

CITY OF SAN LUIS OBISPO

2014-2019 General Plan Housing Element



Moylan Terrace, an 80-unit housing development in San Luis Obispo

January 2015





CITY OF SAN LUIS OBISPO

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: Community Development Department, 2014

CITY OF SAN LUIS OBISPO

2014-2019 HOUSING ELEMENT

Adopted January 20, 2015

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FOREWORD

This Housing Element updates the 2010 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. In January 2014, the City, State and Nation are grappling with reduced resources for housing programs at all government levels. This is the difficult fiscal environment we face with this Housing Element update.

The Housing Element is part of the General Plan and is one of eight "elements" or chapters of that plan. It sets out the City's goals, policies and programs for housing over the next five years. 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. This Element is due to be updated in 2019.

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

GENERAL PLAN 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 current planning period which runs from January 1, 2014 to June 30, 2019;
- 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 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:

- Two public workshops focusing on housing needs, issues and opportunities in the community.
- Three public hearings before the Planning Commission and one public hearing before the City Council;
- Posting the Draft Housing Element on the City’s website;
- Public notices in local newspapers and flyers/posters distributed to a variety of public locations.
- Posted workshop information on community calendars for KSBY News and KCBX local radio station.
- Regular e-mail updates to a list of interested parties with links to staff reports, draft housing element and housing resources.
- Presentations and discussions with a variety of stakeholder groups including Residents for Quality Neighborhoods, San Luis Obispo Association of Realtors, Economic Vitality Corporation, Executive Director of the Housing Trust Fund, Home Builders Association, Community Action Partnership, Chamber of Commerce, and Workforce Housing Coalition., 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.
- A 15 member task force was appointed to complete work on the City’s 2013 Land Use and Circulation Elements update. Input received from this task force related to housing issues was considered during the update of this Housing Element. Appendix I provides additional details regarding community outreach efforts.

1.30 Consistency with State Planning 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.” This Element fulfills that requirement and provides a detailed strategy for implementing the City’s housing goals through 2019.

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.

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.

This Element has been reviewed and determined to be consistent with the City's other General Plan elements, and the policies and programs in the Housing Element reflect policies and programs contained in other parts of the General Plan. Appendix G includes that evaluation. As other elements are updated or amended, the Housing Element will be reviewed to ensure general plan consistency is maintained.

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 2013 population of 45,541 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. Looking back over the last 33 years, the City has grown at an average rate of about one percent per year, with periods of faster or slower growth reflecting national and statewide economic cycles. For example, in the late 1980s, the City grew at an annual average rate of two percent. This was followed by a much slower annual average growth rate of 0.3 percent between 1990 and 2013, well below the General Plan's one percent growth maximum over the Housing Element cycle.
- ❑ 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 2010 Census found that over 75 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 2010 Census and can be of any race. About 15 percent of the City's population is Hispanic, compared with 21 and 38 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.

- ❑ In 2010, City households earned less, on the average, than their County and State counterparts. The median household income was \$42,461, compared with \$56,967 for the County and \$57,708 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 downturn in 2008 and 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 70,000 persons.

2.30 Housing Snapshots

- ❑ While the City median housing cost saw a slow decrease since the previous housing element in 2009, the City saw its first increase in 2013. Since 2009, the median housing cost was lowest in 2012, \$502,000, and was highest in 2013, \$569,000. By comparison, median housing costs in the County saw their lowest median housing costs in 2011, \$360,000, and the highest median housing cost in 2013, \$390,000. This pattern in both the City and County was also seen in the State, which saw its lowest median housing cost in 2012, \$266,000, and the highest median housing cost in 2013, \$326,000. A promising sign of a recovering economy.
- ❑ Compared to 2009, the number of City building permits for new housing units issued in 2013 was up 40 percent. Sales of new and pre-owned housing units in the six-county Southern California region in 2012 also increased.
- ❑ The City's housing tenure is approximately 39% owner-occupied and 61% renter-occupied. Over the past decade the City has seen a 2% decrease in owner-occupied housing units. This shift is consistent with ownership trends during the period for the County and State.
- ❑ In the past 13 years, the rate of housing production in San Luis Obispo exceeded the rate of population growth. Between 2000 and 2013, the City added about 1,362 residents – an increase of about three percent. During the same period, the City's housing stock grew by 1,389 units – an increase of about seven percent.
- ❑ San Luis Obispo's housing market is strongly influenced by Cal Poly University and Cuesta College enrollment. Owner occupied housing units saw a 2 percent decrease since 2000 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. Under City zoning regulations, up to five adult students can live together in a house and share rental costs. Consequently, college students can often out-compete non-student households for rental housing in areas that were historically single-family residential neighborhoods.

- Approximately sixty 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 2013, seen in Appendix K, indicates that the City has approximately 725 acres of vacant, underutilized or blighted property that can accommodate approximately 3,477 dwelling units. Much of this capacity is located within the City’s Margarita and Orcutt Specific Plan areas.

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 of over 45,541 residents in 2013. 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 13 square miles of zoned land, about 20 percent is zoned for low-density residential development. By contrast, about 11 percent is zoned for multi-family residential use (Medium, Medium-High, and High density residential uses).

- Code enforcement, neighborhood compatibility and property maintenance complaints in low- and medium-density residential neighborhoods have increased dramatically in recent years. Between 1994 and 2013, Community Development Department staff responded to a steadily increasing number of building and zoning code violations, garage conversions, substandard housing, high-occupancy residential uses, fence height, trailers, noise disturbances, parking and land use violations. During this period, the number of enforcement requests grew from 386 in 1994 to 772 complaints in 2013, an increase of 50 percent. 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.

CHAPTER 3

GOALS, POLICIES AND PROGRAMS

3.10 Overview

This chapter includes the Housing Implementation Plan for the period January 2014 to June 2019. 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 is 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, rezonings 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 sufficient to correct unsafe, unsanitary or illegal conditions and to preserve the inventory of safe housing.

Programs

- 1.4 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.
- 1.5 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.
- 1.6 Consider a Rental Inspection Program to improve the condition of the City's Housing Stock.
- 1.7 Continue to support local and regional solutions to homelessness by funding programs such as the Maxine Lewis Memorial Shelter and The Prado Day Center.
- 1.8 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.

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 "affordable housing." Income levels are defined as

follows:

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

2.2 Index of Affordability. The Index of Affordability shall be whether the monthly cost of housing fits within the following limits:

- ❑ For extremely low income households, not more than 25% of monthly income.
- ❑ For very low- and low-income households, not more than 25% of monthly income.
- ❑ For moderate income households, not more than 30% of monthly income.
- ❑ For above-moderate income households, no index.

These indices may be modified or expanded if the State of California modifies or expands its definition of affordability for these income groups.

2.3 For housing to qualify as "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, or for a shorter period under an equity-sharing or housing rehabilitation agreement with the City.

2.4 Encourage housing production for all financial strata of the City's population, in the proportions shown in the Regional Housing Needs Allocation, for the 2014 - 2019 planning period. These proportions are: extremely low income, 12 percent, very low income, 12 percent; low income, 16 percent; moderate income, 18 percent; and above moderate income, 42 percent.

Programs

2.5 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 would not be feasible without Affordable Housing Fund support.

2.6 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.

- 2.7** 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.
- 2.8** 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.
- 2.9** 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.
- 2.10** Continue to coordinate public and private sector actions to encourage the development of housing that meets the City's housing needs.
- 2.11** 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.
- 2.12** Consider incorporating HOA fees and a standard allowance for utilities in the calculation for affordable rents and home sales prices.
- 2.13** 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.
- 2.14** 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.
- 2.15** 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.
- 2.16** 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.
- 2.17** 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.

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 seismic upgrades of older dwellings to reduce the risk of bodily harm and the loss of housing in an earthquake.
- 3.4** Encourage the construction, preservation, rehabilitation or expansion of residential hotels, group homes, integrated community apartments, and single-room occupancy dwellings.
- 3.5** Preserve historic homes and other types of historic residential buildings, historic districts and unique or landmark neighborhood features.
- 3.6** Preserve the fabric, amenities, yards (i.e. setbacks), and overall character and quality of life of established neighborhoods.

- 3.7 Encourage and support creative strategies for the rehabilitation and adaptation and reuse of residential, commercial, and industrial structures for housing.

Programs

- 3.8 Adopt an ordinance that implements policy 3.2 to discourage removal or replacement of affordable housing.
- 3.9 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.
- 3.10 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.
- 3.11 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.
- 3.12 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.
- 3.13 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.

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 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 non-restricted units in locations that avoid segregation of such units.

GOAL 5: HOUSING VARIETY AND TENURE

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

Policies

- 5.1 Encourage the integration of appropriately scaled, special needs housing into developments or neighborhoods of conventional housing.
- 5.2 Encourage mixed-use residential/commercial projects to include live-work and work-live units where housing and offices or other commercial uses are compatible.
- 5.3 Encourage the development of housing above ground-level retail stores and offices to provide housing opportunities close to activity centers and to use land efficiently.
- 5.4 In general, housing developments of twenty (20) or more units should provide a variety of dwelling types, sizes or forms of tenure.

Program

- 5.5 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.

GOAL 6: HOUSING PRODUCTION

Plan for new 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 1,144 dwelling units between January 2014 and June 2019 in accordance with the assigned Regional Housing Needs Allocation.
- 6.2** New commercial developments in the Downtown Core (C-D Zone) shall include housing, unless the City makes one of the following findings:
 - A) Housing is likely to jeopardize the health, safety or welfare of residents or employees; or
 - B) The property's shape, size, topography or other physical factor makes construction of new dwellings infeasible.
- 6.3** If City services must be rationed to development projects, residential projects will be given priority over non-residential projects. As required by SB 1087, housing affordable to lower income households will be given first priority.
- 6.4** 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.
- 6.5** 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.
- 6.6** Property located behind the former County General Hospital shall be designated a "Special Considerations" zone and may be considered suitable for residential development after further analysis and environmental review, provided that development be limited to site areas with average slopes of less than 20 percent, that approximately one-half of the total site area be dedicated for open space and/or public use, and that an additional water tank be provided if determined necessary to serve new development.
- 6.7** Support the redevelopment of excess public and private utility properties for housing where appropriately located and consistent with the General Plan.
- 6.8** Consistent with the City's goal to stimulate higher density infill where appropriate in the Downtown Core (C-D Zone), the City shall consider changes to the Zoning Regulations that would allow for the development of smaller apartments and efficiency units.

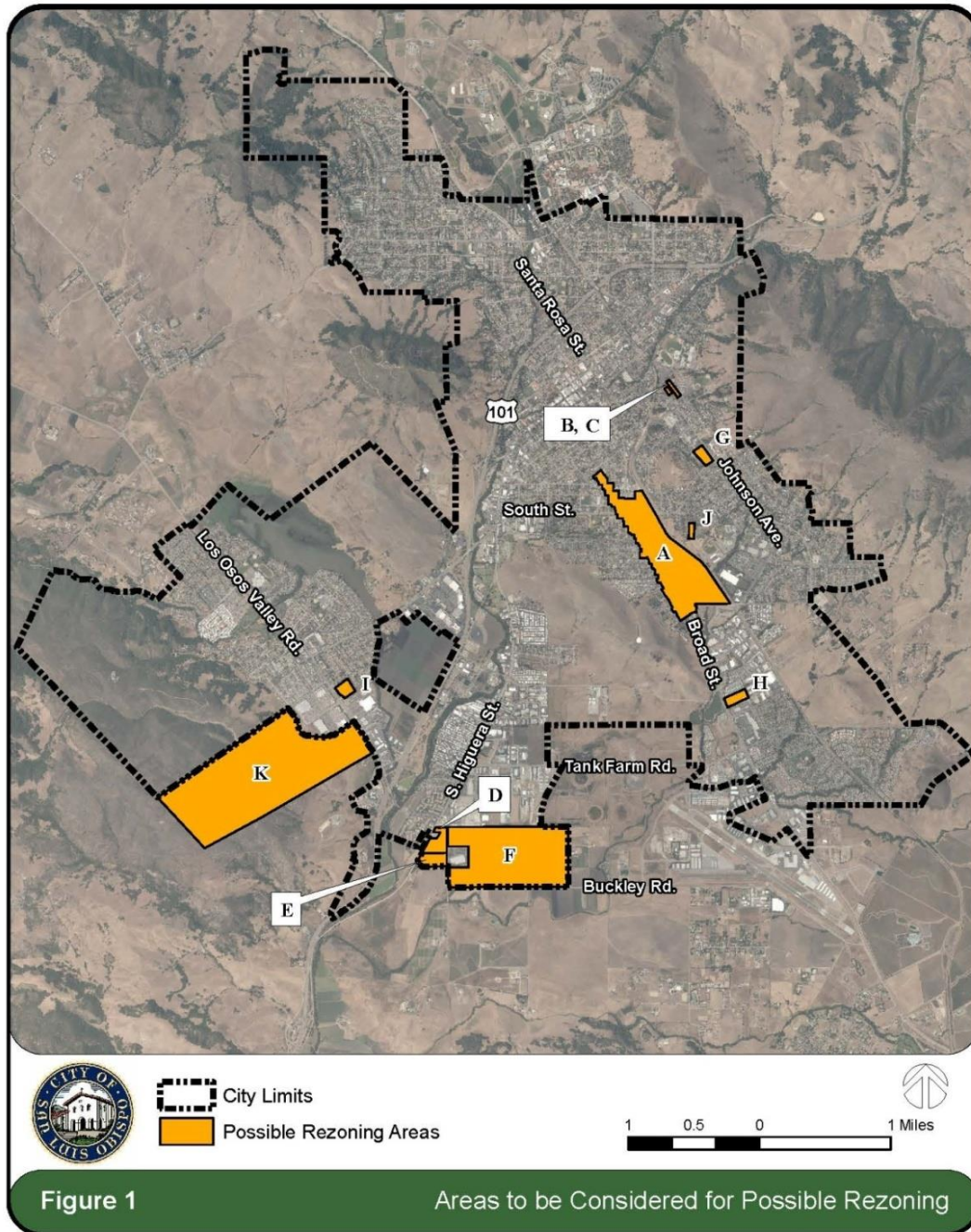
- 6.9** Encourage and support employer/employee financing programs and partnerships to increase housing opportunities specifically targeted towards the local workforce.
- 6.10** To help meet the Quantified Objectives, the City will support residential infill development and promote higher residential density where appropriate.

Programs

- 6.11** Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.88) 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.
- 6.12** 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.
- 6.13** 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.
- 6.14** 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.
- 6.15** 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 (shown in Figure 1 and further described in Appendix D, Table D-2):
 - 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)

Figure 1
Areas to be Considered for Possible Rezoning



6.16 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.

- 6.17** Encourage residential development through infill development and densification within City Limits and in designated expansion areas over new annexation of land.
- 6.18** 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.
- 6.19** Continue to incentivize affordable housing development with density bonuses, parking reductions and other development incentives, including City financial assistance.
- 6.20** 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.
- 6.21** 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.
- 6.22** 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.
- 6.23** 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.
- 6.24** Community Development staff will proactively provide information for properties suitable for housing as identified in the Land Use and Housing Elements.
- 6.25** 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.
- 6.26** Continue to update the Affordable Housing Incentives (Chapter 17.90, SLOMC) and Zoning Regulations to ensure density bonus incentives are consistent with State Law.
- 6.27** Evaluate and consider increasing the residential density allowed in the Neighborhood-Commercial (CN), Office (O) and Downtown Commercial (CD) zoning districts. The City will evaluate allowing up to 24 units per acre in the CN and O zones, and up to 72

units per acre in the CD zone, twice the current density allowed in these areas.

- 6.28 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.
- 6.29 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.
- 6.30 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.
- 6.31 Consider scaling development impact fees for residential development based on size, number of bedrooms, and room counts.
- 6.32 Continue to submit annual Housing Element progress reports to the State Department of Housing and Community Development per Government Code Section 65400.

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.

Policies

- 7.1 Within established neighborhoods, new residential development shall be of a character, size, density and quality that respects the neighborhood character and maintains the quality of life for existing and future residents.
- 7.2 Higher density housing should maintain high quality standards for unit design, privacy, security, on-site amenities, and public and private open space. Such standards should be flexible enough to allow innovative design solutions in special circumstances, e.g. in developing mixed-use developments or in housing in the Downtown Core.
- 7.3 Within established neighborhoods, housing should not be located on sites designated in the General Plan for parks or open space.
- 7.4 Within expansion areas, new residential development should be an integral part of an existing neighborhood or should establish a new neighborhood, with pedestrian and

bicycle linkages that provide direct, convenient and safe access to adjacent neighborhoods, schools and shopping areas.

- 7.5 The creation of walled-off residential enclaves, or of separate, unconnected tracts, is discouraged because physical separations prevent the formation of safe, walkable, and enjoyable neighborhoods.
- 7.6 Housing shall be sited to enhance safety along neighborhood streets and in other public and semi-public areas.
- 7.7 The physical design of neighborhoods and dwellings should promote walking and bicycling and preserve open spaces and views.
- 7.8 Encourage strategies and programs that increase long-term residency and stabilization in neighborhoods.

Programs

- 7.9 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.
- 7.10 Continue to work directly with neighborhood groups and individuals to address concerns. Identify specific neighborhood needs, problems, trends and opportunities for improvements.
- 7.11 Continue to fund neighborhood improvements, including sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.
- 7.12 Continue to develop and implement neighborhood parking strategies, including parking districts, to address the lack of on- and off-street parking in residential areas.
- 7.13 Continue the City's Neighborhood Services and proactive enforcement programs to support neighborhood wellness.

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, 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 manufactured homes in Specific Plan Areas by:
- A) When the City considers adopting new specific plans, including policies that support owner-occupied manufactured home parks with amenities such as greenbelts, recreation facilities, and shopping services within a master planned community setting. Such parks could be specifically designed to help address the needs of those with mobility and transportation limitations.
 - B) Establishing lot sizes, setback, and parking guidelines that allow for relatively dense placement of manufactured homes within the master planned neighborhood.
 - C) Locating manufactured home parks near public transit facilities or provide public transportation services to the manufactured home parks to minimize the need for residents to own automobiles.
- 8.4** 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.
- 8.5** Strengthen the role of on-campus housing by encouraging Cal Poly University to require freshmen and sophomore students to live on campus.
- 8.6** 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.
- 8.7** Encourage Cal Poly University to develop and maintain faculty and staff housing, consistent with the General Plan.
- 8.8** Disperse special needs living facilities throughout the City where public transit and commercial services are available, rather than concentrating them in one district.
- 8.9** Support continued efforts to implement the document “The Path Home: San Luis Obispo County’s 10 Year Plan to End Chronic Homelessness”.
- 8.10** Encourage a variety of housing types that accommodate persons with disabilities and promote aging in place, including a goal of “visitability” in new residential units, with an emphasis on first-floor accessibility to the maximum extent feasible.

- 8.11** Encourage changes to City regulations that would support the special housing needs of disabled persons, including persons with developmental disabilities.
- 8.12** Assist the homeless and those at risk of becoming homeless by supporting shelters, temporary housing, transitional housing, and by facilitating general housing assistance.

Programs

- 8.13** 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.
- 8.14** Continue the mobile home rent stabilization program to minimize increases in the cost of mobile home park rents.
- 8.15** 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.
- 8.16** Advocate developing more housing and refurbishing campus housing at Cal Poly University.
- 8.17** Work with Cal Poly University Administration to secure designation of on-campus fraternity/sorority living groups.
- 8.18** Jointly develop and implement a student housing plan and continue to support "good neighbor programs" with Cal Poly State University, Cuesta College and City residents. The programs should continue 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.
- 8.19** 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.
- 8.20** Transitional Housing and Supportive Housing: Continue to allow the establishment of transitional and supportive housing in all zoning districts where residential uses are allowed.
- 8.21** 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.

- 8.22 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.
- 8.23 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.
- 8.24 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.
- 8.25 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.

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.

Policies

- 9.1 Residential developments should promote sustainability in their design, placement, and use. Sustainability can be promoted through a variety of housing strategies, including the following:
 - A) Maximize use of renewable, recycled-content, and recycled materials, and minimize use of building materials that require high levels of energy to produce or that cause significant, adverse environmental impacts.
 - B) Incorporate renewable energy features into new homes, including passive solar design, solar hot water, solar power, and natural ventilation and cooling.
 - C) Minimize thermal island effects through reduction of heat-absorbing pavement and increased tree shading.
 - D) Avoid building materials that may contribute to health problems through the release of gasses or glass fibers into indoor air.
 - E) Design dwellings for quiet, indoors and out, for both the mental and physical health of residents.
 - F) Design dwellings economical to live in because of reduced utility bills, low cost maintenance and operation, and improved occupant health.
 - G) Use construction materials and methods that maximize the recyclability of a building's parts.
 - H) Educate public, staff, and builders to the advantages and approaches to sustainable design, and thereby develop consumer demand for sustainable housing.

- D) City will continue to refer to a sustainable development rating system, such as the LEED or GreenPoint programs when evaluating new development proposals.
- 9.2** Residential site, subdivision, and neighborhood designs should be coordinated to make residential sustainability work. Some ways to do this include:
- A) Design subdivisions to maximize solar access for each dwelling and site.
 - B) Design sites so residents have usable outdoor space with access to both sun and shade.
 - C) Streets and access ways should minimize pavement devoted to vehicular use.
 - D) Use neighborhood retention basins to purify street runoff prior to its entering creeks. Retention basins should be designed to be visually attractive as well as functional. Fenced-off retention basins should be avoided.
 - E) Encourage cluster development with dwellings grouped around significantly-sized, shared open space in return for City approval of smaller individual lots.
 - F) Treat public streets as landscaped parkways, using continuous plantings at least six feet wide and where feasible, median planters to enhance, define, and to buffer residential neighborhoods of all densities from the effects of vehicle traffic.
- 9.3** Preserve the physical neighborhood qualities in the Downtown Planning Area that contribute to sustainability. Some ways to do this include:
- A) Maintain the overall scale, density and architectural character of older neighborhoods surrounding the Downtown Core.
 - B) Encourage the maintenance and rehabilitation of historically designated housing stock.
- 9.4** To promote energy conservation and a cleaner environment, 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.
- 9.5** Actively promote water conservation through housing and site design to help moderate the cost of housing.
- 9.6** 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

- 9.7** 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.
- 9.8** 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.

- 9.9 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.
- 9.10 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).
- 9.11 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.
- 9.12 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.
- 9.13 Consider participating in financing programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.

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.

Policies

- 10.1 Administer City housing programs and benefits, such as First Time Homebuyer Assistance or affordable housing lotteries, to give preference to: 1) persons living or working in the City or within the City’s Urban Reserve, and 2) persons living in San Luis Obispo County.
- 10.2 Cal Poly State University and Cuesta College should actively work with the City and community organizations to create positive environments around the Cal Poly Campus by:
 - A) Establishing standards for appropriate student densities in neighborhoods near Campus;
 - B) Promoting homeownership for academic faculty and staff in Low-Density Residential neighborhoods in the northern part of the City; and
 - C) Encouraging and participating in the revitalization of degraded neighborhoods.

Programs

- 10.3 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.

- 10.4 Encourage residential developers to sell or rent their projects to those residing or employed in the City first before outside markets.
- 10.5 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.
- 10.6 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.

GOAL 1 1: SUITABILITY

Develop and retain housing on sites that are suitable for that purpose.

Policies

- 11.1 Where property is equally suited for commercial or residential uses, give preference to residential use. Changes in land use designation from residential to non-residential should be discouraged.
- 11.2 Prevent new housing development on sites that should be preserved as dedicated open space or parks, on sites subject to natural hazards such as unmitigatable geological or flood risks, or wild fire dangers, and on sites subject to unacceptable levels of man-made hazards or nuisances, including severe soil contamination, airport noise or hazards, traffic noise or hazards, odors or incompatible neighboring uses.

Program

- 11.3 The City will continue to ensure the ability of legal, non-conforming uses to continue where new development is proposed.

3.30 Implementation Tools

Resources/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. Table 1 lists the financial resources, incentives, and other tools that have been available to help address housing needs.

Availability of the resources is contingent on continued funding and is subject to change. Furthermore, on-going economic uncertainties and budgetary constraints at all government levels have curtailed many housing grant and loan programs. While funding has been frozen for several programs listed below, the resources continue to be listed in anticipation that funding will be renewed for some programs.

**Table 1
Resources/Incentives Available for Housing Activities**

Resource/ Incentive	Description	Eligible Activities
<i>Local Resources</i>		
City of San Luis Obispo Affordable Housing Fund	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 Waivers	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"> • Affordable housing projects • Mixed-use developments with affordable units • Senior housing projects
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 San Luis Obispo Housing Authority, other government agencies, or not-for-profit housing agencies.	<ul style="list-style-type: none"> • Affordable housing projects • Mixed-use developments with affordable units • Senior housing projects
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"> • Affordable housing projects • Mixed-use developments with affordable units • Senior housing projects
Alternative Incentives	When developers agree to construct extremely low, very low-, low-, moderate income or senior 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"> • Affordable housing projects • Mixed-use developments with affordable units • Senior housing projects
Flexible Development Standards	A variety of flexible development standards is available for affordable and senior housing, 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"> • Affordable housing projects • Mixed-use developments with affordable units • Senior housing projects • Historic homes and apartments • Planned residential developments • Non-conforming residential restoration
Grants-In-Aid Funds	Grants-In-Aid funds are available annually to assist social service and housing providers with special, non-recurring costs to augment affordable housing programs.	<ul style="list-style-type: none"> • Not-for-profit 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

<p>San Luis Obispo County Housing Trust Fund</p>	<p>A nonprofit loan fund created to increase the supply of affordable housing in San Luis Obispo for very low-, low- and moderate income households.</p>	<ul style="list-style-type: none"> • Acquisition of improved or unimproved sites/buildings • Construction, conversion, or rehabilitation • Project planning and pre-development
<p>First Time Home Buyers Program</p>	<p>This program provides substantial 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 down payment assistance for eligible projects. Assistance is provided at 3% simple interest. Periodic payments are not required during the term of the loan to insure an affordable monthly payment for the borrower.</p>	<ul style="list-style-type: none"> • Purchase of affordable housing units • Low and moderate Income • First time homebuyers
<p>Technical Assistance</p>	<p>Technical assistance is available to help renters, homeowners, housing developers, and not-for-profit housing developers find, design, fund or build affordable housing.</p>	<ul style="list-style-type: none"> • Affordable housing developments • Market-rate housing developments • Housing consumers

<i>State Resources</i>		
<i>California Department of Housing and Community Development</i>		
Affordable Housing Innovation Program: 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 senior housing projects
Affordable Housing Innovation Program: construction Liability Insurance Reform Pilot Program	Reduce insurance rates for condominium development, by promoting best practices in construction quality control.	<ul style="list-style-type: none"> Construction oversight Monitoring activities
Affordable Housing Innovation Program: Practitioner Fund	Provide acquisition financing to pre-qualified developers for the development and preservation of affordable housing	<ul style="list-style-type: none"> Property acquisition
Affordable Housing Innovation Program: Loan Fund	Provide quick acquisition financing for the redevelopment or preservation of affordable housing.	<ul style="list-style-type: none"> Property acquisition
Affordable Housing Innovation Program: Innovative Homeownership Program	Increase Homeownership opportunities for Californians with lower incomes.	<ul style="list-style-type: none"> TBD
Building Equity and Growth in Neighborhoods Program (BEGIN)	Reduce local regulatory barriers to affordable ownership housing, and provide down-payment assistance loans to qualifying first-time low- and moderate-income buyers of homes in BEGIN projects.	<ul style="list-style-type: none"> Second mortgage assistance in projects facilitated by local regulatory incentives
CalHome Self-Help Housing Technical Assistance Allocation (CalHome Self-Help)	Fund technical assistance for non-profit programs that help low and moderate income families to build their homes with their own labor.	<ul style="list-style-type: none"> Training, supervision of low- and moderate-income self-help homebuilders.
Emergency Housing and Assistance Program Operating Facility Grants (EHAP)	Provide facility operating grants for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families.	<ul style="list-style-type: none"> Operations and administration Residential rent assistance Capital for development activities

Emergency Housing and Assistance Program Capital Development Component (EHAPCD)	Fund capital development activities for emergency shelters, transitional housing and safe havens that provide shelter and supportive services for homeless individuals and families.	<ul style="list-style-type: none"> • Site acquisition • Construction • Conversion costs • Rehabilitation
Exterior Accessibility Grants for Renters	Grants for local and non-profits to help lower income rental tenants with disabilities make exterior modifications to their rental housing to make it accessible.	<ul style="list-style-type: none"> • modifications to rental housing or property to make it accessible to persons with disabilities
Governor’s Homeless Initiative (GH)	An interagency effort to refinance loans for new projects that propose affordable housing. Funding development of permanent supportive housing for persons with severe mental illness who are chronically homeless.	<ul style="list-style-type: none"> • construction • rehabilitation • site acquisition
Housing Urban-Suburban-and-Rural Parks Program Prop 1C	Provide funding for parks related to housing development in urban, suburban and rural areas.	<ul style="list-style-type: none"> • Creation of new park and recreation facilities or improvement of existing facilities
Infill Infrastructure Grant Program	Assist in the new construction and rehabilitation of infrastructure that supports higher-density affordable and mixed-income housing in locations designated as infill.	<ul style="list-style-type: none"> • New construction, rehabilitation, and acquisition of infrastructure.
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: General component (MHP-General) Prop 1C	Low interest loans to developers of affordable multifamily rental and transitional housing projects for lower income tenants.	<ul style="list-style-type: none"> • Project development • Capital costs • Property acquisition • On- and off-site improvements • New Construction & rehab
Multifamily Housing Program: Supportive Housing component (MHP-SH)	Low-interest loans to developers of permanent affordable rental housing developments that contain supportive housing units.	<ul style="list-style-type: none"> • Project development • Capital costs • Property acquisition • On- and off-site improvements
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 • Site control, acquisition, technical studies/reports/plans, and fees
Brownfield Program Prop 1C	Provides grants and loans to support site clean up to support infill development with 15% affordable units or supportive housing.	<ul style="list-style-type: none"> • Clean-up, mitigation, and remediation • Technical oversight • Capitalization of operation and maintenance fund

Joe Serna, Jr. Farmworker Housing Grant Program (Serna): Ownership Component	100% match of local funds to finance the new construction, rehabilitation and acquisition of owner-occupied housing units for agricultural workers, with a priority for lower-income households.	<ul style="list-style-type: none"> • Costs related to the development and ownership of housing for agricultural workers
Joe Serna, Jr. Farmworker Housing Grant Program (Serna): Rental Component	100% match of local funds to finance the new construction, rehabilitation and acquisition of rental housing units for agricultural workers, with a priority for lower-income households.	<ul style="list-style-type: none"> • Activities incurring costs in the development of rental housing for agricultural workers.
Office of Migrant Services (OMS)	Provide safe, decent and affordable seasonal rental housing and support services for Migrant farmworker families during the peak harvest season.	<ul style="list-style-type: none"> • Construction • Rehabilitation • Maintenance • operation
Multifamily Housing Program: Homeless Youth Component (MHP-HY)	Low-interest loans to developers of permanent affordable rental housing developments that contain housing units for homeless youth housing units.	<ul style="list-style-type: none"> • Capital costs • Property acquisition • Refinancing • On- and Off-site improvements
<i>California Housing Finance Agency</i>		
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
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
<i>California Infrastructure and Economic Development Bank</i>		
CIEDB – California Infrastructure and Economic Development Bank	Provides low-cost financing for public infrastructure to support housing and economic development.	<ul style="list-style-type: none"> • Streets, drainage, parks, public safety facilities, transit improvements, parks, lighting
<i>California Tax Credit Allocation Committee</i>		
Low-Income Housing Tax Credit	Tax credits available to individuals and corporations investing in low-income rental housing. Tax credits are issued through the State and sold to corporations and others with high tax liability, with proceeds used for housing development.	<ul style="list-style-type: none"> • Acquisition • Housing rehabilitation • New construction
Multi-Family Housing Revenue Bonds	Cooperate with non-profit housing providers to enable issuance of multi-family housing revenue bonds	<ul style="list-style-type: none"> • Affordable housing projects • Mixed-use developments with affordable units • Senior housing projects
Mental Health Services Act (MHSA) Housing Program	Provides funding for the development of permanent supportive housing for individuals with serious mental illness and their families, as appropriate, who are homeless or at risk of being homelessness.	<ul style="list-style-type: none"> • Costs associated with the creation of permanent or supportive housing.
<i>California Department of Mental Health (DMH), the California Housing Finance Agency (CalHFA) and the County Mental Health Directors Association</i>		
Mortgage Credit Certificate	Federal tax credit for low- and moderate income homebuyers who have not owned a home in the past three years.	<ul style="list-style-type: none"> • First-time homebuyer's assistance
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
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
Economic Development ("Competitive EDI") Grants	Enhance the security of section 108 guaranteed loans or improve the viability of the same Section 108 assisted project.	<ul style="list-style-type: none"> • Acquisition • Rehabilitation • New construction • Infrastructure • Historic preservation • Economic development
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
Historic Rehabilitation Tax Credit	Provides a 10-20% one-time, IRS tax credit on eligible rehabilitation costs for pre-1936 and National Register historic properties. Work must follow Secretary of the Interior rehabilitation standards.	<ul style="list-style-type: none"> • Rental housing rehabilitation • Mixed-use projects • Seismic strengthening • Ownership housing ineligible

<i>Federal Resources</i>		
<i>United States Department of Housing and Urban Development</i>		
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 • Economic development
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
<i>Federal Home Loan Bank of San Francisco</i>		
Affordable Housing Program (AHP)	The Affordable Housing Program provides grants and subsidized loans to banks to support affordable rental housing and homeownership opportunities.	<ul style="list-style-type: none"> • acquire, construct, or rehabilitate rental housing • provide homebuyer down payment or closing cost assistance • cover the cost of homebuyer pre- or post-purchase counseling
Access to Housing and Economic Assistance for Development (AHEAD) Program	Provides grants to support economic development and housing projects during the conception and early development stages.	<ul style="list-style-type: none"> • Activities related to the creation of low- and moderate-income housing
<i>Private Resources</i>		
Youthbuild	Vocational training for organizations to fund projects to assist high-risk youth learn housing construction and rehabilitation skills and complete their high school education as they construct housing for low-income and homeless persons or families.	<ul style="list-style-type: none"> • Program support

CHAPTER 4

QUANTIFIED OBJECTIVES

4.10 Overview

State housing law requires that each jurisdiction identify the number of housing units that will be 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 City’s housing needs assessment and regional housing needs allocation, and are adopted policy. 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, developers’ and lenders’ financial decisions and the availability of local, State and Federal funding.

According to state housing law, a jurisdiction may take credit toward meeting RHNA requirements between the base year of the RHNA period (January 1, 2014) and the beginning of the new planning period (June 30, 2014) for dwellings that are approved, permitted and/or built during this time period. These units are then subtracted from the City’s 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, or Low-Income Housing Tax Credit (LIHTC) financed projects or inclusionary units);
- Actual rents; and
- Actual sales prices.

4.20 Housing Construction Completed

Table 2 shows the number of new housing units approved, permitted, under construction or completed between January 1, 2014 and June 30, 2014. These units are credited toward meeting the City’s quantified objectives during the five-year planning period from January 1, 2014 to June 30, 2019.

**Table 2
Dwellings Approved, Under Construction or Built, January 1, 2014 – June 30, 2014**

Project Name/Address	Approved, Under Construction or Built ¹	Total Units	Units by Income Level					(A) Sale (B) Rent (n/a) Market rate
			EL	VL	L	M	AM	
Laurel Creek/861 Orcutt	Approved	117				2	115	(A)
Marsh Street Commons, 679 Marsh	Under Construction	4					4	(A)
Individual dwellings, various	Built							(n/a)
Individual dwellings, various	Under Construction	8					8	(A)
Individual dwellings, various addresses	Approved	3					3	(A)
Moylan Terrace/851 Humbert Street	Approved	69		2	14	11	42	(A/B)
Garcia MXD/774 Caudill	Approved	4					4	n/a
1404 Chorro	Approved	4					4	(A)
ROEM/313 South Street	Approved	42	5	28	9			(B)
Icon/1340 Taft Street	Approved	7			1		6	(B)
Wingate/3275 Orcutt	Approved	142		2	8	20	112	(A)(B)
520 Perkins Lane	Approved	2					2	(A)
3335 Broad Street	Under Construction	4					4	(A)
Village at Broad/2238 Broad Street	Approved	2					2	(B)
Alano Project/1804-1814 Osos Street	Approved	3					3	(B)
Pacific Courtyards/1327 Osos Street	Approved	9		1			8	(A)
Chinatown MXD/847 Palm Street	Approved	32				2	30	(A)
Bridge Street MXD/215 Bridge	Approved	23				1	22	(A)
Heil Mixed Use/3229 Broad Street	Under Construction	8			8			(B)
863 Pacific Street	Approved	4					4	(A)
1175 Murray	Approved	3					3	(B)
Garden Street Terraces	Approved	8					8	(A)
Serra Meadows/Tract 2342	Under Construction	56					56	(A)
Serra Meadows/Tract 2353	Approved	121					121	(A)
King/Tract 2428	Approved	197				26	171	(A)
1340 Taft	Approved	6				1	5	(n/a)
667 & 679 Monterey	Approved	23					23	n/a
2125 Rachel	Approved	1					1	(A)
907 Rachel	Approved	17					17	(A)
Totals		902	5	33	40	63	778	

Source: Community Development Department, City of San Luis Obispo, 2014

4.30 Housing Construction Objectives

Table 3 shows the City’s regional housing need for new housing construction for January 1, 2014 through June 30 2019. It includes City construction objectives for detached (SFH) and attached (MFH) housing types, both rental and for-sale units.

**Table 3
Regional Housing Need Allocation, City of San Luis Obispo, 2014-2019**

Income Category (% of County Median Income)	Regional Housing Need Allocation			Percent of Total RHNA
	Single Family Dwellings	Multi-Family Dwellings	Total	
Extremely Low (< 30%) ¹	0	142	142	12%
Very Low (30-50%) ¹	0	143	143	13%
Low (51-80%)	72	107	179	16%
Moderate (81-120%)	81	121	202	18%
Above Moderate (> 120%)	191	287	478	42%
TOTAL UNITS	344	800	1,144	100%

Source: San Luis Obispo Council of Governments, February 2013

¹Given the deep subsidies needed to construct extremely low and very-low income single-family units, most housing for these income groups is expected to be multi-family units.

The new housing objectives are based on an assumed construction ratio of single family to multi-family housing of 40:60. For extremely low and very low income categories, no single-family housing production is anticipated, given the high cost and deep public subsidies needed for this type of housing. To meet housing needs for these income categories, it is likely that virtually all of the units will be higher density, multi-family rental housing.

4.40 Identification and Preservation of At-Risk Units

a. Inventory 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. A 40-year affordability requirement is common; however, the term varies depending upon the source and terms of funding.

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), federal Community Development Block Grants and local programs using inclusionary housing requirements, in-lieu fees and density bonuses.

Appendix J includes an inventory of subsidized or assisted housing developments in San Luis Obispo. Nevertheless, Housing Element programs 3.8 and 3.12, and quantified objectives have been incorporated into the Housing Element to discourage affordable housing removals and to help track and preserve these affordable units. Program 3.13 calls for the City to work with the Housing Authority of the City of San Luis Obispo, 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.

The City has had several success stories over the past Housing Element planning period preserving affordable housing units at risk of losing their affordability. Below are two examples where the City was able to preserve affordable housing:

1. 1500 Madonna Road – This property is approximately 7 acres in size and includes 120 residential apartment units. The project was constructed in 1971 and was deed restricted as affordable housing under a HUD Section 236 loan since occupancy. This loan came to maturity on March 2, 2012, and the property owners decided to sell the property. City staff worked with the new property owner to preserve all of the units as affordable housing through tax credits and tax exempt bonds to help finance the acquisition and rehabilitation of the property and units.
2. 542 Hathway Avenue – Sojourn Services, Inc. acquired the property in 2001 and made it available to extremely-low income individuals with developmental disabilities. The property includes a three-unit apartment building consisting of two one (1) bedroom units and one (1) studio unit. In 2012, the property went into foreclosure and the affordable housing units were at-risk of being lost and the tenants evicted. In order to preserve the units for affordable housing, the City provided a \$95,000 grant to assist Tri-Counties Community Housing Corporation (TCCHC) acquire the property.

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 two affordable housing developments at risk of losing its affordability restrictions and converting to market rate between January 2014 and January 2024, the Anderson Hotel and Judson Terrace Homes. The properties are discussed below.

