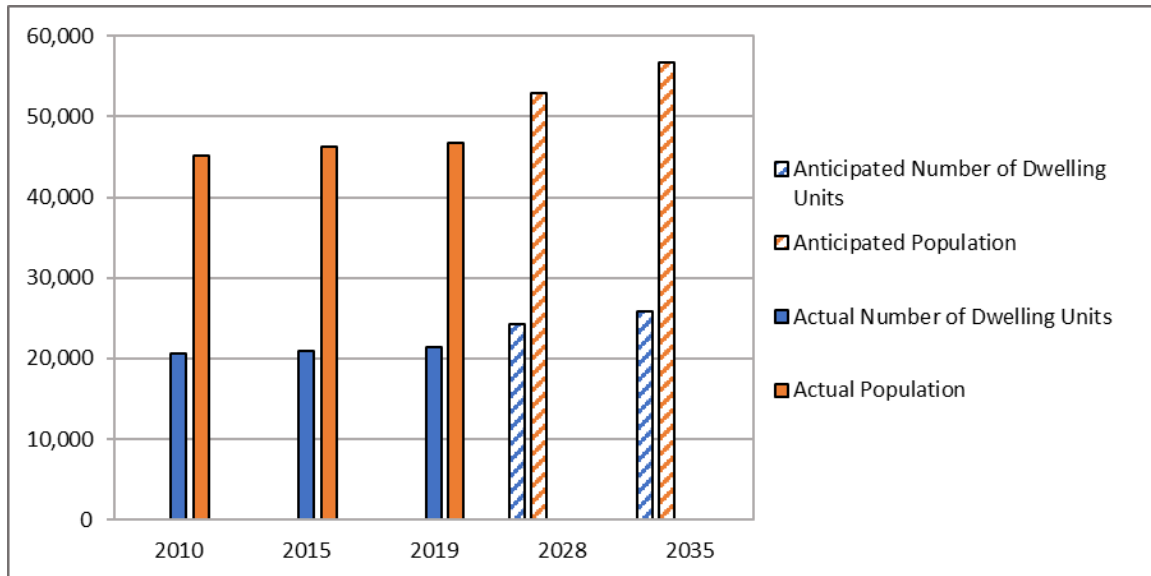
(E) Notwithstanding subparagraph (D), an affected county or affected city **may enforce a limit on the number of approvals or permits or a cap on the number of housing units that can be approved or constructed if the provision of law imposing the limit was approved by voters prior to January 1, 2005, and the affected county or affected city is located in a predominantly agricultural county.** For the purposes of this subparagraph, “predominantly agricultural county” means a county that meets both of the following, as determined by the most recent California Farmland Conversion Report produced by the Department of Conservation:

- (i) Has more than 550,000 acres of agricultural land.
- (ii) At least one-half of the county area is agricultural land.

The City of San Luis Obispo resides within a county that has over 550,000 acres of agricultural land and at least one-half of the county area is agricultural land. The City’s Residential Growth Management Regulations were adopted in October 1999 and amended in October 2004.

The Residential Growth Management Regulations (outlined in the City’s General Plan says that “the City’s housing supply shall grow no faster than one percent per year.” The Residential Growth Management Regulations requires each specific plan area to adopt a phasing schedule for residential growth to ensure that established thresholds in the Land Use Element are not exceeded. It is important to note that capacity that is not utilized in one year, rolls over to the next year. Additionally, units that are enforceably restricted (e.g. deed-restricted) affordable to extremely low, very low, low, and moderate income households are not factored into the Growth Management Schedule because they are exempt from the Growth Management Ordinance along with residential units built in Downtown and Accessory Dwelling Units (ADUs). Quantified objectives anticipate the construction of 3,354 in-city dwellings during the planning period. Of these, 58 percent, or 1,948 dwellings, will be affordable to lower income households, consistent with the percentages of housing affordability in the City’s RHNA number and would not be affected by the Residential Growth Management Regulations.

Figure C - 1: General Plan Anticipated Housing and Population Growth



Source: City of San Luis Obispo General Plan Land Use Element. California Department of Finance. 2019

Figure C-1 shows the housing and population growth anticipated in the Land Use Element. General Plan policies promote a balance of land uses to create a healthy, sustainable, and resilient economic basis, protect the natural environment, and promote housing that can accommodate all income groups. The Land Use Element states that population growth should not increase more than one percent per year, until it reaches a build out population of 56,707 persons in 2035. Based on residential construction permit data, the City has a five-year average annual growth rate of 0.47 percent per year as shown in Table C-6. And as noted above, capacity that is not utilized in one year, rolls over to the next year.

Table C - 6: Residential Growth Rates, 2015-2019

Year	New Units	Total Units	Growth Rate (%)
2015	53	20,946	0.25
2016	120	21,066	0.57
2017	92	21,158	0.43
2018	53	21,211	0.25
2019	180	21,391	0.84
Five-Year Average Annual Growth Rate			0.47

Source: 2019 Building Permits Finaled, Community Development Dept.

The Airport Land Use Plan and the Airport Overlay Zone

The San Luis Obispo County Airport has a major influence on the community, particularly the southern part of San Luis Obispo’s urban area where most of the City’s residential growth is planned. Under State law, a countywide, independent Airport Land Use Commission (ALUC) adopts a plan identifying land uses that are compatible with present and future airport noise and safety conditions. The area subject to this Airport Land Use Plan (ALUP) includes land under City and County jurisdictions.

Airport compatibility issues are of special concern because much of the City’s vacant residential land is located in the southern part of the City, near the San Luis Obispo County Airport. The Airport Land Use Commission adopted the San Luis Obispo County ALUP to guide where and what types of land uses are compatible with airport operations. Generally, residential development is not appropriate within flight approach and take-off areas, and where safety or noise considerations dictate greater spacing between housing and airport activities. The ALUP limits overall residential density per acre well below densities targeted by City plans.

As a part of the 2014 Land Use Element, certain areas of the City became a part of an Airport Overlay Zone (AOZ) that allows for different residential densities than are outlined in the ALUP. Zoning Regulations Chapter 17.64 ensures that land uses and development within the airport overlay zone (AOZ) are compatible with existing and future airport operations, consistent with State Aeronautics Act, State law, Federal Aviation Administration Regulations, and guidance of the California Airport Land Use Planning Handbook. Residential projects are evaluated for their consistency with the ALUP or the AOZ depending on where the project is located and those that fall under the AOZ are have the ability to provide a higher number of dwellings than otherwise would have been allowed under the ALUP. Reductions based on the ALUP and the AOZ have been included in the Residential Capacity Inventory in Appendix E.

Density Bonus

The City continues to support and encourage the use of density bonuses as part of residential projects. Between 2018 to June 2020, the City has supported over 15 requests for density bonuses. The Affordable Housing Incentives allow a residential density bonus of at least 20 percent for developers who build five or more dwellings with at least 5 percent of those units sold or rented at prices affordable to very low-income households or 10 percent of those units sold or rented at prices affordable to low income households. Housing developments with at least 20 percent of the

units targeted for persons 55 years or older also qualify for a 20 percent density bonus. Additional incentives and concessions, including density bonuses greater than 35 percent, reduction in site development standards and waiver of application and development review processing fees are available upon request by the developer.

Accessory Dwelling Units

Consistent with state legislation passed in 2016 and 2019 (Section 65852.2 of State Housing Element law), the City's Zoning Regulations allow the creation of accessory dwelling units (ADUs) with ministerial approvals in all zones that allow residential structures or where a residential structure is existing or proposed. Under the law, cities may establish property development standards for ADUs, including, but not limited to height, setback, and architectural design. San Luis Obispo's accessory dwelling units ordinance allows the approval of an ADU without discretionary review. ADUs must conform to applicable zoning regulations such as height, setback and are limited to a maximum floor area of 1,200 square feet. ADUs are treated as an additional unit but are not taken into consideration when calculating total allowed density on a site. The County of San Luis Obispo conducted a market study for ADUs, including information from the City of San Luis Obispo, and found that approximately 50 percent of the ADUs constructed meet low income housing rental costs (additional discussion is provided in Appendix D).

ADU construction rates in San Luis Obispo have been increasing in recent years (averaging about 30 units per year from 2017 through 2019). The City recently updated its impact fee rate structure (July 2018) and eliminated impact fees for ADUs. ADUs are also now an option for additional units on multi-family properties (starting in January of 2020). As a result, the City expects that ADU construction will continue to increase during the Housing Element Planning Period.

Manufactured and Modular Housing, Mobile Homes and Mobile Home Parks

Manufactured, modular and mobile homes offer economical alternatives to conventional, "stick-built" housing. Manufactured homes are those built entirely in a factory under Federal building codes administered by the U.S. Department Housing and Urban Development (HUD). Manufactured homes are then transported to the site as single- or multi-section homes and installed on site. On-site additions, such as garages, decks, and porches, add to the attractiveness of the homes and must be built to local building codes.

Modular housing describes factory-built homes manufactured specifically to the State, local or regional construction code requirements wherever the home will be located. As with manufactured housing, the modular homes are transported to their sites and installed. Mobile home is the term used for factory-built housing produced before June 15, 1976, when the HUD construction codes took effect. Other types of manufactured housing include panelized and pre-cut homes, in which factory-built homes are shipped to the site in panels or as pre-cut "kits" for site assembly.

Industry advances in quality and design, as well as affordability, dramatically increased the popularity of these housing types in the late 1990s. According to the Manufactured Housing Institute in 2018, 22 million Americans (almost seven percent of the U.S. population) lived fulltime in 8.5 million manufactured homes. Those who live in manufactured housing have a median

household income of just under \$30,000 per year. A manufactured home can cost anywhere from one-third to one-half the cost of a conventional house. Architecturally, manufactured homes include details and features that make the homes compatible with most residential neighborhoods.

The City has enacted policies to promote mobile homes, such as Policy 8.2 focuses on preserving mobile home parks and support the development of creative housing solutions such as manufactured homes on individual lots. In 2019 California Department of Finance figures show that San Luis Obispo had 1,483 mobile homes, or about 6.9 percent of the City's housing stock. This data shows that there is a continued demand for mobile home housing in the City. Mobile homes, placed on permanent foundations and located outside mobile home parks, and manufactured housing are treated the same as conventional site-built housing under the City's zoning, subdivision, and architectural review requirements. Therefore, all residentially zoned land is available for some type of manufactured housing. Mobile-home parks are also allowed in all residential zones.

e) Development Review

Development Review is required for all residential developments, except individual built, single-family dwellings (Zoning Regulations Section 17.106.030 identifies cases in which this exception does not apply for single-family dwellings). In 2018, the Zoning Regulations were updated and installed three tiers of developmental review: 1) minor, 2) moderate, and 3) major. Fees for each review under each of these Tiers is provided in Table C-7). The change was made ~~The review process was revised~~ to streamline the review process, especially for moderate level projects that include residential units allowing these projects to be reviewed and approved by the Community Development Director instead of by an advisory body at a public hearing. Developmental review is based on the City's Zoning Regulations and Community Design Guidelines (CDG). The Zoning Regulations provide objective design standards for building height, setbacks, lot coverage, parking, etc. for each zone. The ~~Guidelines~~-CDG describe the community's expectations and preferences for the quality and character of new developments and encourage design variety and innovation ~~and are that is~~ intended to preserve San Luis Obispo's distinctive character and sense of history.

Below are the descriptions and processes of each level of Development Review. Projects that contain two or fewer residential units are exempt from Development Review and only require a building permit. The City's goal is to support the development of a wide range of residential units consistent with City standards to ensure that projects are successful in the review process. The City provides all the information a prospective applicant may need at the Community Development Department office and online at: <https://www.slocity.org/government/department-directory/community-development/planning-zoning>.

- Tier 1 (Minor) is a staff-level review process with no public hearing required and includes ~~3 up to 4 residential units (single family or multi-family) new single unit residences and additions to an existing single unit residence.~~ The City provides a checklist of materials that an applicant must submit with their application. This checklist includes the items such as: a completed Planning Application, Project Description, Project Plans, Materials Sample Board, and a Stormwater Control Plan. The checklist is available online at:

<https://www.slocity.org/home/showdocument?id=2472>. Once the project is deemed complete (the applicant has provided all of the required materials) the project is scheduled for review by the director. The review process ~~This review has minor fees and~~ takes four to six weeks and has a fee of \$4,570 (see Table C7).

- Tier 2 (Moderate) is a discretionary Director-level review process with a public hearing conducted as required by the applicable advisory body or review authority and includes the review of ~~multi-unit residential developments or new single-unit subdivisions of that~~ contain 5 to 10 units (either multi-family or single family). This process streamlines the review process by requiring only one public meeting with ~~focusing~~ the advisory body who makes ~~on making~~ a recommendation to the Community Development Director and does not ~~require~~ ing a project to go through any additional public hearings ~~be re-reviewed by the advisory body~~. The City provides a checklist of materials that an applicant must submit with their application for a moderate level review. This checklist includes the items such as: a completed Planning Application, Project Description, Request of exceptions or variances from the code, Project Plans, Materials Sample Board, and a Stormwater Control Plan. The checklist is available online at: <https://www.slocity.org/home/showdocument?id=2442>. Once the project is deemed complete (the applicant has provided all of the required materials) the project is scheduled for review by the advisory body. The review ~~This~~ process takes about 8-10 weeks and has a fee of \$13,269 (see Table C-7).
- Tier 3 (Major) is a discretionary Planning Commission review process with a public hearing and includes the review of residential projects that ~~are~~ have 11 units or more. Major projects usually include various entitlements such as general plan amendments rezoning, use permits, subdivisions, architectural review, etc. and often require more extensive environmental review which can make the process time longer, especially if an Initial Study or EIR is required. Depending on the extent of the project, pProcessing times ~~for these projects~~ range from 8 weeks to 6 months. To streamline this process, architectural review is completed by the Architectural Review Commission with a recommendation to the Planning Commission. This allows the final project approval to be considered by one advisory body (Planning Commission), reducing the ability to appeal various entitlement components of a project multiple times. As with other projects, the City provides various checklists for any of the entitlements that are required for the project. The initial fee for a Major project is \$17,733. Additional fees may be required if the project includes a use permit, subdivision, environmental review, etc. (see Table C-7 for the additional fees).

As discussed above, depending upon the type and scale of the project, development review can add, on the average, from two to four months of review time, including study, public hearings, and revisions. The additional holding time, from a development standpoint, adds to development costs (interest costs, design/architectural fees, construction delays) that are then passed through to housing buyers. For large residential projects, this cost impact on an individual dwelling is lessened; however, on small projects, the cost can be a significant factor in the overall purchase price of a home.

To streamline the Development Review process, the 6th Cycle Housing Element includes new

programs that eliminate the need for most housing projects to be reviewed through a discretionary process. Programs 2.17 and 2.18 provide a plan to allow developments (including mixed-use projects) that include at least 20 percent of the residential units as affordable to lower income households, to be submitted through a building permit without discretionary review. Even more specific to the Development Review process is the inclusion of Program 6.23. This program sets the plan to update the Development Review process and expand the thresholds of each review level (minor, moderate, and major) to further eliminate or reduce the number of public hearing required for housing projects of various sizes. Implementing these programs will provide more certainty to the Development Review process and improve ~~assist in improving~~ the economic feasibility of constructing housing within the City.

f) Building, Zoning, and Municipal Code Enforcement

Code enforcement focuses on addressing violations of zoning, building, housing, property maintenance and related municipal code provisions that adversely affect public health, safety, or aesthetics in order to promote the preservation of the City's neighborhoods and business districts. In addition to ensuring that new development is designed and constructed in conformance with City standards for quality and safety, the Community Development Department also ensures that property and land uses conform to those standards over time. The Department enforces municipal and state codes through its Code Enforcement Program. This program includes education, mitigation, and prosecution aspects, and has two components: 1) reactive code enforcement, and 2) proactive code enforcement (neighborhood services).

The reactive or complaint-based program primarily responds to complaints from citizens. Upon receipt of a complaint, a Code Enforcement Officer (CEO) makes a preliminary site visit to verify the existence of a violation. If a violation exists, a Notice of Violation (NOV) is issued to the property owner and the necessary steps are taken to resolve the problem. CEOs work with the property owner to rectify the identified issues (including connecting them with other City Departments, outside resources, etc.). In some cases, the property owner is unable to make the necessary corrections and the City will work with a receivership, often utilizing equity in the unit, to address the code violations. If compliance is not obtained as a result of the NOV, Administrative Citations and fines may be assessed. More complicated cases are set for abatement proceedings or, in some cases, criminal prosecution.

The proactive code enforcement program is primarily focused on enforcement of the City's property maintenance standards in residential areas of the City. Neighborhood Services Specialists patrol the City's neighborhoods and address property maintenance violations in visible yard areas. Typical violations addressed by this program include debris or furniture in yards, overgrown weeds or unmaintained landscaping, inoperable vehicles, unscreened trash receptacles, peeling paint, and vehicle parking in front yards. In both reactive and proactive code cases, property owners are notified by letter that they are in violation. The letter provides the steps on how to rectify the violation and who to contact in Code Enforcement for assistance.

Construction Codes

San Luis Obispo's construction codes are uniform codes enacted by the State legislature and used

throughout the State, with the exemption of additional requirements within the City's Clean Energy Choice Program (<https://www.slocity.org/government/department-directory/city-administration/office-of-sustainability/climate-action/carbon-neutral-buildings>). The Clean Energy Choice Program for New Buildings encourages clean, efficient, and cost effective all-electric new buildings through incentives and local amendments to the California Energy Code. These construction codes set forth health and safety standards for structures, plumbing, electrical and fire prevention. The cost of meeting State construction codes, laws intended to make new housing safer, stronger, more energy efficient and resistant to fire and earthquake hazards, is ultimately passed on to housing consumers. In the long term, many building standards can reduce housing costs through lower utility bills and reduced insurance premiums.

Site Improvement Requirements

Depending on the location of the residential project, the City may require on- or off-site improvements such as streets, utilities, traffic signals and landscaping as a condition of use permit, variance, subdivision, or other land-use approval. Dedication of right-of-way, public transit facilities, easements or access rights also may be required. These improvements add costs that are usually passed on to the housing consumer. In 2018, the City adopted a fee schedule update based on an AB 1600 fee study that reduced fees and minimized costs of added requirements on housing projects beyond those required by State law, or necessary for public health, safety or welfare.

Americans with Disabilities Act and Housing for Disabled Persons

The Fair Housing Act of 1998 and the Americans with Disabilities Act (ADA) are Federal laws intended to help provide safe and accessible housing. The City is responsible for enforcing State accessibility regulations (California Building Standards Code, Part 2, Title 24) when evaluating new construction. Accessibility requirements of the California Building Code are similar to Federal regulations and mandate that new developments be designed to ensure full accessibility and use by the physically disabled. Single-family houses are exempt from these regulations.

San Luis Obispo is committed to removing architectural barriers to persons with disabilities and implements these laws through its building and planning programs. The City actively enforces compliance with California Disabled Access Requirements which, in most respects, require a higher level of adaptable or accessible building design than federal standards. The City has used Community Development Block Grants to remove architectural barriers in City streets and facilities, and allocated additional CDBG funds to support the private, non-profit development of housing that is both accessible and affordable to very-low income elderly or disabled residents. Compliance with building code requirements may increase the cost of multi-family housing production and rehabilitation. However, these regulations set the minimum standards that the City and developers must comply with to ensure safety and the appropriate levels of accessibility in new developments. As previously discussed, the City's Reasonable Accommodation Ordinance provides a fair and reasonable procedure for disabled persons to request flexibility in the application of land use and zoning regulations to ensure equal access to housing.

Under State law, housing elements must analyze the potential and actual government constraints on the development of housing for persons with disabilities. They must also demonstrate efforts to

remove governmental constraints on the development of housing for persons with disabilities, such as accommodating procedures for the approval of group homes. The City has analyzed its development standards and procedures to identify possible constraints, such as policies, local building, and planning requirements. The City's General Plan policies and building and planning procedures strongly encourage accessibility in new and remodeled housing. In general, City permitting procedures do not differentiate between housing specially designed for disabled persons and other types of housing, and City procedures encourage retrofitting existing housing for accessibility. For example, retrofitting most single-family dwellings with basic accessibility improvements, such as access ramps, path-of-travel widening, kitchen, and bathroom modifications can be done with approval of an expedited "over the counter" building permit. This reduces the time and cost involved in retrofitting for accessibility, since plan check routing and fees are waived. No planning approvals are required.

More extensive retrofits to bring multi-family dwellings into compliance with the Americans with Disabilities Act typically would require only a building permit. Minor modifications may be approved "over the counter" by the City's permit coordinator. Significant exterior changes to multi-family housing or to a historically designated property to provide accessibility, such as new exterior ramps or building façade changes, typically require architectural review and can add about four to six weeks to the approval process. City zoning and development standards include provisions that add flexibility and incentives for housing for persons with disabilities and seniors. For example, handicapped access ramps up to 30 inches in height may be located by right anywhere within required building setback areas, and housing occupied by persons aged 62 or older may provide one-half parking space per dwelling unit or one space per four occupants in group quarters. Both provisions can substantially reduce the cost and difficulty of providing housing for persons living with disabilities.

Several group housing developments in San Luis Obispo provide accessible housing for very low and low-income persons with disabilities. City zoning regulations allow residential care facilities of six or fewer residents by right in all residential zones, on upper floors within three commercial zones, and on the ground floor in four commercial zones with a minor use permit. Additionally, the zoning regulations allow large care facilities of seven or more individuals with a minor use permit in all residential zones and within three commercial zones. Residential care facilities in the City are not subject to residential density limits and are treated like single-family homes in setting their parking requirements. Initial construction requires a building permit and must comply with the usual development standards, such as building setbacks, and may require architectural review.

Housing Element Policy 8.1 encourages housing developments which meet special needs, including disabled and elderly persons. Policy 8.10 encourages a variety of housing types that accommodate persons with disabilities. Program 8.23 continues the City's efforts of seeking grant opportunities for housing construction and rehabilitation specifically targeted for persons with developmental disabilities. The City does not have a definition for "family" and does not require any distance requirements of group homes from one another or any other type of residential accommodations. In addition, the City does not allow short-term rentals within the City.

Non-conforming Uses and Structures

Some dwellings are subject to premature deterioration and demolition because of their legal, non-conforming status. A legal, non-conforming use or structure is one that was established with permits but is no longer allowed and could not be replaced under the current zoning regulations. Examples include housing as a principal or primary use in the Manufacturing and Service-Commercial zones. Traditionally, lenders and insurance carriers avoid lending or insuring project improvements for such non-conforming dwellings.

g) Processing and Permit Procedures

The Development Review process adds time and costs to a building project. The City's Development Review procedures are designed to protect public health and safety, to simplify and expedite the review process whenever possible, and to ensure that new development meets State and local development standards within time limits set by State law. The Permit Streamlining Act requires final City action within 60 days of the date of adopting a negative declaration or categorical exemption for a project, and within 180 days of the date that a final Environmental Impact Report (EIR) is certified for a project.

For most minor or relatively simple items which are exempt from environmental review, such as minor use permits, minor or incidental architectural review, minor subdivisions, and lot line adjustments, the processing time from submittal to final action lasts approximately four to six weeks. More complex planning projects such as new commercial, industrial, and residential projects, conditional use permits, variances, planned development/rezoning or standard subdivisions require typically eight to 12 weeks to process environmental and development review. The City's most complex planning items include general plan amendments, rezoning, annexations, and zoning regulations text amendments. Any development project that requires an EIR can take six months or longer from the date an application is filed to final City action.

Development review procedures, such as public notices, hearings, and environmental reviews, are mandated by State law and also add to the time needed for the approval of new housing projects. The City continually evaluates its zoning and subdivision requirements to simplify and speed up development approvals. For housing developers, time is money. Efforts to reduce the time required to process development applications can result in lower costs to the housing consumer. Examples of permit streamlining actions the City has taken include:

- Clear development standards, guidelines, and checklists available conveniently on-line.
- Applicants can apply for minor projects online.
- Minor housing additions and remodels may be approved by City staff as "minor or incidental" architectural review or through the building permit process.
- When architectural review is required for a project with 10 units or less, the Community Development Director may grant exceptions to development standards along with architectural approvals.
- The City's Housing Programs Coordinator assists housing developers with processing inclusionary housing requirements and where possible, project funding.

Individually built single-family dwellings are allowed by right in all residential zones and in Agriculture and Conservation/Open Space zones. These need only building permit approval prior

to construction – typically an eight- to twelve-week approval process for such projects. To encourage small residential projects and infill development, the City's zoning regulations exempt the construction, relocation, rehabilitation, or remodeling of up to four dwellings of 1,200 square feet floor area from Architectural Review Commission review. Such housing may be allowed with “minor or incidental” architectural review, a less costly and expedited review process taking about four to six weeks for approval. Residential developments of five or more units typically require more extensive planning review, including environmental review, architectural review, and subdivision or land use review.

Other residential development, whether single-family subdivisions, townhomes, duplexes, or other larger multi-family projects are allowed in specific residential zones and require various levels of review. Single-family residential developments of more than four units are allowed by right in all residential zones, subject to City development standards, state and local subdivision standards and compliance with the California Environmental Quality Act. R-1 zones are typically developed with market rate housing affordable to moderate- and above-moderate income households. Residential developments such as duplexes, triplexes, fourplexes or other multifamily projects are allowed by right in the R-2, R-3, R-4, and Office (O) zones. A majority of the extremely low, very low, and low-income units are constructed as a part of a multi-family development.

The number of units within a project and the project location dictate the level of review and time necessary for project approval. Larger residential development projects, such as standard residential subdivisions and condominium developments typically require three levels of review: design review and recommendation by the Architectural Review Commission, tentative tract (or parcel) map and environmental review and recommendation by the Planning Commission and final project approval by the City Council. In historic districts or on historically designated properties, Cultural Heritage Committee review may be required for a new residential development. Average permit processing time for a 100-lot residential subdivision is about six months to one year for planning approvals, plus an additional six months for building plan check and permit issuance. Smaller residential developments can complete planning review and permit processing in one year or less if an environmental impact study is not required.

Processing and permit procedures for multi-family residential projects are similar to those for single-family developments of more than four units (such as standard residential subdivisions and planned developments with detached, single-family houses or condominiums). Multi-family residential developments are allowed by right in the R-2, R-3, R-4, and office zones or as part of a mixed-use development in the commercial retail, community commercial, neighborhood commercial, tourist commercial, and downtown commercial zones and are conditionally allowed in manufacturing and service commercial zones.

Depending on the specific zone, residential density ranges between 12 to 36 density units per acre. Density is based on the total site area and not just on the vacant portion of the site utilized by commercial or industrial uses. The processing and permit procedures are similar to multi-family housing developments. Average permit processing time for a multi-family or mixed-use residential development project is about six to eight months for planning approvals, plus six months for building plan check and permit issuance. As with single-family residential, development review typically involves a single application combining all approval requests, such as environmental

review, architectural approval and (if required) subdivision and use permit approvals. Building plans for housing projects are typically submitted within six months to one year after receiving planning entitlements.

Time Extensions

Securing planning approvals and construction permits involves significant time and expense by a developer as well as the permitting agency. Expiration of approvals or permits can substantially increase project costs by requiring repayment of fees, additional review time and uncertainty, and in some cases, project redesign. Normally, planning approvals expire in one year after the date of approval. Construction permit applications and permits also expire in one year after submittal or approval, respectively. The City allows multiple time extensions for projects that request an extension. Such extensions are handled administratively, with a three-year limit on entitlement approvals and no limit on the number of building permit extensions provided that project site conditions have not changed, the building code has not changed, and there are no public health or safety concerns posed by a time extension.

h) Development Fees

Application and Permit Fees

Local governments levy fees and assessments to cover the cost of processing development applications and permits, and to cover the cost of services. These fees help ensure high-quality housing development and the provision of adequate public facilities and services. Development costs, including application and permit fees, are typically passed through to the consumer in the form of higher rents or sales prices for new housing where possible within prevailing rent and sales prices. Consequently, City fees can increase development costs and affect housing affordability.

In most cases, City development fees assume full cost recovery for actual costs to deliver the planning, building, and engineering services. The City reviews and updates service charges on an ongoing basis to ensure that they keep pace with changes in the cost-of-living and changes in methods or levels of service delivery. State law generally provides that fees for services cannot exceed the reasonable actual costs for providing services. In implementing this provision, the City adopted the goal of comprehensively analyzing service costs at least every five years, with interim adjustments annually based on changes in the consumer price index. In 2016, the City contracted with NBS Government Finance Group (NBS) and initiated the process to review and update the City's user and regulatory fees. In 2017, the City Council adopted a resolution amending the City's Master Fee Schedule based on the fee study prepared by NBS. City policies exempt extremely low, very low- and low-income housing from most development review fees.

Development fees include planning application fees, building plan check and permit fees, and Fire and Public Works Departments' plan check and inspection fees and impact fees. Common planning application fees for the City of San Luis Obispo are provided in Table C-7 below. These fees, depending on the project, apply to both single family and multi-family residential projects.

Once a project receives its planning entitlement (if required), then they submit for building permits.

Residential building permit fees can range depending on the project. Building permit fees for a 1,500 square foot single family unit are approximately \$18,000 per unit and fees for a 1,500 square foot multi-family are approximately \$2,700 per unit. This includes all plan check, inspection, and basic fees (e.g. addressing, etc.).

Table C - 7: Common Planning Application Fees, Effective July 1, 2020

Common Planning Applications	Fees Charged (\$)
Development Projects - Major	\$17,733
Development Projects - Moderate	\$13,269
Development Project - Minor	\$4,570
Certificate of Compliance	\$2,556
Condominium Conversion	\$16,448
Environmental Impact Report (EIR)	Consultant cost + 30% admin ²
Environmental Review / Initial Study	\$6,801 ²
General Plan Amendment	
<i>Map (includes rezoning)</i>	\$18,461 ¹
<i>Text</i>	\$17,910
<i>Specific Plan Amendment</i>	\$17,697 ¹
<i>Annexation</i>	\$24,328 ¹
Historic Preservation Review (CHC)	\$0
Lot Line Adjustment	\$3,343
Lot Merger	\$856
Planned Development Rezoning	\$17,410 ¹
Planned Development Plan Amendment	\$4,834 ¹
Pre-Application Review	\$994
Pre-Application Review with Site Visit	\$1,249
Rezoning Map Amendment	\$13,038
Rezoning Text Amendment	\$9,259
Tentative Subdivision Maps	
<i>1 - 4 lots</i>	\$7,052
<i>5 - 10 lots</i>	\$12,226
<i>11 - 20 lots</i>	\$16,383
<i>21+ lots</i>	\$27,415 ¹
Minor Use Permit (MUP), Administrative	\$3,377
Conditional Use Permit (CUP), PC	\$7,028
Variance	\$3,222

Source: City of San Luis Obispo, 2020

Notes: Table does not list all planning fees. Only those fees applicable to common residential development are included. Fees rounded.

¹ Fees will be set on a deposit basis and debited by the amount of staff time and other materials required to provide services or Consultant Fee plus 30% Admin Fee.

² Separate Fish and Game fees may apply, as set by the State of California

Development Impact Fees

Like many California cities, San Luis Obispo charges impact fees to recover the cost of services and facilities serving new development. San Luis Obispo policies state that existing residents should not bear the costs of new development. Impact fees ensure that development projects pay their fair share of the cost of constructing the water and sewer facilities, streets and other improvements necessary to serve new residents. Impact fees are based solely on the capital costs attributable to new development.

In 2018 the City Council adopted Ordinance 1646 to establish and implement the Capital Facilities Fee Program (CFFP) consistent with AB 1600. The CFFP established development impact fees which are imposed as a condition of approval upon all development projects for which a building permit is issued on or after the effective date of the ordinance. The City does not charge the maximum fees to ensure that development remains feasible, and to incentivize the construction of smaller, more affordable housing units. Table C-8 provides the Citywide CFFP and Impact Fees. It should also be noted that the San Luis Ranch and the Los Osos Valley Road Subareas have separate fee schedules and are covered in Ordinance 1646.

Table C - 8: Capital Facilities and Impact Fees, Effective July 1, 2020

Fee Category	Single Family (1,500 square feet)	Multi-family (1,500 square feet)
Transportation ¹	\$9,828.00	\$7,636.00
Parks ²	\$6,031.00	\$4,343.00
Police	\$668.00	\$481.00
Fire	\$569.00	\$410.00
Water	\$12,416.14	\$12,416.14
Wastewater	\$11,531.37	\$11,531.37
Total Estimated Impact Fees	\$41,043.51	\$36,817.51

Note: The City's development impact fees are subject to annual increases and are subject to an additional 1.75% administrative charge.

(1) The transportation fees shown are for Citywide sites. Site located in the San Luis Ranch and Los Osos Valley Road subareas have a separate fee schedule.

(2) Fees shown reflect Parkland In-lieu Fees authorized by the Quimby Act (single family residential uses only) and Park Development Impact Fees authorized by the Mitigation Fee Act (single family and multifamily residential uses). Development in the MASP, OASP, Avila Ranch or San Luis Ranch areas will meet park and recreation obligations per the terms of applicable Specific Plans and/or Development Agreements

The total fees for a building permit, CFFP, and impact fees for a 1,500-square-foot single family unit would be approximately \$59,000 and approximately \$39,500 for a 1,500 square foot multi-family unit.

i) Infrastructure

The City is committed to living within its resources, while planning to meet the resource needs of its citizens. Residential development requires that adequate roads, drainage, water, sewer, fire protection and other public services are available. Generally, the developer provides facilities

within or next to the development site, while the City is responsible for the facilities that serve a larger area. For example, the City provides arterial streets, a wastewater resource recovery facility, wastewater collection system, and sewer lift stations, water supplies, a water treatment plant, and potable and recycled water distribution facilities. When an area is subdivided, the subdivider installs local roads and utility lines. Historically, the costs of extending municipal services to support new development were offset by utility customers and taxpayers. Like many cities, San Luis Obispo requires developers to pay for the increased capacity of citywide facilities needed to serve development.

Most sites within the City have streets and utility lines nearby, so they can be developed without significant extensions. However, areas at the edge of the City will need service extensions. A specific plan is required for each major development area, and a development plan for each minor area. These plans will address phasing of development and services.

Water Available for Development

Per the City's Water and Wastewater Management Element (WWME) Policy A 2.2.1, the City utilizes multiple water resources to meet its water supply needs. Having several sources of water avoids dependence on any one source that may not be available during a drought or other water supply reduction or emergency. The City has five water sources, achieving the goal of diversifying its water supply portfolio to meet current and future community needs.

Water Supply Sources

Salinas & Whale Rock Reservoirs

Salinas and Whale Rock Reservoirs have served as the City's primary water supplies for over 50 years. The County of San Luis Obispo Flood Control and Water Conservation District provides the oversight, operations, and maintenance of the Salinas Dam and water delivery facilities for the benefit of the City. The City pays the County for the associated costs for these services.

The City provides the oversight, operations, and maintenance of the Whale Rock Reservoir for the benefit of the Whale Rock Commission. The Whale Rock Commission is a joint powers agency made up of Cal Poly State University, California Men's Colony, and the City. The City draws water from these two reservoirs in a coordinated manner to maximize the long-term water supply available from these two sources. As of 2019, the safe annual yield of the two reservoirs is 4,910 acre-feet. In addition, the City has adopted policies in the WWME to account for reductions in storage capacity at each lake resulting from siltation.

Nacimiento Reservoir

Water deliveries from the Nacimiento Reservoir began on January 5, 2011. As of 2019, the City has a contractual right to 5,482 acre-feet per year. The County operates and maintains the project that delivers water from Nacimiento Reservoir to participating agencies. The Nacimiento Project Commission, which is made up of representatives from each of the four agencies' governing boards and County Representative (i.e. County Board of Supervisors), provides oversight to project operations, maintenance, and the project budget.

Recycled Water

Recycled water uses for calendar year 2019 totaled approximately 244 acre-feet, a 44 percent increase from 165 acre-feet in 2012.

Groundwater

Per WWME Policy A 3.2.3, the City will use groundwater for domestic purposes when available, but will not consider this source of supply as a part of its water resources availability due to limitations for the use of groundwater resources. The City has one domestic well located on Los Osos Valley Road near Pacific Beach school. The City also maintains two non-potable wells at the City’s Laguna Lake Golf Course for a portion of the golf course irrigation (additional golf course irrigation demand is met with recycled water).

Water Resource Availability

Table C-9 summarizes the Water Resource Availability, to serve community water demand. Calendar Year 2019 water availability totaled 10,136 Acre-Feet.

Table C - 9: Water Resource Availability in San Luis Obispo, 2019

Water Resources	Acre Feet	Description
Salinas & Whale Rock Reservoirs	4,910	Safe Annual Yield ¹
Nacimiento Reservoir	5,482	Dependable Yield ²
Recycled Water	244	2017 Annual Usage ³
Siltation from 2010 to 2060	(500)	WWME Policy A 4.2.2 ⁴
Total 2019 Availability	10,136	

Source: WWME, 2019

1. Quantity of water which can be withdrawn every year while operating both reservoirs in coordinated operations under critical drought conditions. Safe Annual Yield determined from computer model, which accounts for siltation loss through 2010 (per WWME Policy A 4.2.2)
2. Dependable Yield is the contractual amount of water the City has rights to from Nacimiento Reservoir.
3. The quantity of recycled water included is the actual prior year’s recycled water usage per WWME Policy A 7.2.2
4. Reservoir siltation is a natural occurrence that reduces storage capacity over long periods, resulting in reduction of safe annual yield.

Table C-10 shows the City’s water supply from 2000 to 2019. As the table shows, is evident that water usage by City residents has slowly decreased over the past 17 years, even with an increase in population. Per capita water uses in 2019 was at an all-time low of 91 gallons per capita per day. As of 2019, City residents are using less than half of the City’s water availability. The City’s 2019 Water Resources Status Report states that the City has a robust water supply with over five years of water availability.

Table C - 10: Water Usage in San Luis Obispo, 2000-2019

Year	Population	Total Water Use (acre feet)	Per Capita Water Use (gallons / capita / day)
2000	44,179	6,121	124
2001	44,347	5,886	118
2002	44,482	6,032	121
2003	44,357	5,968	120
2004	44,298	6,239	126
2005	44,687	6,098	122
2006	44,559	5,999	120
2007	44,433	6,493	130
2008	44,579	6,359	127
2009	44,829	6,134	122
2010	45,119	5,489	109
2011	45,269	5,285	104
2012	45,312	5,541	109
2013	45,541	5,338	105
2015	45,802	4,990	97
2016	46,117	4,731	92
2017	46,424	4,975	95
2018	46,548	5,225	100
2019	46,802	4,762	91
Average Per Capita 2000-2019			113.4

Sources: City of San Luis Obispo WWME, 2019

Wastewater Treatment (Sewer)

The City's current Water Resource Recovery Facility (WRRF) has a design capacity of 5.1 million gallons per day (mgd). According to the City's Utility Department, this is adequate capacity to meet current needs, plus residential growth anticipated during the 6th Cycle planning period. A comprehensive upgrade to the City's WRRF is now underway as part of a project called SLO Water Plus and will support improved water resource recovery, flood protection for critical infrastructure, increased treatment capacity to accommodate population growth and process redundancy for increased resilience. Planning for SLO Water Plus began in 2015 and started construction in 2019. The project will increase the design capacity of the WRRF from 5.1 mgd to 5.4 mgd. The project is planned to be completed by 2023.

Wastewater Collection System Capacity Constraints

The City has experienced sanitary sewer overflows in capacity constrained areas due to inflow and infiltration into the wastewater collection system during wet weather events. These overflows pose a significant, immediate, and quantifiable threat to public health and water quality because of the pathogens, pollutants, and nutrients present in these overflows. Sanitary sewer overflows have resulted in the City receiving National Pollutant Discharge Elimination System Permit violations,

finances from the Central Coast Water Quality Control Board, beach closures by the San Luis Obispo County Public Health Department, and a Clean Water Act third party lawsuit (the City entered into a settlement agreement in July 2016 that included requirements to actively prevent future overflows through a variety of measures). In an effort to reduce and eliminate sanitary sewer overflows, the City implemented the Wastewater Flow Offset Program (Municipal Code Section 13.08.396) as a part of the Private Sewer Lateral Ordinance.

The Private Sewer Lateral Ordinance was the result of careful consideration, exhaustive studies identifying the real risks posed by new or intensified development in capacity constrained areas, and public outreach. As a part of this effort the City completed the Sanitary Sewer Flow Monitoring and Inflow/Infiltration Study (2012), the Wastewater Collection System Infrastructure Renewal Strategy (Renewal Strategy) and hydraulic modeling to evaluate and identify capacity constrained pipelines (2016) and amended the General Plan Water and Wastewater Management Element to include the map of capacity constrained areas of the wastewater collection system (WWME Figure 3) (2018) & (Figure C-2 below). In August of 2019, the City adopted a comprehensive Private Sewer Lateral Ordinance that included the Wastewater Flow Offset Program to support and facilitate new housing development (including ADUs) while ensuring that new development does not increase system contributions to the already constrained areas that will result in overflows.

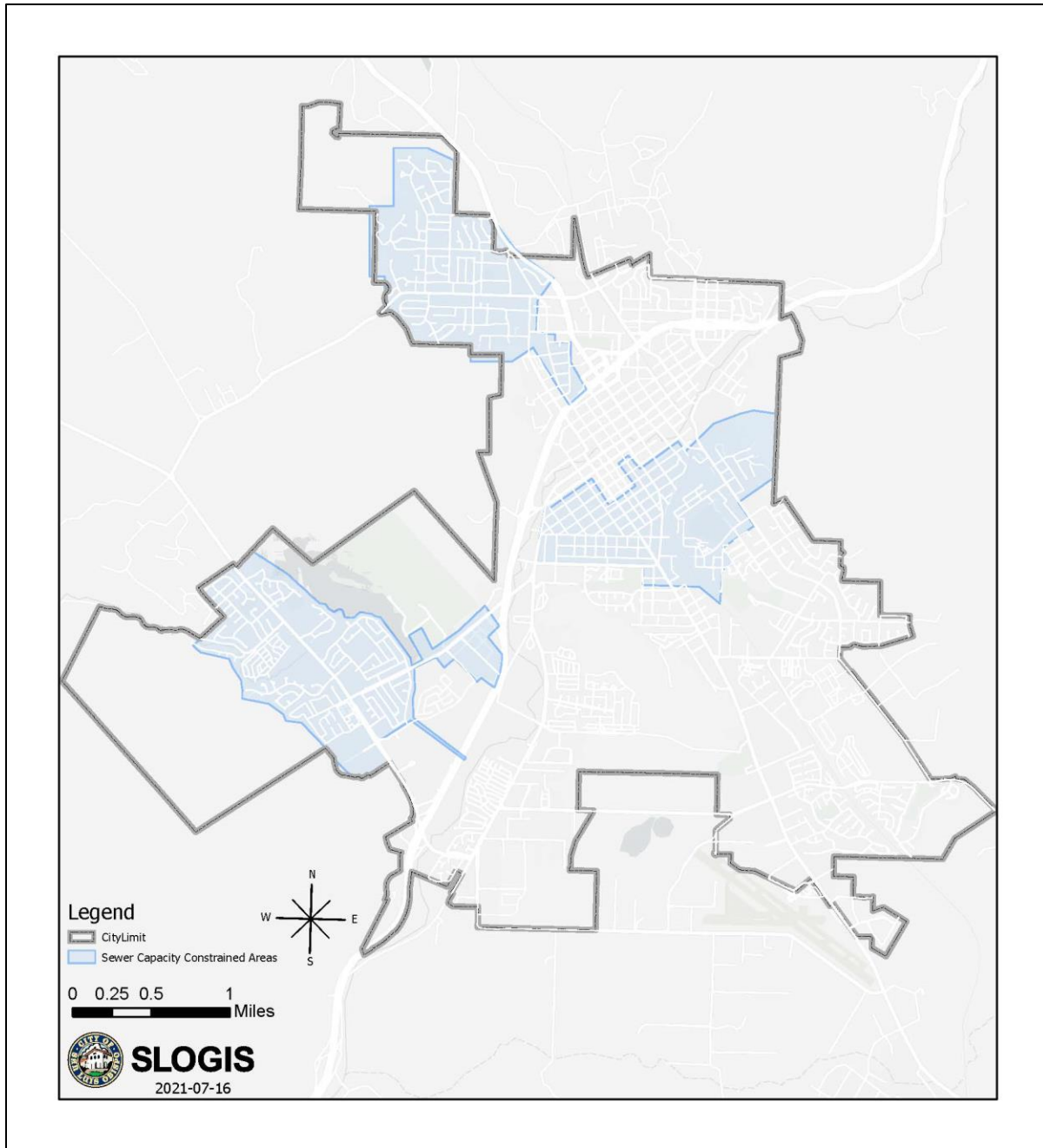
The costs of all current and planned public wastewater facilities are incorporated into the City's sewer rate structure and are defrayed by sewer ratepayers. The Wastewater Flow Offset Program requires property owners in capacity constrained areas to offset their own increased wastewater flow by replacing private sewer laterals in poor condition to avoid adding new net wastewater flow to the public system to the detriment of the public health and safety. Private sewer laterals are that portion of the sewer line that connects from the house or structure up to and including the point of connection (wye connection) with the publicly owned sewer main. The cost for full replacement of a private sewer lateral, including City permit fees, averages \$8,000 to \$10,000. Permit fees are estimated to cost \$1,250 for an encroachment permit (includes engineering inspection in the public right-of-way) and \$250 for a plumbing permit (building inspection). With the adoption of the Offset Program in 2019, the City eliminated the fee for the installation of the wye connection (\$531 in 2019) reducing total City permit fees by over \$500.

As noted above in Section d, subsection "Accessory Dwelling Units," the City is anticipating an increase in ADU construction; 135 units over the 6th Cycle, half of those low income (see Appendix D, Table D-5). This number of units and affordability is based on the City's history of ADU development over the last several years with the requirement that projects in capacity constrained areas replace private sewer laterals in poor condition in effect. ADUs are allowed to be constructed on any site within the City that contains either single family or multi-family residential units (including mixed-use projects); this accounts for approximately 16,000 acres within the City. Only 1,342 acres (9 percent) of the total available acreage is located within a capacity constrained area. The adoption of the Wastewater Flow Offset Program allows for new and intensified development, including ADUs, citywide. Without the Offset Program, the City would have to prohibit new or intensified development, including ADUs, due to capacity constraints and inconsistency with General Plan policies.

The Offset Program could increase overall costs to construct an ADU depending on whether the site is located within a capacity constrained area. Potential City costs to construct an ADU include building permit fees (approximately \$8,000) and sewer replacement (if applicable: \$8,000 - \$10,000). To help offset these costs the City reduced impact fees in 2016 by 71 percent (a decrease of approximately \$11,000 per unit) and then eliminated all impact fees for ADUs in 2017 to promote their development. In addition, the development of low income ADUs are eligible for grants and loans from the City's Affordable Housing Fund to cover all cost associated with the Wastewater Flow Offset Program.

The Wastewater Flow Offset Program allows for new and intensified development, including ADUs, in areas of the City where it could be prohibited. The City has seen an increase in the development of ADUs over the last several years with the Program in effect and anticipates this will continue. The City has specifically implemented a range of solutions to facilitate and offset the costs of constructing ADUs by eliminating impact fees, removing permit fees to replace a private sewer lateral, and utilizing the Affordable Housing Fund to cover all costs associated with Offset Program for low income ADUs.

Figure C - 2: Sewer Capacity Constrained Areas of the City



j) Public Services – Police and Fire

Police and Fire

The police department has assigned personnel in innovative ways to enhance connectivity with the community. The department has a Neighborhood Officer Program where officers proactively work within their assigned neighborhood as community liaisons to address concerns and mutually share

in the problem-solving process. The Community Action Team (CAT) is a partnership between a police officer and a social worker whose specific function is to address adverse behaviors through law enforcement and cooperative outreach with mental health, social services, and other involved stakeholders. Many of their cases involve the unsheltered individuals within the community and help them connect to local resources.

The City of San Luis Obispo has a full-service fire department that protects the lives and property of its residents and visitors from the adverse effects of fires, medical emergencies and other dangers caused by man or nature. The fire department offers fire suppression, specialty rescue, hazardous materials mitigation, and paramedic advanced life support. Approximately 60% of all SLO City Fire emergency responders are cross trained as Paramedics. Operating from four fire stations and with a response time goal of 4 minutes or less travel time to 95% of all emergencies, the San Luis Obispo fire crews are focused on serving the community, which includes the Cal Poly San Luis Obispo campus. The San Luis Obispo City Fire Department has an Insurance Services Office (ISO) Public Protection Class 2 rating. This rare rating is only achieved by about 2% of the fire departments evaluated in America. The rating is considered by many insurance companies when deciding the rates on insurance premiums for homeowners and businesses.

k) Schools

Grade school enrollment in San Luis Obispo has declined in recent years. According to the California Department of Education, San Luis Coastal Unified School District's enrollment in San Luis Obispo schools in 2018-2019 was 7,813 students. Due to district budget constraints, new dwellings will have serious adverse consequences for school staffing, facilities, and programs unless new development adequately mitigates the adverse impact on school facilities. Mitigation is generally in the form of school fees associated with issuance of construction permits. School district fees are collected by the City and used by the District to fund school infrastructure needs.

l) Inclusionary Housing Program

Adopted in 1999 and amended in 2004, the Inclusionary Housing Program implements two core housing programs of the General Plan – that of providing affordable housing for extremely-low, very-low-, low-, and moderate-income households, and establishing a housing trust fund. The program requires that most new development projects help meet affordable housing needs by: 1) building affordable dwellings as part of a development project, 2) dedicating real property for development of affordable housing by the City's Housing Authority or by a non-profit housing provider, 3) paying an in-lieu fee which is used to fund affordable housing throughout the City, or 4) Use a combination of the above methods, to the approval of the Community Development Director.

To date, more than 850 deed-restricted or otherwise secured affordable dwellings have been planned for, entitled, or built since the adoption of the Inclusionary Housing Ordinance in 1999. Additionally, the City has granted, loaned, or committed \$10,450,954 of affordable housing in-lieu funds to assist with the development of 464 new deed-restricted affordable housing units. To qualify as affordable, dwellings must have guarantees that they remain affordable for at least 45 years for ownership units, and 55 years for rental units.

The Inclusionary Housing Program is one of several tools, including incentives (e.g. parking reductions, density bonuses, flexible development standards and affordable housing fund) that the City uses to achieve its affordable housing objectives. The program applies to most new development, including residential and commercial development. Some types of development are exempt from the requirement: 1) residential developments of four dwelling units or less; 2) new commercial developments of less than 2,500 square feet gross floor area; 3) residential and commercial additions, repairs or remodels, so long as such work does not increase the number of dwellings by more than four units or increase gross floor area by 2,500 or more; 4) the conversion of less than five dwelling units to condominiums within a five-year period; 5) commercial condominium conversions which do not result in the creation of new dwellings; 6) affordable housing projects; 7) emergency projects; or projects which the City Council determines are necessary to protect public health and safety 8) projects which provide educational, social or related community services and proposed by public or non-profit agencies, foundations or similar organizations; 9) projects which replace or restore a structure damaged or destroyed by fire, flood, earthquake or natural disaster; and 10) projects for which an approved, unexpired tentative map or vesting tentative map exists.

There are two different approaches to maintaining affordability over time: 1) the property owner agrees to maintain the designated dwelling unit(s) as affordable for at least 45/55 years depending on the tenure of the unit(s); 2) the property participates in the “shared equity purchase program.” Under the equity sharing program, the buyer of an affordable unit enters into an agreement with the City which upon resale of the property, eventually returns a share of the property’s accrued equity to the City for use in other citywide affordable housing developments. The affordability of the ownership units is maintained by a promissory note valued at the below market benefit of the particular unit, which is evidenced by a second trust deed recorded on the property at time of sale.

To assist housing development and partially offset the effects of the inclusionary housing requirements and other development exactions, the City has used flexible development standards, streamlined review and permit processing, and affordable housing funds to reduce development costs and improve economic feasibility. For example, the City assisted with the development of Bishop Street Studios (featured on the cover of the Housing Element), a 34-unit affordable housing project, consisting of the rehabilitation of the historic Sunny Acres Orphanage building and three newly constructed buildings. The City made a substantial financial contribution to the project in the amount of \$1,595,500, including an Affordable Housing Fund Loan, development impact free deferral loan, and CDBG loan. Additionally, the City provided streamlined review and permit processing, and completed over 153 building inspections during construction. This development now contains 33 single room occupancy rental units (plus one manager’s unit), of which are permanently affordable to extremely low, very low, and low-income adults with a diagnosed mental illness.

2. Non-Governmental Constraints

a) Land Costs

Land is the largest component in the cost of new housing, accounting for over 60 percent of development costs. Because land costs are so high, it is difficult to build affordable housing if the project involves purchasing land at today's prices. Land costs directly affect the cost of housing. In turn, land values are determined by a number of factors. In terms of residential constraints, the

most important of these is land availability and permitted residential density. As land becomes scarcer, prices increase. The more residential units allowed, the higher the land value.

In 2019, the cost of an average-sized single-family residential lot in San Luis Obispo (based on closed sales) was estimated by members of the Board of Realtors’ multiple listing service to be between \$306,000 and \$607,000, depending on its size and location. In contrast, in 2014 the cost of a typical single-family residential lot in San Luis Obispo ranged from \$200,000 to \$450,000. The demand for residential real estate continues to be very high. Land suitable for residential development within City limits and in expansion areas adjacent to the City is typically priced to reflect its “highest and best use.”

b) Construction Costs

Technological advances in home building have increased efficiency and reduced the proportional costs of labor and materials. Nationally, labor and materials accounted for 69 percent of the cost of a new home in 1949. By 1989, that percentage had dropped to 53 percent (National Association of Home Builders (NAHB)). The NAHB conducted a construction cost survey in September 2017 to collect information from builders on the various components that go into the sales price of a typical single-family home. The 2017 survey showed that, on average, 55.6 percent of the final sales price goes to construction costs, 21.5 percent to finished lot costs, and 10.7 percent to builder profit. Construction cost includes all the costs paid by a builder, including costs of materials, labor, and subcontractors.

According to the 2020 Nexus Study completed by David Paul Rosen and Associates (DRA), the construction value of an average wood frame single-family residential construction in 2019 is \$150 per square foot for living space and parking construction. For a typical, 2,000 square foot detached house with a garage on a standard-sized lot in San Luis Obispo, total development cost in 2019 would be approximately \$300,000 for construction only. When incorporating the average price of land at \$425,200 and construction costs – the approximate cost for a new single-family home is \$725,200 plus City fees. Land cost accounts for approximately 58.6 percent of the total cost of a single-family residence.

c) Availability and Cost of Financing

Mortgage interest rates significantly affect housing affordability. As interest rates increase, fewer buyers can afford to purchase a home. As rates decrease, the number of potential homebuyers increases. As seen in Table C-11, interest rates for a conventional, 30-year fixed loan range are as low as 3.625 percent and 15-year and adjustable rate mortgages are around 3.125 percent.

Table C - 11: Current Mortgage Rates

	Interest Rate	APR
30-Year Fixed	3.625%	3.738%
15-Year Fixed	3.125%	3.288%
5-Year Fixed	3.00%	3.925%

Source: Wells Fargo, August 2019

A wide variety of loan packages and terms are available, making financing accessible for most home buyers with good credit and moderate- to above-moderate incomes. Although low interest rates have made housing more affordable than in recent years, the necessary down payment still can pose an insurmountable obstacle, particularly to first-time homebuyers. Lenders typically prefer a 20-percent down payment on a mortgage loan. Prospective buyers, who might be able to support an 80-percent loan, often do not have the financial resources to make the required down payment. A median-priced home in San Luis Obispo costs \$693,000 (June 2019 Zillow.com), requiring an \$138,600 down payment to get into a new house. Lenders will sometimes loan up to 90 percent of the asking price, but an applicant's credit is much more closely scrutinized, and monthly payments and monthly income requirements are significantly higher. Consequently, financing can pose a major obstacle for first-time or moderate-income homebuyers, even for those who might otherwise qualify for a standard loan.

Interest rates are determined by national economic policies and conditions, and there is little that local governments can do to affect interest rates. Cities may, however, offer interest-rate buy-downs, gap financing or other programs to expand home ownership opportunities for low- and moderate income and first-time homebuyers.

d) Insurance Costs

Insurance costs have become an important constraint to building affordable housing. Construction liability insurance, needed by builders and required by lenders, has become difficult to obtain in California and when available, is extremely expensive. According to the Home Builders Association of the Central Coast, liability insurance costs can equal up to about two percent of a unit's selling price. In part, insurance cost increases resulted from unprecedented construction defect litigation, particularly in California, in the 1990s. Most of that litigation focused on residential condominiums. Condominium construction, a major type of new housing in San Luis Obispo in the 1980s, is one of the most effective approaches for providing higher-density, ownership housing for moderate income buyers. Condominium construction fell dramatically in the 1990s. There appears to be renewed builder and consumer interest in residential condos, and city housing policies promote this housing type.

e) Investment Expectations

Investment expectations also can add to the cost of housing. Nationally, Americans place a high value on home ownership because it provides a hedge against inflation and allows us to build substantial equity in a relatively short period of time. Ironically, the favorable tax treatment established to protect home ownership has helped push the cost of housing beyond its value as shelter alone and has created a competitive market for real estate as a commodity or financial investment. Home ownership has become an elusive goal for many first-time buyers, as prices increased in response to market expectations. Renters find themselves paying a larger and larger share of their income for housing, as rental properties are resold to a succession of landlords.

Many homeowners and owners of rental property benefit from significant tax advantages. Mortgage interest on loans for both a principal home and a second home is usually deductible for

taxpayers, and interest on home equity loans also is usually deductible. In addition, homeowners can defer capital gains resulting from the sale of a house so long as another home is purchased at the same or higher cost and may avoid paying taxes on capital gains from the sale of a home after the age of 55. Owners of rental property can deduct expenses such as property taxes, mortgage interest payments and maintenance costs. Also, since rental property theoretically depreciates in value over time, owners can deduct part of a property's value each year from their taxable income. While depreciation allowances provide an investment benefit for each successive property owner, they also offer a strong incentive to resell a property once the largest share of depreciation has been taken. The new, higher sales price is then offset by increased rents. Sales commissions, typically ranging from four to six percent of the sales price, also affect housing costs.

f) Environmental Constraints

Environmental constraints can reduce the number of dwellings that can be developed on a given site. Slope, natural and manmade hazards, creeks and other natural features reduce the developable area of a site and often require special site grading, building or landscape design to mitigate impacts of development. Given its valley setting, ringed by hills and interspersed with five ancient volcanic peaks ("morros") and numerous perennial creeks, San Luis Obispo must balance environmental preservation with orderly, well-designed development. Measures to protect the environment are integrated with development standards. For example, a site's residential development capacity is based on: 1) the size of the property, 2) zoning, 3) average slope, and 4) existence of natural features, such as creeks or significant native trees. The Creek Setback Ordinance limits development near creeks to reduce potential impacts to riparian habitats. The required setback in most areas is limited to 20 feet from the creek bank, and this limitation reduces development capacity on sites bordering a creek.

In evaluating the City's residential development capacity, staff analyzed the general environmental constraints affecting development for each property. Properties with significant environmental constraints, such as steeply sloping sites, or sites located on prime agricultural soils were either excluded from the inventory or were assigned much lower development capacities based on environmental constraints. Consequently, Appendix D reflects the "realistic" or reasonably achievable development capacity of sites based on natural and manmade environmental constraints, rather than on their maximum residential capacity under zoning laws. Further discussion of this analysis can be found in the Housing Element Update's Initial Study of Environmental Review (EID-0218-2020).

Besides natural environmental constraints, manmade constraints may also limit the development capacity of residential land. For example, the number of dwellings that can be built may be limited by San Luis Obispo County Airport compatibility, noise limits, or by the 100-year flood hazard zone. The extent to which these factors affect development varies by location and the City's residential capacity estimates take these factors into account. Most of the land affected by airport safety areas zones consists of service and manufacturing land uses and do not affect the City's ability to meet its quantified housing objectives. Within the Downtown core, the majority of the residential development is mixed-use, therefore the residential component is above existing commercial structures and not precluded by the flood zone that affects Downtown's location.

The Housing Element update’s potential environmental effects have been fully evaluated and documented in the Initial Study of Environmental Review (EID-0218-202). Based on that evaluation, the updated Element’s policies, programs, and anticipated housing growth are not anticipated to have significant adverse environmental impacts and are consistent with the City’s General Plan and overall growth projections.

Table C - 12: Population Change in San Luis Obispo, 1980-2019

Year	Population	Annual Change (%)	5-year Annual Average Change (%)
*1980	34,143	---	---
1985	37,378	---	1.83
*1990	41,958	---	2.35
1995	42,125	---	0.07
*2000	44,179	---	0.97
2005	44,630	---	0.20
*2010	45,046	---	0.19
2011	45,286	0.53	0.36
2012	45,303	0.04	0.39
2013	45,558	0.56	0.40
2014	45,950	0.86	0.45
2015	46,331	0.83	0.56
2016	46,363	0.07	0.47
2017	46,705	0.74	0.61
2018	46,741	0.08	0.51
2019	46,802	0.13	0.37
Average, 2010-2019	---	0.43	0.46

Source: City of San Luis Obispo, Community Development Department, 2019

*U.S. Census figures; all others California Department of Finance.

Population changes are shown in Table C-12. As with housing construction, population growth rates tend to correspond to regional and national economic cycles and show an average annual growth rate of 0.43 percent from 2010 to 2019.

g) Economic Constraints

Housing development, unemployment, and properties values have improved over the last several years for the City of San Luis Obispo. As of 2019, the City had an unemployment rate of 2.5% and the job market increased by 1.3% from 2018 to 2019. The County’s median home price in May 2019 was \$640,000, up about \$1,300 from May 2018, according to the California Association of Realtors, and the median home only spent 19 days on the market. The low interest rates in the last year have elevated housing demand as monthly mortgage payments have become more manageable to home buyers in general. In a 2019 comparison to other Central Coast Counties, the County of San Luis Obispo ranked in the middle of the pack. Santa Cruz County had a median price of \$935,000, Monterey County at \$606,455 and Santa Barbara County at \$1,134,649. While completed foreclosures are on the decline for the State of California, the County of San Luis

Obispo foreclosures have increased 9 percent in the last year according to Attom Data Solutions. However, countywide, notices of default are still lower than their peak in mid-2009. Overall residential construction activity has also increased in recent years. From 2016 to 2019, the number of residential units issued a building permit annually increased for both single family and multifamily units, which is illustrated in Table A-21 in Appendix A.

Appendix D

RESIDENTIAL LAND RESOURCES

To adequately meet housing needs, it is essential to understand and quantify the City’s residential land resources. In 2019, the Community Development Department conducted an inventory of vacant and underutilized land in two geographic areas: 1) within City limits, and 2) outside City limits but within the Urban Reserve. The inventory also identified properties that contained “blighted” dwellings to the extent this was apparent from public streets. Survey information was derived from aerial photography, City permit records, and windshield surveys. The residential capacity inventory is included as Appendix E. This appendix derived from that inventory.

This appendix, along with Appendix E, addresses the requirements of Government Code Sections 65583 and 65583.2 requiring a parcel-specific inventory of appropriately zoned, available, and suitable sites that can provide realistic opportunities for the provision of housing to all income levels within the community. The City’s share of the regional housing need will be met through the implementation of a variety of strategies (e.g., available and appropriately zoned land, units built since the beginning of the 6th Cycle RHNA planning period, implementation of specific plans, and infill development). Pursuant to AB 375, the City’s residential growth strategy promotes a balanced approach of residential infill and expansion area development to meet its housing needs and achieve a compact, sustainable community. The adequate sites requirement is addressed through the identification of available vacant and non-vacant sites that are suitable and appropriately zoned.

1. Residential Development Capacity Calculation

In estimating residential development capacity, the City evaluated each parcel based on land area, average slope, zoning, existing conditions, and potential for redevelopment. Parcels in all zones were evaluated, including residential and non-residential zones. Estimated residential capacity does not represent the maximum capacity possible. Instead, estimates have been adjusted to take into account “realistic capacity.” Development capacity was determined by taking the maximum allowed density in units per acre and multiplying by the developable lot area to find the maximum capacity based on zoning regulations. A conservative estimate of 75 percent of the maximum residential capacity was then applied, with the recognition that some properties do not develop to their maximum build out potential. A full discussion on the Survey Methodology is provided in Appendix E, Section 3. Parcels with residential capacity are listed by assessor’s parcel number in Appendix E, Tables E-2 and E-3.

2. Availability of Adequate Sites for Housing

The City’s evaluation of adequate sites began with a listing of individual parcels by zone and general plan designation. The site suitability analysis identifies those sites that are currently available and unconstrained so as to provide realistic housing development opportunities prior to the end of the 6th Cycle planning period. To demonstrate the realistic development viability

of the sites, the analysis also addressed conditions which may constrain development, such as: (1) whether appropriate zoning is in place, (2) the effect of development standards and their impact on projected development capacity and affordability, (3) existing constraints including environmental concerns, and (4) availability of utilities, infrastructure, and services.

The residential land inventory resulted in not only an identification of sites, but also an estimate of potential residential development capacity for these sites. The majority of the land available for residential development is located in: (1) older residential neighborhoods and certain higher density commercial zones, including the Downtown area, and (2) specific plans that have been approved for development.

The inventory includes both small and large residentially and non-residentially zoned parcels and parcels that are vacant or underutilized and could be developed with additional dwellings. Parcels zoned to allow higher residential densities, include R-3, R-4, C-C, C-D, C-R C-S, and M, can be developed at densities of at least 20 dwellings per acre and therefore, suitable for the development of housing affordable to lower income households. For further discussion on the development of housing affordable to lower income households, see Appendix B. Except for some parcels within Specific Plan areas and minor annexation areas, all parcels with residential capacity are already served by streets, all utilities and public services including police, fire, emergency medical services and public schools.

By having this connection to services, most underutilized or blighted (and the few vacant) sites qualify for an exemption from CEQA (Class 32) because the sites are 5 acres or less in size; residential development is consistent with the General Plan (i.e. Community Plan) and zoning requirements; an underutilized or blighted site has no value as habitat for endangered, rare or threatened species; approval of a residential project would not result in any significant effects relating to traffic, noise, air quality, or water quality and the site can adequately be served by all required utilities and public services. An exemption from CEQA assists in streamlining the approval process for a residential project which reduces overall time and cost for the project. Appendix E, Figure E-3 summarizes in-city development potential by zone, outside city development potential, as well as properties which are not yet zoned, as of June 2020.

According to the estimates for vacant and underutilized properties, there is a total development capacity within city limits of 4,240 density units, equivalent to 4,240 two-bedroom dwellings. Opportunities for housing development include:

- a. Vacant land zoned for residential use;
- b. Underutilized parcels zoned for residential use where lot coverage and density are less than that allowed by the Zoning Regulations and where infrastructure needs for additional development can be met;
- c. Vacant or underutilized land suitable for mixed-use residential/commercial development;
- d. Vacant or underutilized land outside city limits, within the City's Urban Reserve, including designated residential expansion areas.

a) Vacant Residential Land

This category includes vacant, developable parcels in the R-1, R-2, R-3, and R-4 zones. There are 115 acres of vacant residentially zoned land in the City, with 55 acres located in specific plan areas and the remaining 60 acres consisting of vacant lots throughout the City with a development potential of 336 dwelling units. Table D-1 summarizes residential development in specific plan areas in the City. The specific plan areas discussed in this table are the Margarita Area Specific Plan, the Orcutt Area Specific Plan, San Luis Ranch, the Avila Ranch Planning Area, and the Froom Ranch Specific Plan. Within these specific plan areas, there is 319 acres of land planned for residential development, with a total of 3,321 dwelling units planned for development. Of that total, 2,320 of the units are planned for currently vacant or underutilized land within the specific plan areas. Of the total vacant and underutilized land in these areas, 80 acres are zoned R-3 or R-4 and can be developed at densities of at least 20 dwellings per acre. Therefore, these 80 acres are considered suitable for the development of housing affordable to lower income households.

Table D - 1: Specific Plan Development Potential in San Luis Obispo

Specific Plan Areas	Total Acres	Residential Acres	Total Planned Units	Units within Vacant & Underutilized Land
Orcutt Area Specific Plan	152	111	979	400
Margarita Area Specific Plan	74	74	868	446
San Luis Ranch Specific Plan	131	40	580	580
Avila Ranch Planning Area	121	55	720	720
Froom Ranch Specific Plan	110	39	174	174
Total Units	588	319	3,321	2,320

Source: Community Development Department, 2019

b) Underutilized Residential Land

Underutilized residential land consists of parcels in the R-1, R-2, R-3, and R-4 zones that could accommodate additional housing based on lot area, slope, and zoning. The total amount of underutilized residential land is 42 acres, with a development potential of 192 dwelling units.

c) Land Suitable for Mixed-Use Development

There are 76 acres of vacant and underutilized land that could accommodate mixed commercial and residential uses. Of the total, 62 acres can be developed at densities of at least 20 dwellings per acre and therefore, considered suitable for affordable housing development. City policies encourage a mix of residential and commercial uses (mixed-use). Mixed-use is allowed by right in the C-C, C-D, C-R, C-N, C-T and O zones, and by use permit in the C-S and M zones. Mixed-use is also allowed in the PF zone with rezoning to PF-MU. City policies encourage mixed-use in commercially-zoned areas, particularly in the Downtown Core. The Downtown Core is an area that historically had many apartments located above ground-floor commercial uses and General Plan polices encourage housing rehabilitation and intensification this area. Housing production is also encouraged in areas zoned for Retail Commercial (C-R) and Community Commercial (C-C), which allow 36 density units per acre. Other commercial zones allow 24 density units per acre for

mixed-use development, such the Service Commercial (C-S) and Manufacturing (M) zones.

d) Possible Rezonings

Table D-2 identifies parcels which may be appropriate for rezoning to accommodate housing development within the 6th Cycle planning period. All of these properties have residential development capacity and are served by streets, utilities, and public services; however, their additional residential capacity with rezoning is not included in the City’s total residential capacity at this time and may be included in the future if determined necessary and appropriate to achieve housing objectives. Most of these areas are suitable for higher residential density development (R-3 and R-4) or mixed use.

Through zoning, the City sets the range of allowed uses, residential and commercial density, building height, and other development standards. At the request of citizens, landowners or developers, or the Planning Commission, the City Council may consider changing the General Plan and rezoning property up to four times each year. Such changes must be consistent with General Plan policies on land use, circulation, noise, and other factors governing land use suitability. Where sites are appropriate for multiple uses, including residential, the City’s General Plan emphasizes housing development over development of non-residential uses.

Table D - 2: Areas to be Considered for Possible Rezoning, 2019

Address	Land Use / Status / Area	Existing/ Possible Zoning	Estimated Number of Dwellings ²
A) 1499 San Luis Drive (rezone vacant and underutilized School District property)	The site is 4.36 acres, part of approximately 65 acres occupied in by San Luis High School. The area is surrounded by housing with a significant amount of office space uses.	The site is zoned Public Facility. It may be suitable for R-3 upzone.	Based on allowed residential density in the R-3 zone, the parcel could accommodate 65 dwellings units. ¹
B) 1642 Johnson Avenue (vacant School District property)	The vacant parcel is a little less than 1 acre in size (.77) and is adjacent to 1499 San Luis Drive. The location of the site will allow the two sites to work in combination to create one development plan.	The site is zoned R-2 and could be combined with 1499 San Luis Drive designated for both low- and medium- density housing in the General Plan. The site may be suitable for rezoning to R-3.	Total units are combined with 1499 San Luis Drive above.
C) 4325 South Higuera Street (PG & E yard)	The parcel is approximately 10.5 acres at the southern end of Higuera Street. The area is less developed with manufacturing to the east with housing nearby.	The site is zoned Service Commercial and is located within the Airport Area Specific Plan (AASP).	Based on the allowed residential density in the Airport Land Use Plan (ALUP) the site could accommodate 50 new dwelling units ³
D) 4355 Vachell Lane (vehicle storage)	The vacant 9-acre parcel is located next to 4325 South Higuera near the southern end of town. The same area and status applies to this site as stated above.	The area is zoned Manufacturing and is located within the AASP.	Based on allowed residential density within the ALUP the site would be suitable to accommodate 40 new dwelling units ³ .