**Table 4
At Risk Units in San Luis Obispo, 2014-2024**

Project	Housing Type	Expiration Date	Total Units	Assisted Units
Anderson Hotel	Very Low Income, Senior, Disabled	2021	70	70
Judson Terrace Homes	Low Income, Senior Housing	2021	107	43
Total Units at Risk				113

Source: HASLO, Judson Terrace Homes 2014

1. Anderson Hotel (Monterey Arms)



*Anderson Hotel, located at the east corner of Morro and Monterey Streets
Source: Community Development Department, 2014*

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. The Housing Authority master leased the Anderson Hotel from its current owner, 995 Partnership, 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 a HUD Section 8 Rental Assistance grant. This grant, along with tenant rent payments (30 percent of their income) and downstairs commercial rent 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.

2. Judson Terrace Homes



*Judson Terrace Homes, located near Sinsheimer Park
Source: Community Development Department, 2014*

Judson Terrace Homes is an affordable community operated by American Baptist Homes of the West (ABHOW). The development is comprised of studio and one bedroom apartments for seniors. Judson Terrace Homes offer a variety of resources for seniors including meals, health services and educational classes. The project currently has a 40 year affordability agreement through HUD, which began in 1981. In 2011, the City of San Luis Obispo awarded Affordable Housing Fund money to assist with repairs of housing units.

b. Cost of Preservation versus Replacement

Construction of Replacement Units

The estimated cost to build 113 comparable units, based on recent land and construction estimates in San Luis Obispo, highlighted in Appendix C, is approximately \$64,000 in land cost per unit, and \$130,000 construction cost per unit, for a total cost of approximately \$200,000 per unit including fees. The cost to replace 113 units would be approximately \$23 million dollars.

Preservation

Preserving the units can be accomplished through specified long-term rent subsidies and a recorded regulatory agreement or through property acquisition by the Housing Authority. Rent subsidies will cost approximately \$850,000 annually, without adjusting for inflation. Sources of rental subsidies could include Project Based Section 8 if the Housing Authority were to acquire the property. HUD might also extend the term of its existing rental subsidy contract to a longer term if a long-term regulatory agreement were recorded on the property.

c. Funding for Preservation and Renovation

Funding sources that could be used for property purchase and renovation include:

- A) City Affordable Housing Funds (totaling approximately \$2.2 million in June 2014)
- B) Countywide Housing Trust Fund (over \$4 million in loan funds available in October 2013)
- 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
- 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 2.11, 2.11, 2.13, 3.2, 3.4, 3.8, 3.10 and 3.12 that focus on preserving affordable dwellings.

d. Conclusion

Overall, costs of preserving the current 113 at-risk affordable units in the City would be much less than letting these units convert to market-rate housing and having to construct new units. The Housing Authority has indicated its strong interest in and ability to purchase the Anderson Hotel, improve it, and preserve it as permanent affordable housing; while ABHOW has expressed full interest in renewing their agreement to keep their 43 senior units affordable after 2021.

4.50 Rehabilitation and Preservation Objectives

The City's affordable housing stock is a valuable resource that should be preserved and, where necessary and feasible, rehabilitated rather than demolished. By enforcing City building and zoning codes, the safety, quality and durability of existing homes and neighborhoods is enhanced, thus maintaining the housing stock's diversity in type, tenure and cost. Often, the primary beneficiaries of preservation and rehabilitation programs are renters and low-income homeowners. Table 5 lists the number of units to be rehabilitated, preserved or financially assisted, and the number of conservation/code enforcement cases during the planning period.

**Table 5
Rehabilitation, Preservation, and Conservation Objectives
January 2014 to June 2019**

Type of Unit	Extremely Low	Very Low	Low	Moderate	Total
REHABILITATION					
Single-family rehab	3	7	20	0	30
Multi-family rehab	5	20	50	0	75
Historic preservation rehab	--	--	--	10	10
Mobile Homes/ Manufactured Housing	--	5	5	10	20
TOTALS	8	32	75	20	135
PRESERVATION					
At-risk units preserved	20	50	--	--	70
CONSERVATION/CODE ENFORCEMENT					
Code enforcement cases ¹	75	75	100	100	350
TOTALS	95	125	100	100	350
FINANCIAL ASSISTANCE					
CDBG/HOME Grant Funds	25	25	25	0	75
Affordable housing fund	15	25	35	75	150
TOTALS	40	50	60	75	225

Source: City of San Luis Obispo, Community Development Department, 2014.

¹Building Code violations or life safety/health code violations

4.60 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. The quantified objectives include the following types of housing:

Construction

- A) Rental housing
- B) For purchase

Rehabilitation

- C) Owner occupied
- D) Renter occupied

Preservation

- E) At-risk housing units

Conservation

- F) Multi-family dwelling inspections
- G) Code enforcement/corrections

Financial Assistance

- H) City Affordable Housing fund
- I) City utilities and impact fee deferrals

During the Housing Element's planning period from January 2014 to June 2019, the City will accommodate a net increase of 1,144 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 been and will continue to play a key role in meeting City housing needs.

As described in Table 6, and as allowed by State Law, the City's RHNA is reduced based on the number of dwelling units approved, under construction or built between January 1, 2014 and June 30, 2014. These units are deducted from the RHNA number for each income category to establish the City's housing construction objectives for the Housing Element's planning period, January 1, 2014 to June 30, 2019. The City's adjusted RHNA is 525 dwelling units, and of these, 386 are low, very-low or extremely low income.

**Table 6
Remaining RHNA Need Based on Dwelling Units Approved, Under Construction or Built, January 1, 2014 to June 30, 2014**

Income Category	A	B	A-B
	New Construction Need (RHNA)	Dwelling Units Approved, Under Construction or Built	Remaining RHNA Need, Dwelling Units
Extremely-Low (< 31% of AMI)	142	5	137
Very Low (31-50% of AMI)	143	33	110
Low (51-80% of AMI)	179	40	139
Moderate (81-120% of AMI)	202	63	139
Above Moderate (>120% of AMI)	478	478 ¹	0
TOTAL RHNA UNITS	1,144	619¹	525

Source: City of San Luis Obispo Community Development Department, 2014

¹No credit allowed for the number of above moderate units built that exceed RHNA. Actual above moderate units = 778.

**Table 7
Quantified Objectives Summary, January 2014 – June 2019**

Income Level	Construction	Rehabilitation	Preservation	Conservation	Financial Assistance
Extremely Low	142	8	20	95	40
Very Low	143	32	50	125	50
Low	179	75	0	100	60
Moderate	202	58	0	100	75
Above Moderate	478	0	0	0	0
Total Proposed Dwelling Units	1,144	127	70	350	225
Less Units Approved, Under Construction or Built	619	0	0	0	0
Balance to be completed, 6/30/14-6/30/19	525	127	70	350	225

Source: City of San Luis Obispo, Community Development Department, 2014

Table 7 summarizes the City’s quantified housing objectives for the five-year planning period. An evaluation of the residential development capacity and dwellings approved, built or under construction results in a remaining housing need of 525 new dwelling units during the housing element’s 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.

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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 4, 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 2000 and 2010 U.S. Decennial Census, California Department of Finance (DOF), and the 2012 Central Coast Economic Forecast prepared by Beacon Economics.

1. Population Trends and Characteristics

San Luis Obispo is one of seven cities located within San Luis Obispo County, and is the largest in terms of population. As shown in Table A-1, the City's estimated population in 2013 was 45,541 (California Department of Finance, January 1, 2013). The population of the County is estimated to be 272,177. Thus, approximately 17 percent of County residents lived in the City of San Luis Obispo in 2013.

Table A-1
Population Growth, 2005-2013

	City of San Luis Obispo		San Luis Obispo County		California	
	Population	Rate of Change (%)	Population	Rate of Change (%)	Population	Rate of Change (%)
2005	44,662	-	261,558	-	35,278,768	-
2006	44,522	-0.31	263,727	0.83	36,457,549	3.34
2007	44,389	-0.30	265,786	0.78	36,553,215	0.26
2008	44,521	0.30	268,290	0.94	36,756,666	0.56
2009	44,750	0.51	270,429	0.80	36,961,664	0.56
2010	45,119	0.82	269,637	-0.29	37,253,956	0.79
2011	45,269	0.33	271,969	0.86	37,691,912	1.18
2012	45,312	0.10	271,502	-0.17	37,668,804	-0.06
2013	45,541	0.51	272,177	0.25	37,966,471	0.79

Source: U.S. Census 2010, DOF 2013

The City’s long-term population growth rate has reflected slow, steady growth of one percent or less per year. From 2005-2013, the City’s population, decreased slightly for the next two years starting from 2005, and increase slightly for the next six years. During this period, annual population change never exceeded one percent, and only three times did it change more than half a percent. Comparatively over the same period, the population of the County grew at rates of -0.29 to 0.94 percent, and the State’s population grew annually at rates ranging from -0.06 to 3.34

percent.

Table A-2 shows the average annual growth rate in population for the City, County, and State between 1990, 2000, 2010, and 2013. The relatively recent slow growth is apparent between 2010 and 2013, when the City population increased only 0.2 percent. The average annual growth rate for the County was the same at 0.2 percent per year and the State’s growth rate was 2.5 times higher for the same period. Between 2010 and 2013, City, County and State saw their average annual growth rates drop slightly compared to 2000 to 2010.

**Table A-2
Average Annual Population Growth, 1990-2013
San Luis Obispo City, County, and State of California**

	City		County		State	
	Population	Average Annual Growth Rate (%)	Population	Average Annual Growth Rate (%)	Population	Average Annual Growth Rate (%)
1990	41,958	-	217,162	-	29,760,021	-
2000	44,179	0.5	246,681	1.4	33,871,648	1.4
2010	45,119	0.2	269,637	0.9	37,253,956	1.0
2013	45,541	0.2	272,177	0.2	37,966,471	0.5

Source: U.S. Census, 1990, 2000, 2010; California Department of Finance, 2013

The California Department of Finance predicts that between 2005 and 2030, the State’s population will grow by almost 11.5 million to slightly greater than 48 million residents. This is a projected annual growth rate of 1.09 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-3 shows SLOCOG growth projections for the City and County prepared by Economics Research Associates, and Department of Finance projections for the State.

**Table A-3
San Luis Obispo Population Projections, 2015-2030**

Year	City	County	State
2015	44,668	275,590	38,801,063
2020	45,969	286,940	40,643,643
2025	46,704	296,851	42,451,760
2030	47,622	309,288	44,279,354
Annual Growth Rate	0.40%	0.72%	1.0%

Source: Regional Growth Forecast for San Luis Obispo Council of Governments, 2011; California Department of Finance, 2010

SLOCOG projections for the County show an annual growth rate of 0.72 percent. This annual growth rate is their middle-range projection. SLOCOG low and high-range projections forecast County annual growth rates of 0.64 percent and 0.79 percent respectively. For the City, SLOCOG projects a continuation of the relatively slow growth rates experienced between 2000

and 2010, with a 0.40 percent annual growth rate to 2030.

The General Plan Land Use Element (LUE) includes policies to accommodate an eventual City population of 57,200. At a 0.5 percent growth rate, the City's anticipated residential capacity would be reached by the year 2057.

a) Age Composition

San Luis Obispo's age profile is shown in Table A-4 and graphically in the form of a population pyramid in Figure A-1. When compared with the County and State, San Luis Obispo has significantly lower percentages of children, teens and adults in the primary childbearing years of 25-44. The City however has a relatively high proportion of senior citizens. While smaller than the County, there are 0.6 percent more seniors age 65 years or older in the City than in the State.

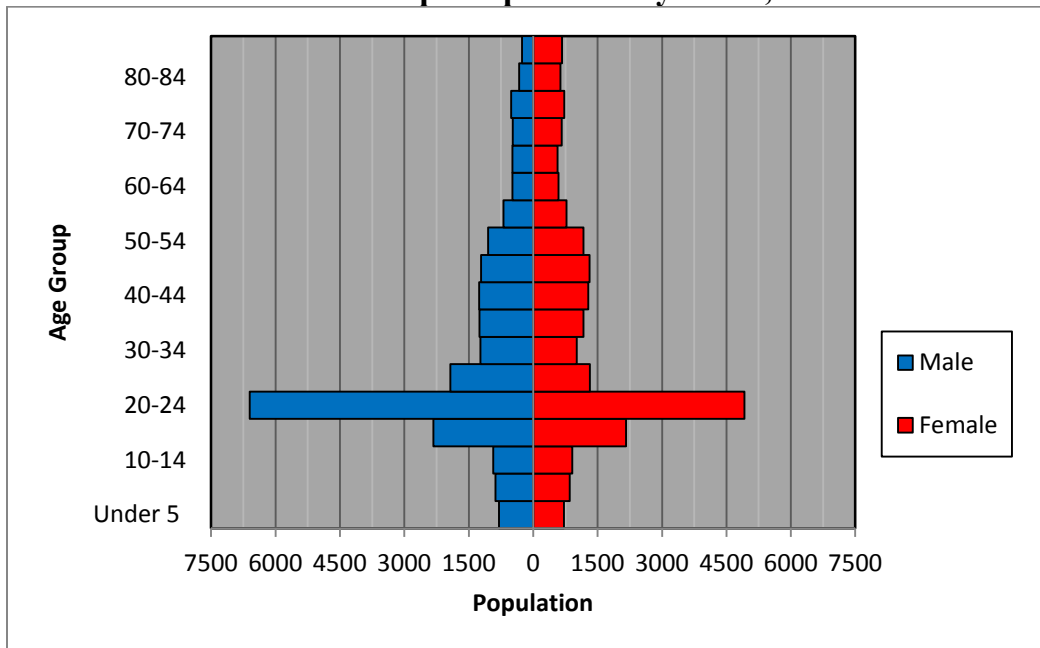
Due to the concentration of students attending Cuesta College and California Polytechnic State University, San Luis Obispo, young adults age 18-24 are by far the largest age group in the City. The City's component of residents age 18-24 is orders of magnitude greater than the County and State. With 35 percent of residents being age 18-24, the City has nearly a 2.5 times greater share of these young adults than the County, and nearly 3.4 times greater share than the State. As discussed in Appendix B, this demographic trend has important implications for the San Luis Obispo area housing market in terms of housing type, tenure and demand.

**Table A-4
Age Distribution, 2010**

Age	San Luis Obispo		San Luis Obispo County		California	
	Population	Percent	Population	Percent	Population	Percent
Under 5	1,508	3%	13,343	5%	2,531,333	7%
5-17	4,014	9%	37,498	14%	6,763,707	18%
18-24	15,670	35%	39,545	15%	3,922,951	11%
25-44	9,630	21%	61,860	23%	10,500,587	28%
45-64	8,866	20%	76,369	28%	9,288,864	25%
65 +	5,431	12%	41,022	15%	4,246,514	11%

Source: U.S. Census, 2010

**Figure A-1
San Luis Obispo Population Pyramid, 2010**



Source: U.S. Census, 2010

b) Race and Ethnicity

As shown in Table A-5, San Luis Obispo City and County are less diverse racially and ethnically than the State as a whole. In 2010, more than three quarters of the residents in the City and County were of white and non-Hispanic origin (note: By census definitions, Hispanic or non-Hispanic origin is an ethnic characteristic independent of race).

However, the racial and ethnic compositions of both the City and the County are changing. Between 2000 and 2010, the White and non-Hispanic population components in the City dropped 3 percent and 4 percent in the County during this period. By 2010, the Hispanic population of any race was the second largest in the City and County. Asian and Pacific/Islanders were the third largest population, followed by residents of two or more races.

**Table A-5
Racial and Ethnic Composition as a Percentage of Total Population, 1990-2010**

Ethnicity	City			County			State		
	1990	2000	2010	1990	2000	2010	1990	2000	2010
White	88.6	78.7	75.8	89.3	76.1	71.1	65.6	46.7	40.1
Black/African-American	1.9	1.3	1.0	2.2	1.9	1.9	8.1	6.4	5.8
American Indian/Alaska Native	0.5	0.4	0.3	0.8	0.6	0.5	0.7	0.5	0.4
Asian or Pacific Islander	5.2	5.3	5.2	2.9	2.7	3.1	10.4	11.1	13.1
Other	0.1	0.2	0.2	0.1	0.1	0.3	0.2	0.2	0.2
Two or More	--	2.4	2.0	--	2.2	2.3	--	2.7	2.6
Hispanic or Latino of Any Race	3.7	11.7	14.7	4.6	16.3	20.8	15.0	32.4	37.6

Source: U.S. Census 1990, U.S. Census 2000, U.S. Census 2010

Table A-6 shows that growth in the Hispanic population is expected to continue. By 2025, the California Department of Finance projects that over one quarter of the County’s population will be Hispanic. The Asian/Pacific Islander category is projected to be the second fastest growing population behind Hispanic, with the White population projected to be the most rapidly declining population.

**Table A-6
County Projected Change in Racial and Ethnic Composition, 2010-2025**

Year	Total Population	White		Black		Native American		Asian/Pacific Islander		Hispanic	
		Number of persons	% of total	Number of persons	% of total	Number of persons	% of total	Number of persons	% of total	Number of persons	% of total
2010	269,713	191,725	71.1	5,392	2.0	1,367	0.5	8,955	3.3	56,309	20.9
2011	270,119	191,066	70.7	5,418	2.0	1,366	0.5	9,003	3.3	57,147	21.2
2012	271,021	190,492	70.3	5,428	2.0	1,368	0.5	9,156	3.4	58,333	21.5
2013	271,702	189,875	69.9	5,427	2.0	1,368	0.5	9,248	3.4	59,424	21.9
2014	272,568	189,469	69.5	5,425	2.0	1,372	0.5	9,305	3.4	60,520	22.2
2015	273,793	189,236	69.1	5,420	2.0	1,377	0.5	9,389	3.4	61,777	22.6
2016	275,883	189,274	68.6	5,414	2.0	1,384	0.5	9,605	3.5	63,497	23.0
2017	278,531	189,453	68.0	5,407	1.9	1,392	0.5	9,908	3.6	65,548	23.5
2018	281,301	189,544	67.4	5,403	1.9	1,387	0.5	10,384	3.7	67,650	24.0
2019	284,230	189,687	66.7	5,397	1.9	1,382	0.5	10,884	3.8	69,840	24.6
2020	287,744	189,912	66.0	5,385	1.9	1,379	0.5	11,452	4.0	72,484	25.2
2021	289,757	189,927	65.5	5,374	1.9	1,375	0.5	11,727	4.0	74,104	25.6
2022	291,845	190,072	65.1	5,363	1.8	1,372	0.5	11,982	4.1	75,691	25.9
2023	294,797	190,410	64.6	5,346	1.8	1,369	0.5	12,373	4.2	77,828	26.4
2024	297,793	190,778	64.1	5,325	1.8	1,368	0.5	12,771	4.3	79,974	26.9
2025	299,996	190,884	63.6	5,302	1.8	1,366	0.5	13,004	4.3	81,755	27.3

Source: California Department of Finance, 2010

*Persons of Hispanic origin may be of any race

In 2010 the share of the Hispanic population in San Luis Obispo County increased 4.5 percent from 2000, for a share of approximately 21% of the total population. The county’s non-Hispanic White population has decreased by 5 percent, to 71%.

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.

Shown in Table A-7, in 2011 the industrial sector comprising educational services, health care, and social assistance were the largest employers of City and County residents with 22.6 and 22.4 percent respectively. Arts, entertainment, recreation, accommodation, and food services, and retail trade were also important sectors, accounting for double digit shares of employment. All of these high share sectors can be categorized as service industries.

**Table A-7
Employment by Industry for Residents, 2012**

Industry	City		County		California	
	Number of Jobs	Percent	Number of Jobs	Percent	Number of Jobs	Percent
Educational services, and health care and social assistance	5,487	24%	27,971	23.1%	3,465,988	21%
Arts, entertainment, and recreation, and accommodation, and food services	3,562	15.5%	14,538	12.0%	1,629,516	10%
Retail trade	4,245	18.5%	15,834	13.1%	1,853,579	11%
Professional, scientific, and management, and administrative and waste management services	2,600	11.3%	13,267	11%	2,079,656	12.6%
Finance and insurance, and real estate and rental and leasing	1,101	4.8%	5,332	4.4%	1,046,344	6.3%
Public administration	827	3.6%	7,192	6%	787,015	5%
Manufacturing	1,323	6%	7,685	6.4%	1,638,041	10%
Construction	756	3.3%	8,071	6.7%	966,156	6%
Transportation and warehousing, and utilities	688	3%	5,622	4.7%	760,091	4.6%
Information	845	3.7%	3,032	2.5%	460,567	2.8%
Other services, except public administration	9,914	4%	5,519	4.6%	893,649	5.4%
Wholesale trade	334	1.5%	2,357	1.9%	516,724	3%
Agriculture, forestry, fishing and hunting, and mining	225	1%	4,473	3.7%	396,480	2.4%
Civilian employed population 16 years and over	22,984	100%	120,893	100%	16,493,806	100%

Source: U.S. Census – 2012 American Community Survey

The City’s total work force (civilian employed persons 16 years or older) was estimated at 22,984 in the 2012 American Community Survey. In 2000, the total workforce was 22,057, reflecting an increase of 927 persons, or 4.2 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, California State Department of Forestry, California Department of Transportation, California Army National Guard, San Luis Coastal Unified School District and the City of San Luis Obispo. Large private sector employers include P.G.&E., Cal Poly Foundation, Sierra Vista Regional Medical Center, French Hospital, Economic Opportunity Commission and Madonna Inn.

**Table A-8
Labor Force and Unemployment, 2000-2013**

	City of San Luis Obispo Labor Force			Unemployment Rate, (%)
	Employed	Unemployed	Total	
2000	23,500	1,100	24,600	4.5
2001	24,200	1,100	25,300	4.4
2002	24,600	1,300	25,900	5.2
2003	24,500	1,300	25,800	5.2
2004	24,900	1,300	26,200	5.1
2005	25,400	1,300	26,700	4.7
2006	25,800	1,200	27,000	4.4
2007	26,200	1,300	27,500	4.7
2008	25,900	2,000	27,900	6.3
2009	24,800	2,700	27,500	9.9
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
2014¹	26,800	1,700	28,500	5.9

Source: California Employment Development Department, 2014

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.

¹ 2014 data is preliminary for June 2014

Nevertheless, the area’s economy is not immune from State and national economic forces. Due to the recent national economic 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 6.2 percent in 2013.

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 living 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-9, the 2000 Census identified 18,653 occupied housing units in the City of San Luis Obispo. In 2010, there are 19,193 occupied housing units with an increase of 2.9 percent. It is interesting to note that while the number of households increased during this period, average household size declined by 1.3 percent, as shown in Table A-10, similarly trends of decreasing household size are seen in the county. In the State, trends slightly decreased in density. In part, this may be due to the fact that very few apartments were built during the 1990s and 2000s, and apartments in San Luis Obispo typically have a higher average number of persons per household than does detached or attached single family housing.

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-9
Number of Households**

	Number of Households in 1990	No. of Households in 2000	Change		No. of Households in 2010	Change	
			Number	Percent		Number	Percent
City	16,952	18,653	1,701	10.0	19,193	540	2.9
County	80,281	92,739	12,458	15.5	102,016	9,277	10.0
State	10,381,206	11,502,870	1,121,664	10.8	12,577,498	1,074,628	9.3

Source: US Census, 1990, 2000 and 2010

**Table A-10
Household Size, 1990, 2000, and 2010**

	Average No. of persons per household in 1990	Average No. of persons per household in 2000	Change		Average No. of persons per household in 2010	Change	
			Number	Percent		#	%
City	2.388	2.32	-0.066	-2.8	2.29	-0.032	-1.4
County	2.533	2.55	0.014	0.6	2.48	-0.067	-2.6
State	2.794	2.88	0.081	2.9	2.90	0.025	0.87

Source: US Census, 1990, 2000, and 2010

The declining household size reflects the aging of the City’s residents and the relatively high cost of housing. As homeowners age and become “empty nesters”, they often cannot afford to “shift down” and buy smaller housing that better meets their needs and budget. In San Luis Obispo, it is not uncommon for a three- and four-bedroom house to be occupied by one or two persons. As average households grow smaller, the existing housing stock accommodates fewer people, exacerbating housing needs, particularly for families and large households.

**Table A-11
Estimated Households by Household Type, 2010**

	Family Households		Non-family Housing		Single Male Households		Single Female Households		Total	
	Number of persons	Percent	Number of persons	%	Number of persons	%	Number of persons	%	Number of persons	Percent
City	7,612	40%	11,581	60%	2,863	15%	3,350	18%	19,193	100%
County	63,691	62%	38,325	38%	11,443	11%	15,330	15%	102,016	100%

Source: U.S. Census 2010

Table A-11 and Table A-12 both show household patterns in 2010. When compared with the County, there is a higher percentage of non-family households in the City, 60 percent. Non-family households and one person households are more common in the City of San Luis Obispo than family and larger households due to the student population in the City.

**Table A-12
Estimated Households by Household Size, 2010**

	1- Person Household		2- Person Household		3- Person Household		4- Person Household		5- Person Household		6- Person Household	
	Number of persons	Percent	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%	No. of persons	%
City	6,213	32.4	6,637	34.6	2,833	14.8	2,217	11.6	902	4.7	266	1.4
County	26,773	26.2	37,920	37.2	15,329	15.0	12,615	12.4	5,709	5.6	2,145	2.1

Source: U.S. Census 2010

b) Household Income

Both Tables A-13 and A-14 compare data from the U.S. Census, for median household and family incomes in the City, San Luis Obispo County, State and other selected California counties nearby. There has been significant growth in household income in the last decade in both the San Luis Obispo City and County. Household income growth in the County is comparable to Santa Barbara County, Monterey County and the State. In contrast, San Luis Obispo City households tend to have lower incomes and pay a larger portion of their income for mortgages or rent than San Luis Obispo County residents as a whole. In 2000, the City's median household income was \$31,926, or about 75 percent of the countywide median. In 2010, the City's median

household income increased to \$42,461, still approximately 75 percent of the County’s 2010 median household income of \$56,967.

**Table A-13
Median Household Income, 1990, 2000, and 2010**

	Median Household Income, 1990	Median Household Income, 2000	Change in Income		Median Household Income, 2010	Change in Income	
	\$	\$	Amount	Percent	\$	Amount	Percent
City*	25,982	31,926	5,944	23%	42,461	10,535	33%
County*	31,164	42,428	11,264	36%	56,967	14,539	34%

Source: US Census, 1990, 2000 and 2010

**Table A-14
Median Family Income, San Luis Obispo and Surrounding Counties**

	Median Family Income, 2000	Median Family Income, 2010	Change in Income 2000-2010	
	\$	\$	Amount	Percent
City	56,319	74,239	17,920	31.8
County	52,447	70,987	18,540	35.3
Santa Barbara Co.	54,042	68,723	14,681	27.2
Monterey Co.	51,169	61,688	10,519	20.6
Los Angeles Co.	46,452	60,857	14,405	31
California	53,025	67,874	14,849	42

Source: U.S. Census 2000, 2010

Another income measure is per capita income, as shown in Table A-15. In 2000, the per capita income in the City was \$20,386, compared with a per capita income in the County of \$21,864. In 2010, the per capita income in the City was \$25,400, compared with a per capita income in the County of \$28,910. For the same year in 2010, the per capita income for California residents as a whole was \$28,556.

**Table A-15
Per Capita Income 2000-2010**

	Per Capita Income, 2000	Per Capita Income, 2010	Change 2000-2010	
	\$	\$	Amount	Percent
City	20,386	25,400	5,014	25%
County	21,864	28,910	7,046	32%
State	22,711	28,551	5,840	26%

Source: U.S. Census 2000, 2010

The State of California defines five income categories for the purposes of determining housing affordability and need in communities. These categories are as shown in Table A-16. This method is consistent with definitions of extremely low-, very low-, and low-, moderate and above moderate income households as used in some Federal and most 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-16
California Income Category Limits 2014**

Income Category	Percent of County Median Income
Extremely Low Income	30 % or Less
Very Low Income	31% to 50%
Low Income	51% to 80%
Moderate	81% to 120%
Above Moderate	121% or higher

Source: California State Department of Housing and Community Development, 2014.

Table A-17 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 2010, 33 percent of the City’s households fell into the less than \$24,999 income category, while 67 percent of the households were in higher income categories, with annual income of \$50,000 or higher. While the large number of households with incomes below \$24,999 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-17
Estimated Households by Income Categories, 2010**

Approximate Income Categories	Income Limits	Number of Households	Percent of total households
Extremely Low	Income < \$24,999	6,288	33%
Very Low	Income \$25,000 - \$34,999	2,014	11%
Low	Income \$35,000 - \$49,999	2,285	12%
Moderate	Income \$50,000 - \$74,999	3,116	17%
Above Moderate	Income > \$75,000	5,228	27%
	Total	18,931	100%

Source: U.S. Census 2010

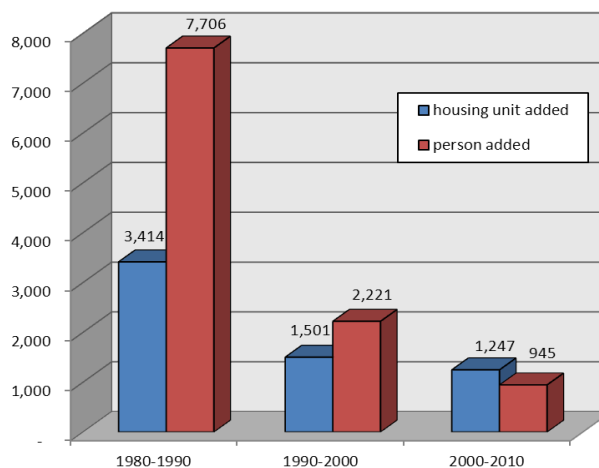
4. Housing Inventory and Market Factors

a) Housing Stock Profile and Population Growth

In the 1980's and 1990's, the City's housing stock grew slower than the population. The 1990 U.S. Census identified 17,877 housing units in the City, with a vacancy rate of 5.5 percent. By 2000, the City's housing stock grew to 19,340 units, with a vacancy rate of 3.6 percent, an increase of 1,463 units. In 2010, the City housing stock grew to 20,553 housing units, an increase of 1,213 units, with a vacancy rate of 1.6 percent for home owner and 5.7 percent for rental

Between 2000 and 2010, the City's population grew from 44,179 to 45,119, an average annual increase of 94 persons, or 0.21 percent. In the 1990's, the City added about 2,221 persons, an average annual increase of 222 persons, or 0.53 percent.

**Figure A-2
Housing and Population Growth in the City of San Luis Obispo, 1980-2010**



Source: U.S. Census 1990, 2000, 2010

Table A-18 shows the net change in the number of dwellings due to completed construction between 2003 and 2012. Between 2003 and 2013, an average of 95 dwellings was built each year. During the same period, 710 multi-family dwellings were constructed, compared to 322 new single family dwellings. Multi-family housing typically provides a wider variety of housing costs and types than detached, single family housing.

Table A-18
Residential Development–Net Change Due To Completed Construction 2003 – 2013

Year	Single Family Detached Units		Single Family Attached Units		Multi-Family Units		Annex Units	Total Units	Net Market Rate	Growth Rate
	Market Rate	Affordable	Market	Affordable	Market	Affordable				
2003	129	6	42	3	24	20	0	224	195	0.99%
2004	71	4	25	10	190	70	0	370	286	1.43%
2005	27	0	22	2	9	40	0	100	58	0.29%
2006	17	0	4	0	9	10	0	40	30	0.15%
2007	16	0	5	0	99	5	0	125	120	0.60%
2008	7	0	23	0	-1	28	0	57	29	0.14%
2009	16	0	3	0	29	10	0	58	48	0.24%
2010	15	0	17	0	23	34	0	89	55	0.27%
2011	0	2	0	0	23	42	18	85	41	0.20%
2012	16	0	1	0	17	0	0	34	34	0.17%
2013	16	3	0	0	63	10	0	92	79	0.38%
10-yr Total	201	9	100	12	461	249	18	1050	780	3.87%

Source: City of San Luis Obispo, Community Development Department, 2013 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 close to the Cal Poly University campus. Many of the City's older neighborhoods contain a mix of single houses, houses with attached and detached secondary units, and small duplexes or triplexes. Table A-19 summarizes the composition of the City's housing stock in 2000 and 2013.

**Table A-19
Composition of Housing Stock by Unit Type 1990-2013**

Unit Type	2000		2013		Percent Change 2000-2013
	Number of Units	Percent of Total	Number of Units	Percent of Total	
Single-Family Detached	8,962	47%	9,588	46%	7%
Single-Family Attached	1,210	6%	1,381	7%	14%
Multi-Family (2-4 units)	2,347	12%	2,650	13%	13%
Multi-Family (5+ units)	4,821	26%	5,596	27%	16%
Mobile Homes, Other	1,531	9%	1,482	7%	-3%
Total	18,871	100%	20,697	100%	10%

Source: U.S. Census 1990, 2000, 2010 Census, DOF 2013

As shown in the Table A-19, in 1990 about 52 percent of San Luis Obispo’s housing stock was categorized as single-family, with 39 percent multi-family dwellings and nine percent mobile homes. In 2000, about 53 percent of the City’s housing stock was categorized as single-family, with 38 percent multi-family dwellings and 9 percent still consisting of mobile homes. In 2013, about 53 percent of San Luis Obispo’s housing stock is categorized as single-family, with 40 percent consisting of multi-family dwellings and only seven percent consisting of mobile homes. The Unit type with the largest increase over the years was the multi-family dwellings consisting of 5 or more units, with an increase of 16 percent. Mobile homes, on the other hand, saw the largest decrease, -3 percent, from 2000 to 2013. The significant increase in large, multi-family housing dwellings can be mainly correlated to the need and development of student housing.

c) Unit Size

Unit size is commonly described in terms of the number of bedrooms in a residence. Table A-20 summarizes the City’s housing stock by number of bedrooms in 2010. One-third of the City’s housing stock consists of two-bedroom units, with studio/one-bedroom units and three- bedroom units each accounting for about one quarter of the total housing units. Four-bedroom and larger dwellings comprise about 16 percent of the housing stock. 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

Unit size often shifts from owner-occupied to renter-occupied housing. For example, 44 percent of the City’s housing stock consists of housing units with three or more bedrooms to accommodate larger households. As shown in Table A-20, however, most of these larger units

are owner-occupied. About one-third of these larger units are available for renters. Due to the high demand for student housing, it is very difficult for families with four or more persons to secure larger rental units. According to the 2010 Census, the City has 571 dwelling units with five or more bedrooms, or about 3 percent of the housing stock.

**Table A-20
Housing Size - Number of Bedrooms by Tenure, 2010**

		Housing Size							
		1 bedroom		2 bedrooms		3 bedrooms		4+ bedrooms	
Tenure	Total Units	# of Units	Percent	# of Units	Percent	# of Units	Percent	# of Units	Percent
Owner-occupied	7,547	2,148	11	3,055	16	1,030	5	1,314	7
Renter-occupied	11,646	4,065	21	3,582	19	1,803	9	2,196	11
Totals	19,193	6,213	32	6,157	35	5,304	15	3,001	18

Source: U.S. Census 2010

d) Tenure

Tenure refers to whether householders rent or own their dwelling. In 2010, 11,646 occupied housing units, or 61 percent, of City units were renter-occupied, a significantly higher proportion than in the County and State. Between 2000 and 2010 the City saw a 2% increase in renter-occupied housing units. This shift is consistent with housing tenure trends during the period for the County and State. Programs have been created to evaluate strategies that can increase owner-occupied housing units in the City.

**Table A-21
Estimated Tenure of Occupied Housing Units, 2010**

	2000		2010		Change	
	Number	Percent	Number	Percent	Number	Percent
Owner-occupied	7,795	42%	7,547	39%	-248	-2.5%
Renter-occupied	10,858	58%	11,646	61%	788	2.5%
Total	18,653	100%	19,193	100%	540	0

Sources: U.S. Census 2000, 2010

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.

Since 1990, the City’s vacancy rate remained at just over five percent; however, in 2001-2003, State Department of Finance figures show the rate dropped steeply to 3.5 percent. In 2010, the vacancy rate rose to 7.3 percent. By comparison, in the 1990’s the County of San Luis Obispo vacancy rate hovered at around 11 percent. In 2010, the County’ vacancy rate dropped to 7.6. The City’s consistent low vacancy rate reflects the high demand for student rental housing near college campuses (Cuesta College and Cal Poly University).

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 (e.g., new roof, plumbing and electrical repairs). Generally, dwellings over 30 years of age fall into this category, and for purposes of the Housing Element, the number of older dwellings is an indicator of the need for housing rehabilitation assistance. Table A-22 shows the age of the City’s housing stock up to the year 2010.

**Table A-22
Age of Housing Stock, 2010**

Year Built	Number of Units	Percent of Units
2005-2010	652	3%
2000-2005	1,304	6%
1990-1999	1,812	9%
1980-1989	3,541	18%
1970-1979	4,338	21%
1960-1969	3,098	15%
1950-1959	2,626	13%
1940-1949	1,252	6%
Before 1939	1,587	8%
Total Housing Units	20,210	100%

Source: U.S. Census Bureau, 2010 American Community Survey

According to the U.S. Census Bureau, 2008-2010 American Community Survey about 64 percent of the City’s housing stock was built before 1980, and about 90 percent was built before 2000. Despite its high proportion of pre-1970 housing, the City’s housing stock generally appears to be in good condition. A 2014 City inventory of vacant, underutilized and blighted properties identified 22 residential properties with exterior signs of serious disrepair, building condition or safety problems. The inventory included all neighborhoods; however, it was limited to a visual inspection of the exterior street elevations and a portion of the side elevations of housing units. It is likely that the number of substandard or dilapidated housing units is larger, based on the age of the housing stock.

g) Housing Conditions

Another measure of the City’s housing stock is housing condition. 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 the 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. According to the 2010 Census, there were 41 units in the City that lacked complete plumbing facilities. Of these, 34 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 Census, 329 units lacked complete kitchen facilities, and of these, 320 units were renter-occupied. There were 530 units with no heating source, and 50 units that relied on heating oil, kerosene, coal or wood for heating.

h) Sales Costs and Rents

Existing and New Housing Sales Price Trends

Following a trend throughout much of California, and particularly the Central Coast of California (from Ventura County to San Luis Obispo County), the City of San Luis Obispo experienced a steep increase in existing and new home prices from the late 1990s to 2007. During the early to mid-1990s, housing costs in San Luis Obispo stabilized or slightly decreased. A strong economy in the late 1990s pushed housing costs up, with increased employment, higher Cal Poly enrollment and greater housing demand. Since 2000, despite a nationwide economic slowdown in the early part of the decade, local and regional housing demand has remained strong, buoyed by record low mortgage interest rates and the San Luis Obispo area's attractiveness to retirees from both Southern and Northern California. Housing prices continued to increase until the impacts of the most recent nationwide economic slowdown, and later credit crisis, hit the region beginning in 2007 resulting in a decline in sales prices. Housing prices in 2013 are finally beginning to catch up to pre-recession sales prices.

Table A-23 shows the median sales prices of residential real estate in the City, County, and State from 2001-2012 according to the University of California, Santa Barbara Economic Forecast Project's Outlook as well as 2013 Data Quick for San Luis Obispo County. Over the 13 year period, median sale prices have been consistently higher in the City than in the County and State. In 2013, the median sales price in the City was \$569,000. This was approximately 36 percent higher than the County and 89 percent higher than the State. Eleven out of twelve years, median prices were higher in the County than the State, with 2004 being the exception.

**Table A-23
Median Residential Real Estate Sales Prices, 2001-2013**

	City		County		State	
	Median Price (\$)	Percent Change	Median Price (\$)	Percent Change	Median Price(\$)	Percent Change
2001	331,568	--	282,170	--	263,505	--
2002	405,778	22.4	326,710	15.8	318,309	20.8
2003	451,150	11.2	381,750	16.8	371,523	16.7
2004	530,932	17.7	443,090	16.1	451,487	21.5
2005	601,665	13.3	553,780	25.0	526,316	16.6
2006	655,851	9.0	580,800	4.9	560,253	6.4
2007	581,040	-11.4	570,770	-1.7	554,623	-1.0
2008	564,213	-2.9	470,233	-17.6	378,233	-31.8
2009	570,000	1.0	385,551	-18.0	276,700	-26.8
2010	556,475	-2.4	384,002	-0.4	305,408	10.4
2011	554,000	-0.4	360,000	-6.3	287,523	-5.9
2012	502,000	-9.4	369,000	2.5	266,000	-7.5
2013	569,500	13.4	390,000	6	326,000	22.6

Source: UCSB Economic Forecast Project, 2012, Data Quick 2013

Rental Costs

A survey from the San Luis Obispo County Apartment Market reported that the average contract rent for units in the City in 2011 was \$1,156. Generally, rents are slightly higher in the City than they are in the County. Table A-24 shows the range of contract rents by unit type for the City and County in 2011.