Address	Land Use / Status / Area	Existing/ Possible Zoning	Estimated Number of Dwellings ²
E) 2143 Johnson Avenue (adjacent to County Health Department)	The vacant parcel is approximately 5 acres and located next to the County Health Department. Single Family households, townhomes and apartments are all designations within the vicinity of the site.	The site is zoned Public Facility. There are residential developments along Johnson Street that are increased density. There could be the possibility to increase density to R-2 or R-3.	Up zoning the parcel to R-3 will allow approximately 75 dwelling units.
F) 11950 Los Osos Valley Road (Pacific Beach High School)	The parcel is approximately 5.4 acres and occupied by Pacific Beach High School. Houses and apartments are nearby with the Costco across the street and the Prefumo Creek Commons (Target) located to the east.	The site is zoned Public Facility. There is opportunity for growth in this area with the proposed adjacent development and centralized location. Land use classifications within the vicinity would make this parcel suitable for an up zone to R-3.	Increasing the density to R-3 will allow 80 new dwelling units.
G) 2500 Block of Boulevard Del Campo (adjacent to Sinsheimer Park)	The area abuts Sinsheimer Elementary School and is adjacent to a cul-de-sac of housing.	The site zoning is public facility; however, it seems only possible for R-1 single family lots to the area based on the location and single family lots across the street.	Approximately 6 single-family houses.
H) 12165 & 12193 Los Osos Valley Road	These parcels make up 111 acres that include the remnants of the historic Froom Ranch, and consists mostly of hillsides and Prefumo Creek drainage area.	Approximately 20 acres are located within Urban Reserve and designated for General Retail. The 2014 Land Use Element (LUE) update identified the site as the “Madonna on LOVR Specific Plan Area.”	According to the LUE, the site is to have a minimum of 200 dwelling units.
I) 1150 & 1160 Laurel Lane (Atoll Business & Technology Center)	This parcel is 17-acres located just west of the Union Pacific Railroad and south of Sinsheimer Park.	This site is currently split zoned for Manufacturing and Office and contains an 11,747 s.f. commercial structure and surface parking lots. Adjacent zoning includes Office, Manufacturing and R-3. This site would be suitable for the whole parcel to be zoned Manufacturing.	The site could support a mixed-use project with approximately 300 dwelling units.
J) 600 Tank Farm Road (vehicle storage and temporary parking)	An 11.7-acre parcel located within the Airport Area Specific Plan, north of the San Luis Obispo County Airport and south of the Damien Garcia Sports Fields.	The site is currently zoned Business Park and contains an unimproved temporary parking lot and vehicle storage areas. Adjacent zoning includes Service Commercial and Public Facility. The site would be suitable to be rezoned to Service Commercial and allow mixed-use development.	The site could support a mixed-use project with approximately 210 dwelling units.
K) 12500 Los Osos Valley Road (053-141-013)	This parcel is 9.93 acres. The site is identified in the LUE as a Special Focus – Special Planning Area called LOVR Creekside Area (Program 8.12) and is composed of agricultural fields and San Luis Creek.	Approximately 6.8 acres is zoned R-2 (SP) and the remainder is zoned C/OS. The site is heavily constrained by flood potential, limited circulation access due to the site’s proximity to the proposed LOVR / Highway 101 interchange, and limited frontage along LOVR. The site would be suitable for medium-high density (R-3) as described in LUE Program 8.12.	The site could support a residential project with 102 dwelling units.

Address	Land Use / Status / Area	Existing/ Possible Zoning	Estimated Number of Dwellings ²
<p>L) Los Osos Valley Road (053-161-020)</p>	<p>This parcel is 13.25 acres. The site is identified in the LUE as a Special Focus – Special Planning Area called LOVR Creekside Area (Program 8.12) and is composed of agricultural fields and San Luis Creek.</p>	<p>Approximately 7.3 acres is zoned R-1 (SF) and the remainder is zoned C/OS. The site would be suitable for medium-high density (R-3) as described in LUE Program 8.12. The site is heavily constrained by flood potential, limited circulation access due to the site’s proximity to the proposed LOVR / Highway 101 interchange, and limited frontage along LOVR. The site would be suitable for medium-high density (R-3) as described in LUE Program 8.12.</p>	<p>The site could support a residential project of approximately 109 dwelling units.</p>
<p>Total Potential Dwelling Units</p>			<p>1,237</p>

Source: Community Development Department, 2019

¹A dwelling unit is equivalent to a two-bedroom unit or 1 density unit (d.u.). Studios and one-bedrooms (either under 600 square feet) are the equivalent of 0.5 d.u.

²Calculated number of potential dwelling units for each property takes into consideration 75 percent development efficiency if units are not taken directly from a proposed development plan and assumes each dwelling unit is equivalent to 1 density unit, or 2-bedroom dwelling unit, unless otherwise stated

³Likely to require additional approval from the Airport Land Use Commission (ALUC) because the site is located in the ALUP.

e) Accessory Dwelling Units

The City’s Zoning Regulations allow accessory dwelling units (ADUs) with ministerial approvals in all zones that allow residential structures where a residential structure is existing or proposed. Section 65583.1 of State housing element law allows local governments to identify realistic capacity for ADUs in addressing a locality’s share of the regional housing need. The identification of realistic capacity should be based on the development trends of ADUs in the previous housing element planning period and other relevant factors.

ADU construction rates in San Luis Obispo have increased in recent years, averaging about 30 units per year from 2017 through 2019. As a result, the City expects that 270 new ADUs will be constructed during the 6th Cycle Housing Element planning period (30 units per year). The County of San Luis Obispo conducted a Countywide market study on ADUs and found, using data from all the jurisdictions (including the City of San Luis Obispo), that approximately 50 percent of the ADUs constructed meet the requirements for low-income housing. Based on this market analysis, 50 percent (or 135) of those units qualify as low income. The City has counted these units towards its Regional Housing Needs Allocation (RHNA) (see Table D-5). Additional discussion on ADUs is provided in Appendix C, Section d.

f) “Pipeline” Projects

The City has a number of residential projects in the early planning stages. These are termed “pipeline projects” because they are going through the planning review process but have not yet received entitlements and are not yet counted toward RHNA. These residential projects are included in the Residential Capacity Inventory (Appendix E, Table E-2). A total of 995 dwelling units are proposed for development in upcoming pipeline projects. Table D-3 summarizes pipeline

residential development projects as of December 2019.

Table D - 3: “Pipeline” Residential Projects in San Luis Obispo, 2019

Address	Zone	Acres	Max Density per acre	Maximum Capacity, Density Units	Proposed Number of Dwellings	Proposed # of Affordable Units
545 Higuera	C-D	0.37	36	13	56	0
1144 Chorro	C-D	0.38	36	14	50	13 M
564 Higuera	C-D	0.50	36	18	36	2 VL
956 Monterey	C-D	0.15	36	5	20	0
2690 Victoria	C-R	0.39	36	14	32	32 L
3049 Broad	C-R	0.21	36	8	10	1 L
650 Tank Farm	C-S	12.72	24	305	249	13 VL, 6 L, 20 M
600 Tank Farm	C-S	11.69	24	280	280	0
3720 Broad	C-S	1.36	24	33	40	29 VL, 10 L, 1 M
830 Orcutt	C-S	0.56	24	13	15	2 L
1030 Orcutt	C-S	0.49	24	12	15	0
279 Bridge	M	2.19	24	53	18	2 L
1042 Olive	C-T	0.52	12	6	15	4 VL
1137 Peach	R-2	0.86	12	10	5	0
1034 Mill	O	0.26	12	3	5	0
3580 Bullock	R-3, C-C	10.73	20	224	192	2 L, 5 M
3700 Ranch House	R-3	1.39	20	28	40	5 L, 3 M
3065 Lucca	R-2	1.21	12	15	38	38 VL
12165 LOVR	R-4	1.80	24	44	44	27 L
12165 LOVR	R-3	37.30	20	746	130	0
Total “Pipeline” Units Proposed					1,290	215

Source: Community Development Department 2020

g) Entitled Projects

The City has a number of residential projects that have received planning approval but have not received building permits. These are considered “entitled” projects and the units have not been counted toward the 6th Cycle RHNA progress in 2019 and will not count until building permits have been issued. These units are deducted from the RHNA number for each income category to establish the City’s housing construction RHNA objectives (see Table D-5). There is a total of 729 dwelling units proposed as part of entitled residential projects. Table D-4 summarizes these projects as of December 2019, including the number of affordable units planned.

Table D - 4: Entitled Residential Projects in San Luis Obispo, 2019

Address	Zone	Acres	Max Density per acre	Maximum Capacity, Density Units	Proposed Number of Dwellings	Proposed # of Affordable Units
790 Foothill	C-C	1.30	36	47	78	12 VL
590 Marsh, 581 Higuera	C-D	0.30	36	11	52	5 L
667 Monterey	C-D	0.43	36	15	30	0
797 Caudill	C-R	0.26	36	9	8	0
3249 Broad	C-R	0.85	36	31	32	4 M
774 Caudill	C-S	0.13	24	3	33	3 VL
3825 S. Higuera	M	5.40	24	130	30	0
3750 Bullock	R-3	2.12	20	42	68	29 VL, 38 L, 1 M
3750 Bullock	R-3, C-C	2.37	20	35	35	0
1241 Laurel	C-N	0.40	12	5	22	0
1121 Montalban	C-T	0.17	12	2	15	2 VL
3214 Rockview	R-2	0.55	12	7	10	1 VL
3810 Bullock	R-2	4.08	12	49	32	0
3761 Orcutt	R-2	2.95	12	35	43	9 M
3725 Orcutt	R-2	8.58	12	103	42	5 M
1355 Orcutt	R-2	5.96	12	72	32	0
3987 Orcutt	R-1, R-2, R-3	35.83	7	272	45	0
3987 Orcutt	R-1, R-2, R-3	35.83	7	272	122	0
Total Entitled Units Proposed					729	109

Source: Community Development Department 2020

h) Building Permits Issued

In 2019, the City issued a total of 537 building permits for new residential units. As allowed by State Law, the City’s RHNA is adjusted based on the number of dwelling units that have received a building permit during the 6th Cycle Housing Element Planning Period (see Table D-5). The City is also allowed to adjust the RHNA number to account for entitled projects as well as for projected development of Accessory Dwelling Units (ADUs) within the planning period. Since 2019, the City has 1,266 units that have been entitled and projects that 270 ADUs will be developed within the planning period, with half of those being low-income units (see discussion under section (e) above). All Extremely Low, Very Low, Low and Moderate Income housing units within the City that are counted towards RHNA are enforceably restricted housing. Enforceably Restricted refers to housing that is deemed affordable under the City’s Affordable Housing Standards and that is subject to deed restrictions, affordable housing agreements or other mechanisms to ensure the housing remains affordable for a specified period of time (typically 55 years). This is the mechanism the City uses to ensure that the units that are reported as Extremely Low, Very Low, Low and Moderate Income housing remain affordable. These units are deducted from the RHNA number for each income category to establish the City’s housing construction objectives. The quantified objectives promote the development of housing that meets affordability standards for the income groups in the same proportion as the RHNA allocation, and emphasize production of multi-family, higher density housing, where appropriate.

Table D - 5: RHNA Credit Captured since 2019

Income Level (% of County Median Income)	6th Cycle RHNA	Year 1 Building Permits (2019)	Year 1 Entitled Projects (2019)	ADUs (projected planning period)	Total Units Remaining by Income Level
Extremely Low & Very Low	825	0	47**	-	778
Low	520	6*	43**	135***	336
Moderate	603	8*	19**	-	576
Above Moderate	1,406	523	620	135	128
TOTAL UNITS	3,354	537	729	270	
Total Remaining RHNA:					1,818

Source: Community Development Department, 2020

*These units have been deed restricted through a recorded agreement with the City.

**These units are promised to be deed restricted as a part of the project’s conditions of approval. During the building permit process, an agreement will be completed and recorded

***50 percent of ADUs, per the San Luis Obispo market study, meet anticipated low income rental prices.

3. Residential Densities

State law has established “by right” minimum densities to use as a basis for determining land suitability for developing housing for lower income households. City zoning regulations measure residential density in “density units”. Table D-6 below describes the relationship between residential *density* units and the number of *dwellings* that can be built on a site. In all zones except the R-1 zone, the number of dwellings that can be built is determined by the number of bedrooms per dwelling unit, the lot size and slope, and zone. For example, as shown in Table D-6, a one acre property, with average slope of 15 percent or less and zoned R-2 (medium-density residential) can be developed to a maximum density of 12 *density* units per net acre, equivalent to 12 two-bedroom dwellings. By constructing dwellings with fewer bedrooms per unit, the number of dwellings that can be built increases. For example, using the same site in the above example, a development could contain 24 units made up of 24, one-bedroom or studio dwellings (600 square feet or less).

In San Luis Obispo, the minimum density has been established at 12 or more density units per acre and is equivalent to a minimum of 24 studio/one bedroom (dwelling units) per acre. Eleven City zones allow base residential densities (before a density bonus) of 24 or more dwellings per net acre and therefore, are suitable for meeting low-income housing needs. An analysis of the City’s residential development trends shows that the default density target for lower income housing development is most commonly achieved in six specific zone districts: R-3, R-4, C-C, C-D, C-R and C-S zones. These zones allow base densities of 20 to 36 *density* units per acre, with a total range of dwelling units from 36 up to 72 dwellings per acre. Consistent with Government Code Section 65583.2(c)(3)(B), those sites identified in the inventory as having the potential for residential development at densities of at least 20 dwelling units (du)/acre are considered appropriate to accommodate housing for lower-income households.

Table D - 6: Maximum Residential Density & Number of Dwellings Allowed by Right

Zones	General Plan Land Use Designations	Maximum allowed density units ¹ / acre	Maximum allowed number of dwellings ² / acre	Allows densities greater than 20 dwellings / acre
R-1	Low-Density Residential	7	7	No
R-2, C-N, C-T, O	Medium-Density Residential, Neighborhood Commercial, Tourist Commercial, Office	12	24	Yes
R-3	Medium-High Density Residential	20	40	Yes
R-4	High Density Residential	24	48	Yes
C-R, C-D, C-C	Retail Commercial, Downtown Commercial, Community Commercial	36	72	Yes
C-S, M	Service Commercial, Manufacturing	24	48	Yes

Source: City of San Luis Obispo, Community Development Department, 2019

¹For average site slope of 15% or less.

²Based on development of studio & one-bedroom dwellings 600 sq. ft. or less equivalent to 0.50 density unit / dwelling.

4. Evaluation of Development Capacity: Identifying Adequate Sites

State law requires that housing elements include an inventory of land “suitable for residential development” and that the inventory “identify sites that can be developed for housing within the planning period and that are sufficient to provide for the jurisdiction’s share of the regional housing need for all income levels pursuant to Section 65584 (Government Code 65583.2(a).” In this context, land suitable for residential development includes all of the following:

- Vacant sites zoned for residential use.
- Vacant sites zoned for non-residential use that allows residential development.
- Residentially zoned sites that are capable of being developed at higher density.
- Sites zoned for non-residential use that can be redeveloped for and as necessary, rezoned for residential use.

To accomplish this, jurisdictions must conduct an inventory of land suitable for residential development, analyze sites’ availability and suitability for housing (e.g. development capacity), and identify adequate sites to meet its regional housing need, in total and by income group, within the planning period. Appendix E describes the methodology and results of the City’s land inventory, addressing vacant, underutilized, and blighted properties, both within and outside city limits but within urban growth boundaries, that have residential development potential.

Site Development of Infill Properties

Development of parcels allowing at least 50-80 dwellings is desirable in terms of construction economies and effective use of State or Federal grants. However older, compact cities like San Luis Obispo do not have the in-city supply of larger lots suitable for residential development. Most of San Luis Obispo was subdivided into relatively small lots in the early 20th century, with vacant parcels of 2 to 5 acres in size now rare. Residential development on smaller vacant, underutilized, and blighted sites have been, and continue to be, a key component of the City’s housing production. San Luis Obispo is located in a valley, mostly surrounded by and interspersed with hills or “morros” that limit the extent of outward urban expansion. Since 1994, the City has emphasized infill development on suitable sites already in the City, close to utilities, public transportation, and services. When properly designed, various sites in the R-2, R-3, R-4, O, C-C, C-D, C-R, C-N, C-T, C-S and M zones meet State HCD’s “minimum density” of at least 20 dwellings per acre (to support the development of low and very low-income units) and be compatible with scale and character of their surroundings. With these zones and policies in place, developers have been developing housing on sites that are smaller or currently developed with existing structures. These housing projects are not limited to market rate units but include a number of mixed-income and even a 100 percent affordable low-income project.

Table D-7 provides examples of these sites that have been entitled or developed over the last three years. Table D-7 provides the actual number of dwelling units on each site, the maximum density based on *density* units (see density calculation discussion in Section 3 above), affordability, and condition of the site prior to project approval and construction. Of the 12 example projects listed below, 9 (75 percent) were constructed well above 75 percent of the allowed density for the site.

Table D - 7: Recent Residential Developments in San Luis Obispo

Address	Zone	Lot Size (Acres)	Max. number of density units**	Total number of dwelling units	Percentage dwelling units based on density	Market & Moderate	Very Low & Low	Percent of Project Low & Very Low	Commercial S.F.	Condition of the site at project submittal
1150 Laurel	M-MU & O-S	17.04	409.0	98	24%	97	1	1%		Existing Warehouse with only a small portion of the building occupied for commercial use. Site also contains large surface parking lots and landscaping. The project proposes utilizing the existing warehouse space for residential units. (Note: this is the first phase of residential development. The owner is interested in other opportunities for additional residential development in the future).
279 Bridge	M	2.82	67.7	18	27%	18	0	0%	10,621	Vacant
3720 Broad	C-S-S	1.36	32.6	40	123%	0	40	100%	1,250	Vacant.
790 Foothill	C-C-SF	1.34	48.2	72	149%	66	12	16.6%	6,805	Parking lot, 1 occupied & 1 vacant commercial building, and 2 attached residential units. Project includes the removal of existing structures on site.
2450 Victoria	C-R-SF	1.78	64.1	43	67%	42	1	2%		San Luis Garbage Corporate site included a yard and several metal vehicle sheds. Project includes removal of all structures on the site and dedication of a roadway.
1241 Laurel	C-N	2.16	25.9	22	85%	22	0	0%		Single family detached unit, shopping center and associated surface parking lot. Project includes the removal of the single-family structure.

Address	Zone	Lot Size (Acres)	Max. number of density units**	Total number of dwelling units	Percentage dwelling units based on density	Market & Moderate	Very Low & Low	Percent of Project Low & Very Low	Commercial S.F.	Condition of the site at project submittal
950 Orcutt	M	2.00	48.0	78	163%	77	1	1%	6,800	Small commercial structure, parking lot and storage yard. Project includes removal of all the existing structures.
791 Orcutt	R-4-PD & C-C-PD	5.19	86.5	104	120%	102	2	2%	3,488	Vacant. Site is located between two creeks and the project must meet creek setback requirements.
2120 Santa Barbara	C-S-H	1.62	38.9	69	177%	65	4	5.7%	3,000	Accessory structures, retail space and surface parking. Project also includes removal of existing structures.
650 Tank Farm	C-S-SP	12.75	306.0	249	81%	228	21	8.4%	17,500	Half the site is a mobile home park with 35 coaches. Half of the site is used for RV and other vehicle storage. The mobile home park is being decommissioned and the project includes removal of all the coaches and any accessory structures on the site. The site is also located between two creeks and must comply with creek setback requirements. The site is also located in the airport safety zone.
71 Palomar	R-4	1.32	31.7	33	104%	29	4	12%		Master List Historic residential structure. The project includes the preservation of the historic structure and the construction of 33 new units around the structure on the site.
3682 Broad	C-S-S	1.62	38.9	55	141%	9	46	83%		Vacant.

Source: City of San Luis Obispo, Community Development Department, 2019

**Maximum density based on *density* units (see density calculation discussion in Section 3 for more details).

Small Sites Analysis

To evaluate the feasibility of the residential development on smaller sites 1 acre or less, the City reviewed recent development projects on small sites, as shown in Table D-8. The review revealed that residential projects approved within the last two years showed high density development in several zones and often on sites that would be described as underutilized. Table D-8 provides the actual number of dwelling units on each site, the maximum density based on *density* units (see density calculation discussion in Section 3 above), affordability, and condition of the site prior to project approval and construction. Overall, there has been a wide range of multi-family projects being developed from 20 to 36 density units per acre. Higher density development is likely the result of increased fiscal and regulatory incentives for projects subject to inclusionary housing requirements and including affordable housing, including density bonuses pursuant to Government Code Section 65915.

To further support maximum development on small lots, the City updated the Zoning Regulations in October 2018 and set a minimum number of dwellings units on legal lots within the R-2, R-3, R-4 and Office zones. To help improve residential development efficiency and increase housing production, the City has revised its development standards to provide more regulatory flexibility and additional incentives, as described in Appendix C, Table C-4. In addition, the City is looking at the possibility of flexible density provisions within the Downtown, Upper Monterey, and Mid-Higuera planning area (Program 6.12). Flexible parking standards, including an in-lieu parking program in the Downtown and parking reductions with a parking demand study, provide incentives for denser development Downtown and in residential and commercial zones outside the City core.

The City is considering several additional incentives to residential development, including waiving parking requirements for some Downtown dwellings, and allowing leased residential parking in Downtown public parking facilities. Housing Element programs 6.11 and 6.12 target additional changes to increase housing production and residential development efficiency, including possible flexible density and a reduction in or no parking requirements.

The results of the Residential Capacity Survey indicated that small properties under one-acre size throughout the city had a total capacity of 403 dwelling units. The survey identifies a total of 123 properties under one acre, with an average development potential of 3.27 units per site. Of these 123 properties, 61 are vacant, accounting for 113 of the 403 potential “small site” dwelling units. The remaining 290 units would be located on 62 underutilized and/or blighted properties. 11 Pipeline Project sites are under one acre (a combined total of 5 acres) and propose to accommodate 259 units.

Table D - 8: Recent Residential Developments on Small Sites

Address	Zone	Lot Size (Acres)	Max. number of density units**	Total number of dwelling units	Percentage dwelling units based on density	Market & Moderate	Very Low & Low	Percent of Project Low & Very Low	Commercial S.F.	Condition of the site at project submittal
3510 Broad*	C-S	1.00	24.0	6	25%	6	0	0%		Existing commercial building in use. Project includes an addition to the commercial for residential units.
2690 Victoria*	C-R-SF	0.39	14.0	33	235%	0	33	100%	1,400	Existing single-family house. Project includes the removal of the existing residential structure.
830 Orcutt*	C-S	0.56	13.4	15	112%	15	0	0%	1,714	Existing single-family house. Project includes the removal of the existing residential structure.
956 Monterey*	C-D-H	0.15	5.4	20	370%	20	0	0%	4,000	Existing, vacant, 1 story commercial building downtown. Project includes modification to the existing structure.
207 Higuera*	C-S-MU	0.23	5.5	16	290%	14	2	12.5%	390	Existing commercial building. Project includes removing the commercial structure for the new structure.
1144 Chorro	C-D-H	0.38	13.7	50	365%	50	0	0%	30,000	1 story, vacant commercial building with mezzanine and basement.
1137 Peach	R-2	0.86	10.3	10	97%	5	0	0%		Site has 5 contributing historic, single family detached units. Project includes adding 5 more single family detached units to the site.

Address	Zone	Lot Size (Acres)	Max. number of density units**	Total number of dwelling units	Percentage dwelling units based on density	Market & Moderate	Very Low & Low	Percent of Project Low & Very Low	Commercial S.F.	Condition of the site at project submittal
1030 Orcutt	C-S	0.49	11.8	15	128%	14	1	6.6%		Existing self-wash car wash and commercial space. Project includes removal of all structures except one.
545 Higuera / 486 Marsh	C-D	0.76	27.4	56	205%	56	0	0%	5,209	Existing office buildings. Project includes removal of the existing structures.
564 Higuera	C-D	0.50	18.0	36	200%	33	3	8.3%	68	Surface parking lot.
1034 Mill	O	0.26	3.1	5	160%	5	0	0%		1 existing single-family house (used as a commercial office space). Project includes removal of existing structure.
3049 & 3099 Broad	C-R-SF	0.55	19.8	10	51%	10	0	0%	6,000	1 site vacant, one site with single family detached unit. Project includes removal of the existing structure.
3214 Rockview	R-2-S	0.55	6.6	14	212%	9	1	7%		4 existing residential units. Project adding 10 more units to the site.
797 Caudill	C-R-SF	0.26	9.4	8	85%	8	0	0%		Vacant
774 Caudill	C-R-SF & C-S-SF	0.51	18.4	33	180%	30	3	9%	3,150	2 single family units and a small commercial structure. Project includes removal of existing structures on site.
1121 Montalban	C-T	0.34	4.1	15	368%	12	3	20%	430	Single family detached unit.
435 Marsh	C-R	0.31	11.2	8	72%	8	0	0%	1,100	3 commercial buildings (car repair shop) (one was an old single-family house converted). Project included removal of existing structures.

Address	Zone	Lot Size (Acres)	Max. number of density units**	Total number of dwelling units	Percentage dwelling units based on density	Market & Moderate	Very Low & Low	Percent of Project Low & Very Low	Commercial S.F.	Condition of the site at project submittal
22 Chorro	C-C-SF	0.47	16.9	27	160%	23	4	14.8%	1,600	Vacant.
San Luis Square	C-D	0.98	35.3	52	147%	47	5	9.6%	14,000	1 single-family residence converted to an office, 3 commercial structures, and surface parking lots. Project includes removal of all the structures on site. Adjacent to a Master List historic structure.

Source: City of San Luis Obispo, Community Development Department, 2019

*Pipeline Project (project under review)

**Maximum density based on *density* units (see density calculation discussion in Section 3 for more details).

Small Site Development Examples

Below are examples of potential small site residential developments, typical of many small sites in San Luis Obispo. These include underdeveloped or blighted properties that can accommodate at least one additional dwelling unit, and underdeveloped or blighted properties that can accommodate new or additional higher density development of 20 or more dwelling units per acre.

1) Sites that can accommodate one additional dwelling unit are typical of **2062 Price Street**, a 7,500 square foot site zoned R-2 and developed with a small two-bedroom home located at the rear of the site (Figure D-1).

2) Another example is located at **577 Branch St**, an 8,280 square-foot, R-2-zoned property developed with a small home located on the front side of the property (Figure D-2).

Properties such as these that are identified in the capacity survey can accommodate one or more additional dwelling units during the 6th Cycle RHNA period. Continuing high property values and high rents, due in part to the high housing demand from Cuesta College and Cal Poly students, makes continued infill development likely. In addition, these sites are also good candidates for an ADU, which may be more feasible for the property owner in both time and expense. There are many examples of similarly underdeveloped properties that were redeveloped with additional units during the 5th Cycle RHNA planning period. These types of properties are expected to be some of the first to redevelop because of low infrastructure costs and the ease of permitting small housing developments within the City.

Figure D - 1: Small Sites Example, 2062 Price Street

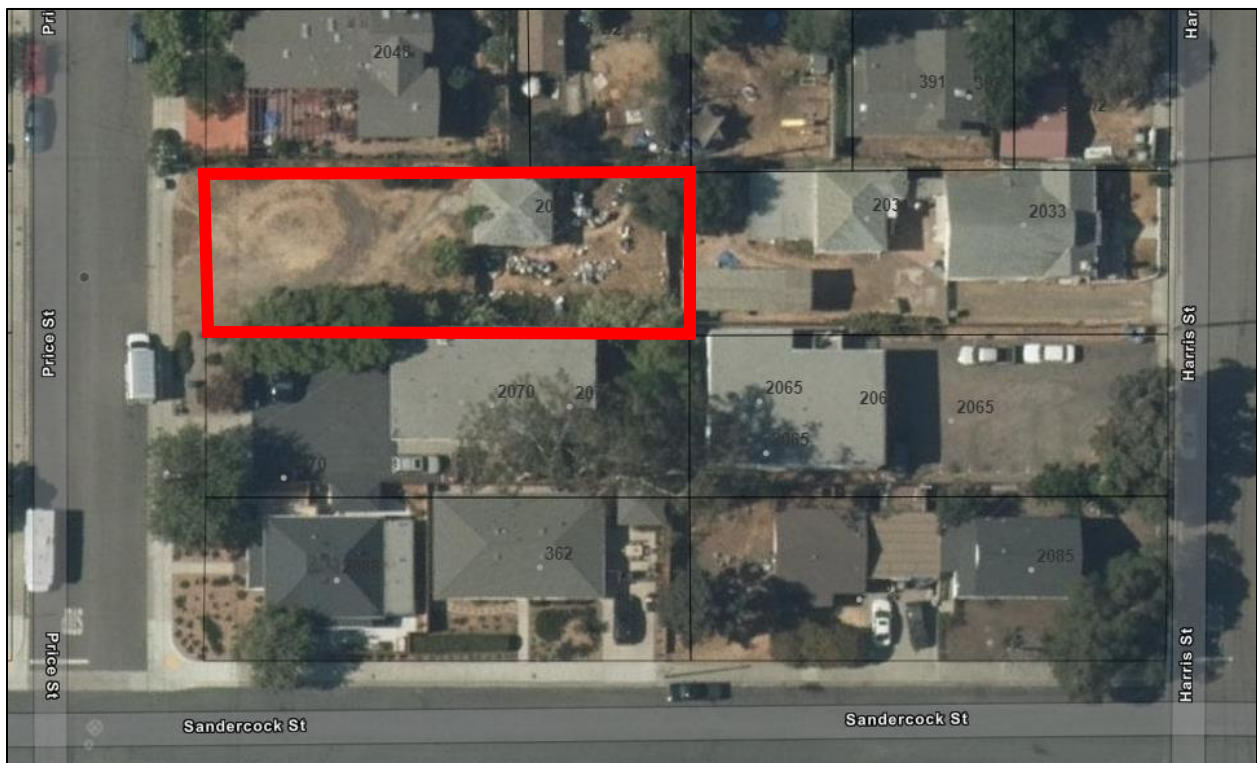
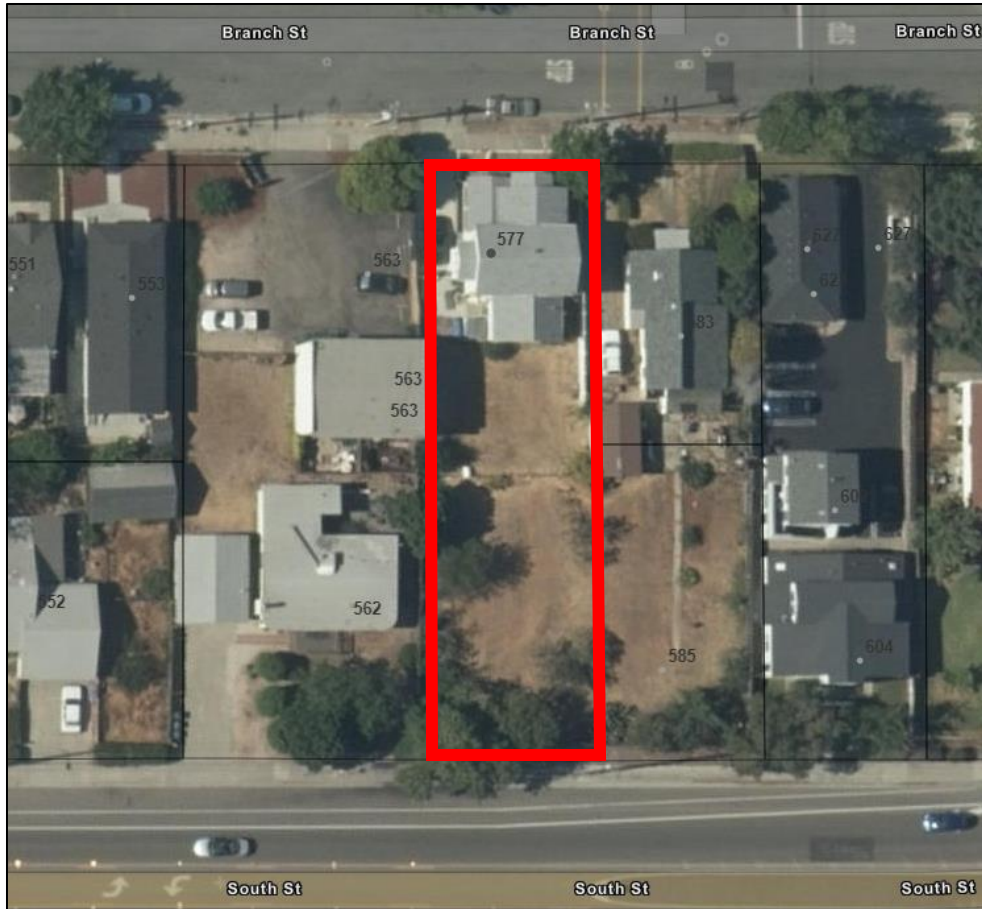


Figure D - 2: Small Sites Example, 577 Branch Street



Underdeveloped or Blighted Site Opportunities Examples

Another category of key sites evaluated in the capacity survey is underdeveloped or blighted properties that can accommodate new or additional high-density development of over 20 dwelling units per acre. Representative sites are evaluated below, with one site highlighted to show a recent development on a small site.

1) 3085 McMillan Avenue (Figure D-3) is a 40,000 square-foot site, zoned M (Manufacturing) that is developed with surface parking. The site is adjacent to service-commercial land uses and suitable for mixed use development with medium-high density housing and the City strongly encourages mixed use development in this area, as evidenced by planning entitlements and development projects in the vicinity. The site is part of the South Broad Street Area Plan (approved in 2014) that encourages higher-density, mixed-use infill development and redevelopment.

2) **3460 Broad Street** is a 98,550 square-foot site (2.26 acre), zoned M, that is partially developed with four commercial structures on only half the lot. With 49,275 square feet (1.13 acre) (half of the property not currently being used) and no residential development yet on the site, the capacity survey estimates that 27 additional units could be developed on the project site as part of a mixed-use development (current zoning would allow for 54 density units for the entire parcel).

Figure D - 4: Small Sites Example, 3085 McMillan Avenue

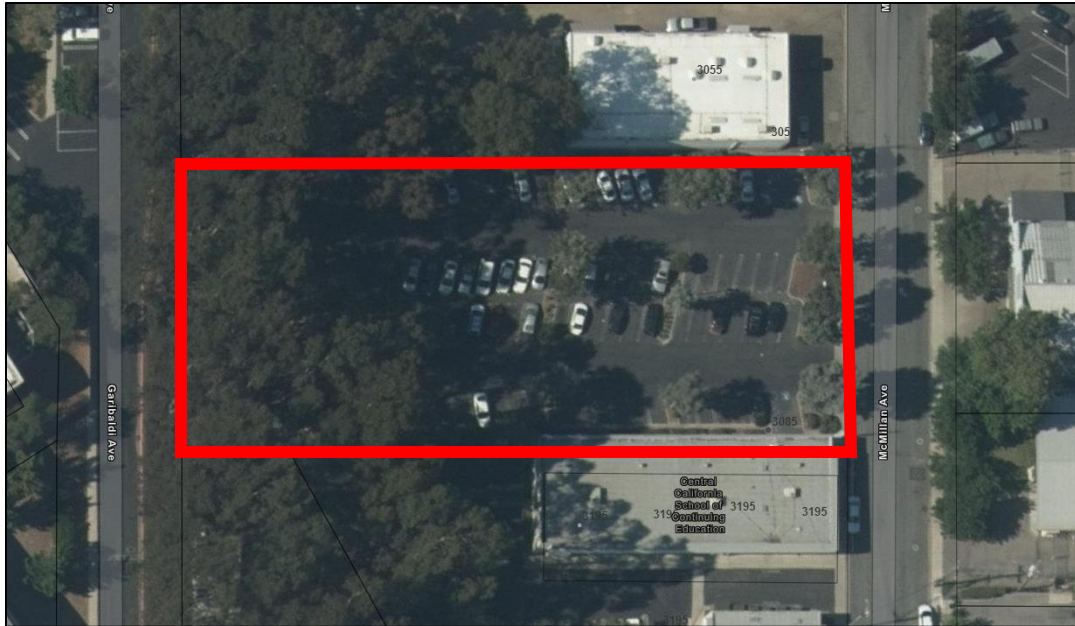


Figure D - 3: Small Sites Example, 3460 Broad Street



3) Another example of an underdeveloped or blighted property that can accommodate new or additional high-density development is **1166 Higuera Street** (Figure D-5). The property is zoned Commercial-Retail, C-R, over 25,000 square feet in size, and has a density of 36 units per acre (which could allow between 20 to 40 residential units). Mixed-use development is allowed by right in the C-R zone, and the only entitlement necessary to develop this property with residential units is developmental review of the proposed site and building designs. Additionally, the site is located within the Upper Monterey Area that the 2014 Land Use Element update identified as an area of redevelopment (Policy 8.2.2).

Figure D - 5: Small Sites Example, 1166 Higuera Street



5. Existing and Proposed Incentives to Facilitate Housing Development

The City uses a combination of regulatory and financial incentives to facilitate housing development. As described in Appendix C, dwellings are allowed in 14 of the City's 16 zones, and Zoning Regulations include density bonuses and relaxed parking requirements for affordable housing development. Dwellings destroyed by fire, flood, or other catastrophic events may be rebuilt at the same density and up to the same size, provided that new construction meets current building and zoning code requirements. Dwellings can be built on any existing, legal non-conforming lot, regardless of density requirements, provided they meet building setback, height, and other property development standards. In the Downtown Commercial zone, the City allows up to 36 density units per acre (equivalent to 36 two-bedroom dwellings and 72 studio or one-bedroom units (600 square feet or less) on one acre), 100 percent lot coverage, reduced parking, a baseline height allowance of 50 feet, a baseline floor area ratio of 3.0. As an incentive for mixed-use housing development, Downtown buildings may extend up to 75 feet in height with approval of a use permit, provided that 15% of the building's new dwelling are affordable to low- and moderate-income households, and that it meets other community objectives including pedestrian amenities, view access, economic benefits, historic preservation, and energy efficiency.

As listed in Appendix C, Table C-4; the City offers a range of incentives and exceptions to developers of affordable housing. One example is a density bonus. When a developer agrees to construct housing for deed restricted affordable units for very low-, low- or moderate-income households, or qualifying senior households, the City offers a range of “by right” incentives and alternative or additional incentives. For housing developments of five or more units, if at least 10 percent of the proposed units are dedicated for low-income affordable housing, or 5 percent dedicated to very low income, the developer shall be entitled to receive a density bonus starting at 20 percent and increasing for every additional affordable unit, with a maximum density bonus of 35 percent (a developer may request higher than a 35% density bonus with Planning Commission approval). Per Program 6.20, density bonus provisions will remain consistent with State law.

In addition, the City defers the payment of planning, engineering, building application, and permit fees, as well as the payment of development impact fees for 100% affordable housing projects and for those that exceed the inclusionary housing requirement or inclusionary housing “in-lieu” fees until issuance of certificate of occupancy rather than at construction permit issuance, thereby allowing “soft” development costs to be paid for through proceeds from unit sales or rent. As part of the Inclusionary Housing requirement, developers may choose to pay a fee in-lieu of building affordable units into their projects. This is a preferred option for most commercial projects. In-lieu fees are then used to help fund land acquisition and construction of affordable housing in the City.

The 6th Cycle Housing Element continues to support housing incentives that encourage housing development, including:

- **Program 3.10** calls for the City to partner with faith-based organizations, non-profits, or the City’s Housing Authority to expand rental housing for extremely low, very-low-, low- and moderate-income households.
- **Program 6.20** calls for continued updates to density bonus incentives consistent with State Law.
- **Program 6.21** would consider possible changes to Subdivision Regulations to facilitate small lot residential subdivisions, ownership bungalow court developments and other alternatives to conventional residential subdivision design.
- **Program 2.17** provides a plan to incentivize the development of affordable development by eliminating discretionary review for projects located on properties identified in the Housing Element (Table E-2) that include at least 20 percent of the residential units as affordable to lower income households.
- **Program 2.18** is similar to Program 2.17 but would apply the non-discretionary review process to other properties in the City (and not just limited to Table E-2).

6. Conclusion

Based on the analysis of City land resources with residential development potential and issued permits, there is sufficient zoned land that is suitable and available to meet the City’s RHNA need of 3,354 dwellings for this element’s planning period. As allowed by State law, the City’s 6th cycle RHNA has been adjusted based on dwelling units that have been issued a building permit between January 1, 2019 and December 31, 2019. Table D-5 above, shows that 537 dwelling units received building permits, 729 dwelling units have received entitlements, and 270 ADUs are projected to be developed in the City within the planning period, reducing the total RHNA to 1,818 units. Table D-8 consolidates the potential number of units that the City can accommodate through vacant, underutilized, and blighted properties, including “Pipeline” projects. Appendix E provides a comprehensive inventory of land available within the City to accommodate 4,140 dwelling units.

Table D - 9: Residential Capacity of San Luis Obispo

Income Level (% of County Median Income)	6th Cycle RHNA	Remaining RHNA (Table D-5)	Residential Capacity (Table E-2)	Specific Plan Capacity (Table E-3)	Total Residential Capacity	Remaining RHNA
Ext. Low & Very Low	825	778	497	803	1,300	0
Low	520	336				
Moderate	603	576	403	400	803	0
Above Moderate	1,406	128	920	1,117	2,037	0
TOTAL UNITS	3,354	1,818	1,820	2,320	4,140	0

Source: City of San Luis Obispo, Community Development Department, 2019

The inventory of vacant, underutilized, and blighted properties showed a capacity of 1,820 units, which includes 846 “Pipeline” projects. The inventory of vacant, underutilized, and blighted properties within Specific Plan areas showed a capacity of 2,320 units, which includes 444 “Pipeline” projects. The City’s total residential capacity is 4,140, which is well over the remaining RHNA of 1,818 calculated in Table D-5, as well as over the City’s initial RHNA of 3,354 units. In particular, the inventories show capacity for 1,300 low and very low-income units, which satisfies and exceeds the remaining RHNA need of 1,114 units. With the adjusted RHNA total, the City has met its RHNA housing need.

With this Housing Element, the City continues to support policies and programs that promote the production of all housing types, for a wide variety of individuals, groups, and families. The City seeks to encourage and implement housing objectives that support the construction of affordable housing, especially for lower income households.

Appendix E

RESIDENTIAL capacity inventory

1. Purpose

This survey lists properties within the City Limits and properties located within the Urban Reserve Line with additional housing development potential. The purpose of the survey is to document the City’s residential land capacity to meet its Regional Housing Needs Allocation (RHNA). The RHNA is the number of housing units that California cities and counties must accommodate in their housing elements and is specific to each jurisdiction. Properties were determined to have capacity for additional housing development if they were vacant, underutilized, or blighted and had zoning to support residential development. By documenting residential development potential, the Planning Commission and City Council can assess the City’s housing stock and make informed decisions about housing needs for the 6th Cycle General Plan Housing Element update.

2. Definitions

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

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

3. Survey Methodology

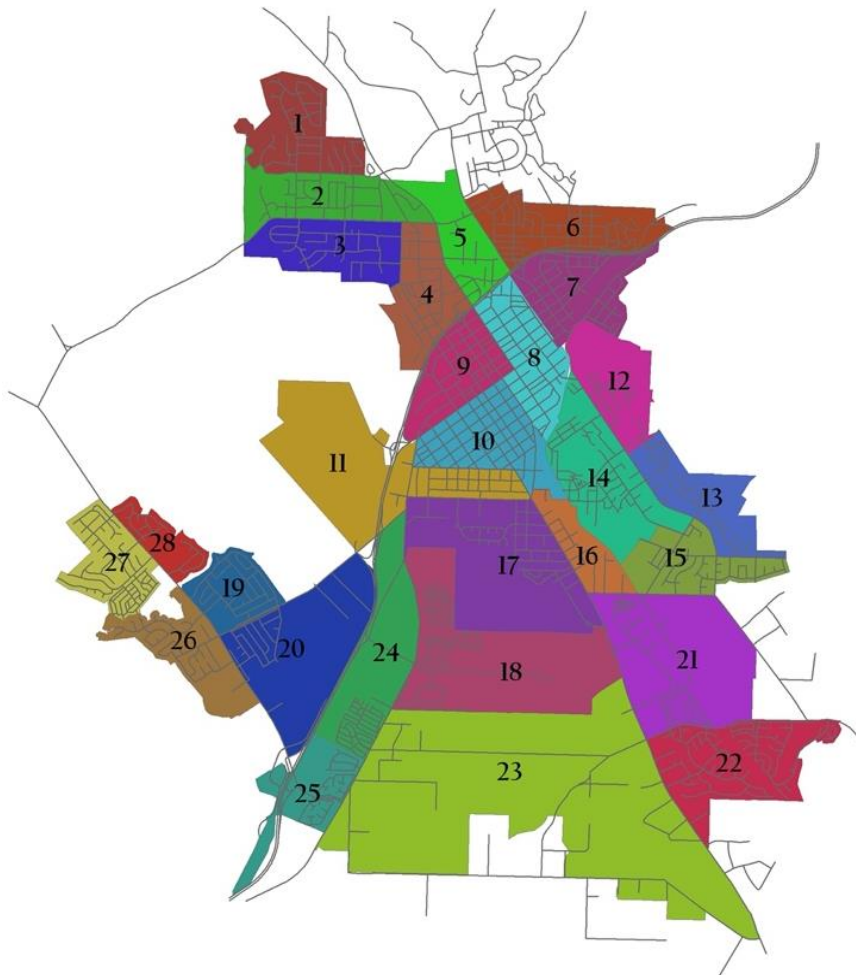
As part of the data collection and analysis phase of the Housing Element update, Community Development staff worked over a period of several months to document the condition of the housing stock and identify sites with residential development or redevelopment potential.

This involved three steps:

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

The City has been divided into 28 survey areas (See Figure E-1), including land outside of the City limits but within the Urban Reserve Line (URL). Survey area boundaries generally follow major circulation routes, natural barriers, and neighborhood boundaries.

Figure E - 1: Residential Capacity Survey Subareas



City staff conducted “windshield surveys” in which staff drove to specific areas and sites, reviewed recent aerial maps and recently approved building permits to determine if a property was vacant, underutilized, or blighted. After completing the review of each survey area, staff documented the correct address, County Assessor’s Parcel number (APN), General Plan and zoning designation, and total square footage of each property using the City’s permitting software. Once each area was surveyed and documented, staff summarized the number of vacant, underutilized, or blighted properties and their acreages for each area and then for the entire City. Staff added properties that had been annexed or were found to have changed status since the last Housing Element.

a) Development Constraints

Under State law, the site inventory analysis must include an estimate of the number of housing units that can be accommodated on each site identified in the land inventory within the planning period. The element must describe the methodology used to estimate the realistic capacity. The element should not estimate unit capacity based on the theoretical maximum build-out allowed by the zoning. Development capacity estimates must consider:

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

In the process of creating the inventory, staff checked the status properties for development changes. Vacant or underutilized properties that had been developed to their full potential were removed from the survey and vacant properties that were partially developed were then considered underutilized. For blighted properties, the condition of the structure was re-evaluated. If the property was rebuilt or repaired to a point that it no longer met the definition of blight, the property was removed from the survey.

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

1. If the property was not included in the previous Housing Element;
2. If the property had been annexed since the previous planning period;
3. If the property had become vacant or underutilized due to the demolition of buildings;
4. If a property had become sufficiently deteriorated to meet the definition of blight.

b) Previously Identified Nonvacant and Vacant Sites

Government Code §65583.2 (c) states in part:

“The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality’s housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period **unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision** and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for housing developments in which at least 20 percent of the units are affordable to lower income households.”

“(3) For the number of units calculated to accommodate its share of the regional housing need for lower income households pursuant to paragraph (2), a city or county shall do either of the following:

(A) Provide an analysis demonstrating how the adopted densities accommodate this need. The analysis shall include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience within a zone or zones that provide housing for lower income households.

(B) The following densities shall be deemed appropriate to accommodate housing for lower income households:

(i) For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 15 units per acre.

(ii) For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 10 units per acre.

(iii) For a suburban jurisdiction: sites allowing at least 20 units per acre.

(iv) For a jurisdiction in a metropolitan county: sites allowing at least 30 units per acre.”

The site inventory includes sites that were previously identified in a prior Housing Element and vacant sites that were identified in two or more consecutive planning periods. Those sites that have *not* been in the Housing Element previously are identified within the inventory tables below with a superscript ² next to the assessor's parcel number of the property. Sites that are zoned R-3, R-4, C-C, C-D, C-R, C-S, and M (see Table C-1 in Appendix C) allow densities of 20 or more units per acre and according to the Government Code are adequate for lower-income households. Additional discussion on how the City calculates density is provided in Appendix D, Section 3. Lower-income units are identified on sites that are zoned with the appropriate density (20 units per acre or more) and with the implementation of Program 5.5 each zone will allow residential development without a use permit.

c) Development Capacity Calculation

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

Development Potential was calculated by the following methodology:

1. Determining the maximum allowed density in units per acre according to average slope and land use zone designation (See Table E-1).
2. Determining the maximum number of density units allowed on the property by multiplying the developable lot in acres (excluding creek setbacks, street right-of-ways or plan-lines, and designated open space areas, or areas outside of the Urban Reserve Line) by the maximum allowed density units per acre. Recent housing projects within the City indicate that a higher percentage of properties that allow residential development build to the maximum density or more with a density bonus. However, not *every* site builds to the maximum density and with this knowledge, the City has applied a conservative estimate of 75 percent of the maximum residential capacity, to all properties within the survey (max allowed density x .75 = surveyed capacity)
3. Vacant property potential was calculated by applying the "75 percent rule."
4. If the property was considered both underutilized and blighted, it was assumed that the property would be redeveloped, in its entirety, and would then follow the vacant property "75 percent rule."
5. If a property was underutilized, but not blighted, the percentage of the property that was developed was subtracted from the developable lot area and the remainder (anything not developed) was multiplied by 75 percent. For example, a 20,000 square foot property, with a building footprint of 5,000 square feet, has a total of 15,000 square feet that can be developed. The remaining 15,000 square feet would then be multiplied by the maximum density and by 75 percent ((total area-developed area) x (max density x .75)).
6. Those properties located within the Airport Area Land Use Plan (ALUP) or the Airport Overlay Zone (AOZ) were calculated using the "75 percent rule" and the more restrictive base density allowed for sites within these areas (see Appendix C, Section d).

7. “Pipeline” projects are indicated in *italicized* font within the inventory tables below with a superscript ¹ next to the assessor’s parcel number of the property. These sites have a planning application in process and capacity for the site has been determined by the project description.
8. Blighted properties were considered to have development potential and likely to be redeveloped to their existing capacity if the buildings had structural issues (damaged, sagging, or failed roof, wall, foundation, or porch degradation). In these cases, the properties were not assigned additional development capacity, but were flagged as properties with the potential for redevelopment or rehabilitation.
9. Vacant properties with the potential for mixed-use (commercial/residential) development were calculated following the same residential capacity method, as the City allows mixed use properties to meet both the residential and commercial maximum capacities determined by lot size.
10. Where site features, such as lot orientation, natural features or the presence of historic buildings, warranted a further reduction from the maximum residential capacity, an adjustment factor was applied on a case-by-case basis.

Table E - 1: Maximum Density by Zone and Slope

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

Source: City of San Luis Obispo Zoning Code, 2019

d) Survey Assumptions

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

1. Downtown (C-D zone) properties had development potential if they had:
 - a. Less than 100 percent building lot coverage;
 - b. An approved or proposed development plan;
 - c. Had not undergone seismic retrofit or significantly modified in the last 5 years.
2. If a property had a proposed development plan (planning approval or building permit), development capacity was assumed to equal the number of approved dwelling units, less the number of existing units.
3. For single properties with multiple zoning designations, the development potential was calculated for the area of the property in each zone and then added together.

4. Housing capacity for properties within specific plan areas utilized the numbers outlined in the specific plan documents to calculate housing capacity. The specific plan areas within the City are the Orcutt Area, Margarita Area, San Luis Ranch, Froom Ranch, and Avila Ranch Development Plan.
5. Accessory dwelling units (ADUs) are *not* included because there are too many available sites within the City that can accommodate an ADU. Appendix D, Section (e) provides a detailed discussion on the anticipated number of ADU units the City expects to be built during the planning period and the impact on RHNA (see Table D-5).
6. Property development capacity is based on existing zoning, except in limited cases where rezoning is anticipated based on a pending application or Planning Commission or City Council action.
7. Properties with restrictions that prohibit further subdivision and density were not included in the inventory.

e) Survey Organization

Once the development potential for each property was calculated, the information was organized in three different ways: by survey area, zoning designation, and development status (vacant, underutilized, blighted). The final survey results are split into two separate tables, with Table E-2 showing all City properties not within a specific plan or planning area and Table E-2 showing properties within a specific plan or planning area. These survey results provide City staff with valuable information regarding which types of properties are best suited for future growth.

4. Summary of Residential Capacity

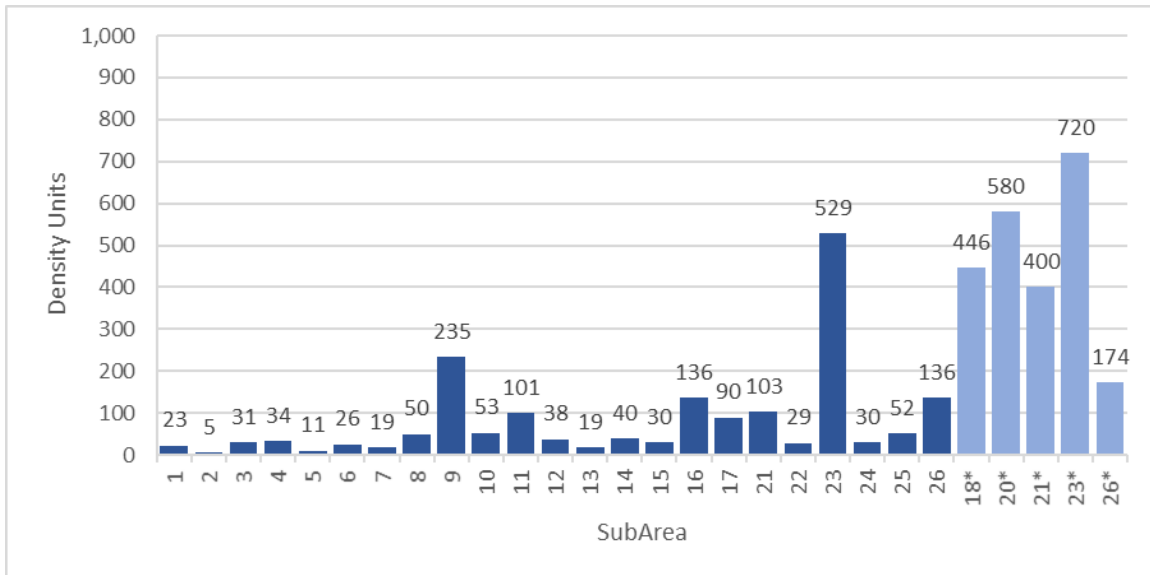
The results of the inventory update indicate that the City has approximately 176 acres of vacant, underutilized, or blighted properties throughout the City that can accommodate 1,840 dwelling units, which also includes “pipeline” projects mentioned in Appendix D. The City also has vacant and underutilized land located within the Margarita Area Specific Plan, the Orcutt Area Specific Plan, the San Luis Ranch Specific Plan, the Avila Ranch Planning Area, and the Froom Ranch Specific Plan. There is approximately 213 acres of vacant and underutilized land in these specific plan areas, which can accommodate approximately 2,400 dwelling units. Combining the specific plan capacity with the residential capacity of other vacant and underutilized properties throughout the City, the inventory indicates a total residential capacity of 4,240 dwelling units.

a) Development Capacity by Area

Organizing the inventory by survey area gives staff, the Planning Commission, and City Council a better geographic idea of where to expect or plan for residential growth over the next eight years. Figure E-2 shows the realistic number of dwelling units that could be accommodated within the planning period by survey area on vacant, underutilized, and blighted properties. This survey has determined that the City has the potential to accommodate 4,140 additional dwelling

units within the City based on existing available land and the current condition of any existing structures on the site. Areas which account for the majority of the City’s housing capacity are Areas 18, 20, 21, 23, and 26, which consist of the following specific plans: the Margarita Area Specific Plan, the San Luis Ranch Specific Plan, the Orcutt Area Specific Plan, the Avila Ranch Planning Area, and the Froom Ranch Specific Plan.

Figure E - 2: Residential Capacity by Survey Subarea



Source: City of San Luis Obispo Community Development Department 2020

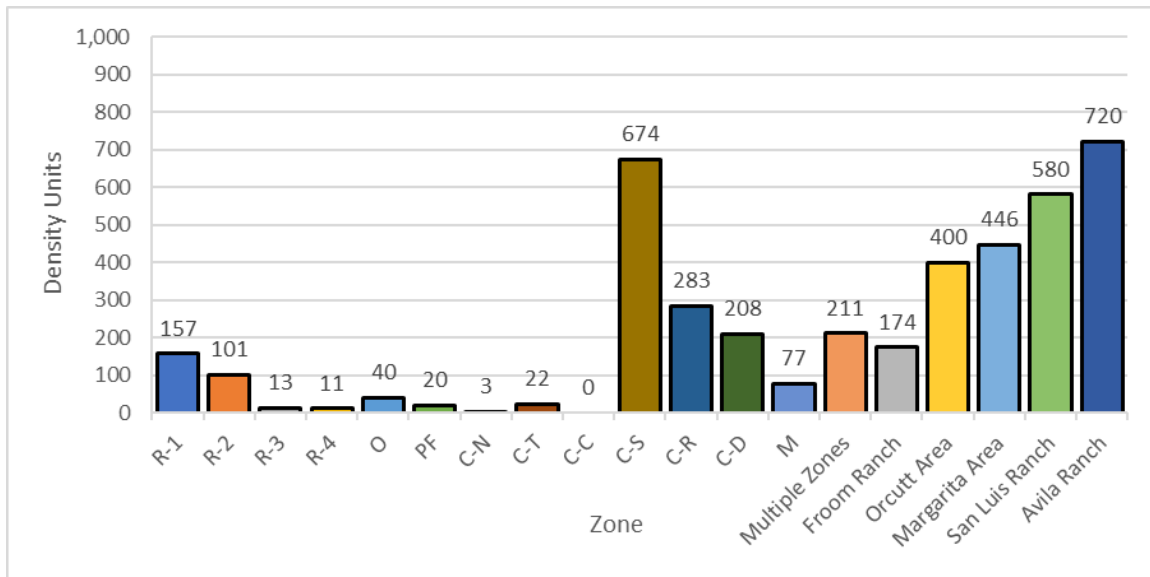
*Specific Plan Areas (18 - Margarita, 20 - San Luis Ranch, 21 - Orcutt, 23 - Avila Ranch, 26 – Froom Ranch)

b) Development Capacity by Zoning Designation

Organizing the City’s development capacity by zoning designation rather than subarea gives a better idea of what types of density and housing the City can accommodate. Only properties within city limits have zoning designations and are included in Figure E-3 below. While zones R-1, R-2, R-3, and R-4 zones are specifically intended for residential use, the City’s commercial, office, public facility, and manufacturing zones also allow residential development as part of mixed use development or freestanding use when compatible with onsite and surrounding uses.

The zones with the most potential for accommodating additional residential units located outside of specific plan areas include mixed-use development potential in the service commercial (C-S), retail commercial (C-R), and downtown commercial (C-D) zones, as well as residential development potential in low density residential (R-1) and medium density residential (R-2) zones. The residential capacities of the C-R and C-D zones in the City are 283 units and 208 units respectively, while the residential capacities of the R-1 and R-2 zones are 157 units and 101 units respectively. Figure E-3 shows residential development potential by zone. For the purpose of this survey, properties with overlay zoning districts, such as R-2-H (Medium Density Residential with Historic District Overlay), were not separated from the primary zoning designation.

Figure E - 3: Residential Capacity by Zone



Source: City of San Luis Obispo Community Development Department 2020

c) Development Capacity by Development Status

Properties were sorted by development status into three groups: vacant, underutilized, and blighted. This was to allow an examination of the condition of housing and to identify sites with infill development and redevelopment opportunities. In some cases, a property was categorized as underutilized and blighted, when it met the characteristics of both definitions.

5. Residential Capacity Tables

Tables E-2 and E-3 summarize the number of potential density units for each subarea and the total acreage available for future development. Table E-2 summarizes the City’s residential capacity for vacant and underutilized parcels throughout the City and Table E-3 summarizes the residential capacity of vacant and underutilized parcels within the City’s specific plan areas. Within these tables, “Pipeline” projects are shown in italics. All parcels listed in Tables E-2 and E-3 are available for development within this Housing Element’s planning period, and except for parcels within Specific Plan areas and minor annexation areas, are served by streets, utilities, and public services including police, fire, emergency medical services and public schools.

Table E - 2: Residential Capacity by Parcel and Survey Subarea

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
1	R-1	Low Density Residential	052-433-015 ²	X			< 15%	15,900	0.365	7	2.54	Vacant site	1	Above Moderate
1	R-1	Low Density Residential	052-496-001		X		< 15%	222,900	5.117	7	35.82	1 SFR and ranch, needs curb, gutter, sidewalk, and driveway	10	Moderate
													10	Above Moderate
1	R-1-PD	Low Density Residential	052-520-063	X			< 15%	61,250	1.406	7	9.80	Vacant developable flag lot, driveway access, requires creek setbacks for new development	1	Moderate
1	R-1-PD	Low Density Residential	052-521-013	X			> 26%	44,300	1.017	1	1.02	Vacant developable lot	1	Moderate
Subtotal – Subarea 1								344,350	7.905		49.18		23	
2	R-1	Low Density Residential	052-022-025		X	X	< 15%	17,470	0.401	7	2.80	SFR on large lot	1	Above Moderate
2	R-1-PD	Low Density Residential	052-311-020	X			16-20%	16,510	0.379	4	1.50	Vacant developable lot	1	Above Moderate
2	R-1-PD	Low Density Residential	052-312-004	X			< 15%	29,710	0.682	7	4.76	Vacant developable lot	1	Moderate
2	R-1-PD	Low Density Residential	052-312-005	X			16-20%	21,210	0.487	4	1.95	Vacant developable lot on sensitive site	1	Above Moderate
2	R-1	Low Density Residential	052-382-032		X		< 15%	17,030	0.391	7	2.74	SFR on large lot	1	Above Moderate
Subtotal – Subarea 2								101,930	2.340		13.75		5	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
3	R-1	Low Density Residential	001-012-026		X		< 15%	49,610	1.139	7	7.97	SFR covering half of lot, requires common driveway for vacant portion of the lot, requires subdivision for additional development	4	Moderate
3	R-1	Low Density Residential	001-016-008 ²		X		16-20%	193,280	4.437	4	17.75	5 Existing residential units, sloped lot, subdivision required for more development	10	Moderate
3	R-1	Low Density Residential	052-061-005		X		16-20%	33,930	0.779	4	3.12	SFR on half of lot, suitable for more development, requires subdivision, sloped lot	2	Moderate
3	R-1	Low Density Residential	052-061-030 ²		X		< 15%	42,210	0.969	7	6.78	SFR on large lot, requires creek setbacks for new development and requires subdivision for additional development	3	Moderate
3	R-1	Low Density Residential	052-061-035	X			16-20%	18,030	0.414	4	1.66	Vacant developable lot, land-locked	1	Above Moderate
3	R-1	Low Density Residential	052-061-041	X			< 15%	15,810	0.363	7	2.54	Vacant developable flag lot and requires subdivision for additional development	2	Above Moderate
3	R-1	Low Density Residential	052-061-043 ²	X			16-20%	31,320	0.719	4	2.88	SFR on half of lot, suitable for development, subdivision required for new development	2	Moderate
3	R-1	Low Density Residential	052-156-009		X	X	< 15%	34,930	0.802	7	5.62	3 Residential units on large property	2	Moderate
3	R-1	Low Density Residential	052-163-021	X			< 15%	9,500	0.218	7	1.53	Vacant developable flag lot	1	Above Moderate
3	R-1-S, C/OS-5	Low Density Residential, Open Space	052-341-002	X			21-25%	121,970	2.800	2	5.60	Steep, vacant, hillside lot with 114,000 sf for development, requires a subdivision	4	Moderate
Subtotal – Subarea 3								550,600	12.640		55.45		31	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
4	R-1	Low Density Residential	001-014-024	X			< 15%	8,320	0.191	7	1.34	Vacant developable lot	1	Above Moderate
4	R-1	Low Density Residential	001-014-062	X			< 15%	9,410	0.216	7	1.50	Vacant developable lot	1	Above Moderate
4	R-1	Low Density Residential	001-021-012	X			< 15%	6,360	0.146	7	1.00	Vacant developable lot	1	Above Moderate
4	R-1	Low Density Residential	001-091-042 ²	X			16-20%	20,170	0.463	4	1.85	Vacant developable lot	1	Above Moderate
4	C-T	Tourist Commercial	001-111-013		X		< 15%	12,070	0.277	12	3.32	SFR on half of lot. Suitable for more development; creek setback required.	2	Above Moderate
4	C-T	Tourist Commercial	001-112-006 ¹		X			22,450	0.515	12	6.18	Mixed use residential project currently under review	4	Low & Very Low
													11	Above Moderate
4	R-1-S	Low Density Residential	002-272-010		X		16-20%	72,750	1.670	4	6.68	SFR on large lot with driveway access for additional units, subdivision required for additional development	3	Moderate
4	R-1-S	Low Density Residential	002-272-018	X			16-20%	34,110	0.783	4	3.13	Vacant developable lot	1	Moderate
4	R-1-S	Low Density Residential	002-272-026	X			16-20%	46,700	1.072	4	4.30	Vacant developable lot	1	Moderate
4	O	Office	052-175-012 ²		X		< 15%	97,010	2.227	12	26.72	Existing commercial structure on half the lot. Other half vacant and suitable for redevelopment.	8	Moderate
Subtotal – Subarea 4								329,350	7.560		56.02		34	
5	C-T	Tourist Commercial	001-206-014		X	X	< 15%	23,960	0.550	12	6.60	Existing deteriorated triplex, suitable for redevelopment.	5	Moderate
5	O	Office	052-192-001		X		< 15%	24,870	0.571	12	6.85	SFR with space for additional development.	4	Moderate
5	O	Office	052-192-002		X		< 15%	17,250	0.396	12	4.75	SFR on half the lot, other half vacant. suitable for more dev.	2	Above Moderate
Subtotal – Subarea 5								66,080	1.517		18.20		11	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
6	R-1	Low Density Residential	052-031-004		X		< 15%	15,070	0.346	7	2.42	SFR on front of lot; deep lot development possible	1	Above Moderate
6	R-1	Low Density Residential	052-072-002		X		< 15%	17,770	0.408	7	2.86	SFR on half of the lot, suitable for additional development	1	Above Moderate
6	R-1	Low Density Residential	052-072-003		X		< 15%	17,250	0.396	7	2.77	SFR at front of lot; deep lot development possible	1	Above Moderate
6	R-4	High Density Residential	052-082-008		X		< 15%	11,670	0.268	24	6.43	Existing SFR. Space for additional development.	4	Moderate
6	R-4	High Density Residential	052-082-036	X			< 15%	10,720	0.246	24	5.90	Vacant developable lot, adjacent to creek.	4	Moderate
6	R-1-S	Low Density Residential	052-136-019	X			> 26%	26,140	0.600	1	0.60	Vacant developable lot	1	Moderate
6	R-1-S	Low Density Residential	052-136-035	X			> 26%	14,810	0.340	1	0.34	Vacant developable lot	1	Above Moderate
6	R-1-S	Low Density Residential	052-136-052 ²	X			> 26%	19,170	0.440	1	0.44	Vacant developable lot	1	Above Moderate
6	R-1-S	Low Density Residential	052-136-053 ²	X			> 26%	17,420	0.400	1	0.40	Vacant developable lot	1	Above Moderate
6	R-1-S	Low Density Residential	052-136-054 ²	X			> 26%	15,250	0.350	1	0.35	Vacant developable lot	1	Above Moderate
6	R-1-S	Low Density Residential	052-271-007	X			16-20%	100,620	2.310	4	9.24	Vacant developable lot on sensitive site; near Hwy 101 noise concerns, subdivision required for new development	7	Moderate
6	R-1-S	Low Density Residential	052-271-010	X			> 26%	96,270	2.210	1	2.21	Vacant developable lot, requires subdivision for more dev.	2	Moderate
6	R-1	Low Density Residential	052-322-012	X			< 15%	8,970	0.206	7	1.44	Vacant developable lot	1	Above Moderate
Subtotal – Subarea 6								371,090	8.520		35.40		26	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
7	R-1-S	Low Density Residential	001-082-007	X			> 26%	14,590	0.335	1	0.34	Vacant developable lot	1	Above Moderate
7	R-1-S	Low Density Residential	001-082-008	X			16-20%	6,270	0.144	4	0.58	Vacant developable lot	1	Above Moderate
7	R-1-S	Low Density Residential	001-082-024	X			> 26%	5,270	0.121	1	0.12	Vacant developable lot	1	Above Moderate
7	R-1-S	Low Density Residential	001-082-026	X			21-25%	3,830	0.088	2	0.18	Vacant developable lot, steep hillside lot	1	Above Moderate
7	R-1	Low Density Residential	001-132-003	X			< 15%	8,190	0.188	7	1.31	vacant developable lot	1	Above Moderate
7	R-2	Medium Density Residential	001-135-012		X		< 15%	9,410	0.216	12	2.59	One SFR with room for additional development.	1	Above Moderate
7	R-2	Medium Density Residential	001-136-001		X		< 15%	7,450	0.171	12	2.05	Corner lot with R-2 portion vacant and developable	1	Above Moderate
7	C-R-S	General Retail	001-137-013	X			< 15%	9,280	0.213	36	7.67	Vacant developable lot.	6	Moderate
7	R-2	Medium Density Residential	001-137-015		X		< 15%	14,030	0.322	12	3.86	Commercial development with parking lot and vacant portion suitable for development along Palm Street frontage.	2	Above Moderate
7	R-2	Medium Density Residential	001-141-013		X		< 15%	7,670	0.176	12	2.11	One SFR with room for more development at back of lot.	1	Above Moderate
7	R-2	Medium Density Residential	001-141-014		X		< 15%	7,670	0.176	12	2.11	One SFR with room for more development at back of lot.	1	Above Moderate
7	R-1-S	Low Density Residential	001-270-002	X			21-25%	22,300	0.512	2	1.02	Vacant developable lot on sensitive site	1	Moderate
7	R-1-S	Low Density Residential	001-270-004	X			21-25%	15,290	0.351	2	0.70	Vacant developable lot on sensitive site	1	Above Moderate
Subtotal – Subarea 7								131,250	3.013		24.64		19	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
8	R-2	Medium Density Residential	001-214-001		X		< 15%	10,750	0.247	12	2.96	One SFR on half of corner lot with room for additional development.	1	Above Moderate
8	R-2	Medium Density Residential	002-316-005 ¹		X		< 15%	37,500	0.860	12	10.32	Infill project for 5 new SFR on large lot with 5 existing SFR currently under review	5	Above Moderate
8	O	Office	002-331-017		X		< 15%	5,970	0.137	12	2.00	Surface parking lot suitable for additional development.	1	Above Moderate
8	C-R	General Retail	002-436-005, 002-436-008		X		< 15%	25,120	0.577	36	20.77	Large surface parking lot with small commercial buildings. Located in Upper Monterey Special Focus Area that is identified for high density residential development.	15	Low & Very Low
8	C-R	General Retail	002-437-028		X		< 15%	42,080	0.966	36	34.78	Commercial building & parking lot	26	Low & Very Low
8	R-2	Medium Density Residential	002-455-002		X		< 15%	10,980	0.252	12	3.02	One SFR with room for additional development at back of lot.	2	Above Moderate
Subtotal – Subarea 8								132,400	3.039		73.85		50	
9	R-4	High Density Residential	002-297-046	X			< 15%	6,010	0.138	24	3.31	Vacant developable lot.	3	Moderate
9	O	Office	002-313-013		X		< 15%	7,620	0.175	12	2.10	One SFR on rear of lot, space for more development in front.	1	Above Moderate
9	O	Office	002-314-026 ^{1,2}		X		< 15%	11,300	0.260	12	3.12	Three story residential project currently under review	5	Above Moderate
9	C-D	General Retail	002-322-040 ^{1,2}		X		< 15%	6,500	0.150	36	5.40	Mixed use residential project currently under review	20	Above Moderate
9	R-2-S	Medium Density Residential	002-392-011	X			< 15%	31,190	0.716	12	8.60	Vacant developable lot	8	Moderate
9	R-1-S	Low Density Residential	002-392-028		X		16-20%	9,630	0.221	4	0.88	Vacant developable lot	2	Above Moderate