**Table A-24
Comparison of Rent Costs, City and County, 2011**

Unit Type	City			County			Percent city average rent more than county
	Rent Range (\$)	Average Rent (\$)	Average \$ per square foot	Rent Range (\$)	Average Rent (\$)	Average \$ per square foot	
Studio	\$575-799	\$764	2.01	\$575-799	\$766	2.00	-0.3
1-Bedroom	\$630-1,100	\$894	1.41	\$630-1,145	\$881	1.42	1.5
2-Bedroom	\$910-2,000	\$1,319	1.41	\$795-2,000	\$1,057	1.19	24.8
3-Bedroom	\$1,350-2,037	\$1,769	1.68	\$950-2,037	\$1,692	1.60	4.6
Overall	\$575-2,037	\$1,156	1.55	\$575-2,407	\$1,036	1.35	11.6

Source: San Luis Obispo County Apartment Market Survey, 2011

A possible contributing factor to high rents in the City is low rental vacancy rates as shown in

Table A-25. In 1990, both the City and County had vacancy rates relatively much higher than the State. In 2000, the City and County had vacancy rates relatively much lower than the State. Vacancy rates remained stable in the State from 1990 to 2000. The decline in vacancy rates in the City and County from 1990 to 2000 proved to be part of a long-term trend of declining vacancy rates. The City showed almost complete occupancy in 2005 with a minuscule vacancy rate of 0.12 percent. The County showed a vacancy rate low of 1.25 percent in 2006.

**Table A-25
Rental Vacancy Rates, 1990 - 2010**

Year	Percent Vacancy Rate		
	City	County	State
1990	5.94	5.76	3.71
2000	2.29	3.20	3.70
2005	0.12	2.31	4.60
2006	0.42	1.25	4.70
2007	0.82	1.27	4.70
2008	2.99	3.16	4.70
2009	2.10	5.60	5.80
2010	5.70	5.50	6.30

Source: U.S. Census 1990, 2000, 2010 U.S. Census ACS, 2005-09,

In 2010, both the City and the County had a vacancy rate near 5.5 percent. Between 2008 and 2010, the City saw vacancy rates increase 90 percent. While the increase has been large, the current 5.7 percent vacancy rate is generally considered low. A balanced vacancy rate for an area is typically around five percent. Vacancy rates lower than five percent favor landlords and can signal a dearth of choice for renters. Vacancy rates above five percent favor renters and can signal that landlords are having trouble finding tenants.

i) Affordability Gap Analysis

Ownership Units

Table A-26 lists the values of owner-occupied, single family housing in San Luis Obispo City and County in 2010 based on the 2010 Census. In 2010, only 16 percent of the City's homes were valued at below \$250,000, compared with about 18 percent of homes in the County. While the median housing price in 2012 is below the pre-recession peak in 2006, median prices are still 34 percent higher in 2012 than in 2001, which make it difficult to find housing for sale under \$250,000.

**Table A-26
Single Family Housing Values, 2010**

Price Range (\$)	City		County	
	Number of Units	Percent of Total	Number of Units	Percent of Total
Less than 100,000	448	6.0	3,850	6.4
100,000 – 199,999	629	8.5	4,199	7.0
200,000 – 249,999	99	1.3	2,790	4.7
250,000 – 299,999	66	0.9	3,869	6.5
300,000 – 399,999	532	7.2	12,780	21.3
400,000 – 499,999	815	11.0	9,794	16.4
500,000 – 749,999	3,164	42.7	12,860	21.5
750,000 or more	1,662	22.4	9,720	16.2
Totals	7,415	100	59,862	100
Median value	\$588,400		\$425,200	

Source: U.S. Census, 2010

*For owner-occupied units

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-27 compares the monthly median income and median housing costs in San Luis Obispo City, County and the State in 2010.

**Table A-27
Median Monthly Owner Cost as a Percentage of Household Income, 2010**

	Median Owner Cost, Percent of Household Income	
	With Mortgage	Without Mortgage
City	26.8	10
County	31.5	11.6
State	31.2	11.1

Source: U.S. Census 2010

As shown, in 2010 a mortgaged median-priced house in the City is below the 30 percent threshold. However, the County and State slightly exceed the 30% threshold. While median family income has increased since 2000, it has not kept pace with the growth in prices. Table A-28 and Figure A-3 compare the median sales costs and median family income in the County from 2001 to 2010. The most recent median income data for the County is the 2010 census. From 2001 to 2010, median family income in the County grew sharply, 33 percent. However, this is not nearly as large an increase as the 51 percent increase in median sales price of a home.

Table A-28
Median Housing Costs vs. Median Family Income in the County, 2001-2013

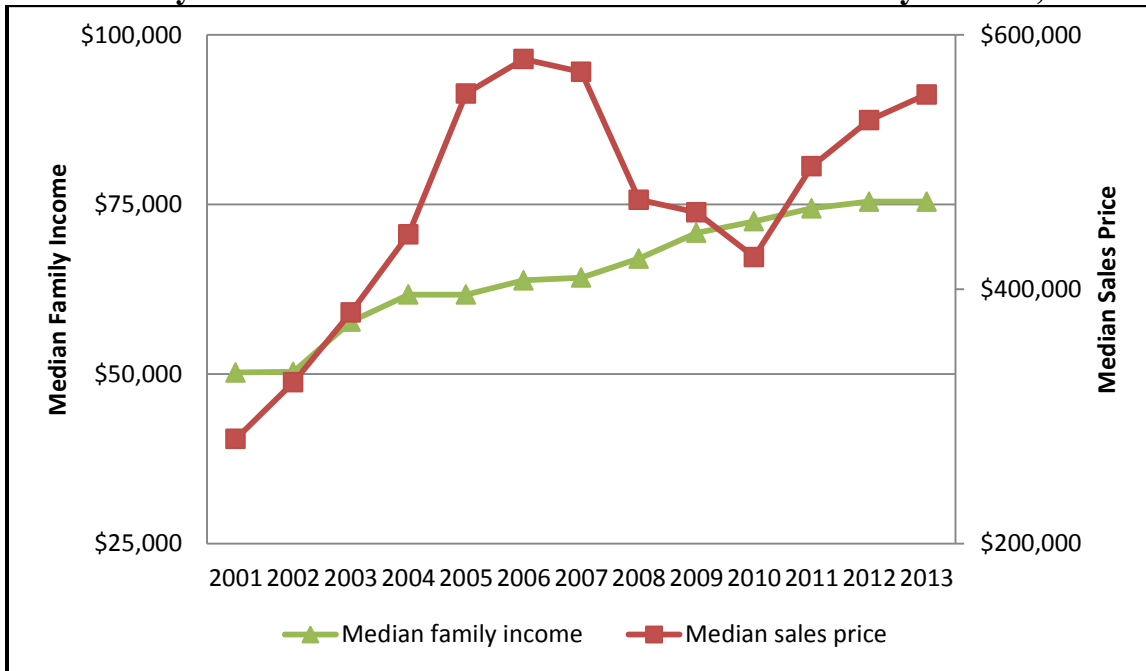
	Median Price (\$)	Percent Change	Median Family Income (\$) ¹	Percent Change	Income Required To Afford (\$) ²	% of Median Income Needed To Afford
2001	282,170	--	50,200	--	54,136	108
2002	326,710	15.8	50,300	0.2	62,681	125
2003	381,750	16.8	57,700	14.7	73,241	127
2004	443,090	16.1	61,700	6.9	85,010	138
2005	553,780	25.0	61,700	0.0	106,246	172
2006	580,800	4.9	63,800	3.4	111,430	175
2007	570,770	-1.7	64,200	0.6	109,506	171
2008	470,233	-17.6	67,000	4.4	90,217	135
2009	460,300	-2.2	70,800 ¹	5.7	88,311	125
2010	425,200	-7.6	72,500 ¹	2.4	81,577	112
2011	496,500	16.7	74,400 ¹	2.6	95,256	128
2012	532,819	7.3	75,400 ¹	1.3	102,224	136
2013	553,000	3.8	75,400 ¹	0.0	106,096	141
Change, 2001-2013	270,830	96	25,200	50.2	51,960	33

Source: UCSB Economic Forecast of San Luis Obispo County, 2008; Data Quick 2013.

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 6% interest, with a 20% down payment

Figure A-3
Median County Residential Real Estate Costs vs. Median Family Income, 2001-2013



Source: UCSB Economic Forecast of San Luis Obispo County, 2008, U.S. Census 2010

Table A-28 also shows what income is required to theoretically afford to buy a median priced home in the County. The income required figure is derived assuming that housing costs are at the 30 percent of gross income threshold, and that the mortgage being paid is a 30-year fixed interest home loan, with a 6% interest rate, and a 20% down payment.

While the census showed that the median County homeowner was in good shape in 1999, under the 30 percent affordability threshold, the situation has become more difficult for home buyers since then. Even after accounting for the economic slowdown since 2006, approximately one third more than the median income was required to afford a median priced home in 2013. Further impacts on the housing market, should the economic slowdown persist, may lower prices and the income thus required to afford homes. However, the slowdown may also impact the income that potential homeowners can make and the interest rates they can acquire for home loans. If the assumed mortgage parameters are altered to have a higher interest rate or smaller down payment, monthly payments would increase, making units for sale even more unaffordable.

Earlier, Table A-23 showed that while housing sales costs are impacted by the current economic slowdown, the rate of falling home values was lower in the City than for the County and State. This may be due to, as local realtors report, a large number of homebuyers in San Luis Obispo being from outside the area, primarily Southern California and the San Francisco Bay Area. Retirees and “baby boomers” nearing retirement age are attracted to the Central Coast and relocate, buying homes with equity accumulated from selling properties that they may have bought decades ago. Additionally, some parents of California Polytechnic State University students purchase property to provide housing for their children, with possible future use as income property or for retirement. The attractiveness of San Luis Obispo to retirees and to the stable population of university students may have contributed to relative high property values in boom years, and may have softened devaluation in the recent economic downturn.

Rental Units

Table A-29 shows the median gross rent as a percentage of household income in 2010. While as previously discussed, home owners are spending about 30 percent of income affordability threshold for their housing costs in 2010, renters were spending considerably more. The median renter was spending 48.0 percent of their income on rent in 2010, suggesting overpayment for rental housing is common in San Luis Obispo.

**Table A-29
Median Gross Rent as a Percent of Household Income, 2010**

	Median Renter Cost, Percent of Income
City	48.0%
County	36.7%
State	33.1%

Source: U.S. Census 2010

The rent households of different incomes can afford, using a 30 percent affordability standard, is shown below in Table A-30. Recalling Table A-24, the average rent of a studio apartment in the

City in 2011 was \$764 per month. This is the only housing that extremely low and very low income households could potentially afford, taking into account the standard. Low income households could afford studio apartments or 1-bedroom units.

Table A-30
Affordable Rents by Income Group in the City of San Luis Obispo, 2013

Income Group	Percent of Median Income Earned	Income Earned	Affordable Rent*
Extremely Low	31% or less	< \$23,374	\$584 or less
Very Low	31-50	\$23,374 -\$37,700	\$584-\$942
Low	51-80	\$38,454-\$60,320	\$961-\$1,508
Moderate	81-120	\$61,074-\$90,480	\$1,527-\$2,262
Above Moderate	121 or more	> \$91,234	\$2,281 or more

*Affordable is defined as 30 percent or less of gross income spent on rent
Source: HCD 2014; based on median income of 4 person household which is \$75,400.

While some very-low and low-income household could accept studio or 1-bedroom units, Table A-31 shows that their small size may make them unreasonable for larger households. The average two-bedroom rental unit is affordable for low, and moderate-income 4 person households, and the average three-bedroom rental unit is affordable for most moderate and above-moderate income 4 person households. Extremely low and very low income household are essentially priced out from the City’s rental market. A low income family of four would only be able to afford a two bedroom unit.

Table A-31
Average Floor Area by Unit Type in San Luis Obispo, 2011

Unit Type	Average Rent (\$)	Average Floor Area (sq. ft.)	Income Groups That Can Afford
Studio	764	381	Some very low, low, moderate, above moderate
1-Bedroom	894	639	Some very Low, low Moderate, Above Moderate
2-Bedroom	1,319	942	Low, Moderate, Above Moderate
3-Bedroom	1,769	1,063	Moderate, Above Moderate

Source: San Luis Obispo County Apartment Market Survey, 2011

5. Summary and Conclusions

Appendix A describes the demographic factors affecting San Luis Obispo’s housing market in 2014. They are:

- Population and household growth: Population growth has slowed significantly in the City from 2000 to 2013. Over this period, City population has remained relatively stagnant, growing by only 1,362 persons to 45,541, which is an average annual growth rate of 0.3 percent. By 2020, the San Luis Obispo Council of Governments projects that the City

population will grow slightly to 45,969. However, they project that in the longer term, the population of the City will grow slightly faster, at an average annual growth rate of 0.40 percent to 2030.

- **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, one third of the population is in the 18-24 year old age cohort that encompasses most college students. The City and County also have relatively high proportions of senior citizens aged 65 and over. The city has a significantly low share of school age children aged 5 to 17. Only 8.9 percent of the City's population is in this age group, compared to 18.2 percent for the State.
- **Ethnicity:** The 2010 U.S. Census found that 24 percent of the City's population was non-White, compared to 59.9 percent of the State. While not approaching the State distribution, the City is becoming more ethnically diverse. The California Department of Finance projects that by 2025 that 336.4 percent 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.. Unemployment reached 7.3 percent in 2013, the lowest level seen since 2010 by three full percentage points. In 2012, the most recent data available on industries, showed that the three industries offering the most jobs in the City were health care and social assistance, retail trade, and accommodation and food services.
- **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 2010, non-family households are 60 percent and family households about 40 percent.
- **Household and family income:** San Luis Obispo City and County median family incomes continue to exceed other Central Coast counties and large urban areas to the north and south. However, in 2010, 33.2 percent of household's incomes are still less than \$24,999, which is fall within the extremely low income category.
- **Housing Unit Size:** Just over one-third of the City's housing stock consists of two-bedroom units, with studio/one-bedroom units and three-bedroom units each accounting for about one quarter of the total housing units. Multi-family dwellings have increased the most over the past 10 years while the number of mobile homes has decreased. It is interesting to note that unit size shifts markedly from owner-occupied to renter-occupied housing, with renter-occupied housing comprising most of the City's larger housing stock.
- **Housing Inventory and Market Factors:** Housing units added increased faster than population rate. Between 2000 and 2010, there were 1,247 housing units added compared to 945 people added. Between 2003 and 2013, there were 710 multi-family dwelling units constructed compared to 322 of single-family dwellings constructed. In 2010, there are 21.4% 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. While the City saw median housing costs decreasing during the previous housing element planning period, the housing affordability issue is still problematic. Recently as median housing costs have outpaced incomes, between 2000 and 2013, median residential cost has increased 96% while the median income has only increased by 50%.

Appendix B

Housing Needs

Appendix B describes housing needs relative to various segments of the population, including groups with special housing needs. Several factors will shape the type and amount of housing demand or “need” 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 all but above-moderate income households will continue to have difficulty finding suitable affordable housing, the largest gap between housing supply and need will be for extremely low, low- and moderate income working people. First-time homebuyers' assistance and incentives for multi-family housing are in effect will continue to be critical tools in addressing these needs.

1. Regional Housing Needs Assessment

Under State law, each city and county is 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

That part of the RHNA process concerned with existing housing needs includes two subcategories: overpayment and overcrowding.

Households Overpaying for Housing

Overpayment refers to households paying more than 30 percent of their gross income to secure adequate shelter. It is most common among extremely low, very low- and low-income households, although in high-cost housing markets such as San Luis Obispo, even moderate- and above-moderate income households often pay more than 30 percent of their incomes to secure adequate housing. However, high housing costs impact lower-income households most acutely because lower- and fixed-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 and appearance, neighborhood parking shortages and other related problems.

Overpayment for rental housing has been a continuing problem in San Luis Obispo. The Census indicates that in 2000, 61 percent of the City's 10,858 renter households, or about 6,600 households, overpaid for housing. The figures also show that of the City's 4,243 homeowners with home mortgages, 37 percent, or 1,570 households, overpaid for housing. This translates into an estimated 8,170 of San Luis Obispo households paying more than 30 percent of their gross income for housing. Countywide, very low- and low-income households also have a higher incidence 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 housing of a certain type, location or quality. For many others, it is a necessity to meet basic housing needs.

The Census indicates that in 2010, 66 percent of the City's 11,702 renter households are overpaying for housing. Of the City's 7,229 owner-occupied households, 32 percent are overpaying for housing. In total, 9,977 households of San Luis Obispo pay more than 30 percent of their gross income for housing, which is over 50 percent of the total households within the City. This may be due to either low income levels or high housing costs. In 2010, households overpaying is down from 2000, when 61 percent of households overpaid for housing.

However, in San Luis Obispo, overpayment figures may be misleading. On one hand, 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. Conversely, the numbers may overstate the problem in that many San Luis Obispo renters 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 a serious and ongoing problem in San Luis Obispo.

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 eventually contribute to deterioration of the housing stock and the neighborhood.

Table B-1 below compares overcrowding figures for the City and County of San Luis Obispo and the State of California in 2010. Census data indicate that the percentages of overcrowded rental units in the City and County have declined since 2000, from 7.5 and 10.1 percent to 5.4 and 6.5, respectively. City and County figures for overcrowding remain relatively low compared to the State. In San Luis Obispo, among the 11,702 renter households in 2010, an estimated 733 households were overcrowded. For owner-occupied housing, San Luis Obispo has fewer people per room than the State, with almost 99 percent of owner households averaging one person or fewer per room. About 102 of the City’s 7,229 owner-occupied households were overcrowded.

**Table B-1
Residential Overcrowding, 2010**

	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	1.01- 1.50	1.51+	1.00 person or fewer	1.01- 1.50	1.51 +
City	94.6%	2.9%	2.5%	98.6%	1.0%	0.4%
County	93.5%	4.9%	1.6%	99.0%	0.9%	0.2%
State	85.9%	8.4%	5.7%	95.7%	3.2%	1.1%

Source: U.S. Census 2010

Another measure of residential overcrowding is the number of persons per occupied housing unit, or average household size. In 2000, the U.S. Census showed an average of 2.19 persons per occupied rental housing unit in the City of San Luis Obispo, compared with 2.41 and 2.78 in the County and State, respectively. According to Census in 2010, average household size in the City increased slightly from 2000 levels. Table B-2 compares average household size between the City, County and State in 2011.

**Table B-2
Average Household Size by Tenure, 2011**

	Renter Occupied	Owner Occupied	Average
City	2.34 persons	2.27	2.29
County	2.69	2.47	2.48
State	2.89	2.99	2.90

Source: U.S. Census 2007-2011 ACS

Overcrowding has been a concern due to students or other groups of unrelated adults sharing housing in low- and medium-density (R-1 and R-2) residential neighborhoods. Concerns centered on the fact that most detached houses in R-1 and R-2 neighborhoods were not designed to accommodate groups of adults, and that high occupancies can adversely affect persons living under crowded conditions, reduce neighborhood parking, contribute to noise and privacy conflicts, and can result in an overall reduction in the quality of life for neighborhood residents. In response to these concerns, the City Council adopted an ordinance in February of 1990 that requires households with six or more adult occupants in the R-1 and R-2 zones to secure approval of an administrative use permit and meet standards related to parking, floor space per individual, and number of bathrooms.

b) Housing Needs for 2014 – 2019

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 areas. 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) (i.e., through the Regional Housing Needs Allocation, or RHNA process) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Government Code Sections 65300-65307. 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 2014 through June 2019. Each jurisdiction's total need is broken down by income group. These needs are then included in each jurisdiction's housing element as residential growth objectives for which the jurisdiction tailors its plans, policies and standards to be accomplished within the planning term.

In February, 2013, the San Luis Obispo Council of Governments approved San Luis Obispo County's Regional Housing Needs Plan incorporating the State's Department of Housing and Community Development (HCD) housing need determination of 4,090 in San Luis Obispo County, down from the 2010 RHNA of 4,885 units. The approved Regional Housing Needs Plan is shown in Table B-3.

**Table B-3
Regional Housing Needs Plan For the County of San Luis Obispo
January 2014 – June 2019**

	Housing Need Allocation					Percent City RHNA to Total RHNA
	Very Low Income 24.9% ¹	Low Income 15.6% ¹	Moderate Income 17.6% ¹	Above Moderate 41.8% ¹	Totals	
	Number of Units					
Arroyo Grande	60	38	43	101	242	6%
Atascadero	98	62	69	164	393	10%
Grover Beach	41	26	29	69	166	4%
Morro Bay	39	24	27	65	154	4%
Paso Robles	123	77	87	206	492	12%
Pismo Beach	38	24	27	64	152	4%
San Luis Obispo	285	179	202	478	1,144	28%
Unincorporated County	336	211	237	563	1,347	33%
Totals	1,020	640	720	1,710	4,090	100%

Source: San Luis Obispo Council of Governments, 2013

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 1,144 dwellings, 28 percent of the County’s total housing need 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 now 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 the largest income category overpaying for housing, with 39 percent of households paying more than 30 percent of their monthly income on housing.

**Table B-4
Household Overpayment by Tenure and Income Level, 2011**

Income Category	Renter Households	Percent of Total Renter Households paying >30% for Housing	Owner Households	Percent of Total Owner Households paying >30% for Housing	Total Households Overpaying	Percent of Total City Households paying >30% for Housing
Extremely Low Income	4,532	39%	427	6%	4,959	26%
Very Low Income	1,764	15%	243	3%	2,007	10%
Low Income	720	6%	240	3%	960	5%
Moderate Income	467	4%	631	8%	1,098	6%
Total	7,438	64%	1,541	20%	9,024	47%

Source: 2011 ACS

In 2013, San Luis Obispo County’s median income for a four-person household is \$75,400. For extremely low income households, this results in an income of \$22,620 or less for a four-person household or \$15,840 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. At the same time, a minimum wage worker could be considered an extremely low-income household. The following are examples of occupations with wages that could qualify as extremely low income households.

- Hotel and Resort Clerk
- Child Care Workers
- Housekeepers
- Manicurists and Pedicurists
- Education, Training & Library Workers
- Agricultural Graders and Sorters
- Waiters and Waitresses, Hosts
- Food Preparation and Serving Related Worker

Existing Needs

In 2010, approximately 4,959 extremely low-income households resided in the City, representing 26 percent of the total households. Most (85 percent) extremely low-income households are renters and experience a high incidence of housing problems. According to the Census 2010, over 98 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 93 percent paid more than 30 percent for the income

for housing. A total of 47 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 285 units, the City has a projected need of 142 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. Some extremely low-income households face mental or other disabilities and special needs. To address this need, the City will employ a diversified strategy including promoting construction of a variety of housing types, such as single-room occupancy (SRO) units, preservation of extremely-low and very-low housing, and residential rehabilitation assistance. For example, with respect to single-room occupancy units, the City already allows SRO housing in all zoning districts where residential uses are allowed, and has provided \$1 million to assist development of SRO housing in the Downtown core. In addition, the City is working with the Housing Authority on a 20 unit SRO development project specifically targeted to extremely-low income veterans located near services.

Extremely low-income households often need supportive housing and are particularly vulnerable to becoming homeless due to the local high housing costs and limited incomes. Supportive housing is generally defined as permanent, affordable housing with on-site services that help residents transition into safer and more stable living conditions. Needed services may include childcare, after-school tutoring, career counseling, etc. Most transitional housing includes a supportive services component. City regulations allow supportive housing by right as a residential use, provided supportive services are subordinate to the residential use. To address the housing needs of extremely low-income households, the City will identify opportunities to work with for-profit developers to secure ELI units as a condition of approval for market rate units, and with non-profit builders who specialize in building housing for extremely low-income households and supportive housing. This effort is designed to:

- 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, CDBG and HOME funds), City fee deferrals, assisting and streamlining entitlements and through the use of flexible development standards and 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 2000 Census shows that elderly populations accounted for 12 percent, 5,432 residents, of the City’s total population. In 2010, elderly populations still made up 12 percent, 5,431 residents, of the City’s total population. Overall elderly population in the City has remained the same since 2000. According to the 2010 Census, there are 2,608 owner-occupied households in the City headed by persons 65 years or over and 1,114 renter-occupied households headed by persons 65 years or over. Households with persons age 65 years or older comprise 20 percent of the total occupied households.

**Table B-5
Elderly Population in San Luis Obispo, 2000-2010**

Age	2000	Percent Elderly based on City Population, 2000	2010	Percent Elderly based on City Population, 2010	Percent Change of Elderly Population, 2000-2010
65 to 74	2,272	5%	2,381	5%	5%
75 to 84	2,228	5%	1,787	4%	-20%
85 +	932	2%	913	2%	-2%
Total Elderly Population	5,432	12%	5,431	12%	0

Source: 2000, 2010 U.S. Census

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. Those 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. According to Census figures, 3,338 elderly San Luis Obispo residents, 60 percent of city residents age 65 or older, have physical disabilities, self-care or mobility limitations.

**Table B-6
Elderly Mobility and Disability Status in San Luis Obispo, 2010**

Disability and Mobility Status	Male	Percent of Total Persons ≥ 65 years old	Female	Percent of Total Persons ≥ 65 years old	Totals
Total # of persons ≥ 65 years of age	2,143	40.6	3,289	59.4	5,432 (100%)
Physical disability only	654	13.8	1,192	25.2	1,846 (39%)
Mobility limitation only	293	6.2	812	17.1	1,105 (23.3%)
Self-care limitation only	81	1.7	306	6.5	387 (8.2%)
Two or more limitations, including self-care limitations	260	5.5	319	6.7	579 (12.2%)
Totals	1,028	21.7	2,310	48.8	3,338 (60%)

Source: U.S. Census 2010

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. According to Census 2010, 273 elderly San Luis Obispo citizens had incomes below the poverty threshold.

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, the disabled and those in drug and alcohol recovery programs. In 2013, the City had 598 facilities providing housing for special needs groups. Table B-7 summarizes special needs housing and residential care facilities in San Luis Obispo in 2013.

**Table B-7
Special Needs Housing and Residential Care Facilities in San Luis Obispo, 2013**

Type of Facility	Total Number of Facilities	Total Capacity/Persons
Shelters	2	80
Adult residential	4	77
Disabled	6	280
Large families	571	7,758
Elderly	12	1,338
Drug and alcohol	3	10
Total	598	9,543

Source: City of San Luis Obispo, Community Development Department, U.S. Census 2010
 Large Family Total Capacity equation: Total large family households multiplied by 6 persons.

b) Large Households

According to the Census, 1,293 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 six or more rooms, and of these, three or more are probably bedrooms.

According to the 2010 Census, Table B-8 highlights the City's housing stock which contains about 571 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. Of the City's roughly 8,800 dwellings with three or more bedrooms, 60 percent are owner occupied. The remainder, about 3,200 large, rental housing units, is often priced for the student housing market.

On a per-person rental basis, a three-bedroom student rental house can often generate larger rents than if it were rented to a single family. In 2011, average rent for a three bedroom unit was \$1,692 per month. For low-income residents in a four-person household, the maximum affordable rent in 2013 was \$1,508 and for moderate income residents it was \$2,262, meaning extremely-low, very low and low income families would have difficulty affording rental homes in the City.

It is evident from the Census 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

just over six percent) make it more difficult for families to secure large dwellings. Large low- and moderate income families will continue to be one of the most seriously affected housing consumer groups in the City. Market-rate housing options for this segment of the population are mostly overcrowded, multi-family units or poorly maintained single-family houses. The production of more on-campus student apartments may help to make available more rental housing suitable for large families.

**Table B-8
Large Households by Tenure in San Luis Obispo, 2010**

Number of Persons in Unit	Owner Occupied	Renter Occupied	Total
Five	311	591	902
Six	87	179	266
Seven or More	38	87	125
Total	436	857	1,293
Percent of Total Households	2%	4%	7%

Source: U.S. Census 2010

c) Female-Headed Households

In 2010, females headed seven percent of the City’s households, or an estimated 1,336 households with no husband present. By comparison, about 6 percent of county households and 8 percent of State households are female-headed. 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 a disproportionately large share of the household's monthly income on housing and child care.

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 distance between work, school, daycare and the grocery store is increased, 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-9 shows the number of female-headed households in 2010. Of the total female-headed households, 294 were listed as having incomes below the poverty level.

**Table B-9
Female-headed Households, 2010**

Household Type	Total	Percent of Total Households
Female-headed households (with own children under 18 years)	651	3.4%
Female-headed households (without own children under 18 years)	685	3.6%
Totals	1,336	7%

Source: U.S. Census 2010

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 Table B-10 and B-11, about 6 percent of City residents reported some type of disability on the 2010 Census. Access and affordability are two major issues that may limit housing choices for disabled people. This group is included as having special housing needs because people living 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-10
Persons Reporting Mobility or Self-Care Limitations in San Luis Obispo, 2010**

	Mobility Limitation Only	Self-Care Limitation Only	Total	Percent Of Population
Persons 5-17	0	0	0	0.0
Persons 18-64	881	267	1,148	2.5
Persons 65+	1,105	387	1,492	3.3
Totals	1,986	654	2,640	5.8

Source: U.S. Census 2010

Convalescent homes and assisted residential-care facilities provide limited medical care in an institutional setting. They usually accommodate older residents and others who do not need

acute medical care but who cannot live independently. Since 1994 several new residential care/assisted living facilities have been built, catering mainly to elderly and disabled persons. These range in services from apartments for relatively independent living in a group setting to residential care facilities with full, onsite support services, including personal and medical care. As shown in Table B-6, San Luis Obispo has residential care facilities, apartments or group homes that can accommodate about 1,695 elderly or disabled residents.

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. San Luis Obispo has one large facility with about 90 occupants and one smaller facility for infants and young children. 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-11
Disability by Type, San Luis Obispo 2011**

Disability Type	Youth (Age 5 to 17)	Adults (18 to 64)	Seniors (65+)	Total	Total Unable to Work
With hearing difficulty	10	493	851	1,354	218
With vision difficulty	26	207	323	556	57
With cognitive difficulty	49	870	485	1,404	577
With ambulatory difficulty	0	533	1,228	1,761	381
With self-care difficulty	0	244	475	719	174
With independent living difficulty	0	619	977	1,596	476
Total Individuals with Disability	112	1,652	1,872	3,636	917

Source: U.S. Census 2010

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 AIDS Support Network of San Luis Obispo, there are an estimated 75-100 persons in San Luis Obispo suffering from HIV/AIDS and related illnesses. Those suffering from HIV/AIDS have specific supportive housing needs. The main housing problem for this group is housing affordability, since in many cases, the HIV/AIDS patient can no longer hold down a job.

Mobility also is an issue, as a large percentage of this group is dependent upon public transit. There are 12 apartments in San Luis Obispo (two facilities) exclusively for this group, able to accommodate up to 24 persons, plus another eight units available through the City of San Luis Obispo Housing Authority (with a capacity for 16 people), as available. HIV/AIDS patients can

also live in public housing for very low- and low-income persons, through the Housing Authority of the City of San Luis Obispo.

e) Developmental Disabilities

A recent change in 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 lifelong or 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.

The Census does not record developmental disabilities. According to the California Department of Developmental Services, approximately 367 developmentally disabled residents live in the two San Luis Obispo zip codes of 93401 and 93405. Table B-12 shows that 134 people, or 37 percent, of developmentally disabled residents are less than 17 years of age while 233, or 63 percent, of developmentally disabled residents are over the age of 18. Policy 8.11 and Program 8.23 have been added to the Housing Element to address the housing needs of persons with developmental disabilities.

**Table B-12
Developmental Disabilities by Age and Location, 2014**

Age Group	93401 Zip Code	93405 Zip Code	Total
0-17	83	51	134
18+	137	96	233
Total			367

Source: California Department of Developmental Services, 2014

Table B-13 highlights that of the approximately 367 developmentally disabled residents in San Luis Obispo, 47 percent reside in the home of parents or guardians, 30 percent reside in Independent/Supportive Living scenarios and 21 percent live in Intermediate Care Facilities.

**Table B-13
Developmental Disabilities by Residence Type**

Zip Code	Home of Parent/Guardian	Independent/Supported Living	Community Care Facility	Intermediate Care Facility	Foster Home	Other	Total
93401	98	94	0	16	10	<10	>218
93405	67	16	<10	62	<10	0	>145

Source: California Department of Developmental Services, 2014

f) Homeless Persons, Transitional Housing and Supportive Services

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 has partnered with the County, other cities, and nonprofit entities to provide programs that advance goals outlined in the San Luis Obispo Countywide 10-year Plan to End Homelessness (10-Year Plan).

The City adopted the following Major City Goal of Implementing Comprehensive Strategies to Address Homeless as a top priority in the 2013-2015 Financial Plan. The listed objectives and associated work plan for this goal include encouraging improved and expanded services in conjunction with the City’s partner organizations; support for a new homeless services center; and development of a Good Neighbor Policy (GNP) for those entities providing services to homeless populations in the City.

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 Maxine Lewis Memorial Shelter and Prado Day Center.
4. Politically support and implement the 10-Year Plan.
5. Leverage grant and Affordable Housing Fund monies, consistent with the 10-Year Plan, to assist with the development and preservation of affordable housing.

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 and other community inventories. Due to a Homeless Enumeration Study and Report sponsored by the Homeless Services Oversight Council (HSOC), a much clearer picture of homelessness in San Luis Obispo City and County has emerged. The enumeration’s main findings are summarized below.

Table B-14 below summarizes the 2013 San Luis Obispo County Homeless County Report which includes a point in time count of homeless individuals and families on January 23, 2013. According to the report, 2,186 point in time homeless persons were living in San Luis Obispo County in 2013, of which 750 persons, or 34.3 percent, were based in the City of San Luis Obispo. Approximately 262, or about 12 percent of the County’s total homeless persons counted, were under the age of 18. In the County, 33 percent of homeless persons are female. In terms of sleeping arrangements, of the County’s total number of homeless persons observed and interviewed 50 percent regularly slept outside, 11 percent in a shelter or transitional housing, 24 percent slept in a car, camper or other vehicle, and 12 percent in encampment areas. Because the survey was conducted during a small time frame, using a HUD provided formula, the County estimates that 3,497 persons are estimated to be homeless in the County.

**Table B-14
San Luis Obispo County Homeless Count by Region, 2013**

Region	Number	Percent of Total Homeless Counted
City of San Luis Obispo	750	34%
<i>Sheltered</i>	148	20%*
<i>Unsheltered</i>	602	80%*
North County	466	21%
Coastal Region	141	6%
South County	829	38%
Total Point in Time Homeless Count	2,168	100%

Source: 2013 San Luis Obispo County Homeless Census and Survey

*Percent of City of San Luis Obispo Total Homeless counted on January 23, 2013.

The two largest facilities providing homeless services in the County are located in San Luis Obispo: 1) the Maxine Lewis Memorial Homeless Shelter, a 50-bed shelter that provides showers, clothes, free morning and evening meals, client mail and phone services year-round, and 2) the Prado Day Center, which supplies lunch and other services for 90 to 120 people each day, with women and children comprising about 30 percent. The Day Center provides a supportive environment for individuals and families needing life services and a home base during the day. Clients have onsite access to showers, phones, mail, daytime meals, laundry and a range of public and private service providers, including job counselors and access to transitional housing.

In addition, the Women’s Shelter of San Luis Obispo County is located in the City, providing facilities for homeless, displaced or abused women and children. While small, temporary homeless facilities have been available in North and South County, San Luis Obispo remains the center of homeless services and facilities for the County. Both the Maxine Lewis Homeless Shelter and the Prado Road Day Center are located in San Luis Obispo City and supported, in large part, through City and County funding.

The Community Action Partnership of San Luis Obispo County (CAPSLO) works in partnership with the Interfaith Coalition for the Homeless to provide “overflow” sheltering all year around. A different church hosts the “overflow” program each month, providing 25-35 beds nightly. In 2013, approximately 861 homeless persons received one or more nights of overflow emergency shelter and assistance in San Luis Obispo City.

Seen in Table B-15 below, when comparing homeless services between 2008 and 2013, there was a significant difference in persons served and meals provided, while shelter nights and use of the Prado Day Center remained relatively stable. During 2008, the Homeless Shelter served 726 different people, totaling 30,492 shelter-nights where an average of 81 homeless persons received meals daily. At the Prado Day Center, 1,437 homeless people were served, with a total of 44,044 homeless services provided during 2008. In 2013, 861 different persons received a total of 29,573 shelter nights. A total of 36,707 meals were served in 2013, including 7,134 meals to “dinner/dashers”, or persons who came to the shelter for dinner and a shower but not for a shelter bed. At the Prado Day Center, 1,490 homeless people were served, with a total of 45,114 homeless services provided in 2013. Overall, the largest increase in services from 2008 to 2013 was the amount of meals provided to “dinner dashers”, increasing 24 percent, while the largest decrease of services was shelter nights provided which decreased 3 percent.

**Table B-15
City of San Luis Obispo Homeless Comparison, 2008-2013**

	2008	2013	Percent Change 2008-2013
Unique persons served	726	861	19%
Shelter Nights	30,492	29,573	-3%
Meals Provided to ‘dinner dashers’	5,748	7,134	24%
Prado Day Center unique persons served	1,437	1,490	4%
Total Prado Day Center Homeless Services Provided	44,044	45,114	2%

Source: 2013 San Luis Obispo County Homeless Census and Survey.

The 2013 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 to receive services at the shelters, homeless persons must sign in and must not be under the influence of drugs or alcohol. For these and other 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 non-profit agencies, (CAPSLO), Housing Authority of the City of San Luis Obispo, and 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. For example, TMHA manages 21 congregate living houses in the City of San Luis Obispo providing 98 beds; and 2 single unit apartment buildings which provide 10 beds 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 or semi-permanent shelter, the City and the Housing Authority help fund transitional housing throughout the City. City zoning regulations allow transitional housing in all zoning districts where residential uses are allowed, consistent with State law. Transitional housing, typically lasting from six months to two years, is more than just group housing. It includes a broad range of housing types, from detached houses with up to five adults, to boarding houses with more than five adult residents. Transitional housing in San Luis Obispo typically includes a resident manager with visiting staff providing counseling, health care, education and other services. Those recovering from alcohol and other drug dependencies and those making the transition from institutional environments to more independent living can benefit from sheltered and supervised accommodations, or “transitional housing.” Demand for such facilities is expected to grow at about the same rate as the overall population. Table B-16 lists homeless and transitional facilities in San Luis Obispo

**Table B-16
Emergency Shelter and Transitional Housing Facilities, City of San Luis Obispo**

Name /Agency	Number of People	Population Served
Maxine Lewis Memorial Shelter – Community Action Partnership of SLO County	80 (25-35 overflow)	Single homeless adults and families with children
San Luis Obispo Womens Shelter	14	Women and children
Adult Transitional Housing - TMHA	36	Single adults
Transitional Housing for Homeless – TMHA	86	Single adults
Congregate care housing - TMHA	80	Single adults
Total People Served	296	

Source: Community Development Dept. 2014

The Urban County’s 2010 Consolidated Plan describes the County’s and participating cities’ major objectives for use of Community Development Block Grant (CDBG) funds. It targets a Continuum of Care approach for addressing homelessness on a regional basis. Each participating community, including the City of San Luis Obispo, is encouraged to provide a range of homeless services, including outreach and assessment, basic emergency shelter,

emergency services, counseling and case management and transitional and permanent housing. In 2013, however, total funding available for public services (15 percent of total CDBG funding) countywide is approximately \$240,000 annually (down from \$388,000 in 2004). This amount is not adequate to meet the countywide need for homeless operating expenses or capital improvements.

SB 2 Compliance – PF Zoning and Homeless Shelters

In keeping with SB 2 requirements, the City has amended its Zoning Regulations to allow homeless shelters *by right* in at least one zone in the City and incorporated state-allowed standards for homeless shelters into the Regulations. In 2009, the City identified the PF or “Public Facility” zone as being the most appropriate zone to accommodate homeless facilities. The PF zone is intended to provide for the wide range of public uses likely to be located on public property, including public buildings, parks, and other facilities with public uses. Public uses are those conducted by governmental or nonprofit agencies. However, this zone also provides for complementary private and commercial uses which, within the overall guidance of the general plan, provide a public benefit. Homeless shelters fit this land use classification well because PF zones are typically publicly-owned, have excellent public access and public transportation, and already provide various types of public services.

There are approximately 425 acres of PF-zoned land in the City of San Luis Obispo and of this, approximately 200 acres is under City ownership. The balance is owned primarily by the County of San Luis Obispo, the San Luis Obispo Coastal Unified School District, and the State of California. Most of the properties are developed with public uses and buildings. Some of the properties include sufficient vacant or unused land which could be used for a homeless shelter, either as infill or as part of land use changes. Homeless Shelters are allowed by right in the PF (Public Facility) zone, and allowed with use permit approval in the R-3 (Medium-High Density Residential, R-4 (High Density Residential), O (Office), C-N (Neighborhood Commercial), C-C (Community Commercial), C-D (Downtown Commercial), C-R (Retail Commercial), C-S (Service Commercial), C-T (Tourist Commercial), and M (Manufacturing) zones.