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
9	C-R	General Retail	002-402-029		X		< 15%	23,170	0.532	36	19.15	SFR with duplex and parking lot, structures over 50 years old.	14	Low & Very Low
9	C-D	General Retail	002-402-034		X		< 15%	17,770	0.408	36	14.69	Commercial building with two parking lots.	7	Moderate
9	C-D	General Retail	002-402-048 ¹		X		< 15%	21,800	0.500	36	18.00	Large residential project downtown currently under review	2	Low & Very Low
													34	Above Moderate
9	C-D	General Retail	002-427-012 ^{1,2}		X		< 15%	16,600	0.380	36	13.68	Large mixed-use residential project downtown currently under review	13	Moderate
													37	Above Moderate
9	C-D-H	General Retail	002-432-009		X		< 15%	8,760	0.201	36	7.24	Surface parking lot. Creek setback requirements.	4	Moderate
9	C-D-H	General Retail	002-432-012		X		< 15%	5,270	0.121	36	4.36	Surface parking lot behind 2 story office/retail structure.	3	Moderate
9	C-D	General Retail	002-435-023		X		< 15%	12,600	0.289	36	10.40	Parking lot. Creek setback required for new development.	7	Moderate
9	C-R	General Retail	002-511-022	X			< 15%	9,280	0.213	36	7.67	Vacant lot. Creek setback required for new development.	4	Moderate
9	C-R	General Retail	003-511-005		X		< 15%	14,290	0.328	36	11.80	SFR with duplex and surface parking lot.	3	Moderate
9	C-D	General Retail	003-511-009, 003-511-027		X		< 15%	21,560	0.495	36	17.82	Adjacent commercial buildings with small parking lot	12	Moderate
9	C-D	General Retail	003-511-033 ^{1,2}				< 15%	16,100	0.370	36	13.32	Large mixed-use residential project currently under review	56	Above Moderate
Subtotal – Subarea 9								239,450	5.497		161.54		235	
10	C-S	Service & Manufacturing	002-503-008		X		< 15%	17,210	0.395	24	9.48	3 SFR on half the lot. Space for additional development.	4	Moderate

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
10	C-S	Service & Manufacturing	002-503-014, 002-503-016 ²		X		<15%	12,110	0.278	24	6.67	Surface parking lot on adjacent parcels	5	Moderate
10	C-D	General Retail	003-525-003, 003-525-012		X		< 15%	21,040	0.483	36	17.39	Surface parking lot on adjacent parcels	13	Moderate
10	O	Office	003-525-005, 003-525-011		X		< 15%	17,820	0.410	12	4.90	Commercial building with surface parking lot, developable	3	Above Moderate
10	R-2-H	Medium Density Residential	003-534-011	X			< 15%	7,320	0.168	12	2.02	Vacant developable lot	2	Above Moderate
10	R-3-H	Medium High Density Residential	003-551-011		X		< 15%	38,770	0.890	20	17.80	Large property with over half of the property developed as a non-conforming service use/dirt parking lot, zoned for Medium-high density residential development and appropriate for low-income development. A creek runs under the site and has contributing historic structures on 1/3 of the site.	13	Low & Very Low
10	R-2	Medium Density Residential	003-625-015		X		< 15%	36,420	0.836	12	10.03	Non-conforming commercial use w/ outdoor storage, developable	8	Moderate
10	C-S	Service & Manufacturing	003-748-016	X			< 15%	14,810	0.340	24	8.16	Three commercial structures with space for redevelopment.	5	Moderate
Subtotal – Subarea 10								165,500	3.800		76.45		53	
11	R-2	Medium Density Residential	003-722-011		X		< 15%	13,630	0.313	12	3.76	SFR on property with rear lot street access	2	Above Moderate
11	R-2	Medium Density Residential	003-724-013	X			< 15%	4,530	0.105	12	2.00	Surface parking lot.	1	Above Moderate

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
11	R-2	Medium Density Residential	003-732-013		X		< 15%	22,400	0.514	12	6.17	SFR on corner lot, suitable for additional development	3	Moderate
11	R-2	Medium Density Residential	003-732-016		X		< 15%	10,300	0.236	12	2.83	SFR on corner lot, suitable for additional development	1	Above Moderate
11	R-2	Medium Density Residential	003-733-010		X		< 15%	7,540	0.173	12	2.08	SFR at rear of lot, suitable for additional development	1	Above Moderate
11	R-2	Medium Density Residential	003-735-001		X	X	< 15%	6,880	0.158	12	2.00	SFR on corner lot, suitable for redevelopment	1	Above Moderate
11	R-2	Medium Density Residential	003-739-001		X		< 15%	9,270	0.213	12	2.56	SFR on lot w 2 street frontages, suitable for more development	2	Above Moderate
11	R-2	Medium Density Residential	003-739-003, 003-739-027	X			< 15%	13,720	0.315	12	3.78	Vacant developable lot	3	Above Moderate
11	R-2	Medium Density Residential	003-739-029		X		< 15%	8,020	0.184	12	2.21	SFR on lot w 2 street frontages, suitable for more development	1	Above Moderate
11	R-2	Medium Density Residential	003-741-017		X		< 15%	7,540	0.173	12	2.08	SFR at rear of lot, suitable for additional development	1	Above Moderate
11	C-N	Neighborhood Commercial	003-743-001		X	X	< 15%	19,650	0.451	12	5.40	SFR and commercial structure on property.	3	Above Moderate
11	R-2	Medium Density Residential	003-749-032		X		< 15%	9,150	0.210	12	2.52	SFR on lot w 2 street frontages, suitable for more development	1	Above Moderate
11	C-T-S, C/OS-20	Tourist Commercial, Open Space	004-511-001		X		< 15%	253,950	5.830	12	69.96	vacant/open space - Madonna Event Space	20	Moderate
													30	Above Moderate
11	C-R-MU	General Retail	004-741-001		X		< 15%	18,770	0.431	36	15.52	1 SFR & commercial structures next to creek, developable	12	Moderate
11	C-R-MU	General Retail	004-741-008		X		< 15%	17,700	0.406	36	14.62	5 units on site with creek, suitable for more development.	4	Moderate

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
11	C-R-MU	General Retail	004-511-020		X		< 15%	36,500	0.838	24	20.11	Caltrans site suitable for mixed use development. Identified in the Land Use Element as a special focus area for redevelopment, mixed-use with high density residential. Building heights adjustments can be considered with mixed-use development.	15	Low & Very Low
Subtotal – Subarea 11								459,550	10.550		157.60		101	
12	R-1	Low Density Residential	002-352-014		X		< 15%	56,150	1.289	7	9.02	SFR on large lot, suitable for more development, requires subdivision for more dev.	3	Moderate
12	R-1	Low Density Residential	002-352-021	X			<15%	31,150	0.715	7	5.01	Vacant developable lot, requires subdivision for more dev.	4	Moderate
12	R-1-S	Low Density Residential	002-354-009	X			16-20%	28,050	0.644	4	2.58	Vacant lot in subdivided tract	1	Moderate
12	R-1-S	Low Density Residential	002-354-016	X			21-25%	15,550	0.357	2	0.71	Vacant lot in subdivided tract	1	Above Moderate
12	R-1	Low Density Residential	003-591-003		X		16-20%	101,700	2.335	4	9.34	1 SFR surrounded by a large undeveloped lot	8	Moderate
12	C/OS, PF R-1, R-2	Public Facilities, Open Space, Low & Medium Density Res.	003-601-007 ²		X		< 15%	144,600	3.320	7	23.24	County owned property, suitable for development	8	Moderate
													10	Above Moderate
12	R-1	Low Density Residential	003-602-003	X			< 15%	7,100	0.163	7	1.14	Vacant lot in subdivided tract	1	Above Moderate
12	R-1	Low Density Residential	003-602-004	X			< 15%	7,550	0.173	7	1.20	Vacant lot in subdivided tract	1	Above Moderate
12	R-1	Low Density Residential	003-602-005	X			16-20%	60,070	1.379	4	5.50	Vacant lot in subdivided tract	1	Moderate
Subtotal – Subarea 12								451,920	10.375		57.77		38	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
13	R-1	Low Density Residential	003-703-064	X			< 15%	7,900	0.182	7	1.25	Vacant developable lot	1	Above Moderate
13	R-1	Low Density Residential	003-703-068, 003-703-069	X			< 15%	30,700	0.705	7	4.95	Vacant developable lot	2	Moderate
13	R-1	Low Density Residential	003-771-011	X			< 15%	35,250	0.809	7	5.65	Vacant developable lot, requires subdividing of lot	3	Moderate
13	R-1	Low Density Residential	004-392-024	X			21-25%	12,200	0.280	2	0.55	Vacant developable lot	1	Above Moderate
13	R-1	Low Density Residential	004-392-025	X			16-20%	12,400	0.285	4	1.15	Vacant developable lot	1	Above Moderate
13	R-1	Low Density Residential	004-392-034		X		21-25%	56,750	1.303	2	2.60	SFR on lot with creek, with room for more development, requires subdivision of lot	1	Moderate
13	R-1	Low Density Residential	004-523-016		X		< 15%	25,050	0.573	7	4.03	SFR on lot with room for additional development and requires subdivision for additional development	2	Moderate
13	R-1	Low Density Residential	004-523-024	X			< 15%	7,950	0.183	7	1.27	Vacant developable lot	1	Above Moderate
13	R-1-S	Low Density Residential	004-751-010	X			16-20%	221,450	5.084	4	20.35	Vacant developable lot, requires subdividing of lot	2	Moderate
13	R-1	Low Density Residential	004-993-001, 004-993-002		X		< 15%	62,450	1.434	7	10.05	Surface parking, suitable for future development, requires subdivision for development	5	Moderate
Subtotal – Subarea 13								472,100	10.840		51.85		19	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
14	R-2-S	Medium Density Residential	003-571-014		X		< 15%	46,250	1.062	12	12.74	SFR on lot, creek setback will be required, suitable for additional development	6	Moderate
14	R-2	Medium Density Residential	003-653-018	X			< 15%	15,250	0.350	12	4.20	2 Shed structures, suitable for development	3	Above Moderate
14	R-2-S	Medium Density Residential	003-656-009		X	X	< 15%	7,580	0.174	12	2.09	Blighted SFR, suitable for redevelopment	1	Above Moderate
14	R-2-S	Medium Density Residential	003-656-010		X	X	< 15%	8,760	0.201	12	2.41	Blighted SFR, suitable for redevelopment	1	Above Moderate
14	R-1	Low Density Residential	003-661-025		X	X	16-20%	17,400	0.399	4	1.60	Blighted SFR, suitable for redevelopment	1	Above Moderate
14	R-2	Medium Density Residential	003-664-023	X			21-25%	11,000	0.252	4	2.00	Vacant developable lot	1	Above Moderate
14	PF	Public Facilities	003-682-042		X		< 15%	154,510	3.547	12	42.56	County health building on half of lot. Undeveloped half of the site suitable for development.	10	Moderate
													12	Above Moderate
14	R-2	Medium Density Residential	003-682-043	X			< 15%	26,950	0.619	12	7.43	Surface parking lot, suitable for additional development	6	Moderate
14	R-1	Low Density Residential	004-972-069 ²	X			< 15%	15,380	0.353	7	2.47	Vacant developable lot	1	Above Moderate
Subtotal – Subarea 14								303,070	6.957		77.50		40	
15	R-2	Medium Density Residential	004-961-061 ²		X		< 15%	76,650	1.760	12	21.10	Vacant lot (former site of a building which has burned down), suitable for future development	5	Moderate
													10	Above Moderate
15	C-S	Service & Manufacturing	004-962-028 ^{1,2}		X		< 15%	21,350	0.490	24	11.75	New apartment project currently under review	15	Above Moderate
Subtotal – Subarea 15								98,000	2.250		32.85		30	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
16	C-R-SF	General Retail	004-921-010	X			< 15%	8,500	0.195	24	4.68	Construction parking lot and temporary trailer	4	Moderate
16	C-S-SF	Service & Manufacturing	004-923-015		X		< 15%	11,150	0.256	24	6.14	One commercial building on site with room for more development	5	Moderate
16	C-R	General Retail	004-924-013 ¹		X		< 15%	17,000	0.390	36	14.04	Mixed use residential project with all low-income units currently under review	32	Low & Very Low
16	C-R-SF	General Retail	004-925-012, 004-925-014		X		< 15%	17,600	0.404	24	9.70	SFR with room for additional development	6	Moderate
16	C-S-SF, C-R-SF	Service & Manufacturing, General Retail	053-195-003		X		< 15%	46,570	1.069	24	25.66	1 structure onsite, large parking area. Suitable for development.	17	Low & Very Low
16	C-S-SF, C-R-SF	Service & Manufacturing, General Retail	053-196-004		X		< 15%	54,500	1.251	24	30.02	1 commercial structure, parking lot, and vacant developable area	23	Low & Very Low
16	M	Service & Manufacturing	053-201-012		X		< 15%	40,350	0.926	24	22.22	Surface parking lot, suitable for development.	17	Low & Very Low
16	M	Service & Manufacturing	053-202-014		X		< 15%	40,120	0.921	24	22.10	One SFR, suitable for additional development.	12	Low & Very Low
16	C-S	Service & Manufacturing	053-202-025		X		< 15%	16,600	0.381	24	9.14	Commercial structure with large surface parking area.	5	Moderate
16	C-S	Service & Manufacturing	053-202-026 ^{1,2}		X		< 15%	24,400	0.560	24	13.44	Mixed use residential project currently under review	2	Low & Very Low
													13	Above Moderate
Subtotal – Subarea 16								276,790	6.353		157.14		136	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
17	R-2-S	Medium Density Residential	004-582-006		X		< 15%	74,840	1.718	12	20.62	SFR on a hillside lot with street access	5	Moderate
													10	Above Moderate
17	C-R	General Retail	004-583-052 ^{1,2}		X		< 15%	9,150	0.210	36	7.56	Mixed use residential project currently under review	1	Low & Very Low
													9	Above Moderate
17	R-2-S	Medium Density Residential	004-584-011	X			16-20%	40,730	0.935	6	5.60	Vacant developable lot	4	Moderate
17	M	Service & Manufacturing	004-811-036 ¹		X		< 15%	95,400	2.19	24	52.56	Mixed use residential project currently under review	2	Low & Very Low
													16	Above Moderate
17	M, C/OS-40	Service & Manufacturing, Open Space	004-881-002		X		< 15%	148,060	3.399	24	81.60	Commercial structure, creek on site, suitable for more dev.	41	Low & Very Low
17	R-1	Low Density Residential	004-903-023	X			< 15%	7,140	0.164	7	1.15	Vacant developable lot	1	Above Moderate
17	R-1-PD	Low Density Residential	004-945-024	X			21-25%	5,010	0.115	2	0.23	Vacant developable lot, steep hillside lot	1	Above Moderate
Subtotal – Subarea 17								38,350	8.731		169.32		90	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
21	M	Service & Manufacturing	053-063-014	X			< 15%	12,370	0.284	24	6.82	Vacant developable lot.	3	Moderate
21	C-S-S	Service & Manufacturing	053-221-018, 053-221-027		X		< 15%	35,500	0.815	24	19.55	Underdeveloped. One SFR, site developable, limitations for development b/c of creek setbacks (creek through site).	9	Low & Very Low
21	C-S-S	Service & Manufacturing	053-221-037 ²		X		< 15%	21,300	0.489	24	11.74	Underdeveloped 1 SFR suitable for dev., limitations for dev. b/c of creek setbacks (creek on site)	4	Moderate
21	M-S	Service & Manufacturing	053-231-015		X		< 15%	98,530	2.262	24	54.29	4 commercial structures on half of lot, developable	27	Low & Very Low
21	C-S	Service & Manufacturing	053-231-044 ²	X			< 15%	49,220	1.130	24	27.12	Unimproved parking lot, suitable for development.	20	Low & Very Low
21	C-S	Service & Manufacturing	053-231-048 ^{1,2}		X		< 15%	59,240	1.360	24	32.64	Mixed use residential project currently under review	39	Low & Very Low
													1	Moderate
Subtotal – Subarea 21								276,140	6.340		152.14		103	
22	R-1-SP	Low Density Residential	053-411-012		X	X	< 15%	20,900	0.480	7	3.36	Blighted SFR structure, suitable for dev., requires subdivision	2	Above Moderate
22	R-1-SP, C/OS-10	Low Density Residential, Open Space	053-411-013 ²		X		< 15%	72,300	1.660	7	11.62	1 SFR, dev. will require creek setbacks and subdividing	6	Moderate
22	C-S	Service & Manufacturing	053-411-017	X			< 15%	6,650	0.153	24	3.67	Vacant developable lot. New dev. requires creek setbacks.	3	Moderate
22	R-1 SP	Low Density Residential	053-411-018, 053-411-014		X	X	< 15%	152,050	3.490	7	24.43	3 SFRs & 2 storage structures, developable, requires subdivision	8	Moderate
													10	Above Moderate
Subtotal – Subarea 22								251,900	5.783		43.08		29	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
23	C-S	Service & Manufacturing	053-421-005 ^{1,2}		X		< 15%	554,100	12.720	24	305.30	Very large mixed use residential project currently under review, the existing use is a mobile home park	19	Low & Very Low
													20	Moderate
													210	Above Moderate
23	C-S-SP	Service & Manufacturing	053-421-002, 053-421-006 ^{1,2}		X		< 15%	509,100	11.690	24	280.00	Very large mixed-use project currently under review	280	Above Moderate
Subtotal – Subarea 23								1,063,200	24.410		585.30		529	
24	O-SF	Service & Manufacturing	053-041-078 ²		X	X	< 15%	94,900	2.178	12	26.14	Currently non-conforming junk yard with 4 SFR. Identified in the Land Use Element update for mixed-use development.	5	Moderate
													10	Above Moderate
24	C-S	Service & Manufacturing	053-051-060, lots 060 – 065 ²		X		< 15%	61,000	1.400	24	33.60	Site contains 11 units, driveways & parking lots, and vacant areas. Suitable for development.	15	Low & Very Low
Subtotal – Subarea 24								155,900	3.580		59.75		30	
25	R-2-SF, C/OS-20	Medium Density Residential, Open Space	053-141-013	X			< 15%	296,200	6.800	12	81.60	Residentially zoned part of site suitable for future development. Site considerations include flood mitigation, creek preservation, agricultural preservation, and traffic circulation. See Land Use Element for more information.	20	Moderate
													20	Above Moderate
25	R-1-SF, C/OS-10	Low Density Residential, Open Space	053-161-020 ²	X			< 15%	319,400	7.332	7	51.32	Inside urban reserve, suitable for future development. Site considerations include flood mitigation, creek preservation, agricultural preservation, and traffic circulation. See Land Use Element for more information.	12	Moderate
Subtotal – Subarea 25								615,600	14.132		132.92		52	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project ² New site for inventory	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
26	R-1-S	Low Density Residential	053-116-032	X			< 15%	10,260	0.236	7	1.65	Vacant developable lot	1	Above Moderate
26	R-1-S	Low Density Residential	053-116-034	X			< 15%	12,550	0.288	7	2.02	Vacant developable lot	1	Above Moderate
26	R-1-S	Low Density Residential	053-116-035	X			< 15%	11,290	0.259	7	1.80	Vacant developable lot	1	Above Moderate
26	R-1-S	Low Density Residential	053-116-047	X			< 15%	9,570	0.220	7	1.53	Vacant developable lot	1	Above Moderate
26	C-R	General Retail	053-510-012	X			< 15%	318,700	7.320	36	263.40	Vacant lot behind Home Depot.	132	Low & Very Low
Subtotal – Subarea 26								362,370	8.323		270.40		136	
Vacant - Low & Very Low								367,900	8.5		290.5		152	
Vacant - Moderate & Above								2,287,020	52.5		347.7		184	
Underutilized - Low & Very Low								766,520	17.6		448.3		345	
Underutilized - Moderate & Above								4,177,450	95.9		1,425.6		1,139	
Total								7,598,890	174.5		2,512.1		1,820	

Table E - 3: Residential Capacity by Parcel and Specific Plan Area

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
18	R-3-SP	Medium High Density Residential	053-431-002		X		<15%	305,800	7.020	20	140.40	Underutilized, mostly vacant land with 4 residential structures.	60	Low & Very Low
18	C-N-SP	Neighborhood Commercial	053-431-002		X		<15%	135,900	3.120	12	37.45	Underutilized, mostly vacant land with 4 residential structures.	10	Moderate
													23	Above Moderate
18	O-SP	Office	053-431-002		X		<15%	65,350	1.500	12	18.00	Underutilized, mostly vacant land with 4 residential structures.	5	Moderate
													10	Above Moderate
18	R-2-SP	Medium Density Residential	053-431-002		X		<15%	919,550	21.110	12	253.30	Underutilized, mostly vacant land with 4 residential structures.	78	Moderate
													150	Above Moderate
18	R-1-SP	Low Density Residential	053-431-002		X		<15%	237,850	5.460	7	38.20	Underutilized, mostly vacant land with 4 residential structures.	10	Moderate
													24	Above Moderate
18	C-R-SP	General Retail	053-431-003		X		<15%	39,650	0.910	36	32.75	Underutilized, mostly vacant land with 1 residential structure.	16	Low & Very Low
18	R-3-SP	Medium High Density Residential	053-431-003		X		<15%	25,250	0.580	20	11.60	Underutilized, mostly vacant land with 1 residential structure.	5	Low & Very Low
18	R-2-SP	Medium Density Residential	053-431-003		X		<15%	83,650	1.920	12	23.00	Underutilized, mostly vacant land with 1 residential structure.	5	Moderate
													12	Above Moderate
18	R-2-SP	Medium Density Residential	Varies ¹		X		<15%	52,700	1.210	12	14.50	Vacant properties with an affordable housing project currently in the development review process.	38	Low & Very Low
Subtotal – Margarita Area Specific Plan (Area 18)								1,865,700	42.830		569.20		446	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
20	R-4-SP	High Density Residential	067-121-022		X		<15%	479,150	11.000	24	264.00	Vacant developable lot.	246	Low & Very Low
20	R-2-SP	Medium Density Residential	067-121-022		X		<15%	318,000	7.300	12	87.60	Vacant developable lot.	30	Moderate
													74	Above Moderate
20	R-1-SP	Low Density Residential	067-121-022		X		<15%	936,550	21.500	7	150.50	Vacant developable lot.	75	Moderate
													155	Above Moderate
Subtotal – San Luis Ranch Specific Plan (Area 20)								1,733,700	39.800		502.10		580	
21	R-2-SP	Medium Density Residential	004-705-003		X		<15%	35,950	0.825	12	9.90	Underutilized lot with 2 residential structures.	2	Moderate
													6	Above Moderate
21	R-2-SP	Medium Density Residential	004-705-004		X		<15%	47,800	1.097	12	13.15	Underutilized lot with 1 residential structure.	4	Moderate
													7	Above Moderate
21	R-3-SP	Medium High Density Residential	004-705-005 ¹		X		<15%	60,500	1.390	20	27.80	Residential project currently in the development review process	5	Low & Very Low
													3	Moderate
													32	Above Moderate
21	R-2-SP	Medium Density Residential	004-705-006		X		<15%	87,050	1.998	12	24.00	Underutilized lot with 3 residential structures.	6	Moderate
													12	Above Moderate
21	R-1-SP	Low Density Residential	004-705-007		X		<15%	43,600	1.001	7	7.00	Underutilized lot with 2 residential structures.	2	Moderate
													2	Above Moderate
21	R-3-SP, C-C-SP	Medium High Density Residential, Community Commercial	004-705-009, 053-061-056 ¹		X		<15%	467,400	10.730	20	214.60	Residential project currently in the development review process	2	Low & Very Low
													5	Moderate
													185	Above Moderate
21	R-3-SP	Medium High Density Residential	004-705-010, 004-705-011		X		<15%	237,400	5.450	20	109.00	Underutilized lot with 2 residential structures.	82	Low & Very Low
21	R-1-SP	Low Density Residential	004-706-003		X		<15%	596,200	13.687	7	95.80	Underutilized lot with 3 residential structures.	15	Moderate
													30	Above Moderate
Subtotal – Orcutt Area Specific Plan (Area 21)								1,575,900	36.178		501.25		400	

Subarea	Zone	General Plan Land Use	Assessor's Parcel Number ¹ Pipeline project	Vacant	Under-Utilized	Blighted	Avg. Slope	Square Feet	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development / Existing Conditions	Realistic # of Dwelling Units	Income Category
23	R-4-SP	High Density Residential	053-259-008, 053-259-011, 053-259-012	X			<15%	191,650	4.400	24	106.00	Vacant developable lot.	125	Low & Very Low
23	R-3-SP	Medium High Density Residential	053-259-008, 053-259-011, 053-259-012	X			<15%	470,450	10.800	20	216.00	Vacant developable lot.	197	Low & Very Low
23	R-2-SP	Medium Density Residential	053-259-008, 053-259-011, 053-259-012	X			<15%	1,189,200	27.300	12	327.60	Vacant developable lot.	110	Moderate
													187	Above Moderate
23	R-1-SP	Low Density Residential	053-259-008, 053-259-011, 053-259-012	X			<15%	557,500	12.800	7	89.60	Vacant developable lot.	40	Moderate
													61	Above Moderate
Subtotal – Avila Ranch Planning Area (Area 23)								2,408,800	55.300		739.20		720	
26	R-3-SP	Medium High Density Residential	067-241-030, 067-241-031 ¹		X		<15%	1,624,800	37.300	20	130.00	Multifamily residential project currently in the development review process	130	Above Moderate
26	R-4-SP	High Density Residential	067-241-030, 067-241-031 ¹		X		<15%	78,400	1.800	24	44.00	Multifamily residential project currently in the development review process	27	Low & Very Low
													17	Above Moderate
Subtotal – Froom Ranch Planning Area (Area 26)								1,703,200	39.100		174.00		174	
Vacant - Low & Very Low								662,100	15.2		322.0		322	
Vacant - Moderate & Above								1,746,700	40.1		417.2		398	
Underutilized - Low & Very Low								1,218,360	28.0		616.3		481	
Underutilized - Moderate & Above								5,660,140	129.9		1,130.3		1,119	
Total								9,287,300	213.2		2,485.8		2,320	

Appendix F

affordable housing

1. Purpose

The City has prepared this document to describe and quantify the supply and location of affordable housing within the City of San Luis Obispo. Affordable dwellings are summarized according to affordability level, affordability program and occupancy types.

2. Definitions

Affordability Level

This document lists dwellings deemed affordable under City standards to extremely-low, very-low, low, and moderate-income persons. Income level categories are based on the percentage of the county median income, as follows:

- Extremely Low: 30% or Less
- Very Low: 31 to 50%
- Low: 51% to 80%
- Moderate: 81% to 120%
- Above Moderate: 121% or Higher

Affordability Program

Affordability program refers to the organization/program used to create or manage the affordable housing unit. The various affordability programs in the City include Building Equity and Growth in Neighborhoods (BEGIN), Housing Authority of San Luis Obispo (HASLO), U.S. Department of Housing and Urban Development (HUD), City Inclusionary Housing and State/Federal Tax Credit projects. The affordability term varies depending on the organization/program used to create or manage the affordable housing unit.

Occupancy Type

Inclusionary housing units are those units that have been created due to inclusionary housing requirements imposed upon developments of five or more units. According to the terms of inclusionary housing agreements, these units typically must remain affordable for a certain period time before they may be sold at market rate prices. Some of the City's older agreements have a 30-year deed restriction, but the most recent agreement terms are 45-years for for-sale (including equity share) and 55 years for rentals. These regulations were implemented in order to create and maintain more affordable units within the community. The affordability term was established to preserve a unit's affordability over the longest period possible to maximize public benefits from the Inclusionary Program.

3. Housing Type

For ease of mapping, housing types were classified as either owner or rental. Ownership units typically include single-family residences and condominiums. Rental units typically include apartments and group housing. Descriptions of each housing type are as follows:

- *Single Family Residences* (SFRs) are individually owned dwelling units intended to be occupied by a single household.
- *Condominiums* (condos) are complexes of individually owned dwelling units within a larger building occupied by more than one household, where common areas are jointly owned.
- *Apartments* are characterized as complexes of dwelling units rented out to tenants within a larger building occupied by more than one household.
- *Group Housing* includes dwelling units where groups of non-related persons reside together.

The following tables provide a summary of the City’s affordable housing units broken down by income level, program type and tenure. As of June 2020, there are 1,306 affordable housing units in the City. Figures F-1, F-2, and F-3 below show the locations these affordable housing units.

Table F - 1: Affordable Housing Units by Income Level, 2020

Affordability Level	Number of Units
Extremely Low	29
Very Low	256
Low	929
Moderate	92
Total Units	1,306

Source: Community Development Department 2020

Table F - 2: Affordable Housing Units by Program, 2020

Affordable Program	Number of Units
HASLO	697
HUD	345
Inclusionary	264
Total	1,306

Source: Community Development Department 2020

Table F - 3: Affordable Housing Units by Tenure, 2020

Tenure	Number of Units
Owner	79
Renter	1,227
Total	1,306

Source: Community Development Department 2020

4. Affordable Unit Inventory

Table F - 4: Inventory of Deed Restricted Affordable Housing Units, 2020

ID	APN	Units	Program	Affordability Level	Occupancy Type	Address
1	004-982-041	16	HASLO	Low	Renter	2929 AUGUSTA
2	003-601-006	34	HASLO	Multi	Renter	1600 BISHOP
3	003-739-031	8	HASLO	Low	Renter	441 BRANCH
4	002-304-032	9	HASLO	Low	Renter	649 BRANCH
5	002-304-032	30	HASLO	Low	Renter	611 BRIZZOLARA
6	053-231-047	46	HASLO	Multi	Renter	3680 BROAD
7	003-513-019	19	HASLO	Low	Renter	1312 CARMEL
8	003-682-041	41	HASLO	Low	Renter	1325 ELLA
9	003-736-014	3	HASLO	Low	Renter	2126 HARRIS
10	001-043-031	20	HASLO	Low	Renter	508 HATHWAY
11	003-612-032	6	HASLO	Low	Renter	228 HIGH
12	003-625-016	8	HASLO	Low	Renter	478 HIGH
13	002-427-001	30	HASLO	Multi	Renter	849 HIGUERA S
14	053-263-091	15	HASLO	Low	Renter	4280 HIGUERA S
15	004-951-021	20	HASLO	Multi	Renter	860 HUMBERT
16	053-091-029	20	HASLO	Low	Renter	1102 IRONBARK
17	003-555-027	20	HASLO	Low	Renter	1175 ISLAY
18	004-961-047	24	HASLO	Low	Renter	1105 LAUREL
19	004-972-036	1	HASLO	Low	Renter	1480 LAUREL
20	003-622-016	18	HASLO	Low	Renter	456 LEFF
21	004-422-033	20	HASLO	Low	Renter	11650 LOS OSOS VALLEY
22	053-182-027	21	HASLO	Low	Renter	210 MARGARITA
23	002-431-005	68	HASLO	Low	Renter	955 MONTEREY
24	052-012-025	1	HASLO	Low	Renter	147 PATRICIA
25	002-454-017	11	HASLO	Low	Renter	1363 PISMO
26	053-083-002	20	HASLO	Low	Renter	4035 POINSETTIA
27	053-102-026	8	HASLO	Low	Renter	1497 ROYAL
28	003-659-008	21	HASLO	Low	Renter	1820 SANTA BARBARA Units 201-211, 301-311
29	004-811-039	43	HASLO	Multi	Renter	313 SOUTH

ID	APN	Units	Program	Affordability Level	Occupancy Type	Address
30	004-962-020	34	HASLO	Very Low	Renter	1045 SOUTHWOOD
31	004-573-003	3	HASLO	Low	Renter	1240 SOUTHWOOD
32	004-784-005	1	HASLO	Very Low	Renter	1379 SYDNEY
33	003-562-007	20	HASLO	Low	Renter	1600 TORO
34	003-644-014	3	HASLO	Low	Renter	711 UPHAM
35	053-433-051	36	HASLO	Multi	Renter	3175 VIOLET
36	004-981-019	107	HUD	Low	Renter	3000 AUGUSTA
37	004-972-064	32	HUD	Very Low	Renter	3042 AUGUSTA
38	002-392-017	5	HUD	Very Low	Renter	537 BRIZZOLARA
39	004-845-009	41	HUD	Multi	Renter	2240 EMILY
40	053-034-065	28	HUD	Multi	Renter	3071 HIGUERA S
41	003-544-017	9	HUD	Multi	Renter	1062 ISLAY
42	053-102-025	120	HUD	Low	Renter	1550 MADONNA
43	004-583-059	1	HUD	Very Low	Owner	3208 ROCKVIEW
44	004-583-060	1	HUD	Very Low	Owner	3210 ROCKVIEW
45	004-583-061	1	HUD	Very Low	Owner	3212 ROCKVIEW
46	004-985-003	1	Inclusionary	Moderate	Renter	3051 AUGUSTA Unit #17
47	003-749-005	6	Inclusionary	Low	Renter	527 BRANCH
48	004-812-003	1	Inclusionary	Moderate	Owner	215 BRIDGE
49	004-583-055	1	Inclusionary	Low	Renter	3077 BROAD
50	004-583-034	8	Inclusionary	Low	Renter	3229 BROAD
51	053-234-019	1	Inclusionary	Very Low	Renter	3592 BROAD
52	053-234-022	1	Inclusionary	Very Low	Renter	3594 BROAD
53	053-234-025	1	Inclusionary	Moderate	Owner	3596 BROAD
54	053-061-057	68	Inclusionary	Multi	Renter	3750 BULLOCK
55	004-921-026	3	Inclusionary	Very Low	Renter	774 CAUDILL
56	052-174-052	4	Inclusionary	Very Low	Renter	22 CHORRO Units 210, 211, 310, 311
57	053-514-029	1	Inclusionary	Moderate	Owner	1963 DEVAUL RANCH
58	053-514-030	1	Inclusionary	Moderate	Owner	1965 DEVAUL RANCH
59	003-663-030	1	Inclusionary	Very Low	Owner	1043 ELLA Unit #8