City and County efforts have focused on identifying a site in San Luis Obispo which could serve as a homeless services center to meet a range of homeless needs and services, including shelter, food, education, case management, administration, and other supportive services. The new site would combine services currently provided at the Maxine Lewis Memorial Shelter and the Prado Day Center, consistent with the 10-Year Plan. CAPSLO recently acquired a three acre site located at 40 Prado Road for the development of the new homeless services center. The site is zoned Office and will require approval of a use permit and architectural review of the building design. Project plans are being developed and construction is anticipated in summer 2015.

g) Farm workers

The City of San Luis Obispo is in the County's central coastal agricultural region. San Luis Obispo City is, for the most part, urbanized with only a few small farms still engaged in agricultural production. According to the 2010 Census, about 1.7 percent of the City's labor force over 16 years of age work in the agriculture, forestry, fishing and hunting industries, or

approximately 390 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. The primary factors with regard to farm worker housing are affordability, proximity to jobs and bilingual services for predominantly Spanish-speaking residents. High housing costs make it extremely difficult to meet farm worker housing needs in San Luis Obispo.

Agriculture is one of San Luis Obispo County’s primary industries; however it is difficult to determine how many farm workers live in the County or City. Some are permanent residents and others are seasonal migratory workers. The US Department of Agriculture’s (USDA) Census compiles farm and farm employment information. Table B-17 shows that in 2012, USDA reported 10,669 workers in the farm industry, county wide, an increase of 16 percent from 2007, when USDA reported 9,175 workers. Of the 10,669 workers reported, 4,704 were permanent (more than 150 days), and 5,965 were seasonal (less than 150 days). The largest change between 2007 and 2012 was a 24 percent increase in seasonal farmworkers, or those working less than 150 days per year.

Table B-17
San Luis Obispo County Farmworkers

San Luis Obispo County	2007	2012	Percent Change 2007-2012
Total Farmworkers	9,175	10,669	16%
Work more than 150 days per year	4,370	4,704	7%
Work less than 150 days per year	4,805	5,965	24%

Source: 2012, 2007 USDA Agriculture Census

A 1993 study on farm worker housing in San Luis Obispo prepared by People's Self-Help Housing Corporation indicated that while there was some need for farm worker housing in the City, the strongest needs for farm worker housing were in other, more predominantly agricultural areas such as Paso Robles, Shandon, Nipomo and Arroyo Grande. The most intensive agricultural activity in the San Luis Obispo area is located in the Edna Valley, just south of the City. In the last decade, this area has experienced a rapid increase in wine grape production and has generated a need for additional farm worker housing.

While the majority of farm worker housing needs will continue to be met in North and South County areas closer to large farms, vineyards and ranches, there is still a need for an estimated 300 to 400 housing units suitable for farm worker families in San Luis Obispo during the planning period. Like most special needs housing, farm worker housing is largely dependent on city policies and implementation measures to provide for varied housing options, including inclusionary housing, can be utilized to assist farm employees as a subset of low income employees. This can be important since farm employees often have the same needs as other low income citizens (access to services, day care, schools, public transportation). Having policies and implementation efforts which lead to the development of affordable housing can benefit farm employees even when it is not targeted specifically to farm employees.

For example, a recent development project in the City of Atascadero by Habitat For Humanity provided housing for two long-term farm employees in the county because they passed through Habitat's screening, not because the housing was specifically targeted for farm employees.

Farm workers housing needs may be met through the development of additional extremely low and very low income public housing, mixed-, low- and moderate income housing through the Inclusionary Housing Program, and First-Time Homebuyer Assistance to provide gap loans and/or grants for low-income families hoping to purchase housing. Farm worker housing is not treated any differently than other types of single-family, multi-family, or group housing (e.g. boarding/rooming houses or dormitories). Farm worker housing is allowed in up to nine zone districts wherever other types of dwellings are allowed.

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 than non-student households. This contributes to higher rents in San Luis Obispo than in other parts of the County.

Cal Poly's student population is approximately 19,800 (Cal Poly, Fall 2013). In fall 2013, Cal Poly had on-campus housing available for 6,300 students, with approximately 32 percent of the Cal Poly student population housed on campus. The other 68 percent, including married and graduate students, either find housing elsewhere in the City of San Luis Obispo or in other communities throughout the County. In fall 2013, the most recent year data was available, about 12,462 Cal Poly students, or two-thirds of the University's total enrollment of 19,800, lived in the City. According to Cuesta College, approximately 3,741 students, or 33 percent of total enrollment, made San Luis Obispo home in fall 2013. Hence, an estimated 16,203 college students live in San Luis Obispo and comprised about 36 percent of the City's 2010 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.

Student lifestyles - and thus, housing needs - often differ from those of non-student households. Most Cal Poly students are young adults, have cars, many have part-time jobs, and most have classes any time from early morning to late at night. To meet these needs, student-oriented

housing often includes: 1) a larger number of parking spaces in proportion to bedrooms than is required for "traditional" family housing; 2) individual study areas; 3) proximity to Cal Poly or transit; and 4) easy access to food services, Laundromats and recreational facilities.

Coming from family homes, many young students prefer the appearance, space, flexibility and freedom offered by detached houses, often located in "single-family neighborhoods." To afford rent, three or more students often live together and share costs. This means that homes designed to meet the needs of families are increasingly occupied by several unrelated adults. Because the homes were not designed to meet student needs or lifestyles, conflicts with the neighborhood residents sometimes arise. Common complaints are: 1) that there are too many cars on the rental property or parked on the public street; 2) that renters cause excessive noise and hold activities, including parties, until late at night; and 3) that the homes and grounds are not well maintained.

A central theme of Cal Poly's 2000 Master Plan was to create several on-campus student residential communities and the provision of faculty and staff housing to accommodate 20,000 students and over 3,000 faculty members, a 17 percent increase for the planning period of 2000-2020. Today Cal Poly has the largest on-campus housing program in the California State University system with 6,300 students living on-campus. Recent student and faculty housing facilities built to help meet expanding enrollment are highlighted below:

- 1) Cerro Vista – 200 apartments, each with 4 private apartments and shared kitchen, living room and two bathrooms, housing a total of 800 students. Cerro Vista opened in September 2004.
- 2) Bella Montana – 69 detached below-market single-family houses for Cal Poly faculty and employees, located on State-owned land adjacent to Cal Poly campus. Two- and three-bedroom models range in size from 1,029 to 1,614 square feet. The project was completed in summer 2007.



- 3) Poly Canyon Village – 618 apartments housing 2,661 students, plus 11,255 square feet of retail floor area. The final phase opened in the fall of 2009.

In all, 887 recently built dwellings located on or adjacent to Cal Poly campus has helped reduce pressure on the City's rental and purchase housing market and helped moderate rental cost increases by providing additional on-campus alternatives to the traditional "dormitories." And while these new dwellings 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.

Cal Poly is currently in the process of updating their 2000 Master Plan for 2030, which guides future student enrollment and on campus student housing. The most recent proposed on-campus

student housing development, Student Housing South, has 1,475 proposed dormitory style beds near the campus' main entrance. Cal Poly hopes to start construction on the project in summer 2015.

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 2014, there are nine sororities and 17 fraternities that hold fraternal events and maintain a presence in San Luis Obispo. Of these, eight of the sororities and nine fraternities occupy fraternal "houses" owned or rented by the organizations. Student interest in joining fraternal organizations appears to be on the upswing. According to Cal Poly officials, about 15-20 percent of Cal Poly students, or about 2,900 students, are members of a fraternity or sorority. 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 non-residents 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. For several years, various committees have devoted themselves to creating a "Greek Row", an area large enough to house a number of sororities and fraternities in one place. The concept has wide support in the community, but the possible locations all have drawbacks. A Community Housing Task Force that included students, members of Cal Poly administration, the Mayor and other citizens and City staffers identified several alternative locations for a Greek Row. Among those were Cal Poly land, the Hathway Street neighborhood and conversion of existing student complexes such as Mustang Village. The City intends to encourage "Greek housing" on the Cal Poly University campus, and until that can be accomplished, in R-3 and R-4 zones.

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. U.S. Census figures for 2010 show that more unrelated adults are sharing houses than ever before. In San Luis Obispo, the percentage of non-family households (households with one or more non-relatives) 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, meeting and recreation facilities

and services. Some of the obstacles to providing co-housing in the City are the availability of sites, public acceptance of and the possible need for exceptions to current standards to develop such a project.

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 makes 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 under Chapter 4.40) and the Wineman Hotel. The Anderson Hotel is operated by the Housing Authority of the City of San Luis Obispo and has 70 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 several policies and programs to encourage the preservation and development of SROs, including:

- 3.4** *Encourage the construction, preservation, rehabilitation or expansion of residential hotels, group homes, integrated community apartments, and single-room occupancy dwellings.*
- 6.8** *Consistent with the City’s goal to stimulate higher density infill where appropriate in the Downtown Core (C-D Zone), the City shall consider changes to the Zoning Regulations that would allow for the development of smaller apartments and efficiency units.*
- 6.13** *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.*
- 6.29** *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.*

- 6.31** *Consider scaling development impact fees for residential development based on size, number of bedrooms, and room counts.*
- 8.1** *Encourage housing development that meets a variety of special needs, including large families, single parents, disabled persons, the elderly, students, veterans, the homeless, or those seeking congregate care, group housing, single-room occupancy or co-housing accommodations, utilizing universal design.*
- 9.12** *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.*

3. Conclusion

Three general categories of housing needs are discussed in this section: existing needs, growth needs and special needs. These are summarized below in Table B-17.

Table B-18
Summary of Housing Needs, City of San Luis Obispo

2014-2019 RHNA Remaining and Total		Special Needs Groups	
Extremely Low income units	137 (142)	Elderly households	4,737
Very Low income	110 (143)	Disabled persons	3,966
Low income	139 (179)	Large households	1,118
Moderate income	139 (202)	Female-headed	1,336
Above Moderate	0 (478)	Farmworker households	390
TOTAL	525¹ (1,144)	TOTAL	11,547
Overpaying Households		Overcrowding	
Renters	7,483	Renters	733
Owners	1,541	Owners	102
TOTAL	9,024	TOTAL	835

Source: City of San Luis Obispo Community Development Department, 2014

¹Remaining new housing construction need after credit for dwellings approved, permitted, under construction or built between January 1, 2014 and June 30, 2014.

The main findings of the needs analysis are:

- Overpayment. In 2010, 50 percent of all City households overpaid for housing. Among low-income households (< \$35,000/year), 48 percent of owner households overpaid and 80 percent of renters overpaid for housing.
- Overcrowding. Overcrowding appears to have declined in San Luis Obispo since 2000.

About six percent of rental units are overcrowded, and just over one percent of owner-occupied units are overcrowded.

- Large Families. In 2010, about six percent of City households, or 1,118 households, were “large families” with five or more members, at least two of which were related. Large dwellings, with six or more rooms, make up about one-third of the City’s housing stock, or 7,000 units. The majority of these units are owner-occupied.
- Female-headed Households. Female-headed households comprise seven percent of the City’s 18,485 households, or about 1,336 households. Of these, about one-half include children less than 18 years of age.
- Regional Housing Needs. San Luis Obispo’s assigned regional housing need for the planning period January 2014 – June 2019 is 1,144, broken down by household income group as follows:
 - Extremely Low – 142 units;
 - Very Low -- 143 units;
 - Low -- 179 units;
 - Moderate -- 202 units;
 - Above Moderate -- 478 units.

Remaining new housing construction need after credit for dwellings approved, under construction or built between January 1, 2014 and June 30, 2013 are:

- Extremely Low – 137 units;
- Very Low – 110 units;
- Low – 139 units;
- Moderate – 139 units;
- Above Moderate – 0 units.
- Total remaining need of 525 dwelling units.

Appendix C

Housing Constraints and 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 an environmentally sound, life-sustaining 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 Program Guidelines and Parking and Driveway Standards. Property owners, developers, architects and others use these standards in designing new housing developments.

The standards help explain the City’s requirements and expectations, and are used by the City when reviewing 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. 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. Table C-1 shows the land use zones that allow housing, their existing acreage and the ranges of density allowed.

**Table C-1
Land Use Categories Allowing Residential Uses
City of San Luis Obispo, 2013**

Zone	Description	Acres in 2013	Max. Allowed Density (Density Units /Acre)¹
R-1	Low-density Residential	1,704	7
R-2	Medium-density Residential	596	12
R-3	Medium-high-density Residential	202	18
R-4	High-density Residential	208	24
C/OS	Conservation/Open Space	2,508	One dwelling per five acres
AG	Agricultural	0	One dwelling per 20 acres ²
C-C	Community Commercial	52	36
C-D	Downtown Commercial	48	36
C-R	General Commercial	182	36
C-N	Neighborhood Commercial	25	12
C-T	Tourist Commercial	108	12
C-S	Commercial Service ³	462	12
M	Manufacturing ³	251	12
O	Office	192	12

Source: City of San Luis Obispo, Community Development Department, 2014

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 = site area - dedicated right-of-way.

²Except that each legal lot of record may have one dwelling.

³In combination with Mixed-Use (MU) overlay zone, up to 24 DU/acre allowed. 12 DU/acre considered likely average density achieved.

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 1994 General Plan Land Use Element, a total of 24,674 dwellings are anticipated within the City by the year 2029,

accommodating approximately 56,750 persons. As of January 2013, the State Department of Finance reported 20,697 dwellings in San Luis Obispo, housing a total of 45,541 persons. The City is currently updating the Land Use Element.

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 mobile homes, manufactured and site-built housing. Table C-2 summarizes residential zoning development standards for San Luis Obispo. The standards are comparable to other communities' requirements and ensure a quality living environment for all households, regardless of tenure or income group.

**Table C-2
Summary of Residential Development Standards, 2014**

Zone	Minimum Lot Area (sq. ft.)	Max. Lot Coverage	Max. Bldg. Height (feet)	Min. Street Yard (feet)	Min. Other Yard (feet)	Car Parking Required (number of spaces)	Use Permit Required ?
R-1	6,000	40%	25 ¹	20	5 – 15	2 per dwelling; 1 of which must be covered	No
R-2	5,000	50%	35	20	5 – 15	1.5 for 1 st bedroom, +1/2 for each additional bdrm./unit; plus 1 per every 5 units or 2 per dwelling if single-family dwelling (sfr)	No
R-3	5,000	60%	35	15	5 – 10	Same as R-2 or 2 per dwelling if sfr	No
R-4	5,000	60%	35	15	5 – 10	Same as R-2 or 2 per dwelling if sfr	No
C/O S	5 acres	3 - 5%	35	20	20	Same as R-1	No
AG	5 acres	3 - 5%	35	20	20	2 per dwelling	No
O	5,000	60%	25	15	5 – 10	Same as R-2 or 2 per dwelling if sfr	No
C-N	6,000	75%	35	10	5 – 10	Same as R-2 or 2 per dwelling if sfr	Yes ²
C-R	9,000	100%	45	As provided in zone of adjacent lot	As provided in zone of adjacent lot	Same as R-2 or 2 per dwelling if sfr	No ²
C-C	6,000	75%	35	As provided in zone of adjacent lot	As provided in zone of adjacent lot	Same as R-2	No ²
C-D	3,000	100%	50 ³	As provided in zone of adjacent lot	As provided in zone of adjacent lot	½ that required in R-2	No ²

C-T	9,000	75%	45	10	As provided in zone of adjacent lot	Same as R-2	No ²
C-S⁴	9,000	75%	35	10 – 15	As provided in zone of adjacent lot	Same as R-2	Yes
M⁴	9,000	75%	35	10 – 15	As provided in zone of adjacent lot	Same as R-2	Yes

Source: City of San Luis Obispo, Community Development Department, 2014

¹Up to 35 feet with Administrative Use Permit

²Housing allowed by right as part of mixed use developments.

³Additional building height up to 75 feet may be approved if specific performance standards are met (see Ch. 17.42 of Municipal Code)

⁴Mixed-use and Work/live projects only.

Exceptions to Development Standards

Several exceptions or variance procedures are possible in the Planned Development and Specific Plan zones. 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.

The City has adopted a reasonable accommodation ordinance 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-3
Selected Flexible Residential Development Standards, 2014**

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 standard 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
Street or Other Yard Setbacks	Street yards may be reduced to 10' for buildings, and Other Yards reduced to 0' with AUP approval	Additions/remodels of legal, non-conforming dwellings; zero-lot line developments
Tandem Parking	One unenclosed tandem parking space may be located in required Street Yards for designated single dwellings	Dwellings with garage conversions and for Second Residential units; and for additional parking for single dwellings
Shared and Mixed Use Parking	A 10% parking reduction is possible where 2 or more uses share a parking lot. If mixed-use, and additional 20% parking reduction is possible	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, 2014

Energy Conservation

Compliance with Title 24 of the California Administrative Code on the use of energy efficient appliances and insulation has reduced energy demands resulting from new residential development. The City’s Conservation and Open Space Element, Subdivision and Zoning Regulations promote energy-conserving design and placement of buildings. Programs 9.10 and

9.11 call for creating incentives to promote “green” housing construction and the reuse and recycling of materials. This will be accomplished through the architectural review process and implementation of the City’s Climate Action Plan.

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 Planning Commission approval. Rezoning is not required. 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 development includes 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 in the Downtown Core. Figure C-1 identifies mixed-use projects constructed in San Luis Obispo since General Plan adoption. Program 6.11 calls for additional incentives to encourage mixed-use developments in the Downtown Core, including flexible density, use, height or parking incentives.

Parking Requirements

San Luis Obispo’s car parking requirements are shown in Table C-2. The type and number of car parking spaces varies by zone. Flexible parking requirements and design standards allow developers to reduce parking by up to 30 percent for mixed-use developments. Flexible standards also allow variety in parking locations, layouts and design in order to promote more efficient and attractive use of residential sites. Bicycle and motorcycle parking is also required for multi-family housing at the rate of one motorcycle plus one bicycle space per 20 car spaces. Parking requirements indirectly constrain housing, especially in the Downtown Core where parking is very limited. 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 6.12 calls for continued flexibility in parking regulations for housing development, especially in the Downtown Core (C-D zone), which allows a base residential density of 36 density units per acre (equivalent to 36 two-bedroom units per acre). Allowing reduced or no parking requirements for development of housing for people who either do not own or need on-site parking will be considered.

Much of the Downtown Core was developed in the late 19th and early 20th century when automobile parking was not required. Many parcels in the C-D and C-R zones lack onsite parking. The Downtown Core is the most intensively developed area of the City, and development standards encourage 100 percent site utilization and a mix of commercial, residential, cultural and governmental uses. In the C-D zone, parking is half of what is required for residential use in other zones, and may be met by locating parking off site, within 500 feet of

the use, or by paying a fee in lieu of providing parking. The long-term strategy has been to build public parking facilities on the edges of Downtown to encourage infill and intensification, use of public transit and a more “pedestrian friendly” Downtown Core.

Although the C-D zone allow the highest base residential density housing in the City, housing is difficult to build, in part, because of the difficulty in providing parking. Downtown hotels (Anderson Hotel, Granada Hotel, Wineman Hotel, Blackstone Hotel) were developed with little or no parking, while providing housing for tourists or residents without cars. 2010 Census figures show that about eight percent of San Luis Obispo household 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 possibility exists for shared use of private or public downtown parking facilities. For example, some parking may be available for rent in Downtown public parking facilities during evenings, when times of peak parking demand do not coincide. 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 and Grading Regulations

Subdivision regulations determine how land is subdivided and set requirements for facilities such as public streets and utility lines that serve the new subdivisions. Specific requirements for materials and construction are adopted as policy by the City, according to recommendations by the City Engineer. 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. The City's Grading Regulations set limits and procedures for earth moving, generally to prevent mass re-contouring and erosion and to assure stable building sites.

Lot Size. 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. Larger parcels in San Luis Obispo, even in low-density residential zones, are suitable for apartments and condominiums.

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 expansion areas encourage a mix of residential densities and lot sizes. For example, the Orcutt Area Specific Plan contains a minimum lot size of 4,500 square feet compared with the typical low density residential lot size of 6,000 square feet.

Land is a major component of housing costs in San Luis Obispo. In many of the City's older neighborhoods, lot sizes of less than 6,000 square feet are common. While many housing consumers prefer single, detached houses on 6,000-square-foot or larger lots, there also appears to be a market for smaller, detached homes on relatively small (e.g. 4,000 to 4,500 square feet) lots. 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. Program 6.30 implements this strategy by encouraging new subdivision standards that promote small lot subdivisions, bungalow court developments and other innovative development concepts. In 2013, such development requires approval of a variance or a planned development (PD) rezoning.

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. As shown in Table C-4,

**Table C-4
Estimated Housing Capacity in Expansion Areas, 2014**

Expansion Area	Dwelling Unit Capacity
Orcutt	1,091
Margarita	868
Edna-Islay West	20
Minor Annexation Areas¹	353
TOTAL	2,260

Source: Community Development Department, 2014

¹Minor Annexation Areas consist of dwelling units on properties located outside of City boundaries but inside the Urban Reserve Line (ex: Highland Dr/Hwy 1, Foothill Saddle, etc)

The City has four expansion areas that, when fully developed, could potentially add 1,699 dwellings. The Minor Annexation areas are located outside City limits but inside the Urban Reserve Line; the other expansion areas are located within City Limits. City policies require the preparation of specific plans for each of the major expansion areas, with provisions for phased housing development. Each area's phasing will be determined, in part, by the affordability of the dwellings, and by other public benefits such as open space. The specific plan areas committed to producing the largest number of dwellings affordable to very low- or low-income residents are

the Margarita and Orcutt Area Specific Plan areas. Descriptions of the planned zoning and permitted uses in these areas, including land available and suitable for higher density, multi-family rental and ownership housing, are included in Appendix K’s Residential Capacity Inventory.

**Table C-5
Margarita Specific Plan Area – Approved Tract Maps**

Approved Vesting Tract Map Name and Number	Total Dwellings	Number of Single Family Dwellings	Number of Multi-Family Dwellings	Number of Affordable Dwellings
Serra Meadows (Resmark/Mangano) – Tract 2342	56	56	0	Requirement met with dedication of Housing Authority site with contingency for 6 lots for low & moderate affordable units if Tract 2353 not developed.
Serra Meadows (Resmark/Mangano) – Tract 2353	144	121	23	Site dedicated to Housing Authority
King – Tract 2428	197	165	32	Site dedicated to Housing Authority
Totals	397	342	55	49 units

Source: City of San Luis Obispo Community Development Department, 2014

Orcutt Area Specific Plan

The Orcutt Area Specific Plan (OASP) covers about 231 acres in the southeastern part of the urban area. Almost half of the area will be open space or parks. The rest will accommodate up to 1,091 dwellings of various types, of which at least 15 percent, or 147 dwellings, will be deed restricted to ensure affordability for moderate and lower income households. Affordability will be required on a project-by-project basis, as a condition of development approval and implemented by development agreements between the property owners and the City.

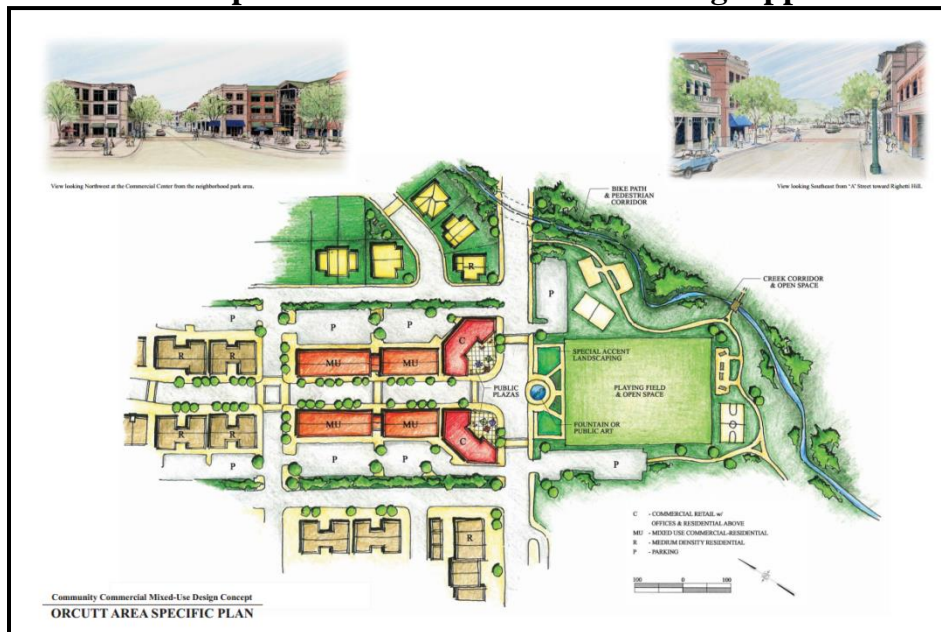
The General Plan Land Use Element requires that specific plans for major residential expansion areas include sites suitable for affordable and low-income rental and owner-occupied housing. Such sites must be integrated within neighborhoods of market rate housing and comparable in overall quality and design. The OASP designates sufficient areas at appropriate densities to accommodate a range of dwelling types, including detached and attached single-family dwellings, “sweat-equity” housing, duplexes, apartments and condominiums, manufactured housing parks, group housing, graduated care facilities, and creative housing cooperatives. To meet this requirement, the City will solicit and support new housing developments that include one or more of the following features:

1. Subdivisions designed to integrate various housing types, densities, and costs.
2. Affordable “Starter” housing consisting of small (approximately 1,150-1,450 square feet) homes on lots of 5,000 square feet or less.
3. Duplexes and “garden homes” which provide the desirability and appearance of single-family housing while allowing higher density and lower housing costs.

4. Self-help housing development of approximately 20-30 small, single-story detached homes.
5. Medium Density and Medium-High Density apartments, condominiums or manufactured housing.
6. Special needs housing designed for seniors, handicapped persons, farm workers, large families, graduated care facilities, or others with special physical needs and low incomes in high density and mixed-use zones.

Figure C-1

Orcutt Area Specific Plan – Mixed Use Housing Opportunities



Source: Orcutt Area Specific Plan, 2014

Developers may choose to build one or more housing types, and to work with housing non-profits such as Peoples’ Self-Help Housing Corporation, the San Luis Obispo Housing Authority, Habitat for Humanity, or other agencies or individuals to cooperatively plan, develop, and market affordable housing within their developments. OASP policies require that 10 percent moderate income and 5 percent low-income dwelling units are built with each development.

**Table C-6
Orcutt Specific Plan Area - Affordable Housing Capacity by Zone**

Zone	Maximum Allowed Density Units/Acre¹	Zoned Area (Acres)	Percent of Total Land	Estimated Number of Dwellings	Affordable Dwellings Anticipated²
R-1	7	51.0	22	264	26-Moderate+ 10-Low 3-Very Low
R-2	12	32.0	14	276	28-Moderate+ 10-Low+ 4-Very Low
R-3	18	22.3	10	348	35-Moderate+ 10-Low+ 7-Very Low
R-4	24	5.5	2	103	10-Moderate+ 5-Extremely Low
C-C	24	2.75	1	100	10-Moderate+ 5-Low
Totals	-	113.55	49	1,091	109-Moderate 35-Low 14-Very Low 5-Extr. Low 163 Dwellings

Source: City of San Luis Obispo, Community Development Department 2013

¹In the R-1 and C/OS zones, all dwellings count as one (1) density unit, allowing up to seven dwellings per acre. In all other zones allowing residential uses, density is adjusted for unit size and expressed as density units (DU). Studio units assigned a density unit value of 0.5 DU, 1 bedroom = 0.66 DU, 2 bedroom = 1 DU, bedroom = 1.5 DU, and 4 or more bedrooms = 2.0 DU.

²By ordinance, 10% of new housing must be affordable to moderate income and 5% must be affordable to Low Income. Assumes ½ of Low Income requirement will be dedicated to San Luis Obispo Housing Authority as Very-Low or Extremely Low Income housing using City Affordable Housing Funds and other grants and incentives.

Remaining landowners in the OASP will be required to construct affordable housing or pay-in lieu housing fees for their share of the low-income housing requirement. Housing Element Policy 2.5 requires that if the in-lieu fee option is chosen, the property owner must pay a 15% percent in-lieu fee to the City to be deposited in the Affordable Housing Fund.

Since the OASP was adopted in March 2010, the City has approved a 142 residential development project and has received a development proposal with 275 dwelling units. Staff anticipates construction to begin in 2015, with certificates of occupancy issued for at least one-third of these units by 2016.

Mid-Higuera Enhancement Plan

The City has adopted an area plan for the mid-Higuera area, an area of approximately 100 acres of mostly commercial-service and retail uses. The Plan promotes mixed residential and commercial uses and addresses several development constraints in this older commercial corridor (it was the original “El Camino Real,” the City’s main southern entrance until the 1950s): flooding, limited street access, traffic congestion, lack of pedestrian and bicycle facilities, and dilapidated and substandard buildings. To encourage higher density infill housing, the City rezoned an older auto-trailer court of 5.7 acres consisting of 28 small bungalows and 25 trailer spaces from M/O-PD to R-4 zone to allow high density, multi-family housing by right.

This level property's net developable area is about 5.5 acres with a development potential of 24 units per net acre, for a base residential capacity of 132 two-bedroom dwellings. The site is well suited for apartments or air-space condominiums in a townhouse configuration. Maximum building height is 35 feet; maximum building lot coverage 60 percent. Parking requirement includes: 1 space per studio, 2 spaces per 1 and 2-bedroom unit, plus guest parking at 1 space per 5 units. Affordable low-income or senior units (62 or older) require one space per unit.

The property is well suited for high-density residential use. It is located near Meadow Park and Hawthorne School, has easy access to local and regional bus routes, and is close to shopping and jobs. Redevelopment would: 1) be consistent with the General Plan and past Planning and City Council actions supporting "affordable" housing at this site; 2) implement mixed-use policies found in both the Land Use and Housing Elements; 3) improve the site's run down appearance near a City gateway; and 4) provide rental or ownership housing for low- and moderate-income households on a site which historically has provided affordable housing for those at the lower end of the income range. Its location near commercial and industrial properties makes it less likely that a new, high-density housing development here would generate major controversy or opposition from neighbors. An added benefit of redevelopment would be the completion of street improvements on Beebe and Bridge Streets bordering this property. Current low income tenants would have first right of refusal to rent or lease new affordable, multi-family units.

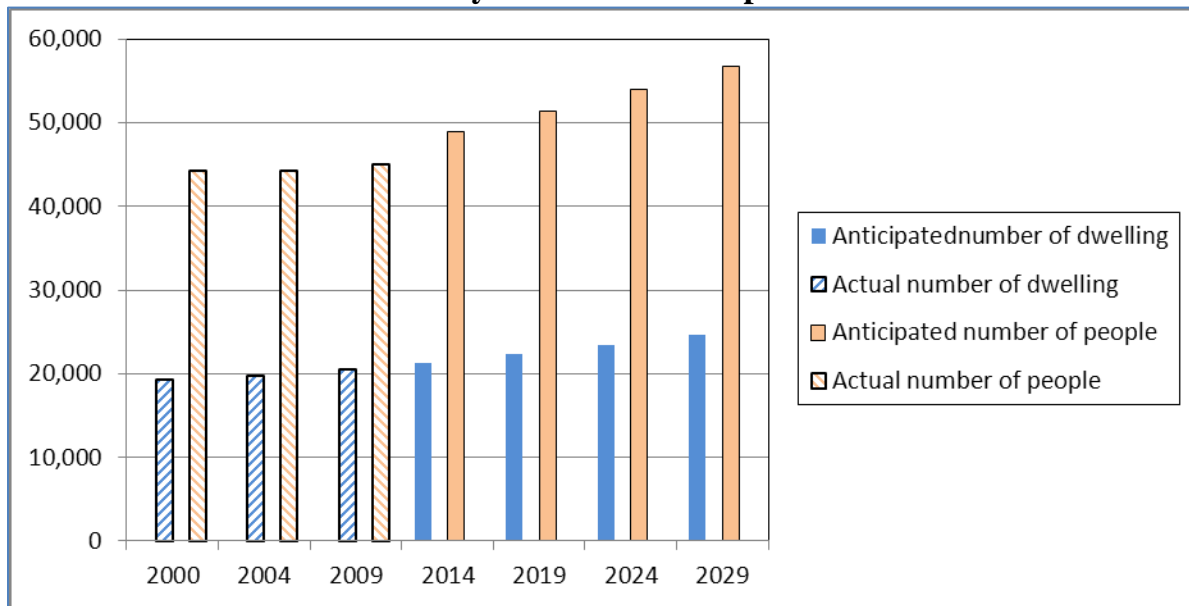
The site's chief development issue is that it is partially located in a 100-year flood zone. Residential development is possible with appropriate design to minimize flood hazard and meet building codes. In addition, the County Flood Control Zone 9 agency in conjunction with the City of San Luis Obispo plans to install a creek bypass channel nearby which is expected to reduce flood hazard in the planning area. Currently the project is in preliminary design with an implementation date estimated during the summer of 2017.

d) Residential Growth Management Regulations

The General Plan says that "the City's housing supply shall grow no faster than one percent per year." This policy was modified in 2010 to an average of one percent per year over the five-year Housing Element planning period. The policy change responded to slow residential growth trends combined with the phasing and financing plans incorporated into the Margarita and Orcutt Specific Plan Areas. 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. As shown in Table A-18, annual increases in the number of dwellings have averaged 0.45 percent over the past ten years. Units that are deed-restricted as 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. Dwellings built in the downtown area are also exempt.

Quantified objectives anticipate the construction of 1,144 in-city dwellings during the planning period. Of these, 58 percent, or 666 dwellings, will be affordable to extremely low, very-low, low, and moderate income households, consistent with the percentages of housing affordability in the City's RHNA number.

**Figure C-2
General Plan Anticipated Housing and Population Growth
City of San Luis Obispo**



Source: City of San Luis Obispo General Plan Land Use Element, California Department of Finance, 2008

The Residential Growth Management Regulations will not prevent the City from achieving its quantified objectives because they do not set a numeric cap on all housing. For example, new housing that is affordable to extremely low, very low-, low-, and moderate-income households and new housing in the Downtown Core (C-D) are exempt from the Regulations.

Figure C-2 shows the housing and population growth anticipated in the General Plan. 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 General Plan stated that population growth should not increase more than one percent per year, until it reaches a build out population of 56,750 persons in 2029.

The Airport Land Use Plan

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) extends beyond the City’s designated airport specific plan area, and includes land under City and County jurisdictions. Proposed specific plans and amendments to the General Plan and Zoning Map or Regulations are referred to the ALUC for a compatibility determination. The ALUC uses its plan as a basis for those determinations. A four-fifths vote of the City Council and certain findings are required for the City to override a finding of incompatibility. The City’s General Plan calls for consistency with the Airport Land Use Plan.

In June 2002, the ALUC adopted major amendments to its 1970s-vintage plan. The amendments

significantly reduced the number of residential units that could be built in the areas subject to the plan. In most areas, the plan limits overall residential density to six dwellings per acre, well below densities targeted by City plans. For example, the number of units planned for the Margarita Area had to be reduced from 1,100 dwellings to 868 dwellings. The City has since amended the Airport, Margarita and Orcutt Expansion Area Specific Plans to reflect the amended ALUP, and also amended the Zoning Regulations (as part of the proposed commercial zoning update). The Airport Land Use Plan was most recently amended in May 2005.

Density Bonus

The City's Affordable Housing Incentives were updated in July 2013 for consistency with State density bonus law. 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.

Secondary Dwelling Units

Consistent with AB 1866 (Section 65852.2 of State Housing Element law), the City's Zoning Regulations allow the creation of second-units with ministerial approvals in the R-1, R-2, R-3, R-4 and O zones when the primary use on the site is a single-family dwelling, subject to the Community Development Director's determination that the project meets general requirements and performance standards. Under the law, cities may establish property development standards for SDUs, including, but not limited to, parking, height, setback, lot coverage, and architectural design.

San Luis Obispo's secondary dwelling units (SDU) ordinance allows the approval of an SDU without discretionary review. SDUs must conform to applicable zoning regulations such as height, yards, building coverage, parking, and are limited to a maximum floor area of 450 square feet. SDUs are treated as an additional unit but are not taken into consideration when calculating total allowed density on a site. Rental costs for SDUs are not listed separately in local classified ads and rental listings, however SDUs are likely to rent at prices similar to or slightly higher than studio apartments in multi-family developments.

State law (Section 65583.1 of State housing element law) allows local governments to identify realistic capacity for second-units in addressing a locality's share of the regional housing need. The identification of realistic capacity should be based on the development trends of second-units in the previous housing element planning period and other relevant factors. The City has not identified SDUs as a housing component in meeting its Regional Housing Needs Allocation (RHNA). SDU construction rates in San Luis Obispo have been low (averaging about one to two units per year between 2000 and 2013, possibly due in part to developer and tenant preferences for larger apartments given past impact fee rate structures which treated SDUs

similar to houses or larger apartments in terms of impacts. However, the City recently updated its impact fee rate structure and reduced SDU impact fees by approximately 60%. As a result, the City expects that SDU construction will substantially increase during the Housing Element Planning Period. To more fully utilize this form of infill housing, the housing element includes several programs to encourage the development of SDUs, including:

- 6.29 *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.*
- 6.31 *Consider scaling development impact fees for residential development based on size, number of bedrooms, and room counts.*
- 9.12 *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.*

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, 22 million Americans (about eight percent of the U.S. population) lived fulltime in 10 million manufactured homes. Manufactured housing represents nearly 11 percent of housing for families living at 150 percent or less of the poverty level. 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 and communities.

In 2013 California Department of Finance figures show that San Luis Obispo had 1,482 mobile homes, or about 7.2 percent of the City’s housing stock. Mobile homes, placed on permanent foundations and located outside mobile home parks, and manufactured (modular) 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 allowed with use-permit approval in all residential zones. The City has few areas suitable for new, large mobile-home parks or for the expansion of existing parks. However, expansion areas could accommodate mobile home parks and the Orcutt Area Specific Plan (OASP) encourages expansion of an adjacent mobile home park into the higher density area of the OASP.

To help conserve mobile home parks and provide constructive notice to park owners of requirements to convert such parks to other uses, a proposed Housing Element program will consider establishing a new mobile home or “MH” overlay zone:

8.22 *Consider addition of an overlay zone to existing mobile home and trailer park sites to provide constructive notice that additional requirements, such as rent stabilization and a mobile home park conversion ordinance apply.*

In combination with any other zone, the MH overlay zone would identify State and local regulations regarding rent control, maintenance, density, conversion to other uses and public/tenant notice requirements.

e) Architectural Review

Architectural review is required for all residential developments, except individual built, single-family dwellings. The exception for single-family dwellings does not apply: (1) when architectural review is required as a condition of a subdivision, use permit or other discretionary entitlement; (2) when a developer proposes to construct three or more homes in the same area; (3) when the City’s Community Development Director determines the site is sensitive as set forth in the procedures document (“sensitive sites” shall include, but not be limited to, open space zoning areas designated by resolution of the planning commission, architectural review commission or council); (4) where the scale or character of a proposed dwelling contrasts significantly with adjacent or neighboring structures; and (5) where any required parking spaces that are covered are converted to another use and replacement parking is proposed.

San Luis Obispo adopted Community Design Guidelines that describe the community’s expectations and preferences for the quality and character of new developments. The Guidelines encourage design variety and innovation, and are intended to preserve San Luis Obispo’s distinctive character and sense of history. Depending upon the type and scale of the project, architectural 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.

Most of the City’s neighborhoods are an eclectic mix of architectural styles and character. In many cases, small residential infill projects of four units or less can be integrated into neighborhoods on lots already zoned for residential use, without posing significant architectural

design or compatibility issues. The housing would need to comply with all zoning standards, including setbacks, building height and lot coverage. By exempting more small residential projects from architectural review, the City could help reduce development costs and improve the economic feasibility of constructing small detached or attached dwellings. On historic properties, or where site constraints such as creeks, steep hillsides or lot shape require special consideration, architectural review of the “sensitive site” may be appropriate. To help reduce development costs, Program 6.22 calls for an amendment to the Municipal Code and Community Design Guidelines to expand the exemption for small residential projects from two or fewer units to four or less dwellings (not on a sensitive site). Most of these developments would be eligible for less costly and time-consuming staff level architectural review.

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. 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. In 2013, the reactive program was staffed by two CEO’s.

Complaints about sign violations, unpermitted construction and substandard housing conditions accounted for the majority of reactive code enforcement cases. The illegal conversion of garages, sheds, attics and shops to rental housing contributes to substandard housing conditions, parking violations, and property maintenance concerns. Table C-7 summarizes reactive code enforcement violations by type for the cases opened in 2013.

**Table C-7
Reactive Code Enforcement Violations, 2013**

Violation Type	Number of Violations
Substandard Housing	194
Signs & Encroachment	191
Unpermitted Construction	115
Land Use/Zoning	112
Occupancy Violations	79
Property Maintenance	69
Miscellaneous	12
TOTAL VIOLATIONS	772
TOTAL CASES	406*

Source: City of San Luis Obispo, Community Development Department, 2013

*Each case may have multiple violations.

The proactive code enforcement program is primarily focused on enforcement of the City’s property maintenance standards in residential areas of the City. It is staffed by two Neighborhood Services Specialists who 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. Table C-8 summarizes proactive code enforcement violations by type for the cases opened in 2013.

**Table C-8
Proactive Code Enforcement Violations, 2013**

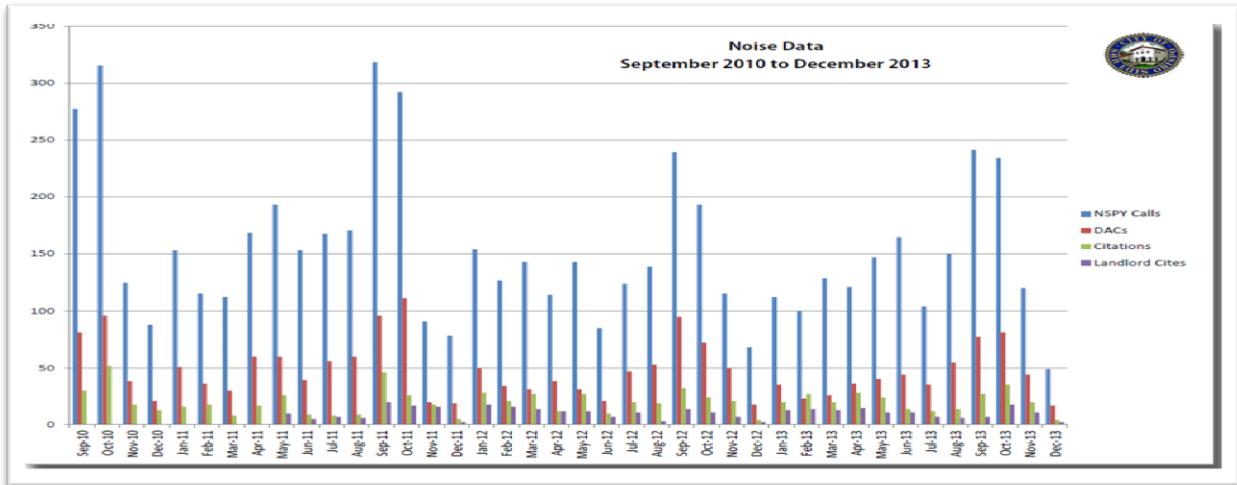
Violation Type	Number of Violations
Unscreened Trash Receptacles	467
Debris/storage in yards	344
Parking in Yards	143
Overgrown Vegetation	117
Inoperable Vehicles	28
Damaged Fences	16
Damaged Paint	12
Miscellaneous	30
TOTAL VIOLATIONS	1,157
TOTAL CASES	883*

Source: City of San Luis Obispo, Community Development Department, 2013

*Each case may have multiple violations.

Noise Violations. The Office of Neighborhood Services (ONS) within the San Luis Obispo Police Department administers the City’s Noise Regulations and residential parking districts. The Police Department handles more than 200 noise violations calls per year. Table C-9 provides a summary of noise complaints between September 2010 and December 2013.

**Table C-9
Noise Complaints 2010-2013**



Source: City of San Luis Obispo Community Development 2014

Through public information, community and educational programs, ONS works to improve communications between students and other neighborhood groups, and sponsors special neighborhood events, such as Good Neighbor Day and Neighborhood Cooperation Week. The SNAP (Student-Neighborhood Assistance Program) and WIN (Working to Improve Neighborhoods) Programs engage community volunteers, neighborhood groups and city staffers in a working partnership to preserve and enhance neighborhoods.

Construction Codes

San Luis Obispo's construction codes are, with few exceptions, uniform codes enacted by the State legislature and used throughout the State. They 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 ongoing housing costs through lower utility bills and reduced insurance premiums.

In some cases, San Luis Obispo has adopted more stringent construction codes than mandated by the State. Local Building Code amendments that could affect housing cost include the following:

1. Seismic Strengthening of Unreinforced Masonry (URM) Buildings. In 2002, there were 126 unreinforced masonry buildings identified in San Luis Obispo, many of them historic. Of these, 10 include dwellings. All URM buildings have undergone structural analyses as

required by State law. City regulations require all URM buildings to be seismically strengthened by 2017. As of 2013, 112 buildings are in compliance, eight are currently under construction and six are expected to be retrofitted as part of pending projects.

URM strengthening involves improvements to building foundations, walls and roofs to resist catastrophic damage and loss of life during an earthquake. Construction permit and planning fees for URM retrofits are reduced, and fees spent on seismic analysis are credited toward architectural review, plan review or building permit fees for URM strengthening projects. Seismic retrofits have also created opportunities to increase housing opportunities, especially in the Downtown Core. For example, the retrofit of the long-vacant Wineman Hotel produced 48 new SRO units in the Downtown.

2. Wood shake and shingle roofing materials are prohibited, unless the material is listed as a Class A Assembly. Adopted by ordinance in 1983, this law is intended to reduce fire hazards and the potential for loss of life and property from a major fire in the City. The ordinance differs from State and County regulations in that they allow wood-shake roofing that meets a minimum Class-C rating. Since wood shingles are not widely used, additional construction costs, if any, would depend on the builder's choice of this roofing material.

Site Improvement Requirements

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. This Housing Element includes policies which require the City to consider and minimize the costs of imposing additional requirements on housing projects beyond those required by State law, or necessary for public health, safety or welfare, and to periodically evaluate these requirements to determine if they are necessary to protect the public's 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. Since 1994, the City has used approximately \$5.5 million in Community Development Block Grants to remove architectural barriers in City streets and facilities, and provided an additional \$3 million in 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 in this appendix, 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. City 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 by right in all residential zones, and in four commercial zones with a conditional use permit. These are single or multi-unit dwellings that are licensed or supervised by any Federal, State, or local health/welfare agency that provides non-medical, life supportive services in a family-like environment. Residential care facilities in San Luis Obispo 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, height, lot coverage, and require architectural

review.

Single dwellings occupied by up to five adults, and which are not specially licensed or supervised, are also used as group homes for low-income or disabled person. These group homes are allowed by right in any residential zone and treated as single-family housing for purposes of residential density and parking. These uses must comply with all building and planning codes, but are routine and typically do not require City approval other than approval of a building permit.

Housing Element Policy 8.1 encourages housing development which meets special needs, including disabled and elderly persons. Policy 8.11 encourages amendments to regulations that support the special housing needs of the disabled. Policy 8.10 promotes universally accessible housing and housing that allows “aging in place.” Program 8.23 has been added to seek grant opportunities for housing construction and rehabilitation specifically targeted for persons with developmental disabilities.

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 use in the Manufacturing zone. Traditionally, lenders and insurance carriers avoid lending or insuring project improvements for such non-conforming dwellings.

An estimated 150 dwellings are considered non-conforming because of their location in the Manufacturing or Service-Commercial zones. Housing Element programs address this issue by encouraging the conservation of non-conforming housing, and through programs that enable low-income homeowners to rehabilitate substandard housing through low-interest loans or grants.

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 adopting a negative declaration or categorical exemption for a project, and within 180 days of the date 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 administrative 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 items requiring initial environmental studies such as architectural review of new commercial, industrial and residential projects, conditional use

permits and variances (Planning Commission), planned development/rezoning or standard subdivisions typically require eight to 12 weeks.

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. Since 1994 the City has revised 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:

- Development exceptions typically follow an administrative use permit process taking two to three weeks, rather than the more time-consuming variance process.
- Clear development standards, guidelines and checklists available conveniently on-line.
- House relocation no longer requires a conditional use permit.
- Demolition or relocation of most buildings 50 years or older, but not historically listed, no longer requires Cultural Heritage Committee historic significance review.
- Minor housing additions, remodels and seismic retrofits may be approved by City staff as “minor or incidental” architectural review.
- Residential developments of up to four dwellings are exempted from architectural review.
- When architectural review is required, the Architectural Review Commission may grant exceptions to development standards along with architectural approvals.
- The City’s Housing Programs Manager assists housing developers with development review applications, processing 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. They are also allowed in certain commercial zones with approval of a conditional use permit. To encourage small residential projects and infill development, Program 6.22 exempts 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.

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. The R-1 zone allows multi-family housing on larger sites at a maximum allowed density of seven density units per net acre (net acre excludes dedicated right-of-way, areas within top of creek banks, endangered species habitat, and areas within drip lines of “heritage trees.”). R-1 zones are typically developed with market rate housing affordable to moderate- and above-moderate income households.

Small residential developments such as duplexes, triplexes or fourplexes are allowed by right in the R-2, R-3 and R-4 zones. Larger residential development projects, such as standard residential subdivisions and condominium developments typically require three levels of review: design review by the Architectural Review Commission, tentative tract (or parcel) map review by the Planning Commission, and environmental study/tentative/Final map approval by the City Council. Average permit processing time for a 100-lot residential subdivision is about six months to one year for planning approvals, plus 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, and R-4 zones, and are conditionally allowed in office, neighborhood-commercial and retail commercial zones. Apartments and condominiums also allowed in Commercial-Service and Manufacturing zones as part of live-work or work-live developments. In historic districts or on historically-designated properties, Cultural Heritage Committee is also required. As with single-family residential development, 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. Average permit processing time for a multi-family residential development project is about six to eight months for planning approvals, plus six months for building plan check and permit issuance.

Live-work and work-live development projects allow dwellings to be combined with commercial and industrial structures, primarily to accommodate employees or owners of such businesses. Live/work units are allowed by right and intended to function predominantly as living space with incidental accommodations for work-related activities. Work/live units require approval of a conditional use permit and are intended to function predominantly as work space with incidental residential facilities that meet basic habitability requirements. Zoning regulations establish standards for live/work and work/live developments addressing: prohibited uses (e.g. adult businesses, vehicle maintenance and repair, storage of hazardous materials or flammable liquids), floor area requirements, access, parking and use operating requirements (i.e. occupancy and non-resident employees). Residential density of up to 24 density units (equivalent to 24 two-bedroom dwellings per acre) is allowed. This is based on total site area and not just on the vacant portion of the site not utilized by commercial or industrial uses.

Such uses require environmental and architectural review (if exterior changes are involved). Conditional use permit approval requires Community Development Director's approval, a simpler, less expensive and usually quicker review process than planning commission use permit review. A conditional use permit may also be required for live/work unit if exceptions to City development standards are necessary.

Mixed-Use developments are allowed by right in six commercial zones, and are conditionally allowed in the Service-Commercial and Manufacturing zones. Their processing and permit procedures are similar to multi-family housing developments.

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. In light of the challenging economic environment for development, the City allows multiple time extensions for economic hardship. Such extensions are handled administratively, with no limit on the number of building permit extensions provided that project site conditions have 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. One method of evaluating whether San Luis Obispo's fees are excessive or pose barriers to housing development is to compare its fees to those in other nearby jurisdictions.

In 2013 the City surveyed development fees for the County's seven cities, and for San Luis Obispo County. The City also compared fees that the various jurisdictions would charge for a new 2,000-square-foot house with a 500- square-foot garage. The survey showed that for some development fees, San Luis Obispo is generally higher than the other county jurisdictions. Development fees are summarized in Table C-10, and comparative development fees for a detached house are shown in Figure C-3. The City also evaluated development fee costs for typical, multi-family housing development in San Luis Obispo and compared those costs to total development costs.

Development fees include planning application fees, building plan check and permit fees, Fire Department and Public Works Department plan check and inspection fees and impact fees. For a typical 2,000-square foot single family home with a 500-square-foot garage and a construction value of \$245,960; development fees in San Luis Obispo in April 2014 totaled \$36,220, or about 15 percent of construction value. By comparison, development fees for the same hypothetical development in the County of San Luis Obispo were \$12,470.

For a 43-unit multi-family residential project on a 1.53 acre site in San Luis Obispo, development fees in San Luis Obispo in March 2014 totaled \$23,162 per unit on a total value of \$107,596.36 per unit; or about 21.5 percent of construction value. By comparison, development fees for a typical multi-family development in the County of San Luis Obispo in 2014 were

\$29,219.29 per dwelling based on a per unit construction value of \$97,980.91; or approximately 30 percent of construction value (County of San Luis Obispo Planning Department, January 2014).

In most cases, City development fees assume full cost recovery for actual costs to deliver the planning, building and engineering services. Development review fees are updated annually, based on changes in the Consumer Price Index, or periodically through a detailed cost of services study. City policies exempt extremely low, very low- and low-income housing from most development review fees. Housing Element Programs 2.8 and 2.9 call for the City to seek additional funding sources to help offset development-related City fees for residential projects that include affordability guarantees for extremely-low, very-low, low- and moderate income households.

Program 2.7 seeks to reduce or moderate the effect permit fees and processing times have on housing projects by: adopting permit streamlining procedures to give project review, public hearing and plan check priority to projects that include affordable dwellings.

**Table C-10
Comparative Development Fee Summary, 2013¹**

Fees Charged (\$)	Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Paso Robles	Pismo Beach	San Luis Obispo	SLO County
Annexation / Rezoning	n/a	\$7,500 + Cost +24%	n/a	\$4,931 + cost	\$5,500 + cost	Cost: hrly. chg	\$21,447²	n/a
Appeals to Council / Board	\$260	\$460	\$300	\$250	\$200	\$771	\$273	\$850
Architectural Review, Full	\$623	n/a	\$1,565	n/a	n/a	n/a	\$2,839	n/a
Architectural Review, Minor or Incidental	\$312	n/a	\$1,460	n/a	n/a	\$460	\$1,105	n/a
Unconditional Certificate of Compliance	\$779	\$700	\$1,042	\$525	\$1,200	1,323	\$1,610	\$851 + cost to record
Condominium Conversion	\$2,305	\$4,375	n/a	n/a	n/a	\$8,472 + hrly fee + outside cost	\$9,558	\$9,884 - 11,740
EIR	\$2,839.25	15% of EIR + hrly fee	\$5,731	\$4,556 + Cost + 25%	Cost	Cost + hrly fee	\$2,556 + Cost + 30%	\$3,702 + Cost + 30%
Environmental Review / Initial Study	\$979	10% of EIR	\$1150	\$4,556	\$1,500	\$1,477 + Cost	\$2,556	\$3,702
General Plan Amendment w/IS	\$7,273	\$5,735	\$3,650	\$4,683 + cost	\$ 5,500 + cost	\$10,590 + hrly fee + outside cost	\$16,818²	\$7,500 + cost
Historic Preservation Review (CHC)	\$200	n/a	n/a	n/a	n/a	n/a	0	n/a
Lot Line Adjustment	\$1,246	\$1,295	\$626	\$762	\$1,200	\$1,579	\$1,480	\$ 4,122
Lot Merger	\$1,030	\$910	\$626	\$211	n/a	\$626	\$505	\$88
Planned	\$7,273	\$5,405	\$512	\$3,620	\$5,500 +	6,179	\$8,809	\$17,292

Development Permit / Rezoning					cost			
PD Amendment	\$1,800	n/a	\$482	n/a	\$5,500	n/a	\$1,823	n/a
Specific Plan – Residential w/IS	\$47,273	\$7,500+	\$3,650 + Cost	\$4,683	\$5,500 + cost	Cost + hrly fee	\$14,726²	\$ 16,500 + processing cost ³
Specific Plan Amendment w/IS	\$7,273	Cost +24%	\$1,880 + Cost	\$4,683 + cost	\$5,500 + cost	Cost + hrly fee	\$14,726²	\$16,500 + processing cost ³
Street Abandonment	n/a	\$3,525	n/a	\$898	\$600	n/a	\$10,741²	\$2,381 – 2,991
Tentative Parcel Map – 4 lots with an Initial Study	\$ 1,335	\$2,865	\$2,580 + Cost	\$ 3,245	\$1,200 + cost	\$4,452	\$6,910 + 228 per lot	\$15,312 ⁴
Tent. Parcel Map Amendment	\$747	\$2,865	n/a	\$2,323	n/a	\$5,040	n/a	n/a
Tentative Tract Map – 5 lots with an Initial Study	\$3,912 + 100 per lot	\$3,400	\$7,635 + Cost	\$ 4,327	\$5,500 + cost	\$4,452 + 401 per lot	\$8,958 + 228 per lot	\$19,975 ⁴
Use Permit, Administrative	\$3,584	\$605	\$ 940	\$541	\$1,200	\$332	\$853	\$1,936 – 10,773
Use Permit, Major (PC)	\$ 7,273	\$3,205	\$1,355 + Cost	\$3,917	\$5,500 + cost	\$2,964	\$3,250	\$ 8,838 – 17,292

Source: County of San Luis Obispo, 2013

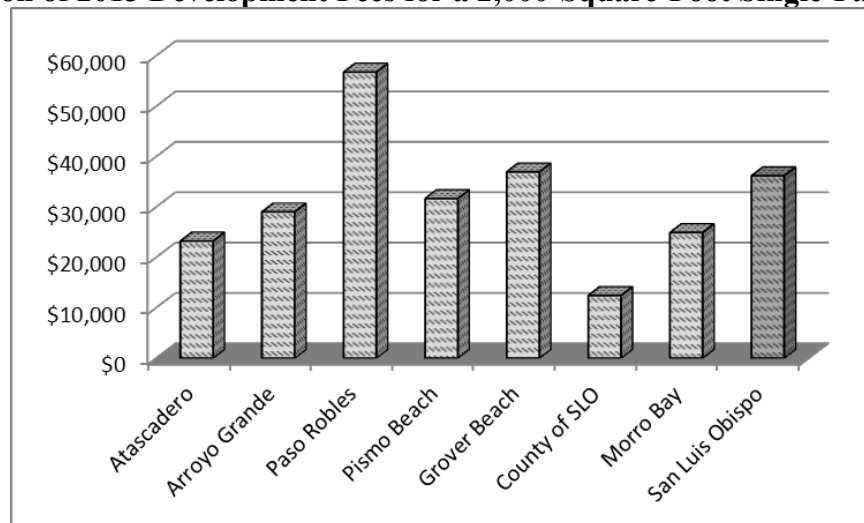
Notes: ¹Table does not list all planning fees. Only those fees applicable to residential development are included. Fees rounded.

²45% of full cost of time and materials

³With Initial Study

⁴When served by public water and sewer.

Figure C-3
Comparison of 2013 Development Fees for a 2,000-Square-Foot Single-Family House



Source: City of San Luis Obispo, Community Development Department, 2014

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 2013 the residential water, wastewater, and transportation impact fees for both single- and multi-family development are shown in Table C-11.

**Table C-11
Residential Development Impact Fees per Dwelling Unit, 2013
City of San Luis Obispo**

Development Type	Equivalent Density Units	Impact Fee	
		Citywide	Specific Plan Area Surcharge
			Airport, Margarita, and Edna-Islay*
<i>Water</i>			
Single-Family	1.0	\$10,775	n/a
Multi-Family	0.7	\$7,542	n/a
Mobile Home	0.6	\$6,465	n/a
<i>Wastewater</i>			
Single-Family	1.0	\$3,729	\$2,745
Multi-Family	0.7	\$2,610	\$1,922
Mobile Home	0.6	\$2,237	\$1,647
<i>Transportation</i>			
Single-Family	1.0	\$3,516	n/a
Multi-Family	1.0	\$3,120	n/a

Source: City of San Luis Obispo, Community Development Department, 2013

*Water surcharge does not apply in Edna-Islay Area

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 reclamation facility and sewer lift stations, and water supplies, a water treatment plant and major 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, expansion areas at the edge of the City will need service extensions. A specific plan is required for each major expansion area, and a development plan for each minor expansion area. These plans will address phasing of development and services.

Water Available for Development

Per 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 (County) 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. The safe annual yield of the two reservoirs is 6,940 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. The City has a contractual right to 3,380 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 use for calendar year 2012 totaled approximately 165 acre feet, up four percent from 158 acre feet in 2011.

Groundwater

The City used one domestic well in 2012 (Pacific Beach #1 located on Los Osos Valley Road near Pacific Beach school) to supplement its other potable water supply sources. In addition, the City maintains a non-potable well at the City's Corporation Yard for construction activity use and 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). Per WWME Policy A 3.2.3, the City will continue to 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.

Water Resource Availability

Table C-12 summarizes the Water Resource Availability (based on WWME Section 3), to serve community water demand. Calendar Year 2013 water availability totaled 9,985 Acre-Feet.

**Table C-12
2013 Water Resource Availability**

Water Resource	Acre Feet	Description
Salinas & Whale Rock Reservoirs	6,940	Safe Annual Yield ¹
Nacimiento Reservoir	3,380	Dependable Yield ²
Recycled Water	165	2012 Annual Usage ³
Siltation from 2010 to 2060	(500)	WWME Policy A 4.2.2 ⁴
Total 2012 Availability	9,985	

Source: WWME, 2013

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 4.2.1)
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 the reduction of safe annual yield.

**Table C-13
San Luis Obispo Water Usage**

Year	Population	Total Water Use (acre feet)	Per Capita Water Use
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
Average Per Capita 2000-2013			118.4

Sources: City of San Luis Obispo WWME, 2013

After comparing Table C-13's water supply with Table C-14's water usage, it is evident that City resident's water usage has slowly decreased over the past 13 years even with a consistent increase in population. Per capita water use in 2013 was at an all-time low of 105 acre feet per year, down from 130 acre feet per person in 2007. Residents are currently using just over half of the City's water availability however recent drought conditions may begin to reduce availability in the future. The City's 2013 Water Resources Status Report states that the City has approximately eight years of water supply until reservoir levels are drawn down to minimum pool, assuming the onset of an extended drought. With its multi-source water policy, the City has implemented a long-term strategy which will ensure a reliable supply of water to meet the current and future needs of the community.

Wastewater Treatment (Sewer)

The City's current wastewater treatment facility 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 planning period.

j) Public Services

Police and Fire

In 2013, the Police Department responded to identified community needs under several Major City Goals including, Neighborhood Wellness, Assess and Renew the Downtown and Homelessness. As a result the police department has reassigned personnel in innovative ways to enhance connectivity with the community. The department has initiated a Park Officer Program that has transitioned into a Neighborhood Officer Program. Selected officers proactively work within their assigned neighborhood as community liaisons to address concerns and mutually share in the problem solving process. Additionally, personnel have been directed to work as a Community Action Team (CAT) and Daytime Downtown Officers whose specific function is to address adverse behaviors through law enforcement and cooperative outreach with mental health, social services and other involved stakeholders.

k) Schools

Grade school enrollment in San Luis Obispo has declined in recent years. San Luis Coastal Unified School District's enrollment in San Luis Obispo schools in September 2009 was 4,271 students. In March 2014, enrollment dropped by 424 students to 3,847 students. According to District studies, new residential development generates 0.65 school children per dwelling. The District estimates that one or possibly two additional school sites will be needed to serve planned residential growth in the southern part of the City. The Orcutt Area Specific Plan is expected to include a potential elementary school site. 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, improved or not, 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 City Council.

To qualify as affordable, dwellings must have guarantees that they remain affordable for at least 30 years. Since adoption, the Program has generated over 250 enforceably-restricted affordable dwellings, and approximately \$8 Million in affordable housing funds.

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 30 years; or for purchased units only, 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 built-up equity to the City for use in other citywide affordable housing developments. The shared equity agreement is secured by a second trust deed recorded on the property at time of sale.

The program was evaluated for its potential impact on the cost and supply of housing. The 2004 Mundie Report evaluated the impact of affordable housing requirements on land value, developer profit, and the sales prices of market-priced housing units based on a series of cash flow simulations for alternative development projects. The study found that: 1) generally, the City’s proposed housing affordability requirements would not discourage new housing development. In some cases,

affordability requirements would result in reductions in land value, however land value would not be the factor that determines development feasibility, 2) the indicator of impact most affected by the affordable housing requirements – both within the existing City and in the expansion areas – is land value (if it absorbs the entire impact of the requirements); rents and housing prices are affected least. It is reasonable to expect that if a potential developer cannot negotiate land prices down to level that would pass all of the impact of the requirements through to the pre-development landowner, he or she would attempt to pass on part of the impact to project occupants in the form of higher rents/sales prices, and 3) impacts on the feasibility of new development are most severe in mixed-use retail/office project located downtown. It is possible that the effects of the applicable requirements on land values would discourage a landowner from making the project site available for development: it is likely that a developer would consider the profits to be expected from such a project to be unreasonably low if none of the impact can be passed on to either the landowner or the tenants (in the form of higher rents).

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 the 49-unit Wineman Hotel rehabilitation with \$1.5 Million in affordable housing funds and provided streamlined review and permit processing. The renovated, 3-story, former hotel now contains 48 single room occupancy rental units (plus one manager's unit), of which 27 units are permanently affordable to low-income persons and three units are permanently affordable to very-low income persons.

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, its price increases. Other factors being equal, the more residential units allowed, the higher the land value.

In 2014 the cost of an undeveloped, average-size, single-family residential lot in San Luis Obispo was estimated by members of the Board of Realtors' multiple listing service to be between \$200,000 and \$450,000, depending on its size and location. By contrast, in 2009 the cost of a typical single-family residential lot in San Luis Obispo ranged from \$250,000 to \$375,000. The average sales price per square foot for a vacant, single-family (R-1 zone) lot in San Luis Obispo in 2014 is \$32, and ranges between \$19 and \$54 per square foot. In 2009 the cost for undeveloped land suitable for housing ranged from \$15 to \$52 per square foot.

Buoyed by record-low interest rates, the demand for residential real estate has continued to be very strong since 2000, despite a slowdown in other city and county economic sectors. 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).

According to the City's building official, the construction value of an average Type V - wood frame residential construction in 2013 is \$123 per square foot for living space and \$34 per square foot for garage. For a typical, 1,500 square foot detached house with a garage on a standard-sized lot in San Luis Obispo, total development cost in 2013 would be approximately \$210,000 for construction only. When incorporating the average price of land at \$300,000, construction costs, and city fees – the approximate cost for a new single family home is \$550,000. Estimated land cost accounts for 62 percent of the total cost, construction about 31 percent, and City fees around seven percent of the total development cost.

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. According to Wells Fargo, seen in Table C-14, interest rates for a conventional, 30-year fixed loan range are as low as 4.250 percent and 15-year and adjustable rate mortgages are around 3.500 percent.

**Table C-14
Current Mortgage Rates**

	Interest Rate	APR
30-Year Fixed	4.250%	4.335%
15-Year Fixed	3.500%	3.647%
5-Year Fixed	3.250%	3,968%

Source: Wells Fargo, July 2014

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 in 2014 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 \$540,000, requiring a \$108,000 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 conventional 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 about two percent of a unit's selling price, or \$6,000 for a \$300,000 condominium. 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. According to local builders, this was due in part to construction defect litigation and to high insurance costs. In 2002 Senate Bill 800 (Burton) was signed into law, clarifying the grounds for construction defect lawsuits and limiting builder liability for such actions. In 2014 there appears to be renewed builder and consumer interest in residential condos, and city housing policies promote this housing type.

f) 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 home owners and owners of rental property benefit from significant tax advantages. In 2014 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.

g) 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 Environmental Study (ER 15-14).

Besides natural environmental constraints, manmade constraints may also limit the development capacity of residential land resources. For example, the number of dwellings that can be built may be limited by San Luis Obispo County Airport compatibility, City general plan noise limits, or for properties located within a 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. For example, the San Luis Obispo County Airport Land Use Plan (ALUP) limits residential density within approach and take-off corridors and other areas subject to low-flying aircraft. Portions of the Margarita and Orcutt Specific Plan areas, two of the City’s largest residential growth areas, are within airport safety areas; however the County Airport Land Use Commission has approved the layout and number of dwellings planned in each specific plan area. These areas’ specific plans include provisions that address airport safety and compatibility and ensure that future development is consistent with the Airport Land Use Plan.

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 in nature, therefore the residential component is above existing commercial structures and therefore, not precluded by the flood zone that affects Downtown’s location outside of the flood zone.

The Housing Element update’s potential environmental effects have been fully evaluated and documented in the Initial Environmental Study (File #15-14). 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.

Population changes are shown in Table C-15. As with housing construction, population growth rates tend to correspond to regional and national economic cycles, and show an average annual growth rate of 0.81 percent during the 36-year period from 1977 to 2013.

**Table C-15
Population Change, 1977-2013, City of San Luis Obispo**

Year	Population	Year's Change %	3-Year Annual Average %	5-Year Annual Average %
1977	34,282			
1978	33,756	-1.5		
1979	34,143	1.1		
1980*	34,143	0.3	-0.03	
1981	34,759	1.5	0.97	
1982	35,239	1.4	1.07	0.56
1983	25,660	1.2	1.37	1.1
1984	36,407	2.1	1.57	1.3
1985	37,378	2.7	2	1.78
1986	38,205	2.2	2.33	1.92
1987	38,282	0.2	1.7	1.68
1988	39,858	4.1	2.17	2.26
1989	41,207	3.4	2.57	2.52
1990*	41,958	1.8	3.1	2.34
1991	42,178	0.5	1.9	2
1992	42,922	1.8	1.37	2.32
1993	43,397	1.1	1.13	1.72
1994	43,919	1.2	1.37	1.28
1995	41,295	-6	-1.23	-0.28
1996	41,404	0.3	-1.5	-0.32
1997	41,807	1	-1.57	-0.48
1998	42,201	0.9	0.73	-0.52
1999	42,466	0.6	0.83	-0.64
2000*	44,179	4.1	1.87	1.38
2001	44,342	0.37	1.69	1.39
2002	44,470	0.29	1.59	1.25
2003	44,340	-0.29	0.12	1.01
2004	44,277	-0.14	-0.05	0.87
2005	44,662	0.87	0.15	0.22
2006	44,522	-0.31	0.14	0.08
2007	44,389	-0.3	0.09	-0.03
2008	44,521	0.3	-0.1	0.08
2009	44,750	0.51	0.17	0.21
2010*	45,119	0.82	0.54	0.20
2011	45,269	0.33	0.56	0.33
2012	45,312	0.09	0.42	0.41
2013	45,541	0.51	0.31	0.45
Total Average		0.81	0.86	0.89

Source: City of San Luis Obispo, Community Development Department, 2013

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

h) Economic Constraints

Unlike in 2009, the outlook of the future economy for the City of San Luis Obispo is improving. As the economy recovers throughout the nation, housing development, unemployment, properties values and foreclosure rate are moving in the right direction. Countywide, since hitting the bottom in the third quarter of 2011, existing single-family home prices have risen approximately 43% in first quarter of 2014. Home sales and construction has also steadily increased (as the number of new applications for residential building permits increased from 185 applications in 2009 to 259 applications in 2013) while unemployment and foreclosure rates have fallen.

Despite home price increases, San Luis Obispo County's rate is still behind compared to neighboring Counties such as Santa Barbara and Monterey. Nonetheless, the rate of increase is still greater than many other counties in the state. The City's home foreclosure rate has been decreasing compared with more urbanized areas of California. Countywide, notices of default have declined from their peak in mid-2009. The reason for this is because the economy of the County is improving, more residents are returning to work and loan modifications are helping some homeowners keep up with their mortgage payment. As the economy continues to grow in the coming year, it is expected that home prices and sales will also increase.

Appendix D

Residential Land Resources

To adequately meet housing needs, it is essential to understand and quantify the City's residential land resources. In 2013, the Community Development Department conducted a parcel-by-parcel 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" or dilapidated dwellings to the extent this was apparent from public streets. Survey information was derived from aerial photography, City permit records, and field visits. The residential capacity inventory is included as Appendix K. The following summary is derived from that inventory.

This appendix, along with Appendix K, 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 baseline Regional Housing Needs Allocation (RHNA) period, and mixed use 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. Parcels with residential capacity are listed by assessor's parcel number in Appendix K.

Estimated residential capacity does not represent the maximum capacity possible. Instead, estimates have been adjusted to take into account "realistic capacity" due to development standards, lot and building patterns, availability of urban services and access, and recent development trends based on typical residential developments in San Luis Obispo.

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 to all properties within the survey, with the recognition that most properties do not develop to their maximum build out potential due to parking and setback requirements, access, and landscaping requirements.

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 to determine capacity. Blighted properties were considered to have development potential and likely to be redeveloped to their existing capacity only if the buildings had significant structural issues (damaged, sagging, or failed roof, wall, foundation, or porches). In these cases, the properties were not assigned additional development capacity, but were flagged as properties with the potential for redevelopment or rehabilitation. Where site features, such as lot orientation, natural features or the presence of historic buildings warranted a further reduction from the standard 75 percent capacity reduction, an adjustment factor was applied on a case-by-case basis.

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 sites suitability analysis identifies those sites that are currently available and unconstrained so as to provide realistic housing development opportunities prior to June 30, 2019 (the end of 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 any known environmental issues, and (4) availability and/or timing of utilities and public infrastructure and services.

The residential land inventory was developed with the use of a combination of resources including the City's GIS database, updated Assessor's data, field surveys, and review of the City's Land Use Element and Zoning Ordinance. The compilation 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 neighborhood and certain commercial zones that allow higher residential densities, including the Downtown area, and (2) expansion areas which have been approved for development.

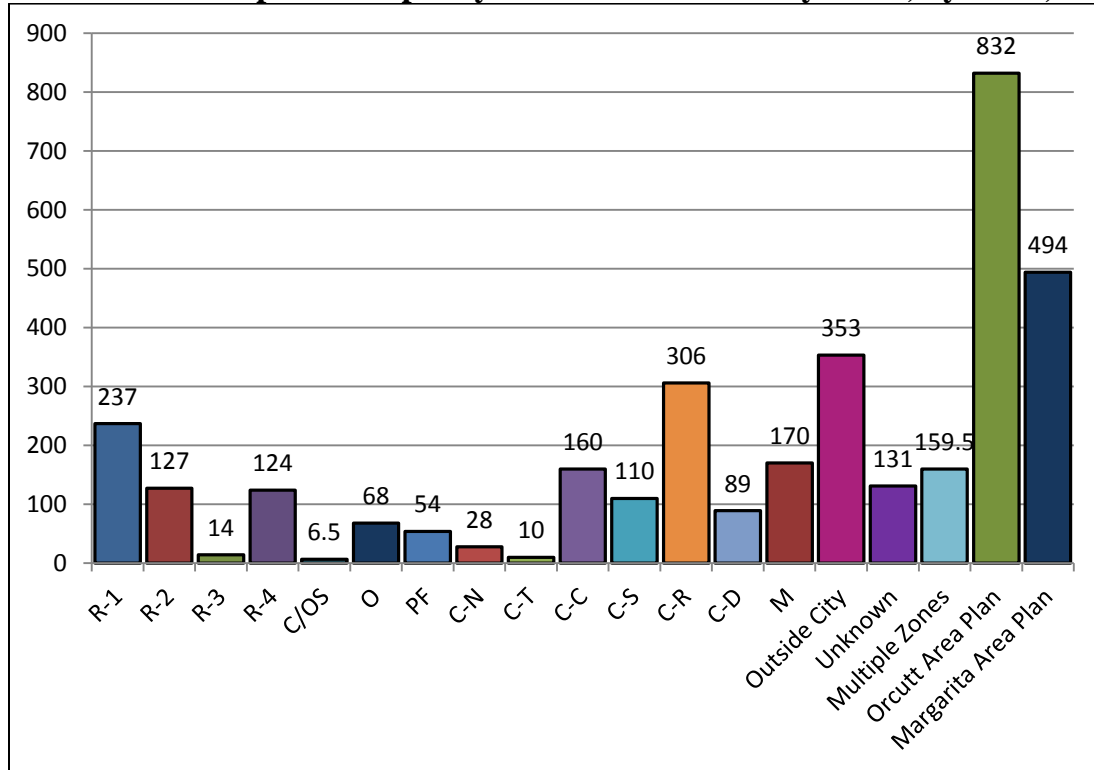
The inventory includes both small and large residentially and non-residentially zoned parcels and parcels that are vacant or underutilized and could be developed with additional dwellings. Parcels zoned to allow higher residential densities, namely R-3, R-4, C-D, C-R and C-S, can be developed at densities of at least 20 dwellings per acre and therefore, suitable for the development of housing affordable to lower income households.

Except for some parcels in the Margarita and Orcutt 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.

Figure D-1 summarizes in-city development potential by zone, outside city development potential, as well as properties which are not yet zoned, as of June 2014. According to the estimates for vacant and underutilized properties, there is a total development capacity within City limits of 3,477 density units (DUs), equivalent to 3,477 two-bedroom dwellings. The actual

number of dwellings possible depends on the number of bedrooms built per dwelling.

**Figure D-1
Residential Development Capacity in Number of Density Units, by Zone, 2014**



Source: City of San Luis Obispo, Community Development Department, 2014

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 designated as Interim Open Space and suitable for eventual residential use once development constraints are resolved;
- e. 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 145 acres of vacant residentially zoned land, with a development potential of 1,552 density units, equivalent to 1,552 attached or detached single-family dwellings, or two-bedroom condominiums or apartments. Of the total, 27 vacant acres are zoned R-3 or R-4, and can be developed at densities of at least 20 dwellings per acre. Therefore, these 27 acres are considered

suitable for the development of housing affordable to lower income households.

The City's primary residential expansion areas are the Margarita and Orcutt Specific Plan Areas. The Margarita Area is within city limits, comprises a total of 74 acres which support residential uses, and has a planned residential capacity of 868 dwellings. Three residential subdivisions totaling 374 dwellings already have planning approvals. Of those, the Serra Meadows subdivision with 179 homes is currently under construction; so far 23 homes in the first two phases have been completed and 37 homes are currently under construction. Consequently, for purposes of determining residential capacity, the Margarita Specific Plan Area is included partially under approved development and partially under Vacant Land within the City.

The Orcutt Area has recently been annexed into the City of San Luis Obispo. The Orcutt Area specific plan holds 152 total acres and a residential capacity of 1,091 dwelling units. 142 dwellings have been approved and an additional 300 units are in process awaiting planning approvals.

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 amount of underutilized, single-family or multi-family residential-zoned land equals 68 acres, with an estimated 341 potential dwelling units. Of the total, approximately 13 acres can be developed at densities of at least 20 dwellings per acre and therefore, considered suitable for the development of housing affordable to lower income households.

c) Vacant or Underutilized Land Suitable for Mixed-Use Development

There are 63 acres of vacant and underutilized land that could accommodate mixed commercial and residential uses, with a development potential of 773 density units, about 23 percent of the in-city development potential. Of the total, 31 acres can be developed at densities of at least 20 dwellings per acre and therefore, considered suitable for the development of housing affordable to lower income households.

City policies encourage mixed residential and commercial uses. Mixed uses are 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 uses are also allowed in the PF zone with rezoning to PF-MU. City policies encourage mixed uses in commercially-zoned areas, particularly in the Downtown Core, an area that historically had many apartments located above ground-floor commercial uses. General Plan policies encourage housing rehabilitation and intensification in the Downtown Core (C-D zone). At 36 density units per acre, this zone allows the highest residential density in the City. Other commercial zones allow 24 density units per acre for mixed-use development, including areas zoned for Retail Commercial (C-R) and Service Commercial-service (C-S). City policies encourage multi-family housing close to schools and jobs. In 2003 the City revised its zoning regulations to expand mixed-use housing opportunities. The revisions introduced Live-Work dwellings in the C-S and Work-Live dwellings in both the C-S and M zones, a new form of housing for San Luis Obispo. The revisions also relaxed requirements for establishing mixed

residential/commercial uses, and renamed the C-C zone to C-D, or Commercial-Downtown. The C-C zone was then applied to community shopping centers outside downtown.

d) Vacant or underutilized land designated as Interim Open Space

The General Plan Land Use Element shows desired future uses for most land within the urban reserve line. However, for some properties, the City has not determined the eventual use. Such properties are designated as Interim Open Space (C/OS), indicating that they will be suitable for urban development when certain conditions are satisfied. Examples of such conditions include the provision of access and utility service, reduction of flood hazards, or the need for and appropriate timing of urban development. Development of Interim Open Space requires approval of a development plan or specific plan showing how these conditions would be met.

Approximately 144 acres of vacant or underutilized Interim Open Space were identified, with a potential development capacity of 6 density units, assuming eventual development with Low Density Residential uses. Portions of these parcels are located within a 100-year flood zone and are not suitable for residential development until the flood hazard is mitigated. Because this land is not yet suitable for residential development and provides open space benefits, it is considered a lower priority for development and is not included in total residential development capacity.

e) Possible Rezonings

Table D-1 highlights the location of parcels which may be appropriate for rezoning to accommodate housing development within the 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. They may be included in the future if determined necessary and appropriate to achieve housing objectives. Under Program 6.15, the City intends to consider General Plan amendments for these specific properties to rezone commercial, manufacturing or public facility zoned areas for higher-density, infill or mixed use housing where land development patterns are suitable, where environmentally appropriate, and where impact to Low-Density Residential neighborhoods would be minimal. Most of these areas are suitable for higher residential density development (R-3 and R-4) or mixed uses and could accommodate an estimated 1,493 additional dwellings, shown in Table D-4.