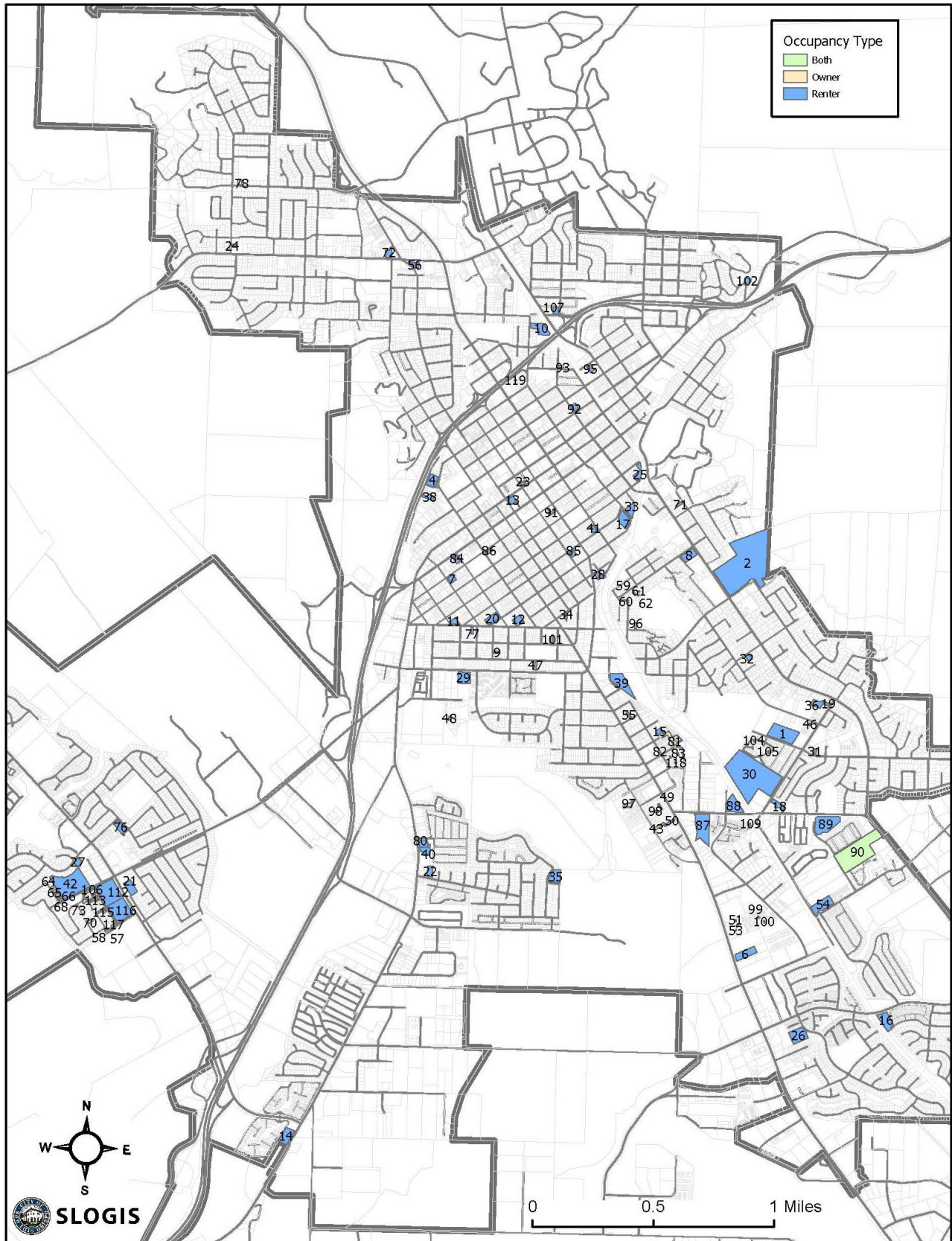
ID	APN	Units	Program	Affordability Level	Occupancy Type	Address
60	003-663-032	1	Inclusionary	Very Low	Owner	1043 ELLA Unit #10
61	003-663-015	1	Inclusionary	Moderate	Owner	1075 ELLA Unit #3
62	003-663-019	1	Inclusionary	Moderate	Owner	1079 ELLA Unit #7
63	053-511-035	1	Inclusionary	Moderate	Owner	1582 ETO
64	053-511-033	1	Inclusionary	Moderate	Owner	1586 ETO
65	053-511-032	1	Inclusionary	Moderate	Owner	1588 ETO
66	053-511-031	1	Inclusionary	Moderate	Owner	1590 ETO
67	053-511-029	1	Inclusionary	Moderate	Owner	1594 ETO
68	053-511-028	1	Inclusionary	Moderate	Owner	1596 ETO
69	053-511-027	1	Inclusionary	Moderate	Owner	1598 ETO
70	053-514-008	1	Inclusionary	Moderate	Owner	1724 FARRIER
71	003-566-028	1	Inclusionary	Moderate	Renter	1717 FIXLINI
72	052-041-084	12	Inclusionary	Very Low	Renter	790 FOOTHILL
73	053-513-013	1	Inclusionary	Moderate	Owner	1645 FOREMAN
74	053-513-025	1	Inclusionary	Moderate	Owner	1664 FOREMAN
75	053-513-024	1	Inclusionary	Moderate	Owner	1680 FOREMAN
76	004-611-032	2	Inclusionary	Very Low	Renter	1469 GALLEON
77	003-731-005	4	Inclusionary	Very Low	Renter	345 HIGH
78	052-443-009	1	Inclusionary	Low	Owner	214 HIGHLAND
79	053-034-063	2	Inclusionary	Low	Renter	3053 HIGUERA S
80	053-034-063	1	Inclusionary	Moderate	Renter	3053 HIGUERA S
81	004-953-026	28	Inclusionary	Multi	Owner	851 HUMBERT
82	053-198-043	1	Inclusionary	Moderate	Owner	811 LAWRENCE
83	053-198-031	1	Inclusionary	Moderate	Owner	913 LAWRENCE
84	003-512-019	2	Inclusionary	Moderate	Renter	475 MARSH Units 353 & 358
85	003-551-001	3	Inclusionary	Low	Renter	1604 MORRO Units 1, 4 & 6
86	003-522-001	8	Inclusionary	Low	Renter	1306 NIPOMO
87	053-222-007	3	Inclusionary	Multi	Renter	791 ORCUTT
88	053-203-002	1	Inclusionary	Moderate	Renter	950 ORCUTT
89	004-712-080	10	Inclusionary	Multi	Renter	1299 ORCUTT

ID	APN	Units	Program	Affordability Level	Occupancy Type	Address
90	004-705-005	5	Inclusionary	Moderate	Both	3725 ORCUTT
91	002-442-013	1	Inclusionary	Very Low	Renter	1321 OSOS Unit #230
92	001-223-008	1	Inclusionary	Very Low	Renter	1314 PALM Unit #104
93	001-124-025	1	Inclusionary	Very Low	Owner	1320 PHILLIPS
94	001-124-026	1	Inclusionary	Very Low	Owner	1324 PHILLIPS
95	001-133-014	1	Inclusionary	Moderate	Renter	1435 PHILLIPS Unit E
96	003-661-027	1	Inclusionary	Moderate	Owner	940 RACHEL
97	004-588-020	1	Inclusionary	Moderate	Owner	2975 ROCKVIEW Unit #19
98	004-587-015	1	Inclusionary	Moderate	Owner	3090 ROCKVIEW
99	053-235-003	1	Inclusionary	Moderate	Owner	3591 SACRAMENTO Unit #10
100	053-234-068	1	Inclusionary	Moderate	Owner	3591 SACRAMENTO Unit #59
101	003-743-009	1	Inclusionary	Low	Renter	564 SANDERCOCK Unit #5
102	052-136-034	1	Inclusionary	Moderate	Renter	2302 SANTA YNEZ Unit A
103	053-514-041	1	Inclusionary	Moderate	Owner	1712 SINGLETREE
104	004-966-033	1	Inclusionary	Moderate	Renter	1023 SOUTHWOOD Unit C
105	004-967-048	1	Inclusionary	Moderate	Renter	1037 SOUTHWOOD Unit B
106	053-513-042	1	Inclusionary	Moderate	Owner	1800 SPOONER
107	001-042-022	1	Inclusionary	Low	Renter	1340 TAFT Unit #130
108	053-067-032	2	Inclusionary	Moderate	Owner	980 TARRAGON
109	053-067-033	2	Inclusionary	Moderate	Owner	984 TARRAGON
110	053-513-031	1	Inclusionary	Moderate	Owner	1651 TONINI
111	053-513-033	1	Inclusionary	Moderate	Owner	1683 TONINI
112	053-513-041	25	Inclusionary	Multi	Renter	1704 TONINI
113	053-513-035	1	Inclusionary	Moderate	Owner	1715 TONINI

ID	APN	Units	Program	Affordability Level	Occupancy Type	Address
114	053-514-042	1	Inclusionary	Moderate	Owner	1773 TONINI
115	053-514-043	1	Inclusionary	Moderate	Owner	1775 TONINI
116	053-514-054	13	Inclusionary	Multi	Renter	1796 TONINI
117	053-514-053	1	Inclusionary	Moderate	Owner	1799 TONINI
118	053-198-007	1	Inclusionary	Moderate	Owner	2862 VICTORIA
119	001-207-027	1	Inclusionary	Moderate	Owner	1144 WALNUT Unit #7

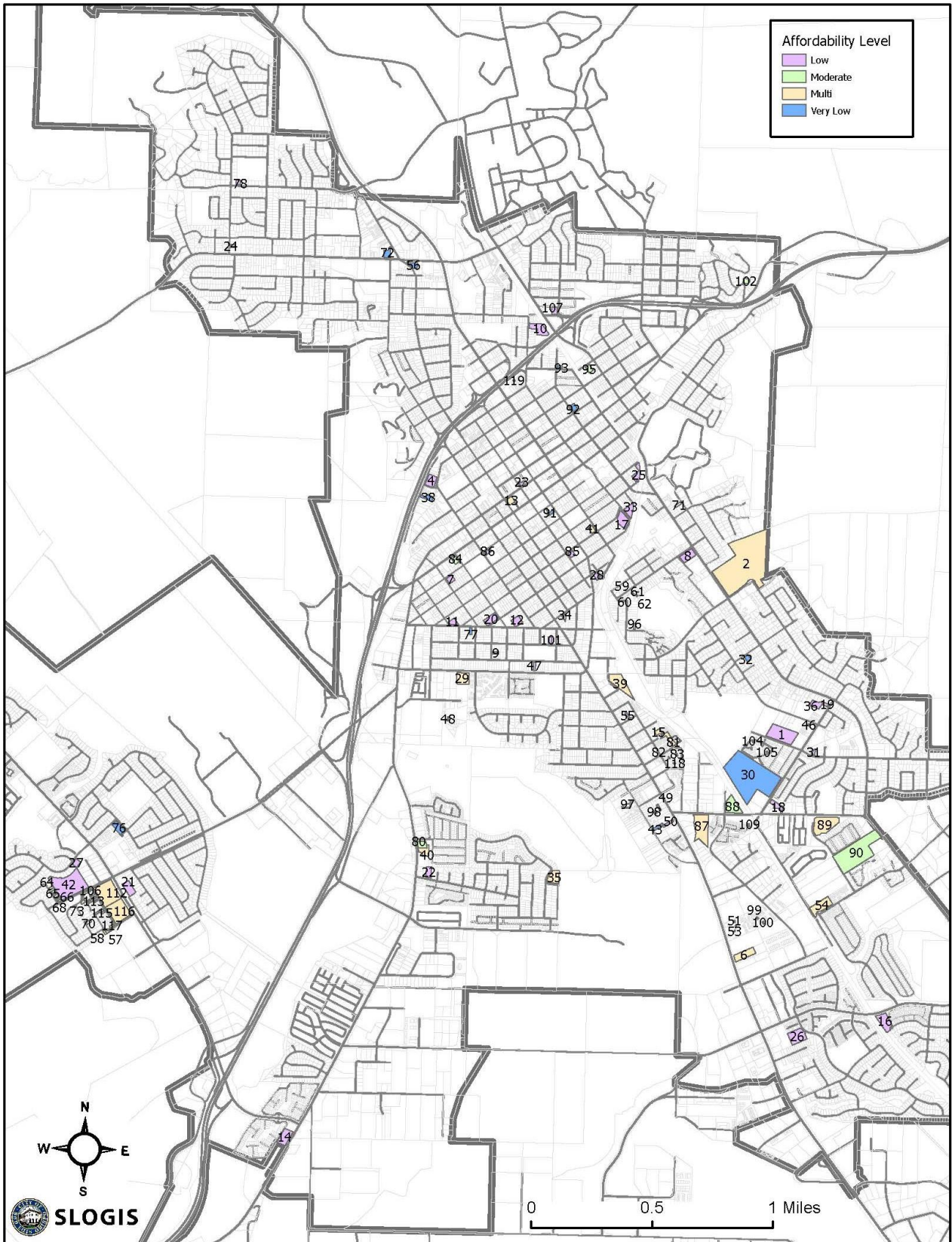
Source: City of San Luis Obispo Community Development Department Inventory 2020

Figure F - 1: Map of Affordable Housing Units by Tenure, 2020



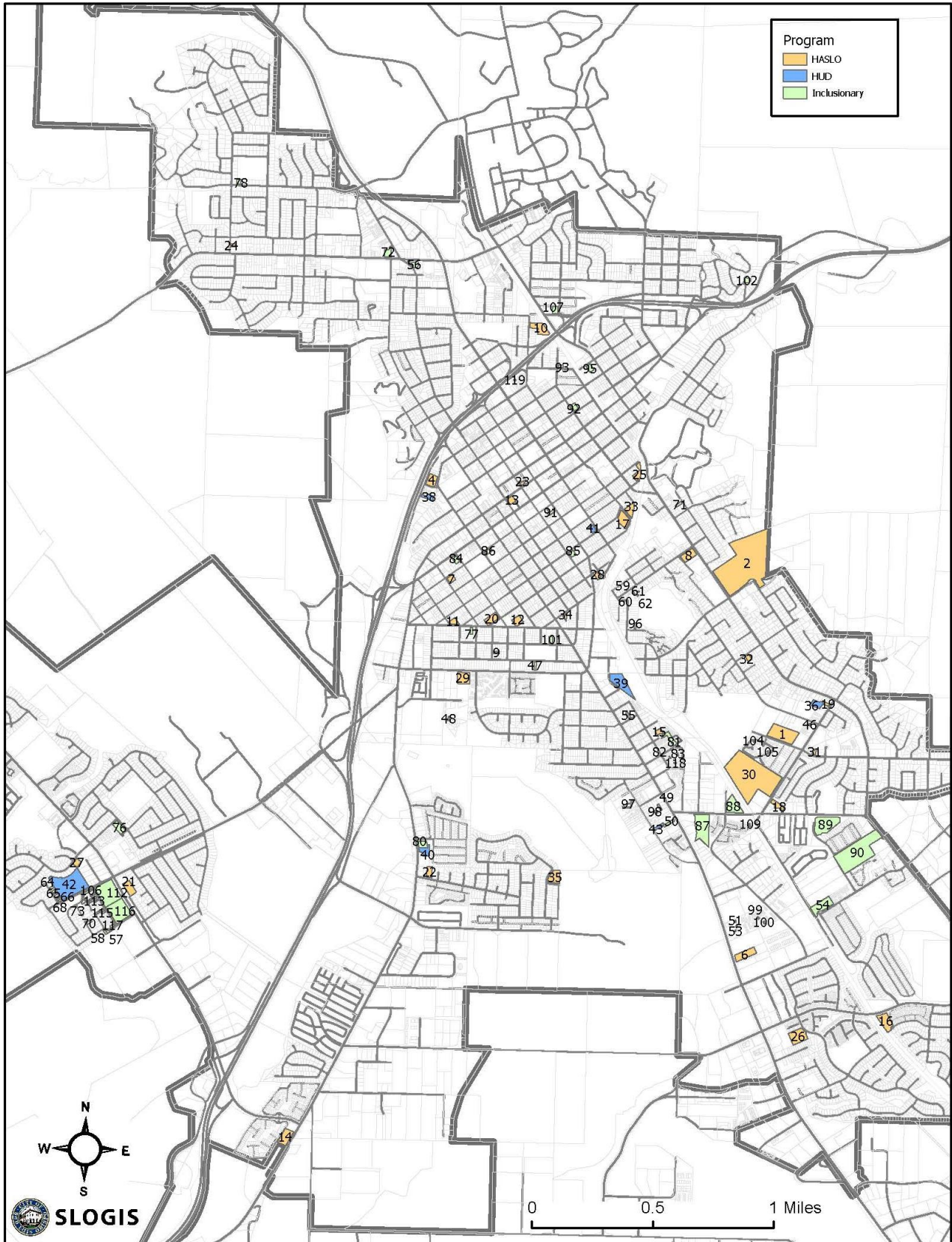
Source: Community Development Department, 2020

Figure F - 2: Map of Affordable Housing Units by Income Level, 2020



Source: Community Development Department, 2020

Figure F - 3: Map of Affordable Housing Units by Program, 2020



Source: Community Development Department, 2020

Appendix G

public outreach

Updating the Housing Element has been a community effort, involving public participation solicited through workshops, online surveys, newspaper legal notices, email lists, website information, stakeholder meetings, and public hearings. Over the past year, the City conducted wide-ranging public outreach to identify housing needs, issues and opportunities in the community. The primary goals of the outreach effort were to:

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

The City facilitated eight presentations, meetings, online surveys, and a public workshop over the past year. The Housing Element’s policies and programs represent a wide range of community perspectives on housing, including residents, housing consumers, non-profit housing organizations, developers, realtors, chamber of commerce, downtown businesses, health organizations, and many others. Below is a list of specific groups that were notified about the Housing Element update. Outside of these specific groups, an interested parties list was created and updated throughout the Housing Element Update process (April 2019 – October 2020). Emails were sent to these individuals as well as the stakeholder groups regarding updates on any Housing Element related events and hearings.

Stakeholder List

County of San Luis Obispo Planning Dept.	People's Self-Help Housing Corporation
Cities of Paso Robles, Atascadero, Morro Bay, Pismo, Grover Beach and Arroyo Grande Planning Depts.	SLO Chamber of Commerce
Transitions Mental Health Association	SLOCOG
Home Builders Association	SLO County Air Pollution Control District
Housing Authority of San Luis Obispo (HASLO)	SLO Association of Realtors
HEAL SLO – Healthy Community Working Group	Local Realtors
Local Tribes	Economic Vitality Corporation
	Various Interested Community Members

Notices to the public were made through emails, City’s e-news, local newspaper (The New Times), Twitter, Facebook, public radio and a Housing Element website, which was kept up to date with links to surveys, staff reports, meeting dates, and other information regarding the Housing Element Update.

Community Outreach Events and Public Comments

Public Forum and City Council Meeting #1 – April 2, 2019

The City hosted a public Housing Forum to kick off the Housing Element Update. Information regarding State housing law, Housing Element & RHNA, housing production, and the City’s

Inclusionary Housing program was provided to all who attended. The Forum also provided an opportunity to collect names and contact information from individuals and organizations who were interested in being contacted about Housing Element update events. At the City Council meeting, City staff shared about the Forum and comments shared by those who attended and provided detailed information regarding the City's housing programs, including a status report on the Housing Major City Goal, State housing law, Housing Element and required update, housing production and housing affordability.

Planning Commission Meeting #1 – April 24, 2019

City staff provided the Planning Commission with detailed information regarding the City's housing programs, including a status report on the Housing Major City Goal, State housing law, Housing Element and required update, housing production, and housing affordability. Public comment was received during the Planning Commission Meeting regarding growth management, housing production, funding for affordable housing, lack of overall housing, and lack of affordable housing.

Stakeholder Outreach #1: Association of Realtors – July 23, 2019.

A presentation was given to the Association of Realtors of San Luis Obispo regarding the Housing Element. The agenda consisted of Housing Element background information including demographics, employment information and an explanation of the Regional Housing Needs Allocation. No public comments were expressed during this meeting.

Public Outreach #1: Housing Element Workshop – December 10, 2020 & Online Survey (December 10, 2020 – January 10, 2020)

Participants of the community workshop and the online survey (provided on the City's Open City Hall platform) were invited to provide input on housing *needs, issues, and opportunities* for consideration in the update process. Below are word clouds that highlight the comments from participants regarding each question. Approximately 100 individuals participated in the in-person workshop and online survey.

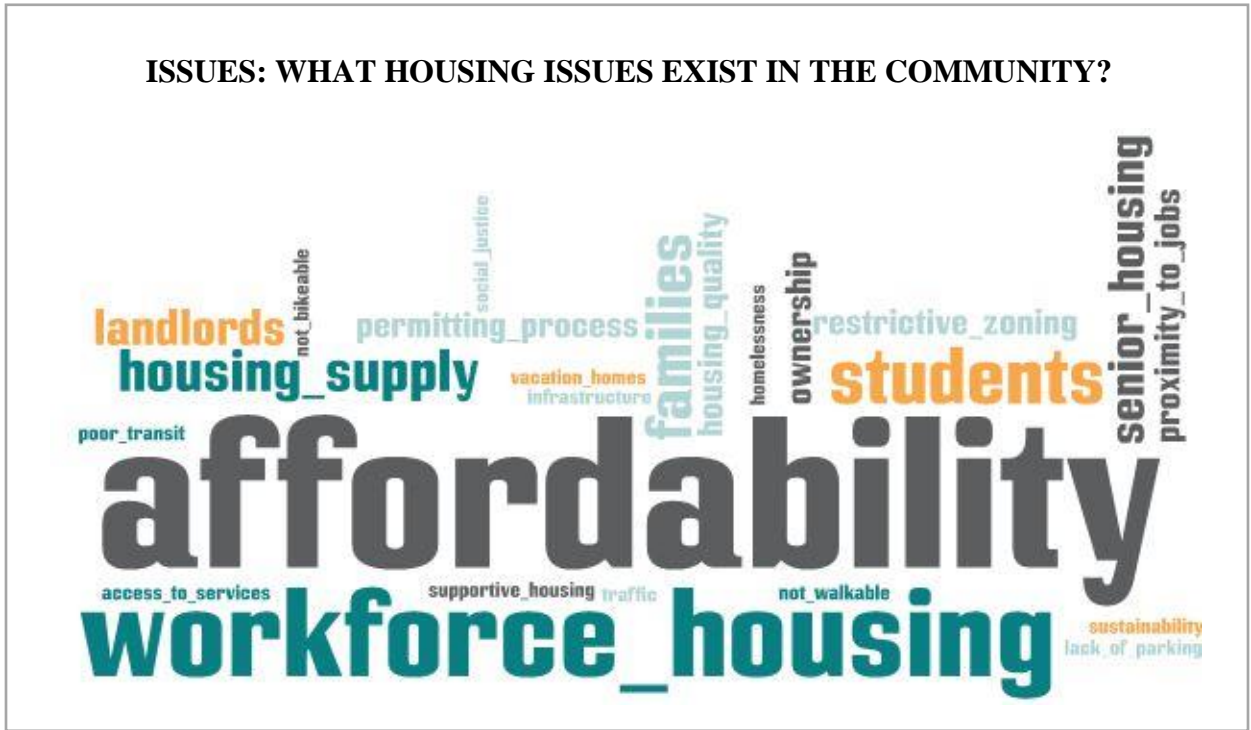


Figure 1: An example of the notice included in emails, on the City's website, Twitter, and Facebook.

NEEDS: WHAT TYPE OF HOUSING IS NEEDED MOST IN OUR COMMUNITY?



ISSUES: WHAT HOUSING ISSUES EXIST IN THE COMMUNITY?



OPPORTUNITIES: WHERE ARE OPPORTUNITIES TO INCREASE AVAILABLE HOUSING OPTIONS?



Below is a summary of the key themes from each of these questions:

Housing Issues

- *Affordable housing*
- *Insufficient number of housing units to rent or purchase*
- *Not enough diversity in the types of housing*
- *Not enough high-density housing*

Housing Needs

- *Affordable housing*
- *Workforce (missing middle) housing*
- *Housing for families*
- *Student housing*
- *Senior housing*
- *Housing near employment*

Housing Opportunities

- *Increase residential densities where appropriate, such as downtown*
- *Provide more student housing on campus*
- *Rehabilitate existing housing resources*
- *ADUs*

Staff asked workshop participants to indicate on the City’s Zoning Map potential areas for additional housing. Participants marked where they thought more housing could go and some even indicated where a change in zoning could benefit increased housing production (see Figure 2).

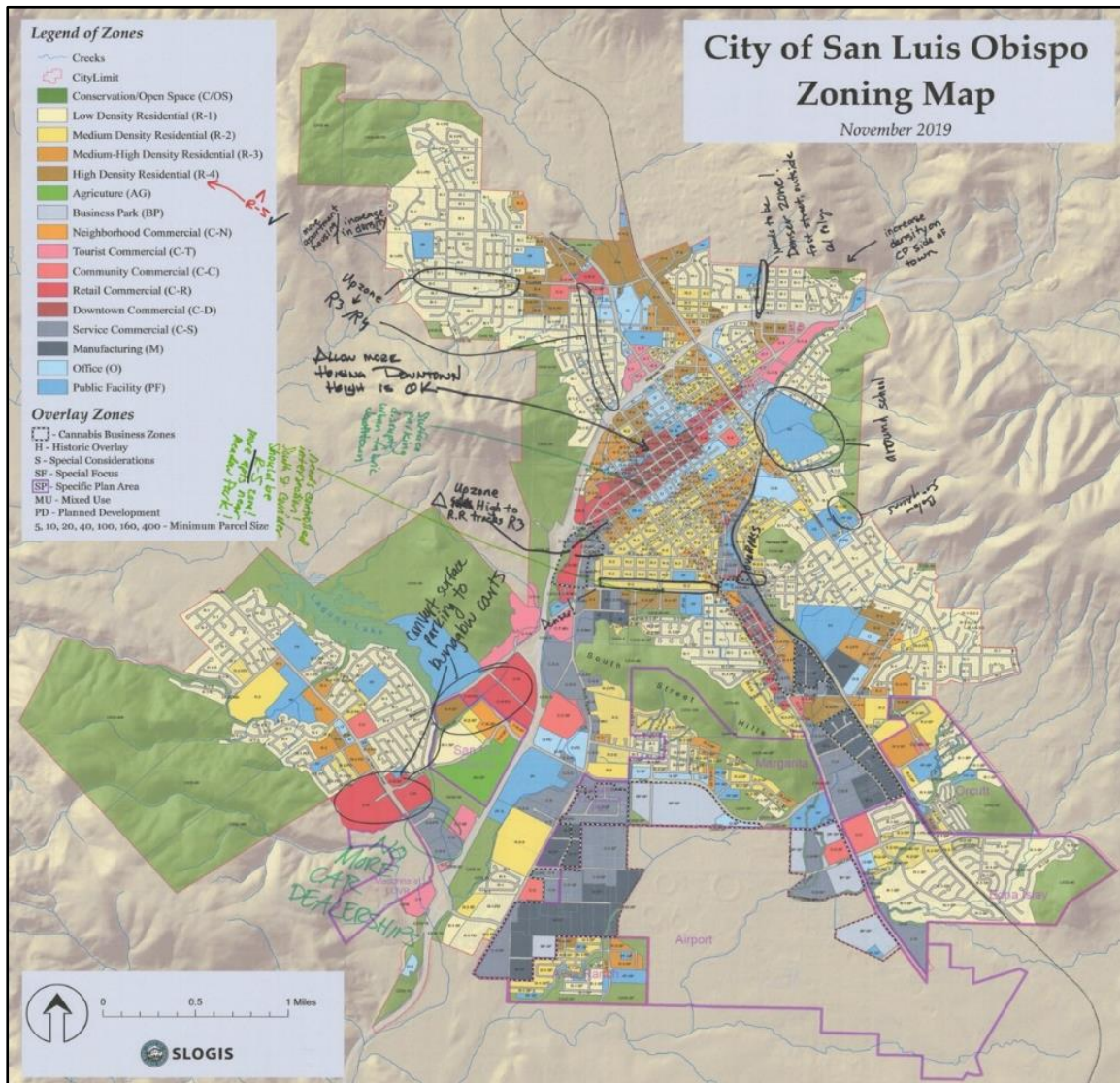


Figure 2: Zoning Map with participant comments

Stakeholder Outreach #2: Chamber of Commerce - April 2, 2020

A presentation was given to the Chamber of Commerce of San Luis Obispo regarding the Housing Element. The agenda consisted of Housing Element background information including demographics, employment information, an explanation of the Regional Housing Needs Allocation and a summation of the public comment thus far.

Stakeholder Outreach #3: Economic Vitality Corporation and the Home Builders Association – May 13, 2020

A presentation was given to the Economic Vitality Corporation with guests from the Home Builders Association regarding the Housing Element. The agenda consisted of Housing Element background information including demographics, employment information, an explanation of the Regional Housing Needs Allocation and a summation of the public comment thus far.

Public Outreach #2: Housing Element Online Survey – June 8, 2020 – June 24, 2020

In order to allow full participation by the community, the City elected to host an online survey in the place of an in-person public workshop during the COVID-19 restricted activity period. Participants of the online survey were invited to provide input on the proposed modifications the goals, policies, and program within the Housing Element Update. 337 individuals visited the survey and 78 individuals responded to the questions (this is equivalent to 3.9 hours of public comment at 3 minutes per response). The questions and summary of themes from the survey are as follows:

1. Is there anything that was missed or needs to be modified?

- Retain the goal of visitability in Program 8.9
- Promote ADA/special needs housing
- Promote affordable senior housing projects
- Support high density housing developments
- Support local preference

2. Are there additional housing topics that should be considered?

- Infrastructure planning (e.g. pedestrian, bicycle, improvements, etc.)
- Include amenities within housing developments such as: community gardens, common open space, parks, car share programs, and edible landscaping.
- Expand funding for affordable housing.
- Affordable housing
- Senior housing
- Homeless/Transition housing

3. Do you have ideas regarding how to increase the production and affordability of housing in the community?

- Update Inclusionary Housing Ordinance
- Reduce setback requirements
- Pre-approved ADU plans
- Reduce parking requirements
- Higher density and taller buildings in Downtown
- Reduce fees
- Round all densities to the nearest 0.5
- Upzone each residential zone to the next highest density

Planning Commission Meeting #2 – June 10, 2020

The second Planning Commission meeting included review of modifications to goals, policies, and programs within Chapter 3 of the Housing Element. There were six individuals who provided public comment (via correspondence, voicemail or at the meeting) as well as comments from various Commissioners. The following is summary of comments received:

1. A request to include more specific language to support and incentivize the development of moderate-income affordable housing.
2. Support for Policy 5.4 and Program 5.5, which encourages the development of “missing middle” type housing such as duplexes, triplexes, quadplexes, cottages, etc.
3. Suggested replacing Program 6.13 language “...where low-density residential areas is minimal...” with “...where compatible with surrounding development...”
4. Suggested that the language in Goal 7 regarding neighborhood stability and owner occupancy be retained.
5. Recommended a new policy be added under Goal 7 regarding public health and housing. The recommended policy states, “Encourage neighborhood design elements that improve overall health of residents by including safe convenient opportunities to access healthy food, clean air, and active places for recreational exercise.”
6. Concern regarding the older stock of housing within the City and being able to provide education and incentives to homeowner to sustain these older homes and make them safer.
7. Support for Policy 6.6 and Program 6.12 regarding the idea of flexible density within the Downtown, and the Upper Monterey and Mid-Higuera special focus areas.
8. Support for the policies and programs that encourage housing production.
9. Concern that housing that is planned to be affordable by design or is a missing middle housing type will not actually be affordable when it comes on the market.
10. Several concerns were raised about: climate change and the pandemic on future housing design and functionality, preservation of historic structures and districts, flexible density, streamlining the review process for mixed-used development projects, protecting parks and open space, and a need for more specific neighborhood outreach.

Planning Commission Meeting #3 – July 22, 2020

The third Planning Commission meeting included review of draft Housing Element update. There were four individuals who provided public comment (via correspondence and at the meeting) as well as comments from various Commissioners. The following is summary of comments received and incorporated into the draft Housing Element:

1. Amend Appendix D, Table D-2 and Program 6.13 to include two additional properties, 12500 Los Osos Valley Road (APN: 053-141-013) and APN: 053-161-020 (Los Osos Valley Road), for areas to be considered for rezone.
2. Amend Policy 7.9: Remove “outlet,” add “healthy” in front of “food,” and replace “active” with “attractive.” [With the changes, Policy 7.9 reads, “Encourage neighborhood design elements that improve overall health of residents including safe and convenient opportunities to access healthy food and attractive places for recreational exercise.”]
3. Directed staff to work on the wording of two new programs to support Policy 7.9 based on the language provided by the Planning Commission.
4. Add “Core” after “Downtown” in Policy 2.15.
5. Amend Policy 5.1: Adding the language “where compatible with existing and planned surrounding development.” [With the changes, Policy 5.1 reads, “Encourage mixed- use residential/ commercial projects in all commercial zones, especially those close to activity centers, where compatible with existing and planned surrounding development.”]
6. Amend Goal 7: Add “and livability.” [With the changes, Goal 7 reads, “Maintain, preserve and enhance the quality and livability of neighborhoods.”]

City Council Meeting #2 – September 1, 2020

The City Council reviewed the draft Housing Element update at one of their regular public meetings. There were three individuals who provided public comment (via correspondence and at the meeting) and comments received from the Council members. The following is summary of comments received:

1. Adjust Policy 7.9 and Programs 7.14, and 7.15 for more clarity.
2. Work with the City’s Attorney on the language of Policy 10.2.
3. Consider opportunities to include programs regarding:
 - a. Historic resource inventory
 - b. Zoning for microbusinesses
 - c. CC&R reform
 - d. Gray water systems.

Housing Summit Series (hosted by the Chamber of Commerce) – September 10, 2020

The 2020 Housing Summit provided a virtual three-part series exploring policies, practices, and potential solutions to address the housing crisis within the County of San Luis Obispo. Representatives from the City, as well as from the County and other cities within the County of San Luis Obispo, took part in the last part of the series and provided the diverse audience with highlights of the key programs that are included within each jurisdictions 6th Cycle Housing Element.

Public Outreach #3: Recirculation of the Revised Housing Element: October 29, 2020 – November 17, 2020

The City provided public notice regarding the Revised Housing Element Update requesting comments on the draft document prior to City Council review. Notification was provided via the City’s website and social media accounts (Facebook and Twitter), in the New Times local newspaper (in both Spanish and English) and an email was sent to the interested parties list, the stakeholder group listed on page G-2 above, plus the additional following groups:

Local Non-profits

Community Action Partnership of SLO (CAPSLO)

SLO Farm Bureau

Californian Rural Legal Assistance (CRLA)

The Coalition of Labor Agriculture and Business (COLAB) SLO

California Women for Agriculture (CWA)

United Way of San Luis Obispo County

Appendix H

REVIEW OF PREVIOUS HOUSING ELEMENT

Table H - 1: Housing Element Program Evaluation, 5th Cycle (2014-2019)

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
Goal 1 - Safety: Provide safe, decent shelter for all residents.				
1.4	Safety	Rehabilitate using Federal, State and local housing funds, such as Community Development Block Grant Funds, with the objectives of 30 single-family, 75 multi-family, 10 historic, and 20 mobile homes for extremely low, very low, low and moderate income homeowners and renters during the planning period	<p>On-going. In 2017, \$95,588 of CDBG funds were used to rehabilitate the Estella Court Housing Facility owned by Family Care Network. In 2018-19, the City collaborated with HASLO and the HumanGood organization to rehabilitate 279 affordable multi-family housing units. A total of 15 affordable housing communities received upgrades with State tax-exempt conduit financing.</p> <p>In the past five years of the CDBG program, the City has primarily received and awarded requests for real property acquisition for new affordable housing projects, rather than rehabilitation projects. Regardless, the program has been effective in addressing accessibility and life safety improvements for very-low and low-income apartments.</p>	Modify and Continue
1.5	Safety	Continue code enforcement to expedite the removal of illegal or unsafe dwellings, to eliminate hazardous site or property conditions, and resolve chronic building safety problems.	<p>On-going. The City continues to support its code enforcement and neighborhood preservation programs. Staffing is based on the services being provided and now includes a Code Enforcement Supervisor along with two Code Enforcement Officers and one Code Enforcement Technician. Staff addresses mainly reactive (complaint based) issues, but also provides proactive enforcement through the Neighborhood Services Program. These programs serve to promote neighborhood wellness and prevent neighborhood deterioration and blight by eliminating identified substandard building, housing, fire and life-safety, and property maintenance violations.</p>	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
1.6	Safety	Consider a Rental Inspection Program to improve the condition of the City's Housing Stock.	Implemented. In May 2015, the City Council adopted the Rental Housing Inspection Ordinance. In March 2017, the City Council voted to repeal the ordinance.	Delete
1.7	Safety	Continue to support local and regional solutions to homelessness by funding programs such as the Maxine Lewis Memorial Shelter and The Prado Day Center.	On-going. The City continues to support homeless service providers by providing financial means for various local and regional programs. In October 2018, the new 40 Prado Homeless Services Center opened in the City, offering over 100 beds for homeless families and individuals and services previously offered at the Maxine Lewis Memorial Shelter and Prado Day Center. Since 2015, the City has provided over \$1.3M through the CDBG program and General Fund to support programs and projects to help the homeless.	Modify and Continue
1.8	Safety	Create an educational campaign for owners of older residences informing them of ways to reduce the seismic hazards commonly found in such structures, and encouraging them to undertake seismic upgrades.	Implemented. Unreinforced masonry buildings have been retrofitted to meet current building code requirements. Proactive education is complete because no additional structures need seismic retrofits. Although complete, staff will continue to have information available regarding seismic hazards for those community members interested in further education.	Delete
Goal 2 - Affordability: Accommodate affordable housing production that helps meet the City's quantified objectives.				
2.5	Affordability	Continue to manage the Affordable Housing Fund so that the fund serves as a sustainable resource for supporting affordable housing development. The fund shall serve as a source of both grant funding and below market financing for affordable housing projects; and funds shall be used to support a wide variety of housing types at the following income levels: extremely low, very low, low, and moderate, but with a focus on production efficiency to maximize housing benefits for the City's financial investment, and to support high quality housing projects that	Ongoing. This program has been successful in furthering affordable housing construction and rehabilitation in the City. Since 2009, the City has either loaned, granted, or committed over \$10M in City AHFs for affordable housing development for extremely-low, very low, and low income families.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
		would not be feasible without Affordable Housing Fund support.		
2.6	Affordability	Continue to review existing and proposed building, planning, engineering and fire policies and standards as housing developments are reviewed to determine whether changes are possible that could assist the production of affordable housing, or that would encourage preservation of housing rather than conversion to non-residential uses, provided such changes would not conflict with other General Plan policies. Such periodic reviews will seek to remove regulations that have been superseded, are redundant or are no longer needed.	On-going. Council adopted changes to the City’s Zoning Regulations that allows certain number of residential units by right on a residentially zoned legal lot, revised parking standards, and expanded the Accessory Dwelling Unit (ADU) ordinance to be consistent with State law, allowing ADUs as a part of single family and multi-family developments, and eliminated impact fees for those units.	Continue
2.7	Affordability	Continue to implement existing procedures that speed up the processing of applications, construction permits, and water and sewer service priorities for affordable housing projects. City staff and commissions shall give such projects priority in allocating work assignments, scheduling, conferences and hearings, and in preparing and issuing reports and water and sewer service allocations.	On-going. Procedures are in place to streamline affordable housing projects consistent with State law. Several recent affordable housing projects have financially benefitted from receiving expedited processing and permitting, including Bishop Street Studios which required over 150 building inspections from City staff.	Modify and Continue
2.8	Affordability	Continue to pursue outside funding sources for the payment of City impact fees so that new dwellings that meet the City’s affordable housing standards can mitigate their facility and service impacts without adversely affecting housing affordability.	Implemented. Reductions have been built into the new fee structure that was approved as a part of AB 1600 in 2018.	Delete

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
2.9	Affordability	To the extent outside funding sources can be identified to offset impacts on City funds, exempt dwellings that meet the moderate income, Affordable Housing Standards from planning, building and engineering development review and permit fees, including water meter installation fee. Maintain exemptions for extremely-low, very-low and low-income households.	Implemented. Reductions have been built into the new fee structure that was approved as a part of the AB 1600 in 2018.	Delete
2.10	Affordability	Continue to coordinate public and private sector actions to encourage the development of housing that meets the City’s housing needs.	On-going. The City coordinates regularly with developers and local agencies to provide housing opportunities.	Continue
2.11	Affordability	Continue to assist with the issuance of bonds, tax credit financing, loan underwriting or other financial tools to help develop or preserve affordable units through various programs, including, but not limited to: (1) below market financing through the SLO County Housing Trust Fund and (2) subsidized mortgages for extremely low, very-low, low- and moderate income persons and first-time home buyers, and (3) self-help or “sweat equity” homeowner housing.	On-going. Since 1985, the City has conducted 13 TEFRA hearings to allow for the issuance of tax-exempt financing for affordable housing projects, including veteran, senior, and family housing. Through this program, a total of 493 units have been developed and 162 units have been preserved. Additionally, the City has continued to provide second mortgages for lower income homebuyers and provide down payment assistance loans for first-time homebuyers.	Modify and Continue
2.12	Affordability	Consider incorporating HOA fees and a standard allowance for utilities in the calculation for affordable rents and home sales prices.	On-going. Staff has completed a Nexus Study and researched other local jurisdictions in their approach to incorporate HOA fees and a standard allowance for utilities. However, staff has not yet finalized a methodology for incorporating an allowance into the City’s Affordable Housing Standards.	Modify and Continue
2.13	Affordability	In conjunction with the Housing Authority and other local housing agencies, continue to provide on-going technical assistance and education to tenants, property owners and the community at large on the need to preserve at-risk units as well as the available tools to help them do so.	On-going. The City’s Housing Program Coordinator provides technical assistance and education to tenants, property owners and the community on preserving at risk affordable housing being converted to market rate. The City also works with the Housing Authority of San Luis Obispo (HASLO) who offers informational workshops on various affordable housing opportunities within the City and surrounding County.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
2.14	Affordability	In conjunction with local housing providers and the local residential design community, continue to provide technical assistance as requested by the public, builders, design professionals and developers regarding design strategies to achieve affordable housing.	On-going. The City has a website dedicated to housing and published a brochure detailing City policies and incentives to developers and owners on affordable housing. The City’s Housing Programs Coordinator and Planners also provide on-going technical assistance to the public, property managers, developers and realtors regarding design strategies to achieve affordable housing.	Modify and Continue
2.15	Affordability	Evaluate the Inclusionary Housing Ordinance requirements and the effect of Table 2A on the City’s ability to provide affordable housing in the proportions shown in the Regional Housing Needs Allocation, per Policy 2.4.	On-going. Staff has completed a Nexus Study and determined there is a nexus to update the City’s Inclusionary Housing Ordinance (IHO). Additional evaluation is needed to determine the most effective changes that need to be made to Table 2A and the rest of the IHO to produce affordable housing that is consistent with the current development in the City.	Modify and Continue
2.16	Affordability	The City will evaluate and consider including a workforce level of affordability in its Affordable Housing Standards to increase housing options in the City for those making between 121 percent and 160 percent of the San Luis Obispo County median income. This affordability category cannot be used to meet inclusionary housing ordinance requirements and is not eligible for City Affordable Housing Funds.	Done. Creating a workforce level of affordability was examined and found that it could not be successfully implemented on a citywide basis as there are no existing State standards for such an income level. Staff is exploring a new approach to providing workforce housing through a variety of “missing middle” housing types such as duplexes, triplexes, quadplexes, cottages, etc.).	Delete
2.17	Affordability	Continue to consider increasing residential densities above state density bonus allowances for projects that provide housing for low, very low and extremely low income households.	On-going. This has been implemented on a variety of projects including: Victoria Crossing, 860 On The Wye (HASLO), Iron Works (HASLO), 1121 Montalban, Tiburon Place (Peoples’ Self-Help Housing), and Courtyard at Serra Meadows (HASLO), all which exceed the 35% base density bonus. The City also continues to support and encourage residential densities for eligible housing developments up to 80% as allowable by AB 1763.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
Goal 3 - Housing Conservation: Conserve existing housing and prevent the loss of safe housing and the displacement of current occupants.				
3.8	Housing Conservation	Adopt an ordinance that implements policy 3.2 to discourage removal or replacement of affordable housing.	Not Done. With the implementation of State law such as, the Housing Accountability Act, the Housing Crisis Act, Permit Streamlining Act, and the No Net Loss Law, the ability for the removal or replacement of affordable housing is very limited. As such, the City no longer needs a separate ordinance to discourage the removal or replacement of affordable housing.	Delete
3.9	Housing Conservation	Correct unsafe, unsanitary or illegal housing conditions, improve accessibility and energy efficiency and improve neighborhoods by collaborating with agencies offering rehabilitation programs. City will use State or Federal grants or other housing funds to implement the program and provide services such as home weatherization, repair and universal access improvements.	On-going. The City continues its code enforcement program to address unsafe and substandard buildings and neighborhood reservation. Approximately 332 cases identified for unsafe or substandard housing conditions were corrected. In December of 2018, the City joined Monterey Bay Community Power (MBCP). MBCP is an existing community choice energy program that serves the counties of Santa Cruz, San Benito, and Monterey and provides 100 percent carbon free electricity with a rate savings relative to PG&E. In addition, the City continues to require that new construction meets California’s Building Energy Efficiency Standards (Title 24) and CALGreen.	Modify (moved to Policy 1.4)
3.10	Housing Conservation	Continue to encourage the creation of dwellings in the Downtown Core (C-D Zone) and the Downtown Planning Area by continuing the "no net housing loss" program, consistent with Chapter 17.86 (Downtown Housing Conversion Regulations) of the Zoning Regulations.	On-going. The City continues to implement this program on a case-by-case basis when new projects are proposed in the Downtown to ensure that there is a no net housing loss consistent with the Zoning Regulations Chapter 17.142. Additionally staff reviews that projects are consistent with SLOMC Chapter 17.32 that states “All new commercial developments in the C-D Zone shall include housing” unless the housing is likely to jeopardize the health, safety, or welfare of residents or employees; or it meets the qualifications for a variance.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
3.11	Housing Conservation	Continue to identify residential properties and districts eligible for local, State or Federal historic listing in accordance with guidelines and standards to help property owners repair, rehabilitate and improve properties in a historically and architecturally sensitive manner.	On-going. The City continues to update its list of historic resources on an annual basis. The Historic Preservation Program Guidelines and staff assist property owners with guidance on improvements to their properties (repairs, additions, etc.) that are consistent with the Historic Preservation Ordinance. In addition, the City manages the Mills Act program to encourage rehabilitation of historic buildings, which has been highly successful, with numerous property owners using the program's property tax savings to upgrade their homes and improve neighborhoods.	Continue
3.12	Housing Conservation	Continue to monitor and track affordable housing units at-risk of being converted to market rate housing annually. Provide resources to support the Housing Authority, and local housing agencies, purchase and manage at-risk units.	Ongoing. The City continues to maintain an affordable housing inventory with all agreements and term expiration dates and implemented an affordable housing monitoring program. The monitoring program has been successful in organizing affordable housing agreements and ensuring deed-restricted units are in compliance with the City's Affordable Housing Standards. The City has a Condominium Conversion Ordinance that provides for affordability requirements when rental apartment projects are proposed to be converted to ownership units.	Continue
3.13	Housing Conservation	Working with non-profit organizations, faith-based organizations, or the Housing Authority of the City of San Luis Obispo, the City will encourage rehabilitation of residential, commercial or industrial buildings to expand extremely low, very-low, low or moderate income rental housing opportunities.	On-going. The City works alongside HASLO and other non-profit housing developers to expand affordable rental opportunities. In this 5 th Housing Element Cycle, the City granted TMHA \$330,000 of Affordable Housing Funds to acquire and rehabilitate an existing 6-unit property for new rental housing affordable to adults living with mental illness.	Continue
Goal 4 - Mixed-Income Housing. Preserve and accommodate existing and new mixed income neighborhoods and seek to prevent neighborhoods or housing types that are segregated by economic status.				
4.5	Mixed-Income Housing	Review new development proposals for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the mixed-income policies.	On-going. Development projects that trigger the City's Inclusionary Housing Ordinance are reviewed by the Project Planner and the Housing Programs Coordinator for compliance with mixed-income policies.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
4.6	Mixed-Income Housing	Consider amending the City’s Inclusionary Housing Ordinance and Affordable Housing Incentives to require that affordable units in a development be of similar number of bedrooms, character and basic quality as the nonrestricted units in locations that avoid segregation of such units.	On-going. Development projects that trigger the City’s Inclusionary Housing Ordinance are reviewed by the Project Planner and the Housing Programs Coordinator for compliance with the requirement that affordable units are of a similar number of bedrooms, character and basic quality. In addition, staff took the first steps in evaluating the Inclusionary Housing Ordinance by conducting an Affordable Housing Nexus Study.	Modify and Continue
Goal 5 - Housing Variety and Tenure. Provide variety in the location, type, size, tenure, and style of dwellings.				
5.5	Housing Variety and Tenure	Review new developments for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the housing variety and tenure policies.	Implemented. Through the development review process, any projects that trigger the City’s Inclusionary Housing Ordinance (IHO) are reviewed by the Project Planner and the Housing Programs Coordinator for compliance with housing variety and tenure policies.	Delete
Goal 6 - Housing Production. Plan for new housing to meet the full range of community housing needs.				
6.11	Housing Production	Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.144) exemption for new housing in the Downtown Core(C-D zone), and new housing in other zones that is enforceably restricted for extremely-low, very low, low- and moderate income households, pursuant to the Affordable Housing Standards.	On-going. The City’s Residential Growth Management Regulations exempt dwellings affordable and enforceably restricted to residents with extremely-low, very low-, low-, and moderate- income households as well as new dwellings in the Downtown Core (C-D) zone and all ADUs.	Modify and Continue
6.12	Housing Production	Continue to allow flexible parking regulations for housing development, especially in the Downtown Core (C-D Zone), including the possibilities of flexible use of city parking facilities by Downtown residents, where appropriate, and reduced or no parking requirements where appropriate guarantees limit occupancies to persons without motor vehicles or who provide proof of reserved, off-site parking. Such developments may be subject to requirements for parking use fees, use limitations and enforcement provisions.	On-going. The City continues to allow flexible parking regulations in the Downtown for dwellings by allowing a range of parking options including paying in-lieu fees and reduced parking requirements as compared to other zones. The City also continues to support the Downtown Residential Overnight Parking Program (DROP) which allows for overnight residential parking within City parking facilities.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.13	Housing Production	Continue to develop incentives to encourage additional housing in the Downtown Core (C-D Zone), particularly in mixed-use developments. Density based on average unit size in a project should be explored to encourage the development of smaller efficiency units.	On-going. The City has a variety of development incentives available to encourage housing in the Downtown. Mixed use projects are allowed by right in the Downtown with residential densities up to 36 DU/acre in combination with commercial uses. Commercial development does not impact or reduce a site’s residential density. Additionally the Zoning Regulations were updated in 2018 and Section 17.32.030.C. states that “All new commercial developments in the C-D Zone shall include housing, unless the City makes one of the following findings: 1. Housing is likely to jeopardize the health, safety, or welfare of residents or employees; or 2. All of the findings listed for Variances in Section 17.114.040 (Required Findings).”	Modify and Continue
6.14	Housing Production	Specific plans for any new expansion area identified shall include R-3 and R-4 zoned land to ensure sufficient land is designated at appropriate densities to accommodate the development of extremely low, very-low and low income dwellings. These plans shall include sites suitable for subsidized rental housing and affordable rental and owner-occupied dwellings, and programs to support the construction of dwellings rather than payment of in-lieu housing fees. Such sites shall be integrated within neighborhoods of market-rate housing and shall be architecturally compatible with the neighborhood.	Ongoing. The City’s expansion areas are subject to Inclusionary Housing Ordinance provisions. These provisions require that at least 5% low and 10% moderate income affordable housing be provided in each development project. Affordable housing must be constructed; payment of in-lieu fees is not allowed in expansion areas. San Luis Ranch and Avila Ranch are two new specific plan and planning areas that were approved that both include for sale and rental housing units. Both projects also include areas zoned for medium-high and high-density housing and are required to provide deed restricted affordable housing. Avila Ranch includes 10.84 acres of Medium-High Density (R-3 (20 units per acre)) that will support 185 units and 4.39 acres of High Density (R-4 (24 units per acre)) that will support 125 units. San Luis Ranch has 6.8 acres of Medium Density (23 units per acre) that will support 100 units and 10.4 acres of High Density (30 units per acre) that will support 200 units. Both plans include density bonuses as well.	Modify and make Policy 6.9

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.15	Housing Production	<p>Consider General Plan amendments to rezone commercial, manufacturing or public facility zoned areas for higher-density, infill or mixed-use housing where land development patterns are suitable and where impact to Low-Density Residential areas is minimal. For example, areas to be considered for possible rezoning include, but are not limited to the following sites:</p> <ul style="list-style-type: none"> A. Portions of South Broad Street Corridor and Little Italy area B. 1499 San Luis Drive (rezone vacant and underutilized School District property) C. 1642 Johnson Avenue (vacant School District property) D. 4325 South Higuera Street (former P.G.&E. yard) E. 4355 Vachell Lane (vehicle storage) F. 173 Buckley Road (Avila Ranch) G. 2143 Johnson Avenue (adjacent to County Health Department) H. 3710 Broad Street (Plumbers and Steamfitters Union) I. 11950 Los Osos Valley Road (Pacific Beach High School) J. 2500 Block of Boulevard Del Campo (adjacent to Sinsheimer Park) K. 12165 Los Osos Valley Road (adjacent to Home Depot) 	<p>On-going. With the update to the Land Use Element in 2015, the City adopted the South Broad Street plan which rezoned portions of South Broad and the Little Italy area. Since the approval of this plan, several new mixed-use housing projects have been approved and are under construction (The Yard, Victoria Crossing, & Victoria and Caudill Development). Additionally, Avila Ranch Development plan was approved in 2017. At 3710 Broad Street HASLO has constructed 46 units and Peoples’ Self-Help Housing has received approval for a 40-unit mixed-use affordable housing project.</p>	Modify and Continue
6.16	Housing Production	<p>Continue to provide resources that support the SLO County Housing Trust fund’s efforts to provide below market financing and technical assistance to affordable housing developers as a way to increase affordable housing production in the City of San Luis Obispo.</p>	<p>On-going. The SLO County Housing Trust Fund (HTF) is a private nonprofit corporation that provides financing and technical assistance to help private developers, non-profit organizations, and government agencies to produce and preserve homes that working families, seniors on fixed incomes and persons with disabilities can afford to rent or buy. Annually, the City provides funding assistance to support the HTF’s operating expenses. Since 2005, the HTF has provided more than \$2.3 million in loans to support projects located in the City.</p>	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.17	Housing Production	Encourage residential development through infill development and densification within City Limits and in designated expansion areas over new annexation of land.	<p>On-going per the Land Use Element. Infill development accounts for many of the housing applications received in the last five years. Such infill projects that were approved since 2014 include:</p> <ol style="list-style-type: none"> 1) Bishop Street Studio (34 units)* 2) 2120 Santa Barbara (69 units) 3) The Connect (78 units) 4) Twin Creeks (94 units)* 5) 71 Palomar (41 units)* 6) San Luis Square (52 units) 7) 790 Foothill (78 units)* 8) Broad Street Collection (32 units)* 9) Iron Works (46 units)* 10) 22 Chorro (27 units)* <p>Those marked with an (*) include deed-restricted affordable units.</p> <p>Additionally, San Luis Ranch was entitled and annexed into the City; the plan includes 580 residential units. Avila Ranch was also approved (part of the Airport Area Specific Plan) and includes 720 residential units.</p>	Delete
6.18	Housing Production	Seek opportunities with other public agencies and public utilities to identify, assemble, develop, redevelop and recycle surplus land for housing, and to convert vacant or underutilized public, utility or institutional buildings to housing.	<p>On-going as opportunities emerge. The City worked with HASLO and Transitions-Mental Health Association (TMHA) to develop the 34-unit Bishop Street Studios project. This project has been completed and provides housing for extremely low, very low and low-income adults with behavior and/or mental health needs.</p>	Modify and Continue
6.19	Housing Production	Continue to incentivize affordable housing development with density bonuses, parking reductions and other development incentives, including City financial assistance.	<p>Ongoing. The City has provided numerous incentives including density bonuses, parking reductions, concessions to development standards, and financial assistance on several projects that include deed-restricted affordable housing units. Some of these projects include:</p> <ol style="list-style-type: none"> 1) Bishop Street Studios – parking reduction, City AHFs 2) 790 Foothill – height and setback concession 3) Broad Street Collection – parking reduction 4) Iron Works – height and parking concession, City AHFs 	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			5) 22 Chorro – height and parking concession 6) Courtyard at the Meadows – street yard reduction, City AHFs	
6.20	Housing Production	Continue to financially assist in the development of housing affordable to extremely low, very-low, low- or moderate income households during the planning period using State, Federal and local funding sources, with funding priority given to projects that result in the maximum housing benefits for the lowest household income levels.	<p>On-going. The City has facilitated the development of affordable housing using State, Federal and local funding sources. Projects that either received planning entitlements or were constructed in the 5th Cycle Housing Element include:</p> <ul style="list-style-type: none"> • Broad Street Place (40 units) • Tiburon Place (68 units) • Courtyard at the Meadows (36 units) • Bishop Street Studios (34 units) • Iron Works (46 units) • Broad Street Apartments (6 units) <p>Program has been extremely effective, and the City will continue to implement the program by leveraging its Affordable Housing Fund in conjunction with other State, Federal and local funding sources to increase the production of affordable housing.</p>	Continue
6.21	Housing Production	Actively seek new revenue sources, including State, Federal and private/non-profit sources, and financing mechanisms to assist affordable housing development for extremely low, very low and low or moderate income households and first- time homebuyers.	<p>On-going as opportunities emerge. During the past 5th Housing Element Cycle, the City collaborated with various non-profit housing developers on new revenue sources for housing development, including HCD’s Affordable Housing Sustainable Communities grant program. The City also continues to support and collaborate with the SLO County HTF.</p>	Modify and Continue
6.22	Housing Production	Continue to exempt the rehabilitation or remodeling of up to 4 dwellings of up to 1200 square feet each from Architectural Review Commission review. New multi-unit housing may be allowed with “Minor or Incidental” or staff level architectural review, unless the dwellings are located on a sensitive or historically sensitive site.	<p>Implemented. Section 17.106.030 has been added to the 2018 Zoning Regulations update which references SLOMC Chapter 2.48 that includes language that exempts the rehabilitation or remodeling of up to 4 dwellings of up to 1,200 square feet each from Architectural Review Commission review.</p>	Delete

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.23	Housing Production	Assist in the production of affordable housing by identifying vacant or underutilized City-owned property suitable for housing, and dedicate public property, where feasible and appropriate for such purposes, as development projects are proposed.	Implemented. Staff completed an inventory of underutilized and vacant City-owned property and found that no City-owned properties were suitable for housing development.	Delete
6.24	Housing Production	Community Development staff will proactively provide information for properties suitable for housing as identified in the Land Use and Housing Elements.	Implemented. Staff actively provides information regarding any land identified in the Housing Element or the Land Use Element that may be suitable for housing development possibilities.	Delete
6.25	Housing Production	Evaluate and consider amending the General Plan to designate the 46 acres associated with the former County General Hospital as a “Special Considerations” zone, suitable for housing development on areas of the site of less than 20 percent average slope, provided that open space dedication and public improvements are part of the project.	Done. The Land Use Element was updated in 2015 to include Program 8.6 which identified the General Hospital site as a Special Planning Area. The program identifies that the old hospital building will remain as an office / treatment facility and lands behind the hospital building that are inside the City’s Urban Reserve line will be designated as Public and a range of residential uses will be allowed (Low Density and Medium Density Residential, residential care use, transitional care use, and other residential uses consistent with the adjacent area). With future development, the City will seek to secure permanent protection of the open space outside of the urban reserve line. The undeveloped portion of this site on the southwest side of Johnson Avenue will remain designated for Public uses.	Delete
6.26	Housing Production	Continue to update the Affordable Housing Incentives (Chapter 17.90, SLOMC) and Zoning Regulations to ensure density bonus incentives are consistent with State Law.	On-going. The City’s Affordable Housing Incentives were updated in 2013 to be consistent with State law. The City also continues to support and encourage residential densities for eligible housing developments up to 80% as now allowable by AB 1763. As more changes occur, the City will continue to ensure affordable housing incentives and Zoning Regulations are updated accordingly.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.27	Housing Production	Evaluate and consider increasing the residential density allowed in the Neighborhood-Commercial (C-N), Office (O) and Downtown Commercial (C-D) zoning districts. The City will evaluate allowing up to 24 units per acre in the C-N and O zones, and up to 72 units per acre in the C-D zone, twice the current density allowed in these areas.	Not Done. A detailed analysis of increasing the residential density allowed in various zoning districts was considered and evaluated as a part of the zoning update and determined that it would need to be part of a larger update to the Land Use Element (LUE) and require additional environmental review. Until the LUE is updated, this program is not for the Housing Element.	Delete
6.28	Housing Production	Evaluate how lot patterns (i.e. size, shape, slope) in the City’s multi-family zones affect the City’s ability to meet housing production policies. If warranted, consider setting a minimum number of dwellings on each legal lot in the R-2, R-3 and R-4 zones, regardless of lot size, when other property development standards, such as parking, height limits and setbacks can be met. .	Implemented. In 2018 the Zoning Regulations were updated to include minimum number of dwellings on each legal lot in the R-2, R-3 and R-4 zones, regardless of lot size as long as the development can meet all property development standards, such as parking, height limits and setbacks.	Delete
6.29	Housing Production	Continue to pursue incentives to encourage development of Secondary Dwelling Units (SDUs). Possible incentives include SDU design templates, flexible development standards, fee reductions or deferrals, or other measures to encourage the construction of SDUs where allowed by zoning.	Implemented. The City updated the Zoning Regulations in 2018 and 2020 to be consistent with State law regarding SDUs (now called ADUs – Accessory Dwelling Units). In addition, the City has also eliminated impact fees requirements through the AB 1600 fee study.	Delete
6.30	Housing Production	Evaluate and consider adopting Subdivision and Zoning Regulations changes to support small lot subdivisions, ownership bungalow court development. Eliminate the one acre minimum lot area for PD overlay zoning, and other alternatives to conventional subdivision design.	On-going. The Zoning Regulations were updated in 2018 and included a revision to the PD overlay zoning to allow a minimum of one-half of a contiguous acre for a PD (as opposed to a one acre minimum).	Modify and Continue
6.31	Housing Production	Consider scaling development impact fees for residential development based on size, number of bedrooms, and room counts.	Done. Completed as a part of the AB 1600 and fee schedule update.	Delete
6.32	Housing Production	Continue to submit annual Housing Element progress reports to the State Department of Housing and Community Development per Government Code Section 65400.	On-going. Staff continues to submit the Housing Annual Progress Report to HCD by April 1 st .	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
<p>Goal 7 - Neighborhood Quality. Maintain, preserve and enhance the quality of neighborhoods, encourage neighborhood stability and owner occupancy, and improve neighborhood appearance, function and sense of community.</p>				
7.9	Neighborhood Quality	Continue to implement varied strategies, such as early notification through electronic media, website improvements, neighborhood outreach meetings, etc., to ensure residents are aware of and able to participate in planning decisions affecting their neighborhoods early in the planning process.	On-going. City follows public noticing procedures that provide public notice, including legal notices, sign postings on the project site, and direct mail. In addition, the City has implemented e-notifications where residents, stakeholders and other interested parties can voluntarily sign up to receive email notices for any public meeting of their choice. The City exceeds State requirements by contacting individuals directly who are part of our “interested party” mailing lists, posting information at local businesses, posting information on the City’s website, and Twitter, Facebook and Instagram accounts, and using local media such as newspapers, TV and radio.	Modify and Continue
7.10	Neighborhood Quality	Continue to work directly with neighborhood groups and individuals to address concerns. Identify specific neighborhood needs, problems, trends and opportunities for improvements.	On-going. The Neighborhood Wellness Program includes proactive enforcement of property maintenance standards, enforcement of the City’s noise ordinance, and parking enforcement in the City’s residential neighborhoods. The enforcement of property maintenance standards is handled by one full-time Code Enforcement Technician within the Building & Safety Division of the Community Development Department that patrols residential neighborhoods and address observable violations. The Police Department is responsible for the enforcement of the noise and unruly gathering ordinances and the Parking Division of the Public Works Department enforces parking requirements. An important aspect of the Neighborhood Wellness Program is a focus on community outreach and education. Staff participates in various outreach and education efforts with neighborhood, student, and business groups.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
7.11	Neighborhood Quality	Continue to fund neighborhood improvements, including sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.	On-going. Over the last 5 years, the City has invested over \$6 million within the areas of Multimodal Transportation Facilities, Roadway Improvements, Creek and Flood Protection, Transit and Transportation Management, Parks and Recreation, and Open Space. Projects covered include curb ramps, sidewalk repairs and replacement, street trees, graffiti removal, playground, and crosswalks.	Continue
7.12	Neighborhood Quality	Continue to develop and implement neighborhood parking strategies, including parking districts, to address the lack of on- and off-street parking in residential areas.	Implemented. The City has established ten Neighborhood Parking Districts. The City has been working on the creation of demand-based parking strategies and has plans to update the 2011 Access & Parking Management Plan. The 2011 plan addresses neighborhood parking issues and includes strategies to mitigate the lack of on and off-street parking.	Delete
7.13	Neighborhood Quality	Continue the City’s Neighborhood Services and proactive enforcement programs to support neighborhood wellness.	On-going. The City continues to proactively enforce property maintenance standards, and respond to calls regarding the City’s noise ordinance, and parking in the City’s residential neighborhoods. Additionally, City staff host an annual Neighborhood Forum to update the public on various topics regarding neighborhood needs, problems, trends, and opportunities.	Modify and Continue
Goal 8 - Special Housing Needs. Encourage the creation and maintenance of housing for those with special housing needs.				
8.13	Special Housing Needs	Continue to provide resources that support local and regional solutions to meeting the needs of the homeless and continue to support, jointly with other agencies, shelters and programs, such as Housing First and Rapid Rehousing, for the homeless and for displaced women and children.	On-going. In October 2018 the 40 Prado Homeless Services Center (HSC) opened. The HSC offers all the services that were previously provided at the Maxine Lewis Shelter and the Prado Day Center. Since 2015, \$428k of CDBG monies and \$873k of City General Fund dollars have been allocated to CAPSLO for ongoing operational programs to support the homeless. City representatives actively participate on the Homeless Services Oversight Council (HSOC) which acts as an advisory body to the County Board of	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>Supervisors that serves as a planning and policy forum on homeless initiatives, collaboration, support, and funding.</p> <p>In 2018 with collaboration from TMHA and the County Dept. of Social Services, the City’s Police Department also hired a social worker to focus on outreach and preventative engagement with the City’s most vulnerable populations.</p> <p>The City continues to host the Homeless Solutions webpage. This page is dedicated to keeping the public updated with all the latest homeless program initiatives. It includes a donations link to the United Way website and information on local homeless programs, services and documents.</p>	
8.14	Special Housing Needs	Continue the mobile home rent stabilization program to minimize increases in the cost of mobile home park rents.	On-going. The program continues to be successful in minimizing the mobile home space rents. Mobile homes are one of the City's forms of affordable housing.	Modify and Continue
8.15	Special Housing Needs	Continue to look for opportunities in specific plan areas suitable for tenant-owned mobile-home parks, cooperative or limited equity housing, manufactured housing, self-help housing, or other types of housing that meet special needs.	On-going. The City continues to support the development of Mobile Home Parks within all residentially zoned parcels. The City is currently collaborating with an applicant to develop an “aging in place” type housing development within the Froom Ranch Specific Plan.	Modify and Continue
8.16	Special Housing Needs	Advocate developing more housing and refurbishing campus housing at Cal Poly University.	On-going. The City supports Cal Poly constructing housing units for students on campus. In 2018 Cal Poly completed the construction of a new student housing development with 1,475 new beds. Cal Poly's housing programs have expanded significantly; however additional on-campus housing is still needed. The City is currently working with Cal Poly on their new Master Plan which includes more on-campus student housing.	Continue
8.17	Special Housing Needs	Work with Cal Poly University Administration to secure designation of on-campus fraternity/sorority living groups.	On-going. A draft of the Cal Poly Master Plan 2035 states that there is an opportunity to provide specialized housing for groups such as fraternities, sororities or other social or academic organization. The City is currently	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			working with Cal Poly on their new Master Plan.	
8.18	Special Housing Needs	Jointly develop and implement a student housing plan and "good neighbor program" with Cal Poly State University, Cuesta College and City residents. The program would seek to improve communication and cooperation between the City and the schools, set on campus student housing objectives and establish clear, effective standards for student housing in residential neighborhoods.	<p>On-going. The Student Community Liaison Committee was established in 1987 and continues to meet monthly. The Committee, which brings together Cal Poly, Cuesta College, City and County staff and community organizations to promote positive relations, mutual respect, and improved quality of life.</p> <p>As part of the Neighborhood Wellness Program, City staff from Code Enforcement, Police, Fire, Administration, Parking, Utilities, Parks and Recreation, and Planning meet quarterly to discuss various topics to highlight to the community.</p>	Modify and Continue
8.19	Special Housing Needs	Provide public educational information at the Community Development Department public counter on universal design concepts (i.e. aging in place) for new and existing residential dwellings.	<p>On-going. The City has a variety of information available at the Community Development Department public counter and online regarding a universal design concepts. Additionally, City staff provide public education on a daily basis through in-person meetings, phone calls, and email.</p>	Modify and Continue
8.20	Special Housing Needs	Transitional Housing and Supportive Housing: Continue to allow the establishment of transitional and supportive housing in all zoning districts where residential uses are allowed.	<p>On-going. Staff continues to support transitional and supportive housing facilities in all zones that allow the development of residential units.</p>	Modify and Continue
8.21	Special Housing Needs	Continue to look for opportunities (land, retail or commercial space, motels, apartments, housing units, mobile home parks) that can be acquired and converted to affordable permanent housing and permanent supportive housing for homeless persons and families.	<p>On-going. The City continues to work with its regional partners and local non-profits to identify vacant, blighted, or underutilized properties (land, retail or commercial space, motels, apartments, housing units, mobile home parks, etc.) for conversion into affordable permanent and supportive housing for homeless persons and families. Staff is currently collaborating with HASLO on developing a vacant site for a new transitional housing project. The site used to be the location of the Maxine Lewis Memorial Shelter.</p>	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
8.22	Special Housing Needs	Consider addition of an overlay zone to existing and future mobile home and trailer park sites to provide constructive notice that additional requirements, such as rent stabilization and a mobile home park conversion ordinance may apply.	Not Done. The City’s Municipal Code contains a Mobile Home Park Rent Stabilization Ordinance that applies citywide to all mobile home parks. The Ordinance satisfies this program by protecting owners and renters of mobile homes from unreasonable rent increases. Staff has evaluated that an overlay zone would not provide any additional benefit.	Delete
8.23	Special Housing Needs	Encourage the creation of housing for persons with developmental disabilities. The City will seek grant opportunities for housing construction and rehabilitation specifically targeted for persons with developmental disabilities.	On-going. Bishop Street Studios was completed in 2019 and provides 100% affordable, stable, permanent housing and services for adults living with mental illness. Also, in 2019, the City granted \$330,000 of AHFs to help TMHA acquire and rehabilitate an existing 6-unit property to serve as housing for six of their clients.	Modify and Continue
8.24	Special Housing Needs	Continue to coordinate with the County, social services providers and non-profit organizations for delivery of existing, improved and expanded services, including case management, drug, alcohol, detoxification, and mental health services.	On-going. In October 2018, the 40 Prado Homeless Services Center (HSC) opened. The HSC combines all the services that were provided at the Maxine Lewis Shelter and the Prado Day Center. In addition, the County is developing a Medically Assisted Withdrawal Management (detox) center adjacent to the HSC. The new facility is being constructed primarily via the one-time State Homeless Emergency Aid Program (HEAP) funding.	Delete
8.25	Special Housing Needs	Continue to engage the Homeless Services Oversight Council (HSOC) and Friends of Prado Day Center (FPDC) to identify, evaluate, and implement strategies to reduce the impacts of homelessness on the City.	On-going. The City continues to actively participate on the HSOC and the new Friends of 40 Prado fundraising group that replaced the FPDC.	Modify and Continue
Goal 9 - Sustainable Housing, Site, and Neighborhood Design. Encourage housing that is resource conserving, healthful, economical to live in, environmentally benign, and recyclable when demolished.				
9.6	Sustainable Housing, Site and Neighborhood Design	Support programs that provide financing for sustainable home upgrade projects such as installation of solar panels, heating and cooling systems, water conservation and windows to improve the energy efficiency of the City’s existing housing stock.	On-going. The City continues to support any programs that support upgrading residential units to be more sustainable and energy efficient.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
9.7	Sustainable Housing, Site and Neighborhood Design	Continue to educate planning and building staff and citizen review bodies on energy conservation issues, including the City’s energy conservation policies and Climate Action Plan. Staff shall work with applicants to achieve the City’s energy conservation goals.	<p>On-going. The City continues to educate staff and the public through the update of the Climate Action Plan (CAP). Staff anticipates the updated CAP will be adopted in 2020. During this process advisory bodies (i.e. Planning Commission and City Council) and the public have provided feedback on the proposed revisions.</p> <p>Additionally, all projects must comply with the CALGreen and energy efficiency standards that are a part of Title 24 of the California Building Code (CBC). As part of the application, applicants are required to fill out a checklist that identifies energy conservation measures included in their projects. The program has been successful in raising staff and public awareness and knowledge regarding energy conservation.</p> <p>In December of 2018, the City joined Monterey Bay Community Power (MBCP). MBCP is an existing community choice energy program that serves the counties of Santa Cruz, San Benito, and Monterey and provides 100 percent carbon free electricity with a rate savings relative to PG&E.</p>	Continue
9.8	Sustainable Housing, Site and Neighborhood Design	Continue to provide assurance of long-term solar access for new or remodeled housing and for adjacent properties, consistent with historic preservation guidelines, and revise regulations found to be inadequate.	On-going. The City requires solar shading plans for projects that request height and/or setback exceptions to ensure that sufficient solar access is available to surrounding properties.	Modify and Continue
9.9	Sustainable Housing, Site and Neighborhood Design	Continue to implement the Water Quality Control Board’s “Post-Construction Stormwater Management Requirements for Development Projects in the Central Coast Region”, to reduce the amount of impermeable surface.	Implemented. All development projects are required to include Post-Construction Stormwater Management Requirements as a part of a project application, which allows staff to verify that the project is consistent with the Regional Water Board’s Requirements.	Delete
9.10	Sustainable Housing, Site and Neighborhood Design	Implement Climate Action Plan programs that increase the production of “green” housing units and projects and require use of sustainable and/or renewable materials, water and energy technologies (such as, but not limited to solar, wind, or thermal).	On-going. The 2012 Climate Action Plan (CAP) includes programs that incentivize projects that exceed Title 24 energy efficiency standards, requires new developments to install energy-efficient appliances, and another that involves amending the Community	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>Design Guidelines to promote various LID strategies.</p> <p>Additionally, in December of 2018, the City joined Monterey Bay Community Power (MBCP). MBCP is an existing community choice energy program that serves the counties of Santa Cruz, San Benito, and Monterey and provides 100 percent carbon free electricity with a rate savings relative to PG&E.</p>	
9.11	Sustainable Housing, Site and Neighborhood Design	Continue to promote building materials reuse and recycling in site development and residential construction, including flexible standards for use of salvaged, recycled, and “green” building materials. Continue the City’s construction and demolition debris recycling program as described in Chapter 8.05 of the Municipal Code.	<p>On-going. The Utilities Department requires that all new construction projects, that are not exempt, comply with California’s Green Building Standards Code: Title 24 Chapter 11 which requires that all permitted construction projects must recycle and/or salvage at least 65 % of the waste generated from the project.</p> <p>Exempt projects include: Residential projects under \$50,000 and 1,000 square feet, roofing projects, window installation, foundation repair, new pool, hazardous waste cleanup, seismic ties, and electrical only.</p> <p>The City also requires that those structures that are proposed to be demolished be advertised in the newspaper and encourages citizens to either move the structure to a new location for reuse or use the structure as salvaged material.</p>	Modify and Continue
9.12	Sustainable Housing, Site and Neighborhood Design	Consider incentivizing dwelling units to a minimum size of 150 square feet, consistent with the California Building Code, by reduced impact fees and property development standards.	Implemented. The City has implemented a reduction in the impact fees for smaller units with AB 1600 and the fee schedule update. Additionally, ADU requirements have been revised to be consistent with State law and impact fees removed in order to incentivize the development of this type of smaller unit.	Delete
9.13	Sustainable Housing, Site and Neighborhood Design	Consider participating in financing programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.	Ongoing. The City continues to seek opportunities to support financing programs to assist homeowners with improving energy efficiency and reduce the generation of greenhouse gases in residential units.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
Goal 10 - Local Preference. Maximize affordable housing opportunities for those who live or work in San Luis Obispo while seeking to balance job growth and housing supply.				
10.3	Local Preference	Continue to work with the County of San Luis Obispo for any land use decisions that create significant expansion of employment in the unincorporated areas adjacent to the City to mitigate housing impacts on the City.	On-going. The City and County have a Memorandum of Understanding regarding development review of projects in the unincorporated County on the City's urban fringe. This MOU outlines the review process and City comments regarding impacts to housing stock with expansion of commercial projects in areas adjacent to the City.	Delete
10.4	Local Preference	Encourage residential developers to sell or rent their projects to those residing or employed in the City first before outside markets.	Implemented/Ongoing. The City continues to encourage developers to rent and sell to those who work or live in the City first before advertising in outside markets. San Luis Ranch and Avila Ranch are examples of projects where the developers, through a Development Agreement, specified ways in which they would sell units to locals first.	Delete
10.5	Local Preference	Work with Cal Poly to address the link between enrollment and the expansion of campus housing programs at Cal Poly University to reduce pressure on the City's housing supply.	On-going. Cal Poly has expanded on-campus housing and helped offset off-campus student housing needs. In 2018, Cal Poly completed the yak?it?ut?u housing community complex. The \$198 million project is located on 12-acres at the south entrance to the campus and consists of seven three- to five-story residential buildings containing a total of 1,475 beds, an adjacent four-level parking structure, outdoor space for activities, and laundry facilities.	Delete
10.6	Local Preference	Work with other jurisdictions to advocate for State legislation that would: 1) provide funding to help Cal Poly University provide adequate on-campus student housing, and 2) allow greater flexibility for State universities and community colleges to enter into public-private partnerships to construct student housing.	On-going. City continues to support Cal Poly's efforts to enter public-private housing partnerships.	Delete