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, land owners 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-1
Areas to be Considered for Possible Rezoning, 2014**

Address	Land Use/Status/Area	Existing/ Possible Zoning	Estimated Number of Dwellings²
A) Portion of South Broad Street Corridor and Little Italy area¹	The area is approximately 150 acres surrounded by the union pacific railroad tracks on the east, with primarily service commercial and light industrial uses.	The area is currently zoned service/commercial/light manufacturing. The plan would gradually transition the current zoning to incorporate compatible uses to service commercial including work live studios, small scale workshops, offices and retail sales.	The plan anticipates approximately 400 new dwellings
B) 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 58 dwellings units.
C) 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.	This address is in conjunction with 1499 San Luis Drive.
D) 4325 South Higuera Street (former 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 Higuera Commerce Plan and the AASP S-2.	Based on the allowed residential density in the ALUP the site could accommodate 50 new dwelling units ³ .
E) 4355 Vachell Lane (vehicle storage)	The vacant 9 acre parcel is a recent City and 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 M-SP. It is located within the Airport Area Specific Plan S-2 (areas with aircraft operations at 501 to 1000 feet above ground level) ⁴ . It is also with the Higuera Commerce Specific Plan boundary.	Based on allowed residential density within the ALUP the site would be suitable to accommodate 40 new dwelling units ³ .
F) 173 Buckley Road (Avila Ranch)	The 3 parcel site is approximately 150 acres in size located near the intersection of Los Osos Valley Road and South Higuera off of Vachell Road.	The project site is located within the Airport Area Specific Plan S-2, S-1b, and S-1c.	A planning application with 502 single family homes and 88 units of multi-family dwellings is being prepared. According to the LUE update, a maximum of 700 units could be constructed.
G) 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 53 dwelling units.

H) 3710 Broad Street (Plumbers and Steamfitters Union)	The vacant parcel is approximately 5.4 acres. Located near the Marigold Shopping Center and across from the Damon Garcia sports field.	The site is zoned C-S-S-MU. With the mixed use project on Sacramento nearby and a MU overlay, it seems reasonable to incorporate residential units by upgrading the zoning to R-2, R-3.	With an R-2 up zone, the site is suitable for 38 dwelling units.
I) 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 project across the street. The parcel on the east side is where the proposed Prefumo Creek Commons project will be located.	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 about 56 new dwelling units.
J) 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.
K) 12165 Los Osos Valley Road	This 327 acre, parcel includes the remnants of the historic Froom Ranch, and consists mostly of hillsides and Prefumo Creek drainage area.	Approximately 20 acres are located within the Urban Reserve and designated for General Retail, including possible residential uses.	Approximately 202 two-bedroom dwellings, assuming ½ of site used for housing.
Total Potential Dwelling Units			1,493

Source: Community Development Department, 2014

¹For additional information see the South Broad Street Corridor Plan for detailed information on the area.

²Calculated number of potential dwelling units for each property takes into consideration 75 percent development efficiency if units are not taken directly from proposed development plan.

³If Located within the Airport Land Use Plan, upzoning likely to require a detailed area plan.

⁴Within the Aviation Safety Areas of the ALUP the delineation of aviation states “Because aircraft in Area S-2 are at greater altitude and are less densely concentrated than in other portions of the Airport Planning Area, the overall level of aviation safety risk is considered to be lower than that in Area S-1 or the Runway Protection zones.” Airport Land Use Plan

f) Secondary Dwelling Units

Consistent with AB 1866 (Section 65852.2 of State Housing Element law), the City’s Zoning Regulations allow the creation of second-units with ministerial approvals in the R-1, R-2, R-3, R-4 and O zones when the primary use on the site is a single-family dwelling, subject to the Community Development Director’s determination that the project meets general requirements and performance standards. Under the law, cities may establish property development standards for SDUs, including, but not limited to, parking, height, setback, lot coverage, and architectural design.

San Luis Obispo’s secondary dwelling units (SDU) ordinance allows the approval of an SDU without discretionary review. SDUs must conform to applicable zoning regulations such as height, yards, building coverage, parking, and are limited to a maximum floor area of 450 square feet. SDUs are treated as an additional unit but are not taken into consideration when calculating total allowed density on a site. Rental costs for SDUs are not listed separately in local classified ads and rental listings, however SDUs are likely to rent at prices similar to or slightly higher than studio apartments in multi-family developments.

State law (Section 65583.1 of State housing element law) allows local governments to identify realistic capacity for second-units in addressing a locality's share of the regional housing need. The identification of realistic capacity should be based on the development trends of second-units in the previous housing element planning period and other relevant factors. The City has not identified SDUs as a housing component in meeting its Regional Housing Needs Allocation (RHNA). SDU construction rates in San Luis Obispo have been low (averaging about one to two units per year between 2000 and 2013) possibly due in part to developer and tenant preferences for larger apartments given past impact fee rate structures which treated SDUs similar to houses or larger apartments in terms of utility impacts. However, the City recently updated its impact fee rate structure and reduced SDU impact fees by approximately 60%. As a result, the City expects that SDU construction will substantially increase during the Housing Element Planning Period. To more fully utilize this form of infill housing, the housing element includes several programs to encourage the development of SDUs, including:

- 6.29 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.*
- 6.31 Consider scaling development impact fees for residential development based on size, number of bedrooms, and room counts.*
- 9.12 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.*

h) "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. 1,431 dwellings are proposed under the pending development applications and of these, 95 units are slated to be affordable to extremely low, very low, low or moderate income households. Table D-2 summarizes pipeline residential development projects as of June 30, 2014.

**Table D-2
“Pipeline” Residential Development Projects**

Address	Zone	Square Feet	Acres	Max Density per acre	Maximum Capacity, Density Units	Proposed Number of Dwellings	Proposed # of Affordable Units ¹
2120 Santa Barbara	C-S		3.44	24	82	49	0
1126 Marsh	C-R		0.83	36	29	7	0
639 Pismo	R-2-H	8,840	0.20	12	2.44	4	0
323 Grand	R-1	23,000	0.53	7	3.7	4	0
173 Buckley	R-1	2,509,927	57.62	7	403.34	362	18
173 Buckley	R-2	564,973	12.97	12	155.64	167	8
173 Buckley	R-3	193,842	4.45	18	80.1	111	6
2005 Dalidio	R-1	1,524,600	35	7	245	260	13
2005 Dalidio	R-4	361,548	8.3	24	199	149	7
3805 Orcutt	R-1, R-2, R-3	6,098,424	140	Varies	275	275	41
1241 Laurel Lane	C-N	95,832	2.2	12	26	26	1
Totals						1,431	95

Source: Community Development Department, July 2014

¹Affordable dwelling units are Inclusionary development projects.

3. Regional Housing Need Allocation and Quantified Objectives

The City’s Regional Housing Needs Allocation (RHNA) as determined by the San Luis Obispo Council of Governments is shown below in Table D-3. During the planning period, the City’s new housing construction objective is 1,144 dwellings. As allowed by State Law, the City’s RHNA is adjusted based on the number of dwelling units approved, under construction or built between January 1, 2014 and June 30, 2014. 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. Although not counted toward meeting the City’s RHNA allocation in this planning period because it is located just outside city limits, housing developed by Cal Poly University on and adjacent to the campus on State land has been and will continue to play a key role in meeting City housing needs.

**Table D-3
Remaining RHNA Need Based on Dwelling Units Approved, Under Construction or Built between January 1, 2014 and June 30, 2014**

Income Category	A	B	A-B
	New Construction Need (RHNA)	Dwelling Units Approved, Under Construction or Built ²	Remaining Need, Dwelling Units
Extremely-Low (<31% of AMI)	142	5	137
Very Low (31-50% of AMI)	143	33	110
Low (51-80% of AMI)	179	40	139
Moderate (81-120% of AMI)	202	63	139
Above Moderate (over 120% of AMI)	478	778	0
TOTAL UNITS	1,144	(919) 619¹	525

Source: City of San Luis Obispo Community Development Department, 2014

¹No credit allowed for the number of above moderate units built that exceed RHNA.

²Dwelling units affordable at moderate and below are a combination of Inclusionary, Tax Credit, Affordable Housing Fund and Density Bonus development projects.

a) Zoning Appropriate To Accommodate Housing for Lower and Moderate Income Households

The Medium-High and High Density residential zones, and the Downtown Commercial, Retail Commercial, Community Commercial, and Service Commercial (R-3, R-4, C-D, C-R and C-S) zone districts provide the greatest potential for the development of housing affordable to lower income households. This is due to the economies of scale inherent in developing housing on sites zoned to allow densities of 20 dwellings or more per acre, and these zones allow residential densities of 24 to 36 density units 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.

As shown in Table D-4, the City has 92 acres of development-ready, vacant or underutilized land that can be developed within the planning period at densities of at least 20 dwellings per acre, with a development capacity of 1,840 dwellings assuming 20 dwelling units are built on each acre. As shown in Table D-4, the City’s remaining housing need for lower and moderate income housing is 525 dwellings. Hence, the City has adequate land inventory to meet lower and moderate income housing needs during the planning period.

**Table D-4
Summary of Residential Capacity for Lower and Moderate Income Housing**

Income Group	Adjusted RHNA ¹	Minimum Density Standard	Site Inventory Capacity	
			Acres ²	No. of Dwellings ³
Extremely Low	137	20 du/Acre	92	1,840
Very Low	110	20 du/Acre		
Low	139	20 du/Acre		
Total	525	--	92	1,840

Source: City of San Luis Obispo Community Development Department, 2014

¹Total RHNA minus dwellings built, under construction or approved between January 1, 2014 and June 30, 2014

²Net acreage available after reductions for existing buildings, required parking and setbacks.

³Assumes minimum density of 20, two-bedroom, dwellings per acre; however 24-36 dwellings per acre may be allowed.

b) Default Density

State law has established a “default densities” to use as a basis for determining land suitability for developing housing for lower income households. In San Luis Obispo, the default density has been established at 20 or more dwellings per acre. Eleven City zones allow base residential densities (before density bonus) of 20 or more dwellings per net acre and therefore, are theoretically suitable for meeting low-income housing needs. These are the R-2, R-3, R-4, O, C-C, C-D, C-R, C-N, C-T, C-S and M zone districts.

City zoning regulations measure residential density in “density units.” Table D-5 above describes the relationship between residential *density* units and the number of *dwellings* that can be built on a site. In all land use 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 the Table, 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 is increased. For example, using the same site in the above example, a development of up to four, one-bedroom dwellings plus eighteen studio units for a total of 22 dwellings per acre would be possible.

An analysis of residential development trends shows, however, that the default density target for lower income housing development is most likely to be achieved in six zone districts: R-3, R-4, C-C, C-D, C-R and C-S zones. These zones allow base densities of 18 to 36 *density* units per acre, with a range of dwelling counts from 36 up to 72 dwellings per acre.

Vacant and underutilized land in these zones is adequate to meet the City’s quantified needs for extremely low, very low, low and moderate income housing. Given development and redevelopment trends exemplified by residential projects in the development review process, shown in Table D-3, two development trends are apparent: 1) residential development in commercially-zoned properties is increasing, particularly in mixed-use developments and 2) residential densities in new development are generally on the rise.

**Table D-5
Maximum Residential Density and 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, O, C-N, C-T	Medium-Density Residential, Office, Neighborhood Commercial, Tourist Commercial	12	24	Yes
R-3	Medium-High Density Residential	18	36	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, 2014

¹For average site slope of 15% or less.

²Based on development of studio dwellings equivalent to 0.50 density unit/dwelling.

4. Evaluation of Residential 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 K describes the methodology and results of the City’s land inventory, addressing vacant, underutilized and blighted properties, both within city limits and outside city limits but within urban growth boundaries, that have residential development potential.

a) Small Sites Analysis

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 may 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. To evaluate the feasibility of the residential development on “small sites” – that is, sites generally under 2 acres and allowing less than 50-80 dwellings, the City reviewed recent development projects on small sites, as shown on Table D-6 below.

That review revealed that residential development projects approved within the last three years show a marked increase in residential densities in several zone districts. Of the 369 dwellings approved, 229 dwellings (64 percent) were developed at 20 or more du/acre. Through Programs 6.16, 6.26 and 6.30, the City will consider setting a minimum number of dwellings on legal lots in the R-2, R-3 and R-4 zones, and to pursue changes to residential development standards and procedures to encourage denser residential development where appropriate.

In addition, the City reviewed actual built yields of small and large scale high density projects approved and constructed in the last five years. The results of this review revealed that smaller multi-family projects (1-10 units) were typically developed at 20-24 dwelling units per acre, while medium and larger sized multifamily residential projects (11+ units) were typically built-out in the 26-32 dwelling unit per acre range. Higher density development for the medium and larger projects is likely the result of the City providing fiscal and regulatory incentives for projects subject to inclusionary housing requirements and including affordable housing, including density bonuses pursuant to Government Code Section 65915.

**Table D-6
Residential Densities of Recent Development Projects on Small Sites**

Address	Zoning	Site Area (Acres)	Number of dwelling units approved	Residential density, Dwellings/Acre.	Meets/Exceeds Default Density, 20 units/Acre?
2040 Cypress	R-2	0.17	3	18	No
3212 Rockview	R-2-S	0.27	3	11	No
1063 Ella	R-2	0.44	9	20	Yes
851 Humbert	R-3	4.68	81	17	No
1324 Phillips	R-3	0.11	2	18	No
1327 Osos	R-3-H/O	0.54	11	20	Yes
1310 Foothill	R-4	0.68	16	24	Yes
1468 Foothill	R-4	0.22	8	36	Yes
1404 Chorro	R-4	0.20	4	20	Yes
1224 Murray	R-4	0.16	4	25	Yes
730 Foothill	R-4	0.25	6	24	Yes
225 N Chorro	R-4	0.50	12	24	Yes
1324 Foothill	R-4	0.22	8	36	Yes
590 Marsh	C-D	0.30	13	43	Yes
1120 Morro	C-D-H	0.28	12	43	Yes
849 Higuera	C-D	0.51	48	94	Yes
579 Marsh	C-D	0.65	33	51	Yes
3229 Broad	C-S-S	0.27	8	30	Yes
1308 Monterey	C-R	0.21	5	24	Yes
774 Caudill	C-S-S	0.14	4	29	Yes
3071 S Higuera	C-S-MU	0.92	28	30	Yes
2240 Emily	C-S-S-H-MU	2.63	42	16	No
3590 Sacramento	M	1.45	12	8	No

Source: City of San Luis Obispo, Community Development Department, 2014

However, even smaller sites can easily support densities of 20 dwellings or more per acre. For example, using a typical site plan design for a multi-story, medium sized multifamily project on a 6,000 square foot lot, the imposition of the 15 foot front yard requirement, 35-foot building height requirement, two parking space per unit, and a maximum allowed lot building/lot coverage of 60 percent, three, one-bedroom dwellings plus one two-bedroom apartments are possible. This is a density equivalent to 29 dwelling units per acre. A review of real estate prices for smaller, multi-family zoned lots, particularly in older neighborhoods of the City, indicates that they are often priced competitively with large lots on the City's fringe, on a per acre basis, when costs of installing streets and utilities are considered.

Residential development on sites of one acre or less 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 in-fill development on suitable vacant or

underutilized sites already in the City, close to utilities, public transportation and services. When properly designed, one acre sites in the R-2, R-3, R-4, C-D and C-S zones can meet State HCD's "default density" of at least 20 dwellings per acre, and importantly, be compatible with scale and character of their surroundings.

Of the total number of potential units identified in the Residential Capacity Survey, 730 dwelling units, or 20 percent of the total capacity, are located on properties under one acre in size. The survey identifies a total of 236 properties under one acre, with an average development potential of 3.08 units per site, and a median development capacity of one unit. Of these 236 properties, 119 are vacant, accounting for 228 of the 730 potential "small site" dwelling units. The remaining 502 units would be located on 118 underutilized and/or blighted properties.

Capacity estimates were reduced by up to 75 percent for the most physically constrained properties, to 25 percent for the least constrained properties. These adjustment factors were developed based on observed residential development efficiency showing that residential densities actually achieved are typically about 75 percent of the maximum density allowed by zoning due to topography, site conditions (e.g. mature trees, creeks, historic buildings), and property development standards such as parking, building setback and landscape requirements, and height limits reduce the development capacity of a given site.

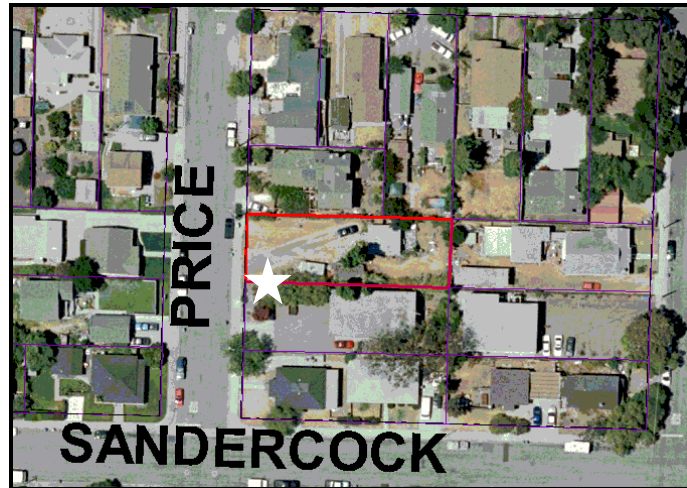
To help improve residential development efficiency and increase housing production, the City has revised its development standards to provide more regulatory flexibility and additional incentives, as described in Table C-3. In addition, allowed building heights in the Downtown C-D zone were increased from 50 feet to 75 feet provided that the project includes housing at a density of at least 36 units per acre, and meets other performance standards including enhanced housing affordability, energy efficiency, pedestrian amenities, public access, and historic preservation. Flexible parking standards, including in-lieu parking program and reductions in required parking of up to 30 percent for mixed- and shared uses, provide incentives for denser development Downtown and in residential and commercial zones outside the City core. To promote smaller, higher density residential developments, the City modified its Inclusionary Housing Program to encourage "affordability by design." The changes allowed housing developers to reduce the number of affordable dwellings or in-lieu fees required based on a formula (Table "2A") that takes into account average residential density and unit floor areas. Developments that build housing at densities of 24 density units per acre or higher and with unit floor areas of 1500 square feet or less need only provide one enforceably-restricted affordable dwelling, regardless of the number of total units.

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 6.13, 6.27, 6.28, 6.29, 6.30, and 6.31 target additional changes to increase housing production and residential development efficiency, included possible density increases, establishing minimum residential densities and more flexible development standards for secondary dwelling units ("granny flats").

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 high 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.



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.



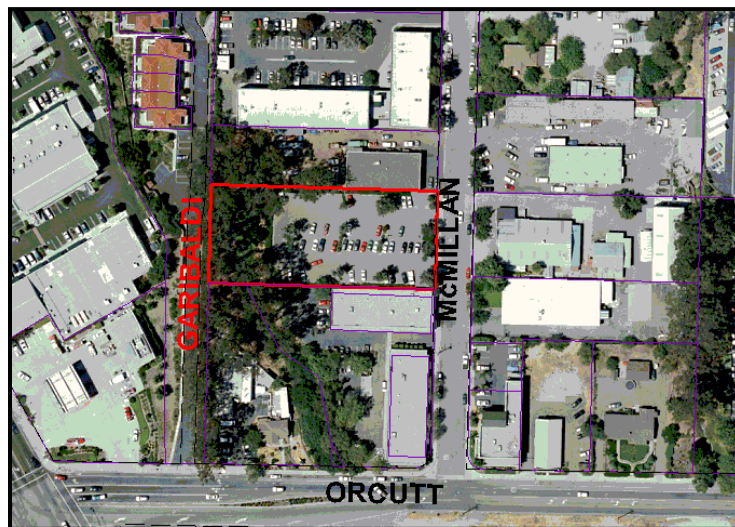
Properties such as these that are identified in the capacity survey can accommodate one or more additional dwelling units and are likely to do so during the first five years of the RHNA period. Continuing high property values and high rents, due in part to the high housing demand from Cuesta College and Cal Poly students, makes continued infill development likely. There are

many examples of similarly underdeveloped properties that were redeveloped with additional units during the past RHNA period, up until the recession and the housing market slowdown that began in late 2007. When market conditions improve, 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. With respect to financial feasibility and developing affordable housing, the City expects that these properties will be developed with affordable housing following the Quantified Objectives identified in this Housing Element because of incentives and regulatory relief provided for new affordable housing units.

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, pictured below, 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 proposed South Broad Street Corridor Plan which encourages higher-density, mixed-use infill development and redevelopment.



2) 3590 Sacramento Drive is a similarly sized property, zoned M, which was developed with a mixed-use project including 12 small two-bedroom condominium units affordable to moderate income households. The capacity survey estimates that 16 additional units could be developed on the project site as part of a mixed-use development (current zoning would allow for 22 additional units to be developed). A creek crosses the site, providing an opportunity for an outdoor amenity for future residents.



3) Another example of an underdeveloped or blighted property that can accommodate new or additional high density development of 24 to 36 units per acre is **1166 Higuera St.** The zoning of the property is Commercial-Retail, C-R, with over 18,000 square feet. The property immediately west of this site is smaller than one-half acre and in 2009 is being redeveloped with a mixed-use project that will include 8,000 s.f. of commercial floor area and five residential units, equivalent to 15 dwelling units per acre. 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 architectural review of the proposed site and building designs.



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 land use zones, and Zoning Regulations include density bonuses and relaxed parking requirements for affordable housing development. Dwellings destroyed by fire, flood or other catastrophic event may be rebuilt at the same density and up to the same size provided that new construction otherwise meets current building and zoning code requirements. Dwellings can be built on any

existing, legal non-conforming lot, irrespective of density requirements, provided they otherwise meet building setback, height, and other property development standards. In the Downtown core (C-D zone), the City allows up to 36 density units per acre (equivalent to 36 two-bedroom dwellings, 55 one-bedroom dwellings, and 72 studio units 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 building may reach 75 feet 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 meeting other community objectives including pedestrian amenities, view access, economic benefits, historic preservation, energy efficiency.

As listed in Appendix C, Table C-3; the City offers a range of incentives to developers of affordable housing, including development review fee waivers, impact fee deferrals, City affordable housing funds, Community Development Block Grant and HOME funds, permit streamlining, flexible property development standards and other incentives. For example, when a developer agrees to construct housing for households of very-low, lower 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. As provided in Program 6.26, the density bonus provisions will be updated to meet State law. In addition, the City waives planning, engineering and building application and permit fees for certain affordable projects, and can defer payment of impact 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. 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 throughout the City. For example, in 2009 the City Council used \$1.5 million in in-lieu fees to help fund redevelopment of the historic Wineman Hotel for 48 single-room occupancy apartments, of which 30 are permanently affordable to very low and low income households.

The 2014-2019 Housing Element proposes additional housing incentives to encourage housing development, including:

- **Program 3.13** 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 6.24** calls for the City proactively provide information for properties suitable for housing.

- **Program 6.27** initiates an evaluation of residential densities allowed in various zones, with the possibility of increasing allowed residential densities in both residential and commercial zoning districts.
- **Program 6.28** initiates an evaluation of multi-family zone densities and the consideration of establishing a minimum allowed number of dwellings on a legal lot, regardless of allowed density, provided other property development standards can be met.
- **Program 6.29** pursues incentives to encourage the development of Secondary Dwelling Units (SDUs), including SDU design templates, flexible development standards, fee reductions or deferrals, or other measures.
- **Program 6.30** would consider possible Subdivision and Zoning Regulations to facilitate small lot residential subdivisions, ownership bungalow court developments and other alternatives to conventional residential subdivision design.
- **Program 6.31** would consider scaling development impact fees for residential development based on size, number of bedrooms and room counts.

6. Conclusion

Based on the analysis of City land resources with residential development potential, there is sufficient zoned land that is suitable and available to meet the City's RHNA need of 1,144 dwellings for this element's planning period. As shown in Appendix K, the City's land inventory can accommodate construction of 3,477 dwelling units. As allowed by State law, the City's RHNA has been adjusted based on dwelling units built, under construction or approved between January 1 2014 and June 30, 2019.

The City's remaining housing need is 139 units in the moderate income category, plus 386 units in the extremely-low, very low, and low income categories. The City has 92 acres of land available and suitable for residential development at densities of 20 or more dwellings per acre, with a development capacity of 1,840 dwellings, all of which can accommodate affordable housing. During the planning period, the City's housing objectives will focus mainly on providing housing for lower income households. These affordable dwellings, as well as all new dwellings in the downtown core (C-D zone) are exempt from the 1% maximum annual average growth rate. New dwellings in the Margarita and Orcutt Specific Plan areas must conform to the City approved phasing plans for those areas.

Appendix E

Review of Previous Housing Element

Table E-1
Housing Element Program Evaluation, 2010-2014

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	Provide financial assistance to extremely low, very low, low and moderate income homeowners and renters for rehabilitation projects.	<p>On-going. In 2010, \$37,021 of CDBG funds was used to rehabilitate the Women’s Shelter housing facility. In 2011, the City granted the Judson Terrace Homes low-income senior living facility \$42,700 in Affordable Housing Funds to perform termite treatment on the 107-unit apartment complex.</p> <p>Program has been effective in addressing accessibility and life safety improvements for very-low and low-income apartments using CDBG and City Affordable Housing funds. Most dwellings in this affordability category are 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. Since 2006, the City has greatly expanded its code enforcement and neighborhood preservation programs. The augmentation of staffing for these programs from 1 to 4 positions and a change from a reactive (complaint based) only program to one that includes proactive enforcement efforts has resulted in an increase in the number of violation cases addressed annually from 189 in 2006 to 1,122 in 2013. 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	Enact a Rental Inspection Program to improve the condition of the City's housing stock.	On-going. In 2005, City began annual fire and life safety inspections for multi-family projects with 3 or more units. Program focuses on fire and life safety, not on Uniform Building Code standards. Its scope should be expanded to address the Uniform Building Code. As part of the 2013-15 Budget Process the Council has adopted a Major City Goal to Enhance Neighborhood Wellness. One aspect of this goal is to pursue a residential rental inspection program. Staff is currently working on the development of a program for presentation to the Council in 2014.	Continue
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. Since 2010, \$374K in CDBG funds were used to support the homeless shelter managed by CAPSLO. Since 2011, an additional \$125K in CDBG funds were allocated for the design of a new homeless services center. Between 2012-2013, the City also contributed \$247K of general funds to support the Maxine Lewis Memorial Shelter, Prado Day Center, Safe Parking Program, Grants-In-Aid program, and the Prado Warming Station. In 2012, the City also approved the formation of the Community Action Team (CAT), which is a police unit designated to addressing illegal behaviors such as public intoxication and aggressive panhandling.	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.	On-going. Staff has participated in community outreach efforts to educate the public about unreinforced masonry buildings. For example, building staff had a booth at the City's Farmer's Market that educated the public about seismic hazards, and staff also provided free plan sets for home seismic upgrades to interested members of the public. Staff will continue to develop an educational	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			campaign to promote the voluntary retrofit of older homes with unbraced cripple wall construction.	
Goal 2 - Affordability: Accommodate affordable housing production that helps meet the City's quantified objectives.				
2.5	Affordability	Amend the Inclusionary Housing Requirement, Tables 2 and 2A (Appendix N), to provide more ways for commercial development projects to meet the requirements.	Not Done. Commercial development projects have a variety of ways of meeting their inclusionary housing requirements including: 1) construct the required number of affordable dwelling units; 2) Pay an in-lieu fee; 3) Dedicate real property for affordable housing; 4) use a combination of the above methods. Commercial developments have the option of providing land or dedicating off-site units to satisfy their inclusionary housing requirement.	Delete
2.6	Affordability	Prepare criteria 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 would not be feasible without Affordable Housing Fund support.	On-going. The Council adopted award criteria for the Affordable Housing Fund that a project must meet to qualify for a grant. This program has had great success in furthering affordable housing construction and rehabilitation in the City.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
2.7	Affordability	Review existing and proposed building, planning, engineering and fire policies and standards 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 Affordable Housing Incentives to permit a greater percentage of density bonus allowed for providing affordable housing, as well as additional options for alternative incentives and concessions. In order to incentivize SDU development, Council has adopted flexible parking standards and reduced development impact fees.	Modify and Continue
2.8	Affordability	Establish permit streamlining procedures to 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.	Modify and Continue
2.9	Affordability	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.	On-going. The City has partnered with the San Luis Obispo County Housing Trust Fund to assist affordable housing projects to finance facility and service impact fees.	Modify and Continue
2.10	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.	On-going. The City has not yet identified outside funding for this income category and purpose. Staff will continue to research funding opportunities to assist moderate income housing.	Continue
2.11	Affordability	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.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
2.12	Affordability	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. The City assisted with two TEFRA hearings for Del Rio Terrace and Carmel Street apartment projects. These projects include 59 affordable housing rental apartments for seniors. Assisted the ROEM 313 south street project apply for and receive 9% state tax credits. Assisted 1550 Madonna Road receive 4% state tax credits to purchase and rehabilitate a 120 unit affordable housing project. Provided loan underwriting for reconveyances of existing affordable units and purchase of newly developed units.	Modify and Continue
2.13	Affordability	Amend Affordable Housing Standards to establish a methodology for adjusting affordable housing standards and secure Council approval. Consider incorporating HOA fees and a standard allowance for utilities in the calculation for affordable rents and home sales prices.	Not Done. Staff has researched other local jurisdiction in their approach to incorporation HOA fees and a standard allowance for utilities. However, staff has not yet finalized a methodology for incorporating an allowance into our affordable housing standards.	Modify and Continue
2.14	Affordability	In conjunction with the Housing Authority and other local housing agencies, 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 Programs Manager 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); HASLO operates a Learning Center that is devoted to meeting the needs of Housing Authority residents.	Modify and Continue
2.15	Affordability	In conjunction with local housing providers and the local residential design community, provide technical assistance to 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 Manager also provides on-going technical assistance to the public, property managers, developers and realtors regarding design strategies to achieve affordable housing.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
2.16	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.	Not Done. Staff has not yet completed this analysis as there has been limited application.	Continue
2.17	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 120 percent and 160 percent of the San Luis Obispo County median income.	On-going. Due to the recent recession the moderate income level of affordability was at or near market rate. Recently, workforce housing has been a topic of discussion in the community. Staff will be working towards establishing a workforce level of affordability along with incentives to encourage the development of housing affordable to those living and working in the City during the next planning period.	Modify and Continue
2.18	Affordability	Evaluate and consider increasing residential densities on appropriate sites for housing affordable to extremely low income households.	On-going. This has been implemented on a variety of projects including the Habitat of Humanity project on Rockview Place which exceeded base density requirements with Council approval of the affordable housing plan.	Modify and Continue
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.	On-going. The Mobile Home Park Conversion Ordinance (Chapter 5.45 of the Municipal Code) was adopted in 2009. If a mobile home park conversion is proposed, the ordinance requires that an "impact report" be prepared and that a public hearing is held. If impacts related to the loss of affordable housing cannot be mitigated, the Commission may deny the conversion and preserve the mobile home park.	Continue
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.	On-going. Since 2007, the City has expanded its code enforcement program to include additional staffing and a transition to proactive enforcement to address unsafe and substandard buildings and neighborhood	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>preservation. Over 877 cases identified for unsafe or substandard housing conditions were corrected.</p> <p>As far as energy efficiency, the City has partnered with GRID Alternatives, a non-profit that opened a local Central Coast office in 2010. This organization leads teams of volunteers and job trainees to install solar electric systems exclusively for low-income homeowners. The City is also currently exploring opportunities to join green project financing programs such as emPower Santa Barbara County and HERO.</p>	
3.10	Housing Conservation	<p>Preserve the number of dwellings in the Downtown Core (C-D Zone) and the Downtown Planning Area by continuing the "no net housing loss" program. so that as of the baseline date of March 30, 2004, the number of dwellings removed shall not exceed the number of dwellings added.</p>	<p>On-going. The Downtown Housing Conservation Program SLOMC Ch. 17.86 was amended in 2004 to create a "no net housing loss" program in the Downtown Core and Planning Area. City staff implements this program on a case-by-case basis when new projects are proposed in these areas to ensure that there is a no net housing loss.</p>	Modify and Continue
3.11	Housing Conservation	<p>Identify residential properties and districts eligible for local, State or Federal historic listing and prepare guidelines and standards to help property owners repair, rehabilitate and improve properties in a historically and architecturally sensitive manner</p>	<p>On-going. City updates its list of historic resources on an annual basis. A citywide historic survey was completed in 2013 and over 50 homes were added to the list. The City also adopted a Historical Context Statement in 2013. Historic preservation guidelines and listing criteria are in place. The City manages the Mills Act program to encourage rehabilitation of historic buildings, which has been highly successful, with over 50 property owners using the program's property tax savings to upgrade their homes and improve neighborhoods. The City's Historic Preservation Ordinance and Guidelines assist property owners improve properties in a historically sensitive manner.</p>	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
3.12	Housing Conservation	To encourage housing rehabilitation, amend the Inclusionary Housing Requirements to allow a reduced term of affordability for rehabilitated units, to the extent allowed by State or Federal law, with a minimum term of three years and in proportion to the level of City assistance.	Not Done. Staff has considered this program and determined that a reduced term of affordability will not have a significant effect on incentivizing housing rehabilitation and should be removed.	Delete
3.13	Housing Conservation	Establish a monitoring and early warning system to track affordable housing units at-risk of being converted to market rate housing.	On-going. The City created 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.	Modify and Continue
3.14	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 granted the Judson Terrace Homes low-income senior living facility \$42,700 in Affordable Housing Funds to rehabilitate their 107-unit apartment complex. In 2010, \$37,021 of CDBG funds were used to rehabilitate the Women's Shelter Housing facility.	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 Housing Programs Manager (HPM) for compliance with mixed-income policies.	Continue
Goal 5 - Housing Variety and Tenure. Provide variety in the location, type, size, tenure, and style of dwellings.				

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
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.	On-going. Development projects that trigger the City’s inclusionary housing ordinance are reviewed by the HPM for compliance with housing variety and tenure policies.	Continue
Goal 6 - Housing Production. Plan for new housing to meet the full range of community housing needs.				
6.8	Housing Production	Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.88) 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.	Modify and Continue
6.9	Housing Production	Amend the Zoning Regulations and Parking Access and Management Plan 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.	On-going. During the 2012 Zoning Regulation Update a provision was added to the code to allow use of City parking structures to residents living in the Downtown. The Parking Access and Management Plan was also amended to allow for overnight residential parking within City parking facilities. The City allows for 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.	Modify and Continue
6.10	Housing Production	Provide incentives to encourage additional housing in the Downtown Core (C-D Zone), particularly in mixed-use developments. Incentives may include flexible density, use, height, or parking provisions, fee reductions, and streamlined development review and permit processing.	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. The City also established mechanical parking lift standards in the 2013 Zoning Regulations Update to allow flexible parking alternatives for residential uses in the Downtown. The 2012 Zoning	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>Regulation Update included a provision that allows use of City parking structures to residents living in the Downtown. The Parking Access and Management Plan was also amended to allow for overnight residential parking within City parking facilities.</p>	
6.11	Housing Production	<p>Specific plans for the Orcutt Expansion Area and 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.</p>	<p>On-going. 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.</p> <p>The City is collaborating with HASLO regarding their option to develop affordable housing in the Margarita Area Specific Plan (MASP). The Margarita Area Specific Plan provides 9.1 acres designated for R-3 zoning that will support 164 units, and 0.8 acre designated for R-4 zoning that will support 19 units.</p> <p>The Orcutt Specific Plan Area includes 22.3 acres designated for R-3 development and 5.5 acres designated for R-4 development. The first development for the Orcutt Specific Plan area provided affordable housing which far exceeded the Inclusionary Housing Requirements.</p>	<p>Modify and Continue</p>
6.12	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>	<p>On-going. Some re-zonings have occurred to promote higher density infill housing. The 313 South Street site was rezoned to R-4 to allow for a 43 unit affordable housing project. Portions of the South Broad Street Corridor Plan will be included in the Land Use and Circulation update.</p>	<p>Modify and Continue</p>

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
		<p>(shown in Figure 1 and further described in Appendix D, Table D-2):</p> <ul style="list-style-type: none"> A. Portions of South Broad Street Corridor and Little Italy area B. 145 Grand Avenue (Pacheco School) C. 1499 San Luis Drive (rezone vacant and underutilized School District property) D. 1642 Johnson Avenue (vacant School District property) E. 4325 South Higuera Street (former P.G.&E. yard) F. 4355 Vachell Lane (vehicle storage) G. 313 South Street (McCarthy Tank and Steel) H. 173 Buckley Road (Avila Ranch) I. 2143 Johnson Avenue (adjacent to County Health Department) J. 3710 Broad Street (Plumbers and Steamfitters Union) K. 11950 Los Osos Valley Road (Pacific Beach High School) L. 2500 Block of Boulevard Del Campo (adjacent to Sinsheimer Park) M. 12165 Los Osos Valley Road 		
6.13	Housing Production	Continue to 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	On-going. The 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 million in loans to support projects located in the City.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.14	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. Infill development accounts for the majority of housing applications received in the last five years. Four major infill projects were approved since 2010: 1) The 47 unit Wineman Hotel Rehabilitation project; 2) The 80 unit Moylan Terrace project; 3) The 23 unit Monterey Place project; and 4) The 42 unit affordable housing Village at Broad Project (located at 2240 and 2280 Emily St.).</p> <p>The City also contributed an Affordable Housing Fund award and CDBG grant award to an affordable 43-unit project located 313 South Street. This project has received all land use entitlements, 9% state tax credits and has submitted for a building permit.</p> <p>The Orcutt Specific Plan Area was recently annexed into the City. The plan holds 152 acres and a residential capacity of 1,091 dwelling units. Thus far, 142 dwellings have been approved and an additional 300 units are in the planning process for land use entitlements. The Margarita Specific Plan Area is comprised of 74 acres with a planned residential capacity of 868 dwellings. Of those, 179 homes are currently under construction.</p>	Continue
6.15	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 the Housing Authority to develop the 80-unit Moylan Terrace project. This project is under construction, and provides housing to very low, low, and moderate income households. The City is also working with the County and Transitions Mental Health Association to rehabilitate the Sunny Acres building into a residential care facility.</p> <p>Staff also worked with the school district to evaluate the potential residential development of</p>	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			approximately one acre of surplus San Luis Coastal Unified School District property where the High School is located.	
6.16	Housing Production	Develop multifamily housing design standards to promote innovative, attractive, and well-integrated, higher density housing. Developments that meet these standards shall be eligible for a streamlined level of planning and development review. Developments that include a significant commitment to affordable housing may also be eligible to receive density bonuses, parking reductions and other development incentives, including City financial assistance.	Done. Multi-family housing design standards are included in Ch. 5.4 of the Community Design Guidelines, which include design guidelines for “Multi-Family and Clustered Housing Design.” The Inclusionary Housing Standards promote affordability by design through Table 2A and offer development incentives for qualifying projects. Density bonuses have been supported where appropriate. Furthermore, projects that are four or less units and those that have included affordable housing have received streamlined processing.	Modify and Continue
6.17	Housing Production	Complete Orcutt Area Specific Plan and consider final City approval to annex the Orcutt specific planning area by December 2010.	Done. City Council approved the Final Draft of the Orcutt Area Specific Plan on March 2, 2010. The City Council has also certified the Final Environmental Impact Report (FEIR) for the project and approved the area for annexation into the City. The area is now included within City limits.	Delete
6.18	Housing Production	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.	On-going. The City has facilitated the development of affordable housing using state, federal and local funding sources. The projects include: <ul style="list-style-type: none"> • ROEM Development Corporation received CDBG, HOME, and City Affordable Housing Funds for a 43-unit housing project located at 313 South Street. • Habitat for Humanity received CDBG and Affordable Housing Funds to construct three single-family residences deed-restricted for very-low income families. • 542 Hathway. Tri-Counties Housing Corporation used \$95,000 of City CDBG funds 	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>to acquire and rehabilitate a three-unit affordable housing apartment for persons with disabilities.</p> <ul style="list-style-type: none"> • Transitions Mental Health Association (TMHA) received a CDBG loan to acquire two units located on Broad Street for their clients. • TMHA also received development impact fee waivers for an 8-unit affordable housing project located on Nipomo Street. • Moylan Terrace (851 Humbert Avenue) received a \$709,900 loan from the City's Affordable Housing Fund to purchase the property. This is an 80 unit for-purchase project with 27 units deed-restricted for affordability. • 1550 Madonna Road received City assistance in qualifying for 4% state tax credits to acquire and rehabilitate a 120 unit affordable housing apartment project. <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>	
6.19	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>Done as opportunities emerge as an on-going program.</p> <p>The City successfully negotiated with the County to secure \$300,000 in CAL HOME first-time home buyer program money for low income households.</p> <p>The City has also collaborated with the HTF to finance the following projects:</p> <ul style="list-style-type: none"> • Tri-Counties Community Housing Corporation project that acquired three extremely- 	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>low income housing units on Hathway Street for those with mental disabilities.</p> <ul style="list-style-type: none"> • South Street Family Apartments, which provides 43 affordable rental units. • Village at Broad Street project, which provides 42 affordable housing units. <p>The program has been effective; since 2005 the HTF has provided more than \$2 million in financing for affordable housing projects in the City.</p>	
6.20	Housing Production	Update the Community Design Guidelines and amend SLOMC Chapter 2.48 to exempt the construction, relocation, 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.	Done. The Community Design Guidelines and SLOMC Chapter 2.48 include 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.	Modify and continue
6.21	Housing Production	Assist in the production of long-term affordable housing by identifying vacant or underutilized City-owned property suitable for housing, and dedicate public property, where feasible and appropriate, for such purposes.	On-going. The City abandoned public right-of-way to assist in the development of the Moylan Terrace project which contains 34% of its units as affordable housing.	Modify and Continue
6.22	Housing Production	Community Development staff will prepare “property profiles” describing properties suitable for housing to facilitate public or private development and make this information publicly available.	On-going. Staff actively provides information regarding vacant, blighted or underutilized properties that may be suitable for housing and forwards this information to housing developers, non-profit organizations and the Housing Authority.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.23	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. This area is being considered as a “special planning zone” in the 2014 update of the Land Use and Circulation Element. Lands behind the hospital building that are inside the City’s Urban Reserve line will be designated as Public (for existing public facility) and a range of residential uses (Low/Medium density with ability to support transitional care uses).	Continue
6.24	Housing Production	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 recently updated in 2013 to be consistent with state law. As changes occur, the City will continue to ensure affordable housing incentives and Zoning Regulations are updated accordingly.	Modify and Continue
6.25	Housing Production	Evaluate and consider increasing the residential density allowed in the Neighborhood Commercial (CN), Office (O) and Downtown Commercial (CD) zoning districts.	Not Done. A detailed analysis of increasing the residential density allowed in various zoning districts has not been completed.	Continue
6.26	Housing Production	Evaluate how underlying lot patterns 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.	Not Done. Staff evaluated this program and received direction from City Advisory Bodies to leave densities in multi-family zones in place. Staff will continue to evaluate this program and provide alternatives that support increased densities on smaller lots in multi-family zoning districts, where appropriate.	Modify and Continue
6.27	Housing Production	To help meet the Quantified Objectives, the City will support residential infill development and promote higher residential density where appropriate.	On-going. The City has supported infill and higher densities, where appropriate. The City supported the following infill projects: 1) The 47 unit Wineman Hotel Rehabilitation project; 2) The 80-unit Moylan Terrace project; 3) The 23 unit Monterey Place project; 4) The 42 unit Village at Broad affordable housing project; and 5) The 43 unit South Street Family Apartments affordable housing project.	Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
6.28	Housing Production	Consider changes to the Secondary Dwelling Unit (SDU) Ordinance, including possible incentives such as SDU design templates, flexible development standards, fee reductions or deferrals, or other measures to encourage the construction of SDUs where allowed by zoning.	On-going. The City provided additional flexibility to parking requirements for SDUs by allowing vehicle parking in tandem on driveways. In addition, development impact fees were reduced by approximately 60%. As a result, the City expects that SDU construction will substantially increase.	Modify and Continue
6.29	Housing Production	Evaluate and consider adopting Subdivision and Zoning Regulations changes to support small lot subdivisions, ownership bungalow court development, eliminating the one acre minimum lot area for PD overlay zoning, and other alternatives to conventional subdivision design.	On-going. Existing subdivision regulations allow any size or shape lot to be created. The regulations allow “airspace subdivision,” which is a three-dimensional subdivision where minimum lot sizes, dimensions, and area requirements do not apply. Smaller lot sizes are also allowed in Planned Development overlay zones. The regulations allow conventional 5,000 sq. ft. lot sizes in R-2, R-3, and R-4 zones (as opposed to the 6,000 sq. ft. minimum in R-1 zones).	Continue
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.				
7.8	Neighborhood Quality	Implement varied strategies 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 holds quarterly public Neighborhood Services Team meetings which are noticed through the Tribune and local television channel 20 as well as email notices to anyone who has expressed interest in enforcement issues in the community. City staff also participate in monthly meetings of the Student Liaison Committee which includes Cal Poly and Cuesta College ASB members as well as neighborhood association members. Staff also spent sufficient time and resources to advertise public workshops concerning the 2013 Land Use and Circulation Elements update and the 2013 Housing	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>Element update. The City exceeds State requirements by posting information in City buses, contacting individuals directly who are part of our “interested party” mailing lists, posting information at local businesses, and using local media such as TV and radio.</p>	
7.9	Neighborhood Quality	<p>Identify specific neighborhood needs, problems, trends and opportunities for improvements. Work directly with neighborhood groups and individuals to address concerns.</p>	<p>On-going. As part of the City’s overall code enforcement effort, the City Council has adopted Neighborhood Wellness as a Major City Goal in the 2013-15 Financial Plan. 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 two full-time Neighborhood Services Specialists within the Building & Safety Division of the Community Development Department that patrol 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.</p>	<p>Modify and Continue</p>
7.10	Neighborhood Quality	<p>Help fund neighborhood improvements, including sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.</p>	<p>On-going. Since 2009, the City has invested over \$1.5 million annually in neighborhood improvements, including curb ramps, sidewalk repairs and replacement, street trees, graffiti removal, crosswalks and public</p>	<p>Modify and Continue</p>

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			transit facilities. The bulk of funding has been directed to street improvements while also funding special projects such as bikeways, pedestrian lighting and downtown beautification.	
7.11	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.	On-going. The City has established eight Neighborhood Parking Districts. The City has been working on the creation of demand-based parking strategies. The City amended the “Access & Parking Management Plan” in 2011; the plan addresses many neighborhood parking issues and includes strategies to mitigate the lack of on and off-street parking.	Continue
Goal 8 - Special Housing Needs. Encourage the creation and maintenance of housing for those with special housing needs.				
8.11	Special Housing Needs	As funding allows, support local and regional solutions to meeting the needs of the homeless and continue to support, jointly with other agencies, shelters for the homeless and for displaced women and children.	<p>On-going. Since 2010, \$374K in CDBG funds was used to support the homeless shelter managed by CAPSLO. Since 2011, an additional \$125K in CDBG funds was allocated for the design of a new homeless services center. Between 2012-2013, the City also contributed \$247K of general funds to support the Maxine Lewis Memorial Shelter, Prado Day Center, Safe Parking Program, Grants-In-Aid program, and the Prado Warming Station.</p> <p>The City has been working with the County, CAPSLO, business groups, and other agencies to appropriately site a new homeless services center that meets the needs of the homeless and the community. The center would combine services provided at the shelter and day center.</p> <p>In 2013 the City developed a new Homeless Solutions webpage. This page is dedicated to keeping the public updated with all the latest homeless program initiatives.</p>	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			<p>It includes a donations link to the United Way website and information on local homeless programs, services and documents.</p> <p>Council adopted amendments to Title 17 (Zoning Regulations) of the Municipal Code to permit and provide standards for the operation of safe parking facilities for the homeless population on private properties within the City.</p> <p>The City launched a new program called “Make Change Count”. The objective of the initiative is to reduce panhandling throughout the City while providing an opportunity for the public to donate and help the homeless in a positive way.</p> <p>Council adopted a citywide Good Neighbor Policy (GNP) for homeless services. The GNP communicates community expectations and City commitments as it relates to the City’s support of homeless services.</p>	
8.12	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 has been successful from a renter's perspective. In general, mobile homes are the City's most affordable form of housing.	Continue
8.13	Special Housing Needs	Identify sites in specified expansion 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.	<p>On-going. These housing types are allowed in all residential zones. The Orcutt Area Specific Plan (OASP) contains language for the R-4 zone that supports expansion of the existing, adjacent mobile home park. The first approved project in the OASP designates nearly 50% of its allowable density towards the City’s affordable/special needs housing inventory.</p> <p>The Margarita Area specific plan has a two acre site that is designated for affordable housing, and the Housing Authority is considering development of a senior housing project at this site.</p>	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
8.14	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. Cal Poly is proposing a new 1,475 bed student housing development. Cal Poly's housing programs have expanded significantly; however additional on-campus housing is still needed and possible with redevelopment of older dormitory sites.	Continue
8.15	Special Housing Needs	Work with Cal Poly University Administration to secure designation of on-campus fraternity/sorority living groups.	On-going. Past attempts to include "Greek" housing in the Campus Master Plan have not been successful. No recent (last four years) talks have been undertaken.	Continue
8.16	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.	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. As part of the Neighborhood Wellness Program, new groups have started to meet monthly beginning in Fall of 2013. These meetings are facilitated by the Police Department and the City's Neighborhood Planner, and work to bring residents and students together to improve neighborhoods and address conflicts.	Modify and Continue
8.17	Special Housing Needs	Provide public educational information at the Community Development Department public counter on universal design concepts in new construction.	On-going. The City has a Universal Design Brochure available at the Community Development Department public counter. City staff provides public education on a daily basis regarding universal design concepts.	Modify and Continue
8.18	Special Housing Needs	Solicit input on the zoning ordinance provisions for homeless shelters from service agencies that work with extremely-low income persons and the homeless or persons/families at-risk of homelessness	Done. The City solicited input from these groups prior to amending the Zoning Regulations to allow homeless shelters by right in the Public Facility (PF) zone. Program no longer needed.	Delete
8.19	Special Housing	Within one year of Housing Element adoption, update the Zoning	Done. The City updated the Zoning Regulations to allow homeless	Delete

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
	Needs	Ordinance to allow homeless shelters by right provided they are consistent with the ministerial review standards identified in State law.	shelters by right in the Public Facility (PF) zone. Homeless shelters are also allowed with a use permit in the R-3 (Medium-High Density Residential), R-4 (High Density Residential), O (Office), C-N (Neighborhood Commercial), C-C (Community Commercial), C-D (Downtown Commercial), C-R (Retail Commercial), C-S (Service Commercial), C-T (Tourist Commercial), and M (Manufacturing) zones. Program no longer needed.	
8.20	Special Housing Needs	Transitional Housing and Supportive Housing: Continue to allow the establishment of transitional and supportive housing that functions as residential uses in residential zones consistent with similar residential uses.	On-going. Transitional and Supportive Housing facilities are considered residential uses for the purposes of zoning and are allowed in all zones that allow residential uses.	Continue
8.21	Special Housing Needs	Identify properties (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.	On-going. The City continues to work with its regional partners to identify properties that would provide for affordable and supportive housing opportunities for the homeless.	Modify and Continue
8.22	Special Housing Needs	Update the Community Design Guidelines code to include universal access standards.	Not Done. The Community Design Guidelines is not the appropriate document to include universal access standards, and therefore, have not been updated. These standards belong in the Building Code and are included there for reference.	Delete
8.23	Special Housing Needs	Consult with service agencies that work with the disabled and prepare and adopt a program addressing reasonable accommodation to land use and zoning decisions and procedures regulating the siting, funding, development and use of housing for persons with disabilities.	Done. The City has adopted a reasonable accommodation ordinance 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.	Delete

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
8.24	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 Council has adopted a Mobile Home Park Ordinance that applies citywide to all mobile home parks. The Ordinance protects the owners and renters of mobile homes from unreasonable rent increases.	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	Educate planning and building staff and citizen review bodies on energy conservation issues.	<p>On-going. The City has educated staff and the public through the development and adoption of 2012 Climate Action Plan (CAP). During this process advisory bodies (i.e. Planning Commission and City Council) were educated about the CAP before they offered their recommendations.</p> <p>Free peer review of development plans is available by the Community Development Department for educating applicants about opportunities to incorporate energy efficiencies into their projects. Green building standards are now a part of Title 24, and staff implements these standards on all projects. Furthermore, as part of the application process, applicants are required to fill out a LEED 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>	Modify and Continue
9.7	Sustainable Housing, Site and Neighborhood Design	Evaluate solar siting and access regulations to determine if they 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. Solar access requirements are included as part of the Downtown Height Ordinance and in the General Plan Conservation and	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			Open Space Element.	
9.8	Sustainable Housing, Site and Neighborhood Design	Adopt Low-impact Development (LID) Standards, including street and access way standards that reduce the amount of paving devoted to automobiles.	Not Done. Some LID standards are integrated into the City’s Engineering Standards (updated in 2014). The City also follows the “Post-Construction Stormwater Management Requirements for Development Projects in the Central Coast Region” which have been adopted by the Regional Water Board.	Modify and Continue
9.9	Sustainable Housing, Site and Neighborhood Design	Adopt an ordinance with requirements and incentives to 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 proposes a program that would incentivize projects that exceed Title 24 energy efficiency standards. The CAP also proposes implementation of a program that would require new development to install energy-efficient appliances, and another that involves amending the Community Design Guidelines to promote various LID strategies. Program implementation is expected to occur in the coming year.	Modify and Continue
9.10	Sustainable Housing, Site and Neighborhood Design	Promote building materials reuse and recycling in site development and residential construction, including flexible standards for use of salvaged, recycled, and “green” building materials. To help accomplish this, the City will implement a construction and demolition debris recycling program (as described in Chapter 8.05 of the San Luis Obispo Municipal Code).	On-going. The Utilities Department requires building permit applicants to fill out a “Construction and Demolition Recycling Plan and Disposal Report” to insure that projects are recycling as much as possible to reduce the amount of material that goes to the landfill. The City’s Community Design Guidelines also encourages the use of recycled building materials as certified by the U.S. Green Building Council’s LEED (Leadership in Energy and Environmental Design). A “green building” kiosk is also present in the Community Development Department front lobby that provides educational materials to	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or Delete
			the public. The City posts advertisements in the newspaper when structures are to be demolished and encourages citizens to either move the structure to a new location for reuse or take scrap material.	
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	Work with the County of San Luis Obispo to mitigate housing impacts on the City due to significant expansion of employment in the unincorporated areas adjacent to the City. Such mitigation might include, for example, County participation and support for Inclusionary Housing Programs.	On-going. The City and County have entered into 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.	Modify and Continue
10.4	Local Preference	Encourage residential developers to promote their projects within the San Luis Obispo housing market area (San Luis Obispo County) first.	On-going. The City partners with local developers and non-profit organizations to advertise housing to those who work or live in the City first before advertising in outside markets.	Modify and Continue
10.5	Local Preference	Advocate the establishment of a 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. This has been a long-standing City policy that has guided housing discussions and development with Cal Poly. Cal Poly has significantly expanded on-campus housing and helped offset off-campus student housing needs. In 2009, Cal Poly completed the Poly Canyon Student Housing Development. The project cost the University \$300 million and provides 2,700 student beds. In 2003, Cal Poly completed the Cerro Vista Apartments, which houses approximately 800 students. In addition, Cal Poly is proposing to construct a 1,475 bed student housing facility on an existing University parking lot. This program has proven successful and will continue to be important as Cal Poly updates its Master Plan in the coming year.	Modify and Continue

Prog. #	Goals	Objective (quantified/qualified)	Progress and Evaluation	Continue, Modify or 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 has supported Cal Poly's efforts to enter public-private housing partnerships; however we have not lobbied with other jurisdictions to secure more State funding for on-campus housing.	Continue
Goal 11 - Suitability. Develop and retain housing on sites that are suitable for that purpose.				
11.3	Suitability	The City will adopt measures ensuring the ability of legal, conforming non-residential uses to continue where new housing is proposed on adjacent or nearby sites.	On-going. The City has adopted Zoning Regulation provisions that allow the continued use of residential on sites that are zoned for other purposes.	Modify and Continue

Appendix F

Five-Year 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 Five-Year 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, such as a First Time Homebuyer Program, are 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 F has two parts: a list of all housing element programs by priority phasing, and a numerical listing of all programs including implementation details. In the second table, each housing goal below is 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 F-1
Five-Year Implementation Plan - Program Priorities**

#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
1	2.12 Consider incorporating HOA fees and a standard allowance for utilities in the calculation for affordable rents and home sale prices.	2.15 Evaluate the Inclusionary Housing Ordinance requirements and their effect on City's ability to meet the proportions shown in the Regional House Needs Allocation.	1.6 Consider a Rental Inspection Program to improve the condition of the City's Housing Stock.	1.4 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.
2	2.16 Evaluate and consider including a workforce level of affordability in the Affordable Housing Standards to provide more options for those making 121-160 percent of the County's median income.	4.6 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 non-restricted units in locations that avoid segregation of such units.	1.8 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.	1.5 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.
3	6.31 Consider scaling development impact fees for residential development based on size, number of bedrooms and room counts.	6.30 Evaluate and consider adopting subdivision and ordinance changes to support small lot subdivisions, ownership bungalow court development. Eliminate the one acre minimum lot area for PD overlay zoning.	3.8 Adopt an ordinance that discourages the removal or replacement of affordable housing.	1.7 Continue to support local and regional solutions to homelessness by funding programs such as the Maxine Lewis Memorial Shelter and the Prado Day Center.
4	9.12 Consider incentivizing dwelling units to a minimum size of 150 square feet, consistent with the California Building Code, by reduced impacts and property development standards.	8.23 Encourage the creation of housing for persons with developmental disabilities.	6.13 Continue to develop incentives to encourage additional housing in the Downtown Core, 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.	2.5 Continue to manage the Affordable Housing Fund to ensure that the fund serves as a sustainable resource for supporting affordable housing development. The fund shall serve as a source of grant funding and below market financing for affordable housing projects.

#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
5		9.13 Consider participating in financing programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.	6.15 Consider General Plan amendments to rezone commercial, manufacturing or public facility zoned areas for higher-density, infill or mixed use housing.	2.6 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
6			6.21 Actively seek new revenue sources, including State, Federal and private/non-profit sources.	2.7 Continue to implement existing procedures that speed up processing of applications, construction permits and water/sewer priorities for affordable housing projects
7			6.25 Evaluate and consider amending the General Plan to designate specific zone suitable for development on areas of less than 20 percent slope, provided that open space dedication and public improvements are associated with project (i.e. former County General Hospital Site).	2.8 Continue to pursue outside funding sources for the payment of City impact fees for dwellings that meet affordable housing standards to help housing remain affordable
8			6.27 Evaluate and consider increasing the residential density allowed in development projects in the C-N, O, and C-D zoning districts to 24 units per acre in C-N and O zones, and 72 units.	2.9 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.
9			6.28 Evaluate how lot patterns in the City's multi-family zones affect the City's ability to meet housing production policies.	2.10 Continue to coordinate public and private sector actions to encourage the development of housing that meets the City's housing needs

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#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
10			8.17 Work with Cal Poly Administration to secure designation of on-campus fraternity/sorority living groups.	2.11 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.
11			8.22 Consider adding an overlay zone to existing mobile home and trailer park sites to provide constructive notice that additional requirements (such as rent stabilization and a park conversion ordinance) apply.	2.13 Work with the Housing Authority to provide on-going technical assistance and education to the community on the need to preserve at-risk units as well as the available tools.
12			8.18 Jointly develop and adopt a student housing plan and continue to support "good neighbor programs" with Cal Poly, Cuesta College and City residents.	2.14 Provide technical assistance as requested by the public, builders, design professionals and developers regarding design strategies to achieve affordable housing.
13				2.17 Continue to consider increasing residential densities above state density bonus allowances for projects that provide housing for extremely low, very low and low income households.
14				3.9 Correct unsafe, unsanitary or illegal housing conditions, improve accessibility and energy efficiency and improve neighborhoods.
15				3.10 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.
16				3.11 Continue to identify residential properties eligible for local, State, or Federal historical listing in accordance with guidelines and standards to help property owners repair, rehabilitate and improve properties in an appropriate historic manner.
17				3.12 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.

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#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
18				3.13 The City will work with other local organizations to help rehabilitate residential, commercial or industrial buildings to expand affordable rental housing opportunities.
19				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.
20				5.5 Review new development proposals for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the housing variety and tenure policies.
21				6.11 Maintain the Residential Growth Management Regulations exemption for new housing in the Downtown Core 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.
22				6.12 Continue to allow flexible parking regulations for housing development, especially in Downtown Core.
23				6.14 Specific plans for any new expansion area shall include R-3 and R-4 zoned land which can accommodate affordable housing.
24				6.16 Continue to provide resources that support the SLO County Housing Trust Funds efforts to provide below-market financing and technical assistance to developers to increase affordable housing production.
25				6.17 Encourage residential development through infill development and densification within City Limits and in designated expansion areas over new annexation of land.
26				6.18 Seek opportunities with other public agencies to identify, assemble, develop and recycle surplus land for housing.

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#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
27				6.19 Continue to incentivize affordable housing development with density bonuses, parking reductions and City financial assistance.
28				6.20 Continue to financially assist in the development of affordable housing using State, Federal and local funding sources.
29				6.22 Continue to exempt the rehabilitation of up to 4 dwellings (1200 feet each) from Architectural Review Commission review.
30				6.23 Assist in the production of affordable housing by identifying vacant or underutilized City-owned property suitable for housing as development projects are proposed.
31				6.24 Community Development staff will proactively provide information for properties suitable for housing as identified in the Land Use and Housing Elements.
32				6.26 Continue to update the Affordable Housing Incentives and Zoning Regulations to ensure density bonus incentives are consistent with State Law.
33				6.29 Continue to pursue incentives to encourage development of Secondary Dwelling Units.
34				6.32 Continue to submit annual Housing Element progress reports to the State Department of Housing and Community Development per Government Code Section 65400.
35				7.9 Continue to implement a variety of 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 neighborhood.
36				7.10 Continue to work directly with neighborhood groups and individuals to address concerns. Identify specific neighborhood needs, problems, trends, and opportunities for improvements.

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#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
37				7.11 Continue to fund neighborhood improvements to improve aesthetics, safety, and accessibility through the installment of sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting.
38				7.12 Continue to develop and implement neighborhood parking strategies, including parking districts.
39				7.13 Continue the City’s Neighborhood Services and proactive code enforcement programs to support neighborhood wellness.
40				8.13 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 the Housing First and Rapid Rehousing, for the homeless.
41				8.14 Continue the mobile home rent stabilization program.
42				8.15 Continue to look for opportunities in specific plan areas suitable for tenant-owned mobile home parks, self-help housing or manufactured housing
43				8.16 Advocate developing more housing and refurbishing campus housing at Cal Poly.
44				8.19 Provide public educational information at the Community Development Department public counter on universal design concepts for new and existing residential dwellings.
45				8.20 Continue to allow the establishment of transitional and supportive housing in all zoning districts where residential uses are allowed.

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#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
46				8.21 Continue to look for opportunities that can be acquired and converted to affordable permanent housing and supportive housing.
47				8.24 Continue to coordinate with the County, social service providers and non-profit organizations for delivery of existing, improved and expanded services for drug, alcohol and mental health services.
48				8.25 Continue to engage the HSOC and FPDC to identify, evaluate, and implement strategies to reduce impacts of homelessness on the City.
49				9.7 Continue to educate planning and building staff and citizen review bodies on energy conservation issues.
50				9.8 Continue to provide assurance of long-term solar access for new or remodeled housing.
51				9.9 Continue to implement the Water Quality Control Board’s “Post Construction Stormwater Management Requirements for Development Projects in the Central Coast Region”.
52				9.10 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.
53				9.11 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.
54				10.3 Continue to work with the County for any land use decisions that create significant expansion of employment in the unincorporated areas adjacent to the City to mitigate housing impact on the City.
55				10.4 Encourage residential developers to sell or rent their projects to those residing or employed in the City first before outside markets.

#	High Priority – by July 2015	Medium-High Priority – by July 2016	Medium Priority – by July 2017	On-going/no target date
56				10.5 Work with Cal Poly to address the link between enrollment and expansion of campus housing programs to reduce pressure on the City’s housing supply.
57				10.6 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.
58				11.3 The City will continue to ensure the ability of legal, non-conforming uses to continue where new development is proposed.

**Table F-2
Program Implementation Details**

<i>Safety</i>				
Program	Description	Responsible Agency	Priority and Time frame	Potential Resources
1.4	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.	Housing Programs Manager	On-going	Affordable Housing Fund, State Grants, Federal CDBG
1.5	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.	Police Department & Code Enforcement	On-going	n/a
1.6	Consider a Rental Inspection Program to improve the condition of the City’s Housing Stock.	Code Enforcement & Neighborhood Services	Medium – July 2017	n/a

1.7	Continue to support solutions to homelessness by funding programs such as the Maxine Lewis Memorial Shelter and Prado Day Center.	Urban County	On-going	Urban County ESG, CDBG and General Funds
1.8	Create an education campaign to inform owners of seismic hazards found in older houses and encourage seismic upgrades.	Building Division, Community Development	Medium-July 2017	n/a
<i>Affordability</i>				
Program	Description	Responsible Agency	Priority and Time frame	Potential Resources
2.5	Continue to manage the Affordable Housing Fund to ensure that the fund serves as a sustainable resource for supporting affordable housing development.	Housing Programs Manager	On going	Inclusionary Housing Program
2.6	Continue to review City policies and standards as housing developments are reviewed to determine whether changes are possible that could assist the production of affordable housing or encourage preservation of existing housing.	Community Development	On-going	n/a
2.7	Continue to implement existing procedures that expedite the processing of applications, construction permits, and water and sewer service priorities for affordable housing projects.	Community Development, Public Works and Utilities Departments	On going	n/a
2.8	Continue to pursue outside funding sources for the payment of City impact fees for dwellings that meet affordable housing standards to help housing remain affordable.	Housing Programs Manager	On-going	Affordable Housing Funds, Urban County CDBG and HOME funds
2.9	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.	Community Development	On-going	n/a
2.10	Continue to coordinate public and private sector actions to encourage the development of housing that meets the City's housing needs.	Housing Programs Manager	On-going	n/a

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2.11	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.	Community Development & Finance Departments	On-going	State and Federal funding programs, Cal HFA, Mortgage Revenue Bonds
2.12	Consider incorporating HOA fees and a standard allowance for utilities in the calculation for affordable rents and home sales prices.	Housing Programs Manager	High- July 2015	n/a
2.13	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.	Housing Programs Manager	On-going	Affordable Housing Fund, CDBG
2.14	Continue to provide technical assistance as requested by the public, builders, design professionals and developers regarding design strategies to achieve affordable housing.	Housing Programs Manager	On-going	n/a
2.15	Evaluate the Inclusionary Housing Ordinance requirements and their effect on City's ability to meet the proportions shown in the Regional House Needs Allocation.	Community Development	Medium- July 2017	n/a
2.16	Evaluate and consider including a workforce level of affordability in the Affordable Housing Standards to provide more options for those making 121-160 percent of the County's median income.	Housing Programs Manager	High- July 2015	n/a
2.17	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.	Community Development Department	On going	n/a

<i>Housing Conservation</i>				
Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
3.8	Adopt an ordinance that discourages the removal or replacement of affordable housing.	Community Development Department	Medium- July 2017	n/a
3.9	Correct unsafe, unsanitary or illegal housing conditions, improve accessibility and energy efficiency and improve neighborhoods.	Community Development, Code Enforcement	On-going	n/a
3.10	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.	Community & Economic Development Departments	On-going	n/a
3.11	Continue to identify residential properties eligible for local, State, or Federal historical listing in accordance with guidelines and standards to help property owner's repair, rehabilitate and improve properties in an appropriate historic manner.	Cultural Heritage Committee, Community Development Department	On-going	Mills Act program, CLOG Program (SHOP), City General Fund
3.12	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.	Housing Programs Manager	On going	n/a
3.13	The City will work with other local organizations to help rehabilitate residential, commercial or industrial buildings to expand affordable rental housing opportunities.	Housing Programs Manager	On-going	CDBG and Affordable Housing Fund
<i>Mixed-Income Housing</i>				
Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
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.	Community Development, Planning Commission, City Council	On-going	n/a
4.6	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 non-restricted units in locations that avoid segregation of such units.	Housing Programs Manager	Medium-High - July 2016	n/a

<i>Housing Variety and Tenure</i>				
Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
5.5	Review new development proposals for compliance with City regulations and revise projects or establish conditions of approval as needed to implement the housing variety and tenure policies.	Community Development, Planning Commission, City Council	On-going	n/a
<i>Housing Production</i>				
Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
6.11	Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.88) 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.	Community Development, Planning Commission, City Council	On-going	n/a
6.12	Continue to allow for flexible parking regulations for housing development, especially in the Downtown Core (C-D Zone).	Community Development Department	On going	n/a
6.13	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.	Community Development Department	Medium- July 2017	n/a
6.14	Specific Plans for any new expansion areas identified shall include R-3 and R-4 zoned land to ensure sufficient land is designated at appropriate densities to accommodate affordable housing.	Community Development Department	On going	n/a
6.15	Consider General Plan amendments to rezone commercial, manufacturing, or public facility zoned areas for higher-density, infill or mixed use housing.	Community Development, Planning Commission, City Council	Medium- July 2017	n/a
6.16	Continue to provide resources that support the SLO County Housing Trust Fund's efforts to provide below-market financing and technical assistance.	Housing Programs Manager	On going	Affordable Housing Funds
6.17	Encourage residential development through infill development and densification within City Limits and in designated expansion areas over new annexation of land.	Community Development	On-going	n/a

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6.18	Seek opportunities with other public agencies and utilities to utilize surplus land for housing and to convert vacant or underutilized buildings to housing.	Housing Programs Manager	On-going	CDBG, Affordable Housing Fund, tax credits
6.19	Continue to incentivize affordable housing development with density bonuses, parking reductions and other development incentives, including City financial assistance.	Community Development, Architectural Review & Planning Commission	On going	Affordable Housing Fund
6.20	Continue to financially assist in the development of affordable housing using State, Federal, or local funds.	Housing Programs Manager	On-going	CDBG, HOME, Affordable Housing Fund, tax credits
6.21	Actively seek new revenue sources and financing mechanisms to assist affordable housing development and first-time home buyer programs.	Housing Programs Manager	Medium- July 2017	CDBG, Affordable Housing Fund, State programs
6.22	Continue to exempt the rehabilitation or remodeling of up to 4 dwellings of up to 1,200 square feet each from Architectural Review Commission review.	Community Development	On going	n/a
6.23	Assist in the production of affordable housing by identifying vacant or underutilized City-owned property suitable for housing as development projects are proposed.	Community Development	On going	n/a
6.24	Community Development staff will proactively provide information for properties suitable for housing as identified in the Land Use and Housing Elements.	Community Development	On going	n/a
6.25	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.	Community Development	Medium- July 2017	n/a
6.26	Continue to update the Affordable Housing Incentives and Zoning Regulations to ensure density bonus incentives are consistent with State Law.	Community Development	On going	n/a
6.27	Evaluate and consider increasing the residential density allowed in development projects in the Neighborhood Commercial (C-N), Office (O), and Downtown Commercial (C-D) zoning districts to 24 units per acre in C-N and O zones, and 72 units per acre in the C-D zone.	Community Development	Medium- July 2017	n/a

6.28	Evaluate how lot patterns in the City's multi-family zones affect the City's ability to meet housing production policies.	Community Development	Medium- July 2017	n/a
6.29	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.	Community Development	On going	n/a
6.30	Evaluate and consider adopting subdivision and ordinance changes to support small lot subdivisions, ownership bungalow court development. Eliminate the one acre minimum lot area for PD overlay zoning.	Community Development	Medium-High- July 2016	n/a
6.31	Consider scaling development impact fees for residential development based on size, number of bedrooms and room counts.	Building Division, Community Development, Utilities and Public Works Departments	High- July 2015	n/a
6.32	Continue to submit annual Housing Element progress reports to the State Department of Housing and Community Development per Government Code Section 65400.	Community Development	On going/ Annually	n/a

Neighborhood Quality

Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
7.9	Continue to implement a variety of 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.	Community Development & Neighborhood Services Manager	On going	n/a
7.10	Continue to work directly with neighborhood groups and individuals to address concerns. Identify specific neighborhood needs, problems, trends, and opportunities for improvements.	Neighborhood Services Manager	On going	n/a
7.11	Continue to fund neighborhood improvements, including sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.	Housing Programs & Neighborhood Services Managers	On-going	CDBG, General Fund
7.12	Continue to develop and implement neighborhood parking strategies, including parking districts.	Public Works Department, Parking Manager	On-going	n/a

7.13	Continue the City’s Neighborhood Services and proactive enforcement programs to support neighborhood wellness.	Building Division, Community Development	On going	n/a
<i>Special Housing Needs</i>				
Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
8.13	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.	Community Development, Housing Programs Manager, Special Projects Manager	On going	CDBG, Affordable Housing Fund, General Fund
8.14	Continue the mobile home rent stabilization program.	City Attorney	On going	n/a
8.15	Continue to look for opportunities in specific plan areas suitable for tenant-owned mobile-home parks, cooperative or limited equity housing, or other types of housing that meet special needs.	Community Development	On going	n/a
8.16	Advocate developing more housing and refurbishing campus housing at Cal Poly University.	Community Development & Administration Departments	On going	n/a
8.17	Work with Cal Poly University Administration to secure designation of on-campus fraternity/sorority living groups.	Community Development & Administration Departments	Medium- July 2017	n/a
8.18	Jointly develop and adopt a student housing plan and continue to support "good neighbor programs" with Cal Poly, Cuesta College and City residents.	Police Department, Neighborhood Services Manager	Medium- July 2017	n/a
8.19	Provide public educational information at the Community Development Department public counter on universal design concepts for new and existing residential dwellings.	Community Development	On going	n/a
8.20	Continue to allow the establishment of transitional and supportive housing in all zoning districts where residential uses are allowed.	Community Development	On going	n/a
8.21	Continue to look for opportunities that can be acquired and converted to affordable permanent housing and permanent supportive housing for homeless persons and families.	Community Development, Housing Programs Manager	On going	n/a

8.22	Consider adding an overlay zone to existing mobile home and trailer park sites to provide constructive notice that additional requirements (such as rent stabilization and a park conversion ordinance) apply.	Community Development	Medium- July 2017	n/a
8.23	Encourage the creation of housing for persons with developmental disabilities. The City will seek grant opportunities for housing construction and rehabilitation specifically target for persons with developmental disabilities.	Community Development, Housing Programs Manager	Medium-High- July 2016	CDBG, HOME Affordable Housing Fund, State and Federal grants
8.24	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 and alcohol, and mental health services.	Community Development & Administration Departments	On going	n/a
8.25	Continue to engage the Homeless Services Oversight Council and Friends of Prado Day Center to identify, evaluate and implement strategies to reduce the impacts of homelessness on the City.	Community Development & Administration Departments	On going/ Monthly	n/a

Sustainable Housing, Site, and Neighborhood Design

Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
9.7	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.	Community Development & Utilities Departments	On going	Utility Companies
9.8	Continue to provide assurance of long-term solar access for new or remodeled housing.	Community Development	On going	n/a
9.9	Continue to implement the Water Quality Control Board's "Post Construction Stormwater Management Requirements for Development Projects in the Central Coast Region".	Community Development & Public Works Departments	On going	n/a
9.10	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.	Community Development	On going	n/a
9.11	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.	Community Development	On going	n/a

9.12	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.	Community Development	High- July 2015	n/a
9.13	Consider participating in financing programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.	Community Development	Medium High- July 2016	n/a

Local Preference

Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
10.3	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.	Community Development	On going	n/a
10.4	Encourage residential developers to sell or rent their projects to those residing or employed in the City first before outside markets.	Community Development	On going	n/a
10.5	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.	Community Development & Administration Departments	On going	n/a
10.6	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.	Administration Department	On going	n/a

Suitability

Program	Description	Responsible Agency	Priority/ Time frame	Potential Resources
11.3	The City will continue to ensure the ability of legal, non-conforming uses to continue where new development is proposed.	Community Development	On going	n/a

Appendix G

General Plan Consistency Analysis

State law requires general plans to be internally consistent. Therefore, the goals and policies of each element of the general plan must be consistent with other elements so that specific goals and policies in one element do not conflict with or obstruct the accomplishment of those contained in another element. San Luis Obispo's General Plan contains the seven elements required by State law. In addition, the City has also adopted optional elements as part of the General Plan. State law requires that any optional elements adopted at the discretion of the jurisdiction must also be consistent with the General Plan.

An analysis of the internal consistency, summarized in Table G-1, was done as part of the Housing Element update process. Through this analysis, it has been determined that the Housing Element is consistent with the goals, policies and programs set forth in the General Plan and its associated elements. In the following matrix, "Y" indicates the Housing Element goal, policy or program is consistent.