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
Goal 11 - Suitability. Develop and retain housing on sites that are suitable for that purpose.				
11.3	Suitability	The City will continue to ensure the ability of legal, non-conforming uses to continue where new development is proposed.	Implemented. The City continues to uphold the Zoning Regulation provisions that allow the continued use of residential on sites that are zoned for other purposes.	Delete

Appendix I

implementation plan

This appendix describes the programs that the City will implement during the timeframe of this Housing Element. The programs are designed to achieve goals and carry out policies listed in Chapter 3, and to address housing needs and issues described elsewhere in the document. Each program identifies specific actions to be accomplished, the responsible party, implementation timeframe, potential resources, and comments on expected results or methodology.

The Implementation Plan addresses a wide range of housing needs and represents a commitment by the City to address those needs in a responsible manner. The programs are intended to build upon one another; no single program is perceived as a solution to meeting the City’s housing needs. The most effective approach is to combine a variety of programs or “tools” to provide incentives and resources, secure financial and technical assistance, and remove unnecessary impediments to housing to the maximum extent feasible.

These are uncertain times for cities and counties. The economic resources necessary to implement some of the more ambitious housing programs may be extremely limited. To the extent such funds are available; the City intends to use state and federal grants, loans, technical assistance, or other forms of assistance in combination with local resources. The City intends to implement the programs in the timeframes outlined below; however, these timeframes must remain somewhat flexible, allowing earlier or later implementation in response to changing housing needs, resources, and opportunities.

Appendix I includes a numerical listing of all goals followed by the housing programs to be implemented to help achieve that goal. The symbol “n/a” is applied to programs that can generally be implemented as part of regular City staffing and operations, without the need for outside funding.

Table I - 1: Program Implementation Details

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
Goal 1: Safety				
1.5	Continue to improve unsafe, unsanitary, or illegal housing conditions, barriers to accessibility, energy efficiency, or unsafe neighborhoods annually, by: 1) using Federal, State, and local housing funds, such as Community Development Block Grant Funds, and 2) proactively promoting neighborhood wellness through Code Enforcement's Neighborhood Service Program.	Community Development Department (CDD): Building Division & Housing Coordinator	On-going	Affordable Housing Fund, State Grants, Federal CDBG
1.6	Continue code enforcement to expedite the removal of illegal or unsafe dwellings, to eliminate hazardous site or property conditions, and resolve chronic building safety problems. Code Enforcement staff shall continue to provide property owners and tenants with information on how to rectify violations, who to contact in Code Enforcement for assistance, and other resources that may be pertinent to the citation.	CDD: Code Enforcement; City Attorney	On-going	General Fund
1.7	Continue to support local and regional solutions to homelessness by funding supportive programs services and housing solutions.	CDD; County Dept. of Social Services	On-going	County Emergency Solutions Grant, CDBG, General Fund, Continuum of Care (CoC) Funds
Goal 2: Affordability				
2.5	Continue to manage the Affordable Housing Fund so that the fund serves as a sustainable resource for supporting, at a minimum, 4 new affordable housing developments during the planning period. The fund shall serve as a source of both grant funding and below-market financing for affordable housing projects; and funds shall be used to support a wide variety of housing types at the following income levels: extremely low, very low, low, and moderate, but with a focus on production efficiency to maximize housing benefits for the City's financial investment, and to support high-quality housing projects that would not be feasible without Affordable Housing Fund support.	CDD: Housing Coordinator; Finance Department	On-going	Affordable Housing Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
2.6	Review existing and proposed building, planning, engineering and fire policies and standards every year to determine whether changes are possible that could assist the production of affordable housing, or that would encourage preservation of housing rather than conversion to non-residential uses, provided such changes would not conflict with other General Plan policies. Such periodic reviews will remove regulations within 2-6 months that have been superseded, are redundant, or no longer needed.	CDD: Planning Division	On-going; make updates within 2-6 months of reviewing the regulations	General Fund
2.7	Continue to prioritize procedures that speed up the processing of applications, construction permits, and water and sewer service priorities for affordable housing projects. City staff and commissions shall give such projects priority in allocating work assignments, scheduling, conferences and hearings.	CDD; Public Works; Utilities Departments (Community Services Branch)	On-going	General Fund
2.8	Coordinate an annual public and private sector meeting to discuss and encourage the development of housing that meets the City's housing needs.	CDD: Housing Coordinator	On-going annually	General Fund
2.9	Assist with the issuance of tax-exempt bonds, tax credit financing, loan underwriting or other financial tools to help develop or preserve at least 20 affordable units annually through various programs.	CDD: Housing Coordinator; Finance Department	On-going annually	State and Federal funding programs, CalHFA
2.10	Update the Affordable Housing Standards to include Homeowners' Association (HOA) fees and a standard allowance for utilities in the calculation for affordable rents and home sales prices within two years of adopting the Housing Element.	CDD: Housing Coordinator & Planning Division	High - July 2022	General Fund
2.11	In conjunction with the Housing Authority and other local housing agencies, continue to provide on-going technical assistance and education to tenants, property owners and the community at large on the need to preserve at-risk units as well as the available tools to help them do so.	CDD: Housing Coordinator & Planning Division	On-going	Affordable Housing Fund, State & Federal funding programs
2.12	In conjunction with housing providers and the residential design community, continue to provide planning services as requested by the public, builders, design professionals and developers regarding strategies to achieve affordable housing and density bonuses.	CDD: Planning Division	On-going	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
2.13	Update the Inclusionary Housing Ordinance, including Table 2A, based on findings and recommendations in the 2020 Affordable Housing Nexus Study and conduct further feasibility analysis in order to evaluate the City’s ability to provide affordable housing in the proportions shown in the Regional Housing Needs Allocation, per Policy 2.4.	CDD: Planning Division & Housing Coordinator	High – July 2022	General Fund, State and Federal Funding Sources
2.14	Continue to support density bonuses for residential projects above the state density bonus allowance of 35% to promote the development of units for extremely low, very low, and low-income households.	City Community Services Branch	On-going	General Fund
2.15	Evaluate a flexible density pilot program and initiate an update of the Zoning Regulations and Community Design Guidelines to incorporate flexible density development options in Downtown Core and portions of Upper Monterey and Mid-Higuera Special Focus Areas to support the production of 50 smaller residential units (150 to 600 square feet) per year during the planning period.	CDD: Planning Division	High – July 2022	SB 2 Grant Funding
2.16	Create and make available to interested parties an informational packet that explains SB 35 streamlining provisions and eligibility within two years of Housing Element adoption.	CDD: Planning Division	Medium – July 2023	General Fund
2.17	In order to provide adequate sites for lower income households on non-vacant and vacant sites previously identified in the Housing Element (Table E-2), the City will, within one (1) year of the adoption of the Housing Element Update, allow developments (including mixed-use projects) that include at least 20 percent of the residential units as affordable to lower income households, by right (no discretionary review).	CDD: Planning Division	High – January 2022	General Fund
2.18	Utilize objective design standards to allow residential uses by right (no discretionary review) for those developments (including mixed-use projects) that include at least 20 percent of the residential units as affordable to low-income households.	CDD: Planning Division	Medium – July 2023	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
Goal 3: Housing Conservation				
3.6	Continue to encourage the creation of dwellings in the Downtown Core (C-D Zone) and the Downtown Planning Area by continuing the “no net housing loss” program, consistent with Chapter 17.142 (Downtown Housing Conversion Regulations) of the Zoning Regulations.	CDD: Planning Division	On-going	General Fund
3.7	Continue to identify residential properties and districts eligible for local, State or Federal historic listing in accordance with guidelines and standards help property owners repair, rehabilitate and improve properties in a historically architecturally sensitive manner.	CDD: Planning Division; Cultural Heritage Committee	On-going	Mills Act program, Historic Surveys & Historic Rehabilitation Tax Credits
3.8	Continue to monitor and track affordable housing units at-risk of being converted to market rate housing annually and verify that tenants are properly noticed and aware of their rights. Provide resources to support the Housing Authority, and local housing agencies, purchase and manage at-risk units.	CDD: Housing Coordinator	On-going	General Fund
3.9	Work annually with non-profit organizations, faith-based organizations, or the Housing Authority of the City of San Luis Obispo to encourage rehabilitation of residential, commercial, or industrial buildings to expand extremely low, very-low, low or moderate income rental housing opportunities.	CDD: Housing Coordinator & Planning Division	On-going annually	State and Federal Grant Sources & Affordable Housing Fund
3.10	In order to mitigate the loss of affordable housing units, replacement housing units shall be provided for sites identified in the site inventory when any new development (residential, mixed-use or non-residential) occurs on a site that has been occupied by or restricted for the use of lower-income households at any time during the previous five years. This requirement applies to: non-vacant sites and vacant sites with previous residential uses that have been vacated or demolished (see Government Code, section 65583.2, subdivision (g)(3), and Government Code, section 65915, subdivision (c)(3)).	CDD: Housing Coordinator & Planning Division	On-going	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
Goal 4: Mixed-Income Housing				
4.5	Review new development proposals for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the mixed-income policies.	CDD: Planning Division; Planning Commission; City Council	On-going	General Fund
4.6	Amend the Inclusionary Housing Ordinance to require that affordable units in a development be of similar size, number of bedrooms, character and basic quality as the non-restricted units in locations that avoid segregation of such units, including equivalent ways to satisfy the requirement. Also evaluate adjusting the City’s allowable sales prices for deed-restricted affordable units per a variety of unit types.	CDD: Housing Coordinator & Planning Division	High – July 2022	State and Federal Funding Sources, General Fund
4.7	<p>The City shall support Affirmatively Further Fair Housing (AFFH) by:</p> <ul style="list-style-type: none"> •Facilitating public education and outreach by providing informational flyers on fair housing and reasonable accommodation at public counters and on the City’s website. Information will be included with utility billing at least once per year. •Training staff, elected officials, and appointees on issues of disparity, structural racism, and inequality. •Implementing language standards and procedures for providing equal access to City services and programs to all residents, including persons with limited proficiency in English. •Deed-restricting units to provide affordability and reduce displacement. •Supporting new technologies and/or products such as modular housing construction to reduce costs and increase access to housing. •Distributing information regarding tenant rights and Fair Housing resources as part of Code Enforcement’s response to housing code enforcement issues. 	CDD: Planning Division; City Administration	On-going	General Fund
4.8	Continue to distribute information regarding Fair Housing by providing up to date information online and brochures at the front desk, providing educational materials to tenants, property owners and property managers, and making public service announcements (including but not limited	CDD: Planning Division	On-going annually	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
	to the City’s News page, social media sites, and newspaper ads) every year.			
Goal 5: Housing Variety and Tenure				
5.4	Evaluate and implement “missing middle” housing types (e.g. duplex, triplex, quadplex, cottages, etc.) to increase housing options in the City within three years of adopting the Housing Element.	CDD: Planning Division	Medium – July 2023	State and Federal Funding Sources, General Fund
5.5	Update the Zoning Regulations to allow mixed-use development within Service Commercial (C-S) and Manufacturing (M) zones without a use permit within one year of the adoption of the Housing Element.	CDD, Planning Division	High – January 2022	General Fund
Goal 6: Housing Production				
6.10	Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.144) exemption for new housing in the Downtown Core (C-D zone), accessory dwelling units (ADUs), and new housing in other zones for deed-restricted extremely-low, very low, low- and moderate income households, pursuant to the Affordable Housing Standards.	CDD: Planning Division; Planning Commission; City Council	On-going	General Fund
6.11	Continue to allow flexible parking regulations for housing development, especially in the Downtown Core (C-D Zone), including the possibilities of flexible use of city parking facilities by Downtown residents, where appropriate, and reduced or no parking requirements where appropriate guarantees limit occupancies to persons without motor vehicles or who provide proof of reserved, off-site parking. Such developments may be subject to requirements for parking use fees, use limitations and enforcement provisions.	CDD: Planning Division; Public Works: Parking Division	On-going	General Fund
6.12	Continue to evaluate, every two to three years within the planning period, opportunities to develop and implement incentives to encourage additional housing in the Downtown, Upper Monterey, and Mid-Higuera Special Focus Areas, particularly in mixed-use developments.	CDD: Planning Division	Ongoing every two to three years	SB 2 Grant Funding, General Fund
6.13	Consider General Plan amendments, as projects are proposed, to rezone commercial, manufacturing, or public facility zoned areas for higher-density, infill or mixed-use housing, where compatible with surrounding development. Group requested rezones so that as many as possible can be considered consistent with Government Code §65358, that allows a general plan to be amended four times during any calendar year.	CDD: Planning Division; Planning Commission; City Council	On-going	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
6.14	Continue to provide City resources, including \$40,000 annually for operational support, to support the SLO County Housing Trust Fund's efforts to provide below-market financing and technical assistance to affordable housing developers to construct or preserve five affordable housing units per year in the City of San Luis Obispo.	CDD: Housing Coordinator	On-going	Affordable Housing Fund, State and Federal Funding Sources
6.15	Meet every other year during the planning period with other public and private agencies to identify excess, surplus, and underutilized parcels for residential development.	CDD: Housing Coordinator & Planning Division	On-going annually	State and Federal Funding Sources, Affordable Housing Fund
6.16	Incentivize 20 affordable housing developments per year during the planning period consistent with SLOMC Affordable Housing Incentives.	CDD: Planning Division; Planning Commission	On-going	General Fund
6.17	Financially assist in the development of 20 housing units per year that are affordable to extremely low, very-low, low- and moderate income households during the planning period using State, Federal, and local funding sources, with funding priority given to projects that result in the maximum housing benefits for the lowest household income levels.	CDD: Housing Coordinator	On-going	State and Federal Funding Sources, Affordable Housing Fund
6.18	Actively seek and collaborate with non-profit housing providers to (jointly) apply for three revenue sources each year during the planning period, including State, Federal and private/non-profit sources, and financing mechanisms to financially assist with the development of housing affordable to extremely low, very low and low or moderate income households.	CDD: Housing Coordinator	On-going annually	State and Federal Funding Sources, Affordable Housing Fund
6.19	Review the Affordable Housing Incentives (Chapter 17.140, SLOMC) and Zoning Regulations every two years during the planning period and update to ensure density bonus incentives are consistent with State Law.	CDD: Planning Division	On-going	General Fund
6.20	Evaluate and update the Subdivision Regulations, within three years of Housing Element adoption, to support small lot subdivisions, ownership bungalow court development and other alternatives to conventional subdivision design	CDD: Planning Division	Medium - July 2023	State Funding Sources, General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
6.21	Continue to submit the Housing Element Annual Progress Report (APR) to the State Department of Housing and Community Development and the Governor’s Office of Planning and Research on or before April 1 st of each year for the prior calendar year, pursuant to Government Code Section 65400.	CDD: Housing Coordinator	On-going	General Fund
6.22	Update the City’s municipal code to expand objective design standards within one year of the adoption of the Housing Element Update.	CDD: Planning Division	High - January 2022	General Fund
6.23	Update the development review process and expand the thresholds of each review level (minor, moderate, and major) to eliminate or reduce the number of public hearing required for housing projects within one year of adopting the Housing Element.	CDD: Planning Division	High - January 2022	General Fund
Goal 7: Neighborhood Quality				
7.10	Continue to utilize a diverse range of outreach methods, including email notifications, the City’s website and social media accounts, and neighborhood outreach meetings to ensure residents are aware of and able to participate in planning decisions affecting their neighborhoods early in the planning process.	CDD; Administration Department: City Clerk Office	On-going	General Fund
7.11	Continue to work directly with neighborhood groups and individuals to address concerns pertaining to neighborhood needs, problems, trends, and opportunities for physical improvements.	CDD: Planning Division & Code Enforcement; Police Department	On-going	General Fund
7.12	Continue to fund neighborhood improvements, including parks, sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.	CDD: Public Works; Parks and Recreation Departments	On-going	State and Federal Funding Sources, Local Revenue Measures, General Fund
7.13	Continue the City’s Neighborhood Services and Code Enforcement programs to support neighborhood wellness.	CDD: Code Enforcement; Police Dept.: Neighborhood Outreach Coordinator	On-going	General Fund
7.14	Evaluate and update the Community Design Guidelines to provide site design standards for developments with 11 or more residential units to include outdoor amenities such as the following: outdoor visiting and gathering spaces, places to exercise or recreate, and spaces reserved for edible landscape or community gardens.	CDD: Planning Division	On-going	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
Goal 8: Special Housing Needs				
8.11	Continue to provide resources that support local and regional solutions to meet the needs of the homeless and continue to support, jointly with other agencies, shelters and programs, such as Housing First and Rapid Rehousing, for the homeless and displaced individuals and families.	CDD: Housing Coordinator; County Dept. of Social Services; City Homelessness Task Force	On-going	CDBG, ESG, CoC Funding, State and Federal Funding Sources, General Fund
8.12	Continue to enforce the mobile home rent stabilization program to minimize increases in the cost of mobile home park space rents.	City Attorney	On-going	General Fund
8.13	Support opportunities within the City suitable for tenant-owned mobile-home parks, cooperative or limited equity housing, manufactured housing, self-help housing, or other types of housing that meets special needs.	CDD; Public Works & Utilities Department	On-going	General Fund
8.14	Advocate developing more housing and refurbishing campus housing at Cal Poly University.	CDD: Planning Division; Administration Department	On-going	General Fund
8.15	Work with Cal Poly University Administration to secure designation of on-campus fraternity / sorority living groups.	CDD: Planning Division; Administration Department	On-going	General Fund
8.16	Continue to support “good neighbor programs” with Cal Poly State University, Cuesta College, the City and local residents. The programs should continue to improve communication and cooperation between all groups about student housing in residential neighborhoods.	CDD: Code Enforcement; Police Dept.: Neighborhood Outreach Coordinator & Officers	On-going	General Fund
8.17	Provide public educational information at various City Offices, on the City website, and other electronic media platforms on universal design concepts (i.e. aging in place) for new and existing residential dwellings.	CDD	On-going	General Fund
8.18	Review and amend the Zoning Regulations within one year of Housing Element adoption to ensure compliance with: 1) the Supportive Housing Streamlining Act (AB 2162) to allow supportive housing a use-by-right in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed development meets specified criteria; and 2) AB 101, to allow Low Barrier Navigation Centers by-right in all residential zones, areas zoned for mixed-uses, and nonresidential zones permitting multifamily uses.	CDD: Planning Division	High - January 2022	General Fund
8.19	Continue to look for partnership opportunities with non-profit housing developers and service providers to acquire four vacant, blighted, or underutilized properties (land, retail or commercial space,	CDD: Housing Coordinator	On-going	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
	motels, apartments, housing units, mobile home parks) during the planning period for conversion into affordable permanent and supportive housing for homeless persons and families.			
8.20	Actively seek and collaborate with non-profit housing providers to (jointly) apply for two revenue sources each year during the planning period for State, Federal, and local funding sources to financially assist with the development of housing for persons with developmental disabilities.	CDD: Housing Coordinator	On-going	Affordable Housing Fund, State and Federal Funding Sources
8.21	Continue to coordinate monthly with the County Department of Social Services, Homeless Services Oversight Council (HSOC), social service providers, and non-profit organizations to identify, evaluate, and implement strategies to reduce the impacts of homelessness on the City.	CDD: Housing Coordinator; Police Department	On-going monthly	General Fund
8.22	Work with other jurisdictions to advocate for State legislation that would: 1) provide funding to help Cal Poly University provide adequate on-campus student housing, and 2) allow greater flexibility for State universities and community colleges to enter into public-private partnerships to construct student housing.	CDD: Planning Division	On-going	General Fund
8.23	Update Zoning Regulations, within onetwo <u>one</u> year s of Housing Element adoption, to be consistent with the Employee Housing Act; including: 1) an u Update of Table 2-1 to allow <u>employee and farmworker housing by right single unit dwellings without a Conditional Use Permit</u> within the Open Space and Conservation (C/OS) <u>and Agriculture (AG) zones</u> and employee housing consisting of no more than 36 beds in a group quarters, or 12 units or separate rooms or spaces designed for use by a single-family or household within the C/OS and AG zones , and 2) remove Chapter 17.148 - High-Occupancy Residential Use Regulations.	CDD: Planning Division	High – July 2022	General Fund
Goal 9: Sustainable Housing				
9.6	Continue to educate planning and building staff and citizen review bodies on energy conservation issues, including the City’s energy conservation policies and Climate Action Plan. Staff shall work with applicants to achieve the City’s energy conservation goals.	CDD: Planning & Building Divisions; Administration Department, Office of Sustainability	On-going	General Fund
9.7	Continue to provide assurance of long-term solar access for new or remodeled housing and for adjacent properties, consistent with historic preservation guidelines.	CDD: Planning Division	On-going	General Fund

No.	Program	Responsible Agency	Priority/ Time frame	Potential Resources
9.8	Implement Climate Action Plan programs that increase the production of “green” housing units and projects and require use of sustainable and/or renewable materials, water, and energy technologies (such as, but not limited to solar, wind, or thermal).	CDD: Planning & Building Divisions; Administration Department, Office of Sustainability	On-going	General Fund
9.9	Continue to promote building materials reuse and recycling in site development and residential construction, including flexible standards for use of salvaged, recycled, and “green” building materials. Continue the City’s construction and demolition debris recycling program as described in Chapter 8.05 of the Municipal Code.	CDD: Building Division; Utilities Department	On-going	General Fund
9.10	Continue to support programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.	CDD: Building & Planning Divisions; Office of Sustainability	On-going	General Fund

Appendix J

Definitions

Affordable Housing [“Deed Restricted”]. Housing that meets the rental or sales price standards as established by the City and published annually in the Affordable Housing Standards. Such housing is made available for very-low, low and moderate income persons or households, and subject to deed restrictions or other instrument that ensure the housing remains affordable for a predetermined period.

Accessory Dwelling Unit (ADU). An attached or detached dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with another primary, single-unit dwelling. An ADU includes permanent provisions for living, sleeping, eating, cooking and sanitation on the same lot as the primary unit. An ADU may be structured as one efficiency unit, as defined in of the Health and Safety Code Section 17958.1, and/or (2) a manufactured home, as defined in of the Health and Safety Code Section 18007, among other formats.

Accessory Dwelling Unit, Attached. An ADU that is either attached to (by a minimum of one shared wall), or completely contained within, the primary existing space of the single-unit dwelling unit or existing accessory structure.

Accessory Dwelling Unit, Detached. An ADU that provides new residential square footage not attached or sharing any walls with the primary existing single-unit dwelling.

Assisted Housing. Housing units, including multi-family or single-family, whose construction, financing, sales prices, or rents have been subsidized by Federal, State, or local housing programs, and units developed pursuant to local inclusionary housing and density bonus programs.

Below-market-rate Housing. Housing that is sold or rented at prices less than the fair market value or prevailing market rent for the unit, and the financing of housing at less than prevailing interest rates.

Boarding House. A boarding house is a residence or dwelling, other than a motel or hotel, wherein two or more rooms, with or without individual or group cooking facilities, are rented to three or more individuals under separate rental agreements or leases, either written or oral, whether or not an owner, agent or rental manager is in the residence. Meals may also be included. This use type includes convents, monasteries, and student dormitories, but does not include “Fraternities and Sororities,” which are separately defined, nor does it include a fraternity or sorority that is not in good standing with the California Polytechnic University. Notwithstanding this definition, no single-unit dwelling operated as a group home pursuant to the Community Care Facilities Act, which is otherwise exempt from local Zoning Regulations, shall be considered a boarding house.

Building. Any structure used or intended for sheltering or supporting any use or occupancy.

Build-out. That level of urban development characterized by full occupancy of all developable sites within the City’s Urban Reserve, in accordance with the General Plan; the maximum level of development anticipated by the General Plan by the year 2035. Build-out does not assume that each parcel is developed with the maximum floor area or dwelling units possible under zoning regulations.

Community Development Block Grant (CDBG). A grant program administered by the U.S. Department of Housing and Urban Development (HUD) on a formula basis for entitlement communities and urban counties, and by the State Department of Housing and Community Development (HCD) for non-entitled jurisdictions. CDBG funds are used by cities and counties for land purchase, housing rehabilitation and community development, public services and facilities, economic development, and other purposes that primarily benefit persons or households with incomes less than 80 percent of County median income.

Covenants, Conditions and Restrictions (CC&Rs). Restrictions or requirements that are placed on a property and its use by a property owner, usually as a condition of subdivision approval. CC&Rs are a deed restriction and “run with the land,” and are legally binding.

Density Bonus. An increase in the allowed base density applied to a residential development project. The increase allows the development of more dwellings than a property’s zoning would otherwise allow and is usually in exchange for the provision or preservation of affordable housing or housing amenity.

Developmental Disability. A disability that originates before an individual becomes 18 years old, continues, or can be expected to continue indefinitely, and constitutes a substantial disability for that individual.

Density, Residential. The number of permanent dwellings per net acre, measured in Density Units, as further described in Chapter 17.70.040 of the Zoning Regulations.

Density Unit

A density unit is defined as a two-bedroom dwelling. In the AG, C/OS and R-1 zones, each dwelling, of any number of bedrooms, counts as one density unit. In all other zones, dwellings with different bedroom numbers have density unit values as follows:

- a. Studio and one-bedroom dwellings less than 600 square feet = 0.50 unit;
- b. One-bedroom dwellings between 601 and 1,000 square feet = 0.66 unit;
- c. Two-bedroom dwelling = 1.00 unit;
- d. Three-bedroom dwelling = 1.50 units;
- e. Dwelling with four or more bedrooms = 2.00 units

Director. The Director of the City’s Community Development Department, or another staff person authorized by the Director to act on his or her behalf.

Dormitory. A building used as a group quarters for students, as an accessory use for a college, university, boarding school, or other similar institutional use.

Downtown Core. The City’s central business district, comprising the most diverse mix of residential, commercial, governmental, and public uses, and defined by the “C-D” zone boundary as shown in the Zoning Map.

Downtown Planning Area. The central area of the City generally defined by the boundaries formed by State Highway 101, the Union Pacific Railroad Right-of-Way, and High Street, and the intersections thereof, as described in the General Plan Land Use Element.

Elderly or Senior Housing. Housing designed to meet the needs of and enforceably restricted to occupancy by persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older.

Enforceably Restricted. Refers to housing that is deemed affordable under the City’s Affordable Housing Standards and that is subject to deed restrictions, affordable housing agreements or other mechanisms to ensure the housing remains affordable for a prescribed period.

Expansion Area. An area located outside City limits but within the Urban Reserve and designated for future urban development, as further described in the General Plan Land Use Element text and map.

Fair Market Rent. The rent, including utility allowances, determined by the United States Department of Housing and Urban Development (“HUD”) for purposes of administering the Section 8 Housing Choice Voucher Program.

Fraternity House (or Sorority House). A residence for college or university students who are members of a social or educational association, and where such an association holds meetings or gatherings.

Granny Flat. See “Accessory Dwelling Unit.”

Historic Property. A property, including land and building, determined by the City to have archaeological, historical, or architectural significance as described in the Historic Preservation Program Guidelines, and listed on the Contributing Properties List or Master List of Historic Resources.

Homeless Shelter. A church, public building, or quasi-public facility that provides emergency or temporary shelter for more than 31 days in any six-month period to homeless individuals and/or groups. These accommodations may include temporary lodging, meals, laundry facilities, bathing, counseling, and other basic support services.

Household. All persons, including those related by birth, marriage or adoption and unrelated persons, who occupy a single dwelling.

Housing or “Dwelling” Unit. A building, a modular home, a mobile home, a cooperative, or any other residential use considered real property under State law and on a permanent foundation, with provisions for sleeping, cooking and sanitation, and with permanent connections to utilities.

Infill Housing. Development of housing on vacant lots within the City limits on property zoned for such uses.

Jobs-Housing Balance. A ratio describing the number of jobs compared with dwelling units in a defined geographic area, and a measure of the adequacy of the housing stock to meet community needs.

Live-Work or Work-Live Unit. An integrated housing unit and working space, occupied and utilized by a single household in a structure, either single-unit or multi-unit, and may include only commercial activities and pursuits that are compatible with the character of a quiet residential environment. May be designed or structurally modified to accommodate joint residential occupancy and work activity, and which includes: (1) complete kitchen space and sanitary facilities in compliance with the City building code and (2) working space reserved for and regularly used by one or more occupants of the unit.

Low Barrier Navigation Centers. Housing First, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing (California Gov. Code §65660).

Mixed-Use Development. A development that combines both nonresidential and residential uses, where the residential component may be live/work and is typically located above or behind the commercial.

Multi-family Dwelling. A dwelling that is part of a structure containing one or more other dwellings, or a non-residential use. An example of the latter is a mixed-use development where one or more dwellings are part of a structure that also contains one or more commercial uses (retail, office, etc.). Multi-family dwellings include: duplexes, triplexes, fourplexes (buildings under one ownership containing two, three or four dwellings, respectively, in the same structure); apartments (five or more units under one ownership in a single building); and townhouse development (three or more attached dwellings where no unit is located above another unit. It does not include Accessory Dwelling Units).

Municipal project. A development project designed, funded, or carried out by the City of San Luis Obispo and described as a “capital project” in the City’s Financial Plan.

Parcel. An area of land defined by boundaries set by the Tax Assessor of the County of San Luis Obispo, roughly equivalent to the meaning of a “lot” for development purposes.

Regional Housing Needs Allocation (RHNA). A determination of a locality’s housing needs by the local Council of Government and based on State law, that takes into account various factors such as population growth, employment growth, vacancy rates, housing removals, and concentration of poverty.

Rehabilitation. The repair, preservation, and or improvement of housing; and for historically

designated structures, work done according to rehabilitation standards established by the U.S. Secretary of the Interior and described in the Secretary of the Interior's Standards for the Treatment of Historic Properties and related documents.

Residential. Land designated in the General Plan and Zoning Regulations for dwellings and accessory uses.

Sensitive Site. A site determined by the Community Development Director, Planning or Architectural Review Commission, or City Council, to have special characteristics or limitations, such as historic significance, creekside location, or visual prominence, requiring more detailed development review than would otherwise be required for other similarly zoned lots nearby.

Single-family Dwelling, Detached. A dwelling occupied or intended for occupancy by only one household, and that is structurally and physically separate from any other such dwelling.

Single Room Occupancy (SRO) Unit. A single-room dwelling, typically 80-250 square feet in floor area, with a sink and a closet, with communal or individual facilities for cooking and sanitation.

Supportive Housing. A dwelling unit occupied by a target population, with no limit on length of stay, that is linked to onsite or off-site services that assist the supportive housing resident(s) in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community (California Gov. Code §65582[f]).

Tenure. The mode or status of residency, whether by renting or owning real property.

Tiny House - Moveable. A residential dwelling unit that is accessory to a principal residential dwelling unit located on the same parcel of land, which provides complete independent living quarters for one household, and meets the following conditions:

1. Is towable by a bumper hitch, frame-towing hitch, or fifth-wheel connection and is designed not to and cannot move under its own power;
2. Is no larger than allowed by California State law for movement on public highways; and
3. Is a detached self-contained residential dwelling unit which includes facilities and functional areas for living, sleeping, eating, cooking, and sanitation.

Transitional Housing. Buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of assistance (California Gov. Code §65582[h]).

Underutilized Site. A site that has the land area capacity to accommodate additional dwelling unit(s) while meeting all General Plan policies and all zoning regulations, including setbacks, building height and lot coverage requirements without the application of variances.

Universal Design. Universal design is the design of products and environments to be usable by all people, to the greatest extent possible without the need for adaptation or specialized design.