	Table G-1 City of San Luis Obispo General Plan Consistency Analysis								
HOUSING ELEMENT GOALS/POLICIES/PROGRAMS	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
Goal 1 Safety. Providing safe, decent shelter for all residents	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.1 Assist those citizens unable to obtain safe shelter on their own.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.2 Support and inform the public about fair housing laws and programs that allow equal housing access for all city residents.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.3 Maintain a level of housing code enforcement sufficient to correct unsafe, unsanitary or illegal conditions and to preserve the inventory of safe housing.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.4 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.5 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.6 Consider a Rental Inspection Program to improve the condition of the City's Housing Stock.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.7 Continue to support local and regional solutions to homelessness by funding programs such as the SLO Homeless Shelter and Prado Day Center for Homeless Persons.	Y	Y	Y	Y	Y	Y	Y	Y	Y
1.8 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
Goal 2 Affordability. Accommodate affordable housing production that helps meet the City's Quantified Objectives.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.1 Income Levels For Affordable Housing. 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.2 Index of Affordability. The Index of Affordability shall be whether the monthly cost of housing fits within the following limits: Very-Low and Low, 25%; Moderate, 30% monthly income.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.3 For housing to qualify as "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, or for a shorter period under an equity-sharing or rehabilitation agreement with the City.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.4 Encourage housing production for all financial strata of the City's population, in the proportions shown in the Regional Housing Needs Allocation, for the 2014 – 2019 planning period. The proportions shall be: extremely-low income 12%; very low income 12%; low income 16%; moderate income 18%; and above moderate income 42%.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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HOUSING ELEMENT GOALS/POLICIES/PROGRAMS	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
2.5 Continue to manage the Affordable Housing Fund (AHF) 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 every income level (extremely low, very low, low, moderate and workforce), 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 AHF support.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.6 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.7 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 should give such projects priority in allocating work assignments, scheduling, conferences and hearings, and in preparing and issuing reports and water and sewer service allocations.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.8 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.9 To the extent outside funding sources can be identified to offset impacts on the 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. Retain current exemptions for very-low and low-income households.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.10 Continue to coordinate public and private sector actions to encourage the development of housing that meets the City's housing needs.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.11 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.12 Consider incorporating HOA fees and a standard allowance for utilities in the calculation for affordable rents and sales prices.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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HOUSING ELEMENT GOALS/POLICIES/PROGRAMS	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
2.13 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.14 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.15 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.16 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.17 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
Goal 3 Housing Conservation. Conserve existing housing and prevent the loss of safe housing and the displacement of current occupants.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.1 Continue to encourage rehabilitation, remodeling or relocation of sound or rehabilitable 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.3 Encourage seismic upgrades of older dwellings to reduce the risk of bodily harm and the loss of housing in an earthquake.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.4 Encourage the construction, preservation, rehabilitation or expansion of residential hotels, group homes, integrated community apartments, and single-room occupancy dwellings.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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3.5 Preserve historic homes and other historic residential buildings, historic districts and unique or landmark neighborhood features.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.6 Preserve the fabric, amenities, setbacks, and overall character and quality of life of established neighborhoods.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.7 Encourage and support creative strategies for the rehabilitation and adaptation and reuse of residential, commercial, and industrial structures for housing.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.8 Adopt an ordinance that implements policy 3.2 to discourage removal or replacement of affordable housing.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.9 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.10 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 Conservation Regulations) of the Zoning Regulations.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.11 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.12 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.13 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 very-low, low, moderate and above-moderate income households in the City's quantified objectives.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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4.3 Extremely-low and very-low income housing, such as those 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
4.6 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 non-restricted units in locations that avoid segregation of such units.		Y	Y	Y	Y	Y	Y	Y	Y	Y
Goal 5 Housing Variety and Tenure. Provide variety in the location, type, size, tenure, and style of dwellings.		Y	Y	Y	Y	Y	Y	Y	Y	Y
5.1 Encourage the integration of appropriately scaled, special-use housing into developments or neighborhoods of conventional housing.		Y	Y	Y	Y	Y	Y	Y	Y	Y
5.2 Encourage mixed-use residential/commercial projects to include live-work and work-live units where housing, offices or other commercial uses are compatible.		Y	Y	Y	Y	Y	Y	Y	Y	Y
5.3 Encourage the development of housing above ground-level retail stores and offices to provide housing opportunities close to activity centers and to use land efficiently.		Y	Y	Y	Y	Y	Y	Y	Y	Y
5.4 In general, housing developments of twenty (20) or more units should provide a variety of dwelling types, sizes and forms of tenure.		Y	Y	Y	Y	Y	Y	Y	Y	Y
5.5 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
Goal 6 Housing Production. Plan for new housing to meet the full range of community housing needs.		Y	Y	Y	Y	Y	Y	Y	Y	Y
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 1,144 dwelling units between January 2014 and June 2019 in accordance with the assigned Regional Housing Needs Allocation.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.2 New commercial developments in the Downtown Core (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) The property's shape, size, topography or other physical factor makes dwellings infeasible.		Y	Y	Y	Y	Y	Y	Y	Y	Y

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6.3 If City services must be rationed to new development, residential projects will be given priority over non-residential projects. As required by SB 1087, housing affordable to lower income households will be given first priority.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.4 City costs of providing services to housing development will be minimized. Other than for existing 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.5 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.6 Property located behind the former County General Hospital shall be considered a “Special Considerations” zone and may be considered suitable for residential development, provided that development be limited to site areas with average slopes of less than 20 percent, that approximately one-half of the total site area be dedicated for open space and/or public use, and that an additional water tank be provided if determined necessary to serve new development.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.7 Support the redevelopment of excess public and private utility properties for housing where appropriately located and consistent with the General Plan.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.8 Consistent with the City’s goal to stimulate higher density infill where appropriate in the Downtown Core (C-D Zone), the City shall consider changes to the Zoning Regulations that would allow for the development of smaller apartments and efficiency units.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.9 Encourage and support employer/employee financing programs and partnerships to increase housing opportunities specifically targeted towards the local workforce.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.10 To help meet the Quantified Objectives, the City will support residential infill development and promote higher residential density where appropriate.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.11 Maintain the General Plan and Residential Growth Management Regulations (SLOMC 17.88) 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.12 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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<p align="center">HOUSING ELEMENT GOALS/POLICIES/PROGRAMS</p>									
6.13 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.14 Specific plans and 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.15 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 (shown in Figure 1 and further described in Appendix D, Table D-2):									
<input type="checkbox"/> Portions of South Broad Street Corridor and Little Italy area <input type="checkbox"/> 1499 San Luis Drive (rezone vacant and underutilized School District property) <input type="checkbox"/> 1642 Johnson Avenue (vacant School District property) <input type="checkbox"/> 4325 South Higuera Street (former P.G.&E. yard) <input type="checkbox"/> 4355 Vachell Lane (vehicle storage) <input type="checkbox"/> 173 Buckley Road (Avila Ranch) <input type="checkbox"/> 2143 Johnson Avenue (adjacent to County Health Department) <input type="checkbox"/> 3710 Broad Street (Plumbers and Steamfitters Union) <input type="checkbox"/> 11950 Los Osos Valley Road (Pacific Beach High School) <input type="checkbox"/> 2500 Block of Boulevard Del Campo (adjacent to Sinsheimer Park) <input type="checkbox"/> 12165 Los Osos Valley Road	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.16 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.17 Encourage residential development by focusing on infill development and densification within City Limits and designated expansion areas over new annexation of residential land.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.18 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.19 Continue to incentivize affordable housing development with density bonuses, parking reductions and other development incentives including City financial assistance.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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6.20 Continue to financially assist in the development of housing 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.21 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.22 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.23 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 project are proposed.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.24 Community Development staff will proactively provide information for properties suitable for housing as identified in the Land Use and Housing Elements.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.25 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.26 Continue to update the Affordable Housing Incentives (Chapter 17.90, SLOMC) and Zoning Regulations to ensure density bonus incentives are consistent with State Law.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.27 Evaluate and consider increasing the residential density allowed in development projects in the Neighborhood-Commercial (CN), Office (O) and Downtown Commercial (CD) zoning districts. The City will evaluate allowing up to 24 units per acre in the CN and O zones, and up to 72 units per acre in the CD zone, twice the current density allowed in these areas.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.28 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y
6.29 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.		Y	Y	Y	Y	Y	Y	Y	Y	Y

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6.30 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.31 Consider scaling development impact fees for residential development based on size, number of bedrooms and room counts.	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.32 Continue to submit annual Housing Element progress reports to the State Department of Housing and Community Development per Government Code Section 65400.	Y	Y	Y	Y	Y	Y	Y	Y	Y
Goal 7 Neighborhood Quality. Maintain, preserve and enhance the quality of neighborhoods, encourage neighborhood stability, and improve neighborhood appearance and function.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.1 Within established neighborhoods, new residential development shall be of a character, size, density and quality that respects the neighborhood character and maintains the quality of life for existing and future residents.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.2 Higher density housing should maintain high quality standards for unit design, privacy, security, on-site amenities, and public and private open space. Such standards should be flexible enough to allow innovative design solutions in special circumstances, e.g. in developing mixed-use developments or in housing in the Downtown Core.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.3 Within established neighborhoods, housing should not be located on sites designated in the General Plan for parks or open space.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.4 Within expansion areas, new residential development should be an integral part of an existing neighborhood or should establish a new neighborhood, with pedestrian and bicycle linkages that provide direct, convenient and safe access to adjacent neighborhoods, schools and shopping areas.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.5 The creation of walled-off residential enclaves, or of separate, unconnected tracts, is discouraged because physical separations prevent the formation of safe, walkable, and enjoyable neighborhoods.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.6 Housing shall be sited to enhance safety along neighborhood streets and in other public and semi-public areas.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.7 The physical designs of neighborhoods and dwellings should promote walking and bicycling, and should preserve open spaces and views.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.8 Encourage strategies and programs that increase long-term residency and stabilization in neighborhoods.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.9 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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7.10 Continue to work directly with neighborhood groups and individuals to address concerns. Identify specific neighborhood needs, problems, trends and opportunities for improvements.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.11 Continue to fund neighborhood improvements, including sidewalks, traffic calming devices, crosswalks, parkways, street trees and street lighting to improve aesthetics, safety and accessibility.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.12 Continue to develop and implement neighborhood parking strategies, including parking districts, to address the lack of on- and off-street parking in residential areas.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.13 Continue the City's Neighborhood Services and proactive enforcement programs to support neighborhood wellness.	Y	Y	Y	Y	Y	Y	Y	Y	Y
Goal 8.1 Special Housing Needs. Encourage the creation and maintenance of housing for those with special housing needs	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.1 Encourage housing development that meets a variety of special needs, including large families, single parents, disabled persons, the elderly, students, veterans, the homeless, or those seeking congregate care, group housing, single-room occupancy or co-housing accommodations, utilizing universal design.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.2 Preserve mobile home and manufactured housing parks and support changes in this form of tenure only if such changes provide residents with greater long-term security or comparable housing in terms of quality, cost, and livability.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.3 Encourage manufactured homes in Specific Plan Areas by: -When the City considers adopting new specific plans, including policies that support owner-occupied manufactured home parks with amenities such as greenbelts, recreation facilities, and shopping services within a master planned community setting. Such parks could be specifically designed to help address the needs of those with mobility and transportation limitations. -Establishing lot sizes, setback, and parking guidelines that allow for relatively dense placement of manufactured homes within the master planned neighborhood. -Locating manufactured home parks near public transit facilities or provide public transportation services to the manufactured home parks to minimize the need for residents to own automobiles.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.4 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.5 Strengthen the role of on-campus housing by encouraging Cal Poly University to require freshmen and sophomore students to live on campus.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.6 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.7 Encourage Cal Poly University to develop and maintain faculty and staff housing, consistent with the General Plan.	Y	Y	Y	Y	Y	Y	Y	Y	Y

HOUSING ELEMENT GOALS/POLICIES/PROGRAMS	Table G-1 City of San Luis Obispo General Plan Consistency Analysis								
	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
8.8 Disperse special needs living facilities throughout the City where public transit and commercial services are available, rather than concentrating them in one district.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.9 Support continued efforts to implement the document "The Path Home: San Luis Obispo County's 10-Year Plan to End Chronic Homelessness".	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.10 Encourage a variety of housing types that accommodate persons with disabilities and promote aging in place, including a goal of "visitability" in new residential units, with an emphasis on first-floor accessibility to the maximum extent feasible.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.11 Encourage changes to City regulations that would support the special housing needs of disabled persons, including persons with developmental disabilities.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.12 Assist the homeless and those at risk of becoming homeless by supporting shelters, temporary housing, transitional housing, and by facilitating general housing assistance.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.13 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.14 Continue the mobile home rent stabilization program to minimize increases in the cost of mobile home park rents.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.15 Continue to look for opportunities in specific plan areas suitable for tenant-owned mobile-home parks, cooperative housing, manufactured housing, self-help housing, or other types of housing that meet special needs.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.16 Advocate developing more housing and refurbishing campus housing at Cal Poly University.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.17 Work with Cal Poly University Administration to secure designation of on-campus fraternity/sorority living groups.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.18 Jointly develop and implement a student housing plan and continue to support and "good neighbor program" with Cal Poly 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.19 Provide public educational information at the City's Community Development Department public counter on universal design concepts (i.e. aging in place) for new and existing residential dwellings.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.20 Transitional Housing and Supportive Housing: Continue to allow the establishment of transitional and supportive housing in all zoning districts where residential uses are allowed.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.21 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Table G-1 City of San Luis Obispo General Plan Consistency Analysis								
	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
<p align="center">HOUSING ELEMENT GOALS/POLICIES/PROGRAMS</p>									
8.22 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.23 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.24 Continue to coordinate with the County, social service providers and non-profit organizations for delivery of existing, improved and expanded services, including case management, drug, alcohol, detoxification, and mental health services.	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.25 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.1 Residential developments should promote sustainability in their design, placement, and use. Sustainability can be promoted through a variety of housing strategies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.2 Residential site, subdivision, and neighborhood designs should be coordinated to make residential sustainability work.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.3 Preserve the physical neighborhood qualities in the Downtown Planning Area that contribute to sustainability by maintaining overall scale, density and architectural character.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.4 To promote energy conservation and a cleaner environment, encourage the development of dwellings with energy-efficient designs, utilizing passive and active solar features, and the use of energy-saving techniques that exceed the minimums prescribed by State law.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.5 Actively promote water conservation through housing and site design to help moderate the cost of housing.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.6 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.7 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.8 Continue to provide assurance of long-term solar access for new or remodeled housing and for adjacent properties, and revise regulations found to be inadequate.	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Table G-1 City of San Luis Obispo General Plan Consistency Analysis								
HOUSING ELEMENT GOALS/POLICIES/PROGRAMS	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
9.9 Continue to implement the Water Quality Control Boards “Post Construction Stormwater Management Requirements for Development Projects in the Central Coast Region”, to reduce the amount of impermeable surface.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.10 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).	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.11 Continue to promote building materials reuse and recycling in site development and residential construction, including flexible standards for use of salvage, 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.12 Consider incentivizing dwelling units to a minimum size of 150 square feet, consistent with the Building Code, by reduced impact fees and property development standards.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.13 Consider participating in financing programs for sustainable home improvements such as solar panels, heating and cooling systems, water conservation and energy efficient windows.	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.1 Administer City housing programs and benefits, such as First Time Homebuyer assistance or affordable housing lotteries, to give preference to: 1) persons living or working in the City or within the City’s Urban Reserve, and 2) persons living in San Luis Obispo County.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.2 Cal Poly State University and Cuesta College should actively work with the City and community organizations to create positive environments around the Cal Poly Campus by: -Establishing standards for appropriate student densities in neighborhoods near Campus; -Promoting homeownership for academic faculty and staff in Low-Density Residential neighborhoods in the northern part of the City; and -Encouraging and participating in the revitalization of degraded neighborhoods.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.3 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.4 Encourage residential developers to sell or rent their projects to those residing or employed in the City first before outside markets.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.5 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.6 Work with other jurisdictions to advocate for State legislation that would: 1) provide funding to help Cal Poly University and Cuesta College 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.	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Table G-1 City of San Luis Obispo General Plan Consistency Analysis								
HOUSING ELEMENT GOALS/POLICIES/PROGRAMS	Land Use	Circulation	Open Space	Noise	Safety	Conservation	Energy Conservation	Parks and Recreation	Water and Wastewater
Goal 11 Suitability. Develop and retain housing on sites that are suitable for that purpose.									
11.1 Where property is equally suited for commercial or residential uses, give preference to residential use. Changes in land use designation from residential to non-residential should be discouraged.	Y	Y	Y	Y	Y	Y	Y	Y	Y
11.2 Prevent new housing development on sites that should be preserved as dedicated open space or parks, on sites subject to natural hazards such as unmitigatable geological or flood risks, or wild fire dangers, and on sites subject to unacceptable levels of man-made hazards or nuisances, including severe soil contamination, airport noise or hazards, traffic noise or hazards, odors or incompatible neighboring uses.	Y	Y	Y	Y	Y	Y	Y	Y	Y
11.3 City will continue to ensure the ability of legal, non-conforming uses to continue where new development is proposed.	Y	Y	Y	Y	Y	Y	Y	Y	Y

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Appendix H

California Legislative Changes

Affecting Housing

Legislative Change

Housing element content and organization are governed by State law. Housing elements require regular updates, in part, to be consistent with legislative changes. The following is a synopsis of changes in housing and related laws adopted since 2009 that have shaped this housing element.

Bill Synopsis
<i>Senate Bill 812 (2010)</i>
<p>General: SB 812 requires local governments include an analysis of the special housing needs of the disabled, including persons with developmental disabilities, in their respective housing elements. By expanding the duties of local jurisdictions in relation to general plans, this bill imposes a state-mandated local program.</p> <p>Specifically, SB 812 provides that local agencies:</p> <ul style="list-style-type: none">❑ Analyze the special housing needs of the disabled, including persons with developmental disabilities, discuss the potential resources that the developmentally disabled need and identify the population in the local jurisdiction that have developmental disabilities.❑ Define "Developmental disability" as a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual.❑ Create a program which allows fair housing accessibility for those with the disability.

Appendix I

Public Outreach

Updating the Housing Element has been a community effort, involving public participation solicited through workshops, legal notices, email lists, web-site information, stakeholder meetings, public hearings and consultation with providers. Over the past year, the City conducted extensive 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 10 public workshops and meetings over the past year and compiled feedback received into three categories of criteria: needs, issues and opportunities. These categories were used throughout the public outreach process for consistency. The Housing Element's policies and programs represent a wide range of community perspectives on housing, including neighborhoods, housing consumers, developers, realtors, chamber of commerce, downtown businesses, and many others.

Example of news releases and emails sent prior to public workshops.

FOR IMMEDIATE RELEASE	Contact: Tyler Corey 805-781-7169
CITY OF SAN LUIS OBISPO TO HOLD PUBLIC WORKSHOP THURSDAY, NOVEMBER 14TH FOR HOUSING ELEMENT UPDATE	
SAN LUIS OBISPO, CA: The City of San Luis Obispo will be asking residents, the development community, non-profit housing providers and other interested parties to give their views on housing opportunities, issues and needs in the community. The workshop will be held Thursday, November 14 th from 6:00 PM – 8:00 PM at the City/County library community room, located at 995 Palm Street, at the corner of Palm Street and Osos Street.	
State law establishes a schedule for cities and counties to periodically update their housing elements. Under this schedule, the City is required to adopt an updated housing element by June 30, 2014. The Housing Element update process is a tool to modify housing policies and programs to reflect the changing needs, resources, and conditions in the community, and to respond to changes in housing law.	
For more information please contact Tyler Corey, Housing Programs Manager, at (805) 781-7169 or tcorey@slocity.org .	

Public Distribution List

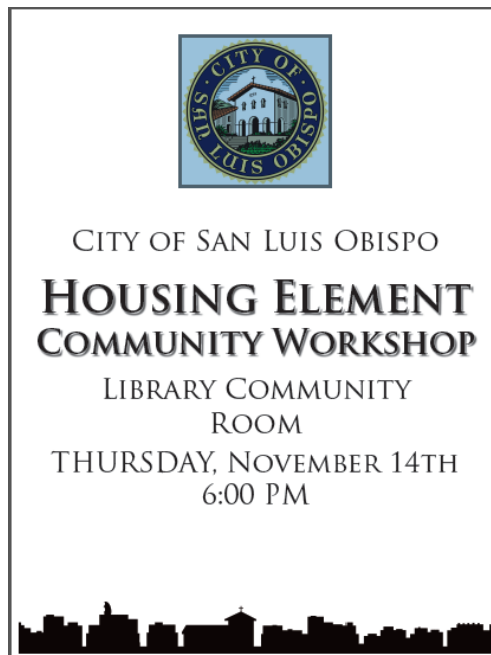
Achievement House, Inc.
Community Action Partnership of SLO
County of San Luis Obispo Planning Dept.
Downtown Association

Interfaith Coalition for the Homeless
Judson Terrace Homes
Peoples' Self-Help Housing
ROEM Development Corporation

Transitional Food and Shelter, Inc.	Salinan Tribe of Monterey and SLO Counties
Transitions Mental Health Association	SLO Chamber of Commerce
Tri-Counties Community Housing Corporation	SLOCOG
United Way of SLO County	SLO County Air Pollution Control District
Women's Shelter Program of SLO County	SLO County Office of Education
Barasch Architects	SLO Tribune
Cal Poly College of Architecture and Design	SLO USD Superintendent
Cal Poly Director of Housing	SLO Association of Realtors
Cannon Associates	SLO City/County Library
Cuesta College Director of Housing	Local Realtors
Economic Vitality Commission	San Luis Obispo County Housing Trust Fund
Habitat for Humanity of SLO County	Workforce Housing Coalition of SLO
HCD	Residents for Quality Neighborhoods
Gov't Affairs Director of Home Builders	Friends of Prado Day Center
Executive Director of HASLO	Community Mortgage Consultants
President of League of Women Voters SLO	Economic Vitality Corporation
President of SLO LAFCO	Various Interested Community Members
Northern Chumash Tribal Council	
Oasis Associates	
People's Self Help Housing Corporation	

Community Outreach Events and Public Comments

Public Workshop #1: Housing Element Workshop - November 14, 2013



Participants of the community workshop were invited to provide input on housing needs, issues and opportunities for consideration in the update process. Below are received public comments.

<i>Needs</i>	<ul style="list-style-type: none"> • Work force housing. Possible affordable housing overlays. • Both senior and affordable housing needed. Possible housing for veterans. • Mobile home park conversion. • Transitional housing and SROs.
<i>Issues</i>	<ul style="list-style-type: none"> • General financing concerns. • How will the city support low income housing? • How will we address RHNA requirements? • We should look into current housing stock rather than investing in new development.
<i>Opportunities</i>	<ul style="list-style-type: none"> • Increase density by changing height limits. Secondary dwelling unit development incentives. • Creatively utilizing existing resources.

Public Workshop #2: Housing Element Workshop - June 16, 2014

Participants of the second community workshop were invited to provide input on the proposed policy and program changes for the Housing Element Update. Below are public comments received during the workshop.

1. Include water conservation to Program 9.13 to incentivize gray water systems and reduce water usage.
2. Promote affordable housing in the Downtown Core to allow better access to resources.
3. Evaluate how Cal Poly student enrollment will affect the City’s housing supply. Promote on-campus housing projects to reduce student housing demand in City.
4. Create a program to legalize existing illegal units to provide affordable housing options and SRO’s.
5. Reduce planning processes and increase incentives to help produce dwelling units quickly.
6. Workforce housing program is important to ensure that people who work in the City can afford to live in the City, could bring in more business as well.

Planning Commission Meeting #1 - February 12, 2014.

During a Planning Commission Meeting, the following comments were received. The agenda for the presentation consisted of background data collection that informed the update process, background on the purpose and intent of the Housing Element, community snapshots and input from the public and the Commissioners on any items or issues that should be considered in the update process.

<i>Needs</i>	<ul style="list-style-type: none"> • Affordable housing. • Small lot subdivision ordinance, higher density. • Reduction of “unreasonable fees”. • Incentives for secondary dwelling units, new forms of housing, subsidies for housing, rental house by right, boarding house, workforce housing. • Mobile homes as secondary dwelling units. • Senior housing and idea of “Affordable by Design”.
<i>Issues</i>	<ul style="list-style-type: none"> • High median price for single family housing, large affordability gap, • Low vacancy rates.

	<ul style="list-style-type: none"> • Land donation value. • Homeless issues. • Streamlined review process.
Opportunities	<ul style="list-style-type: none"> • Continue to support SB 351 and city surplus property for affordable housing.

Planning Commission Meeting #2 - July 23, 2014

The second Planning Commission meeting included review of proposed policy and program to Chapter 3 of the Housing Element. There was one comment received from the general public as well as comments from various Commissioners. The following is summary of comments received:

1. Concern regarding the term “affordable by design” because the housing market is what determines the price of the unit.
2. Support for Program 9.12, which considers incentives for the development of smaller dwelling units.
3. Concern regarding program 4.6, which considers amendments to require affordable housing units in a development be of similar size, number of bedrooms, amenities, character and basic quality of the non-restricted units.
4. Consideration of a policy regarding support for employer/employee financing programs and partnerships to increase housing opportunities targeted towards the local workforce.

Meeting #1: Workforce Housing Coalition - January 9, 2014.

During a presentation for the Workforce Housing Coalition of San Luis Obispo, the following comments were received. The agenda for the presentation consisted of background on the Housing Element, community snapshots, input and discussion period and discussing the next steps in the update process.

Needs	<ul style="list-style-type: none"> • Secondary units allowed on smaller lots and in more zoning districts.
Issues	<ul style="list-style-type: none"> • Lower wages, higher costs of property. • Inclusionary housing ordinance, fees. • Add program to conduct nexus study for charging in lieu fees.
Opportunities	<ul style="list-style-type: none"> • Equity share- city should get more money back on resale, should not be less than 50%.

Meeting #2: Association of Realtors - March 4, 2014.

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

Meeting #3: Economic Vitality Corporation - March 18, 2014

During a presentation with the Economic Vitality Corporation, the following public comments were received:

<i>Needs</i>	<ul style="list-style-type: none"> • Workforce Housing.
<i>Issues</i>	<ul style="list-style-type: none"> • Infrastructure costs. • Development impact fees currently up to 10% of home value.
<i>Opportunities</i>	<ul style="list-style-type: none"> • City should create Workforce Housing income category similar to moderate using 121-160% AMI and include incentives such as streamlined review, equity share option, initial sale to qualified households, no long-term deed restriction, limits on single family unit lot size and parking reductions.

Meeting #4: Chamber of Commerce - April 3, 2014

After a meeting with the Chamber of Commerce, the following comments and concerns were received:

<i>Needs</i>	<ul style="list-style-type: none"> • Increase owner occupancy in residential neighborhoods.
<i>Issues</i>	<ul style="list-style-type: none"> • Parking requirements, fees are too high and should be reduced by up to 60%.
<i>Opportunities</i>	<ul style="list-style-type: none"> • Require new projects downtown to include housing, reduce parking requirements, • Allow downtown residents to park their vehicles in City parking structures. • Create a maximum square footage for a “small unit”.

Meeting #5: Home Builders Association - April 10, 2014

During a presentation before the Home Builders Association, the following comments were received:

<i>Needs</i>	<ul style="list-style-type: none"> • Workforce Housing and workforce income category needed. • First time homebuyer programs, multi-generational housing, partnerships to get infrastructure financed.
<i>Issues</i>	<ul style="list-style-type: none"> • None noted.
<i>Opportunities</i>	<ul style="list-style-type: none"> • Adjust and lower impact fees for smaller units while increasing fees for larger units, save available residential land for housing.

Meeting #6: Residents for Quality Neighborhoods - April 16, 2014

Following a presentation with Residents for Quality Neighborhoods, the following comments were noted:

<i>Needs</i>	<ul style="list-style-type: none"> • Need more parking for residential units.
<i>Issues</i>	<ul style="list-style-type: none"> • Affordable units should be comparable in size and amenities as to market rate units.
<i>Opportunities</i>	<ul style="list-style-type: none"> • None noted.

Homeless Services Oversight Council Letter - Received March 5, 2014

1. Adjust development impact fees to be lower for smaller units and higher for larger units.
2. Allow and encourage SROs, boarding houses and rooming housing in all areas that

- allow multi-family housing.
- 3. Allow and encourage manufactured homes and park models to be used as second units.
- 4. Consider floor area ratios, rather than number of dwelling units, when setting density limits for multi-family housing.
- 5. Allow more and larger group homes and residential care facilities to be built and operated in all zones where residential uses are allowed.
- 6. Encourage more apartments by allowing higher densities, removing barriers that limit achieving maximum densities and streamlining the approval process.

Economic Vitality Commission Board Letter – Received May 9, 2014

1. Create a workforce housing level of affordability defined as 121-160% of the San Luis Obispo median household income.
2. Eliminate HOAs on projects less than 40 units in size if possible.
3. Minimize common open space requirements on workforce housing projects to 10%.
4. Eliminate private parks and projects if within a quarter mile of a public park.
5. Eliminate park fees if there is a park in the project.
6. Create a transfer tax or equity share program for workforce housing units.
7. Eliminate resale restrictions as long as the initial sale is at or below the workforce housing sales price.
8. Minimize, reduce or eliminate impact fees for workforce housing projects where feasible.
9. Zone more land to R-2, R-3 and R-4 (8-24 units per acre).
10. Eliminate inclusionary requirements for workforce housing projects and allow secondary dwellings units as an incentive.
11. Eliminate minimum lot sizes for workforce housing projects.
12. Allow flexible development criteria to achieve higher densities.
13. Eliminate floor area ratios and coverage requirements for workforce housing projects.

Public Correspondence Received

Steve Barasch- March 7, 2014

<i>Needs</i>	<ul style="list-style-type: none"> • Accelerated process for secondary dwellings and guest houses.
<i>Issues</i>	<ul style="list-style-type: none"> • The escalating housing affordability gap. • Redefine appropriate housing forms in existing zones which allow for increase housing densities. • Unreasonable development impact fees.
<i>Opportunities</i>	<ul style="list-style-type: none"> • Re-evaluate opportunities within existing R-1 and R-2 residential zones which reinforce traditional suburban housing forms. • Explore new uses to residential setbacks for new public space areas. • Increase housing densities. • Re-evaluate limitations on affordable housing creation. • Actions to create additional local affordable rental and for sale housing at a variety of price levels.

Jerry Rioux - 2014

<i>Needs</i>	<ul style="list-style-type: none"> • Affordable housing. • Reduced development impact fees. • More SROs. • Boarding houses. • Cal Poly and Cuesta housing on-campus to reduce in-city demand.
<i>Issues</i>	<ul style="list-style-type: none"> • SLO ranked 6th least affordable housing market in the nation, New York City is 5th. • Severe rent burdens. • High homeless rates.
<i>Opportunities</i>	<ul style="list-style-type: none"> • Allow apartments to be built by right rather than require approval process. • Allow units as small as 150 square feet in all zones that allow housing.

Anne Wyatt - March 2014

<i>Needs</i>	<ul style="list-style-type: none"> • Diversity of housing. • Safe/decent housing. • Housing support on website. • More development flexibility, including parking. • Education and public participation.
<i>Issues</i>	<ul style="list-style-type: none"> • Fee structures. • Protect current stock of housing that is affordable including mobile homes and old hotels. Make sure they remain up to standards. • Market doesn't handle low income categories due to limiting permits, costs, government constraint.
<i>Opportunities</i>	<ul style="list-style-type: none"> • Home shares. • Residential hotels/boarding houses/group homes. • Mobile home purchase assistance and maintenance support. • Allow and encourage second units and waive fees. • Allow smaller and denser. • Strategic partnerships.

Appendix J
***Affordable Housing in the City of San
Luis Obispo***



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.

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 period of no less than 30 years at which time they may be sold at market rate prices. 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 Housing Program.

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 characterized as complexes of individually owned dwelling units within a larger building occupied by more than one household where common parts of the property 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 in which assemblages 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 January 2014, there are 947 affordable housing units in the City of San Luis Obispo.

**Table J-1
Summary of Affordable Housing Units by Income Level, 2014**

Affordability Level	Number of Units
Extremely Low	5
Very Low	149
Low	723
Moderate	69
Total Units	947

Source: Community Development Department 2014

**Table J-2
Summary of Affordable Housing Units by Program, 2014**

Affordable Program	Number of Units
Begin	10
HASLO	405
HUD	193
Inclusionary	219
Tax Credit	120
Total	947

Source: Community Development Department 2014

**Table J-3
Summary of Affordable Housing Units by Tenure, 2014**

Tenure	Number of Units
Owner	92
Renter	855
Total	947

Source: Community Development Department 2014

**Table J-4
Inventory of Deed Restricted Affordable Dwelling Units**

Refer to the following maps below for locations of the affordable housing units.

ID	Assessor Parcel Number	Units	Program	Affordability Level	Occupancy Type	Address
1	053-514-029	1	Inclusionary	MODERATE	Owner	1963 DEVAUL RANCH
2	053-514-030	1	Inclusionary	MODERATE	Owner	1965 DEVAUL RANCH
3	053-514-053	1	Inclusionary	MODERATE	Owner	1799 TONINI

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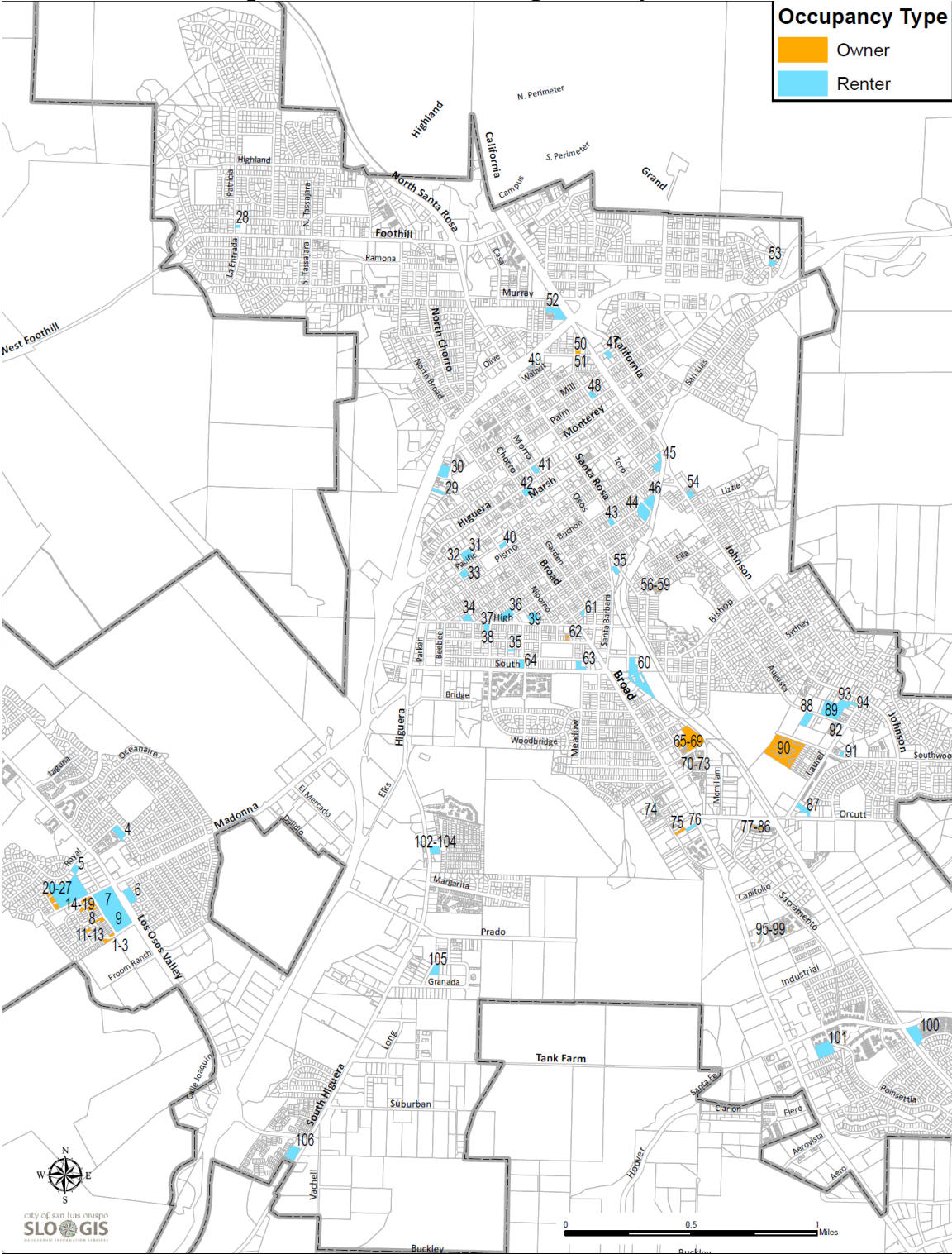
4	004-611-032	2	Inclusionary	VERY LOW	Renter	1469 GALLEON
5	053-102-026	8	HASLO	LOW	Renter	1497 ROYAL
6	004-422-033	20	HASLO	LOW	Renter	11650 LOS OSOS VALLEY
7	053-513-041	25	Inclusionary	MULTI	Renter	1630 TONINI # 3,16,21,25
8	053-514-043	1	Inclusionary	MODERATE	Owner	1775 TONINI
9	053-514-054	15	Inclusionary	MULTI	Renter	1774 TONINI Dr. # 2,7
10	053-513-035	1	Inclusionary	MODERATE	Owner	1715 TONINI
11	053-514-042	1	Inclusionary	MODERATE	Owner	1773 TONINI
12	053-514-041	1	Inclusionary	MODERATE	Owner	1712 SINGLETREE
13	053-514-008	1	Inclusionary	MODERATE	Owner	1724 FARRIER
14	053-513-013	1	Inclusionary	MODERATE	Owner	1645 FOREMAN
15	053-513-024	1	Inclusionary	MODERATE	Owner	1680 FOREMAN
16	053-513-025	1	Inclusionary	MODERATE	Owner	1664 FOREMAN
17	053-513-031	1	Inclusionary	MODERATE	Owner	1651 TONINI
18	053-513-033	1	Inclusionary	MODERATE	Owner	1683 TONINI
19	053-513-042	1	Inclusionary	MODERATE	Owner	1800 SPOONER
20	053-102-025	120	Tax Credit	LOW	Renter	1550 MADONNA
21	053-511-031	1	Inclusionary	MODERATE	Owner	1590 ETO
22	053-511-032	1	Inclusionary	MODERATE	Owner	1588 ETO
23	053-511-033	1	Inclusionary	MODERATE	Owner	1586 ETO
24	053-511-029	1	Inclusionary	MODERATE	Owner	1594 ETO
25	053-511-028	1	Inclusionary	MODERATE	Owner	1596 ETO
26	053-511-027	1	Inclusionary	MODERATE	Owner	1598 ETO
27	053-511-035	1	Inclusionary	MODERATE	Owner	1582 ETO
28	052-012-025	1	HASLO	LOW	Renter	147 PATRICIA
29	002-392-016	5	HUD	VERY LOW	Renter	537 BRIZZOLARA
30	002-304-032	30	HASLO	LOW	Renter	611 BRIZZOLARA
31	003-512-019	1	Inclusionary	MODERATE	Renter	487 MARSH
32	003-512-007	2	Inclusionary	MODERATE	Renter	475 MARSH
33	003-513-019	19	HASLO	LOW	Renter	1312 CARMEL
34	003-612-032	6	HASLO	LOW	Rental	228 HIGH
35	003-736-014	3	HASLO	LOW	Rental	2123 HARRIS
36	003-622-016	18	HASLO	LOW	Renter	492 LEFF
37	003-731-005	2	Inclusionary	VERY LOW	Renter	345 HIGH
38	003-731-006	2	Inclusionary	VERY LOW	Renter	2035 PRICE
39	003-625-016	8	HASLO	LOW	Renter	478 HIGH
40	003-522-001	8	Inclusionary	LOW	Renter	1306 NIPOMO
41	002-431-007	68	HASLO	LOW	Renter	955 MONTEREY
42	002-427-001	30	Inclusionary	MULTI	Renter	849 S HIGUERA
43	003-544-017	9	HUD	LOW	Renter	1062 ISLAY
44	003-555-027	20	HASLO	LOW	Renter	1177 ISLAY
45	002-454-017	11	HASLO	LOW	Renter	1363 PISMO
46	003-562-007	20	HASLO	LOW	Renter	1600 TORO
47	001-133-014	1	Inclusionary	MODERATE	Renter	1435 PHILLIPS UNIT E
48	001-225-001	1	Inclusionary	VERY LOW	Renter	1314 PALM #104
49	001-207-027	1	Inclusionary	MODERATE	Renter	1144 WALNUT #7
50	001-124-026	1	Inclusionary	VERY LOW	Owner	1324 PHILLIPS
51	001-124-025	1	Inclusionary	VERY LOW	Owner	1320 PHILLIPS
52	001-043-031	20	HASLO	LOW	Rental	514 HATHWAY
53	052-136-034	1	Inclusionary	MODERATE	Renter	2302 SANTA YNEZ # A
54	003-566-040	1	Inclusionary	MODERATE	Renter	1717 FIXLINI
55	003-659-008	22	Inclusionary	LOW	Renter	1820 SANTA BARBARA #201-211, 301-311
56	003-663-015	1	Inclusionary	MODERATE	Owner	1075 ELLA #3

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57	003-663-019	1	Inclusionary	MODERATE	Owner	1079 ELLA #7
58	003-663-032	1	Inclusionary	VERY LOW	Owner	1043 ELLA #10
59	003-663-030	1	Inclusionary	VERY LOW	Owner	1043 ELLA #8
60	004-845-008	42	Inclusionary	MULTI	Renter	2240 EMILY (Village @ Broad)
61	003-644-014	3	HASLO	LOW	Renter	711 UPHAM
62	003-743-014	1	Inclusionary	MODERATE	Owner	564 SANDERCOCK # 5
63	003-749-028	9	HASLO	LOW	Renter	649 BRANCH
64	003-739-031	8	HASLO	LOW	Renter	441 BRANCH
65	004-951-020	1	Inclusionary	MODERATE	Renter	851 HUMBERT
66	004-951-020	20	Inclusionary	MULTI	Owner	851 HUMBERT
67	004-952-012	1	Inclusionary	LOW	Owner	828 LAWRENCE
68	004-952-013	1	Inclusionary	MODERATE	Owner	830 LAWRENCE
69	004-952-018	1	Inclusionary	LOW	Owner	814 LAWRENCE
70	053-198-050	1	Inclusionary	MULTI	Owner	759 LAWRENCE
71	053-198-007	1	Inclusionary	MODERATE	Owner	2862 VICTORIA
72	053-198-043	1	Inclusionary	MULTI	Owner	811 LAWRENCE
73	053-198-031	1	Inclusionary	MULTI	Owner	913 LAWRENCE
74	004-588-020	1	Inclusionary	MODERATE	Owner	2975 ROCKVIEW #19
75	004-583-017	3	Inclusionary	VERY LOW	Owner	3212 ROCKVIEW
76	004-583-034	8	Inclusionary	LOW	Renter	3229 BROAD
77	053-066-025	1	Begin	MODERATE	Owner	830 TARRAGON
78	053-066-019	1	Begin	MODERATE	Owner	842 TARRAGON
79	053-066-018	1	Begin	MODERATE	Owner	844 TARRAGON
80	053-066-011	1	Begin	MODERATE	Owner	852 TARRAGON
81	053-066-007	1	Begin	MODERATE	Owner	858 TARRAGON
82	053-066-005	1	Begin	MODERATE	Owner	862 TARRAGON
83	053-066-004	1	Begin	MODERATE	Owner	864 TARRAGON
84	053-066-021	1	Begin	MODERATE	Owner	838 TARRAGON
85	053-066-024	1	Begin	MODERATE	Owner	832 TARRAGON
86	053-066-003	1	Begin	MODERATE	Owner	866 TARRAGON
87	004-961-047	24	HASLO	LOW	Renter	1105 LAUREL
88	004-982-038	16	HASLO	LOW	Renter	2929 AUGUSTA
89	004-981-019	107	HUD	LOW	Renter	3000 AUGUSTA
90	004-965-001	34	HASLO	VERY LOW	Owner	1045 SOUTHWOOD
91	004-573-003	3	HASLO	LOW	Renter	1240 SOUTHWOOD
92	004-985-003	1	Inclusionary	MODERATE	Renter	3051 AUGUSTA #17
93	004-972-064	32	HUD	VERY LOW	Renter	3042 AUGUSTA
94	004-972-036	1	HASLO	LOW	Renter	1480 LAUREL
95	053-235-003	1	Inclusionary	MODERATE	Owner	3591 SACRAMENTO #10
96	053-234-019	1	Inclusionary	VERY LOW	Renter	3592 BROAD #202
97	053-234-022	1	Inclusionary	VERY LOW	Renter	3594 BROAD #202
98	053-234-025	1	Inclusionary	MODERATE	Owner	3596 BROAD #202
99	053-234-068	1	Inclusionary	MODERATE	Owner	3591 SACRAMENTO #59
100	053-091-029	20	HASLO	LOW	Renter	1102 IRONBARK
101	053-083-002	20	HASLO	LOW	Renter	4035 POINSETTIA
102	053-034-063	2	Inclusionary	LOW	Renter	3053 HIGUERA S
103	053-034-063	1	Inclusionary	LOW	Renter	3053 HIGUERA S
104	053-034-065	27	HUD	MULTI	Renter	3085 HIGUERA S
105	053-252-058	13	HUD	LOW	Renter	3533 EMPLEO
106	053-263-091	15	HASLO	LOW	Renter	4280 HIGUERA S
Total		947				

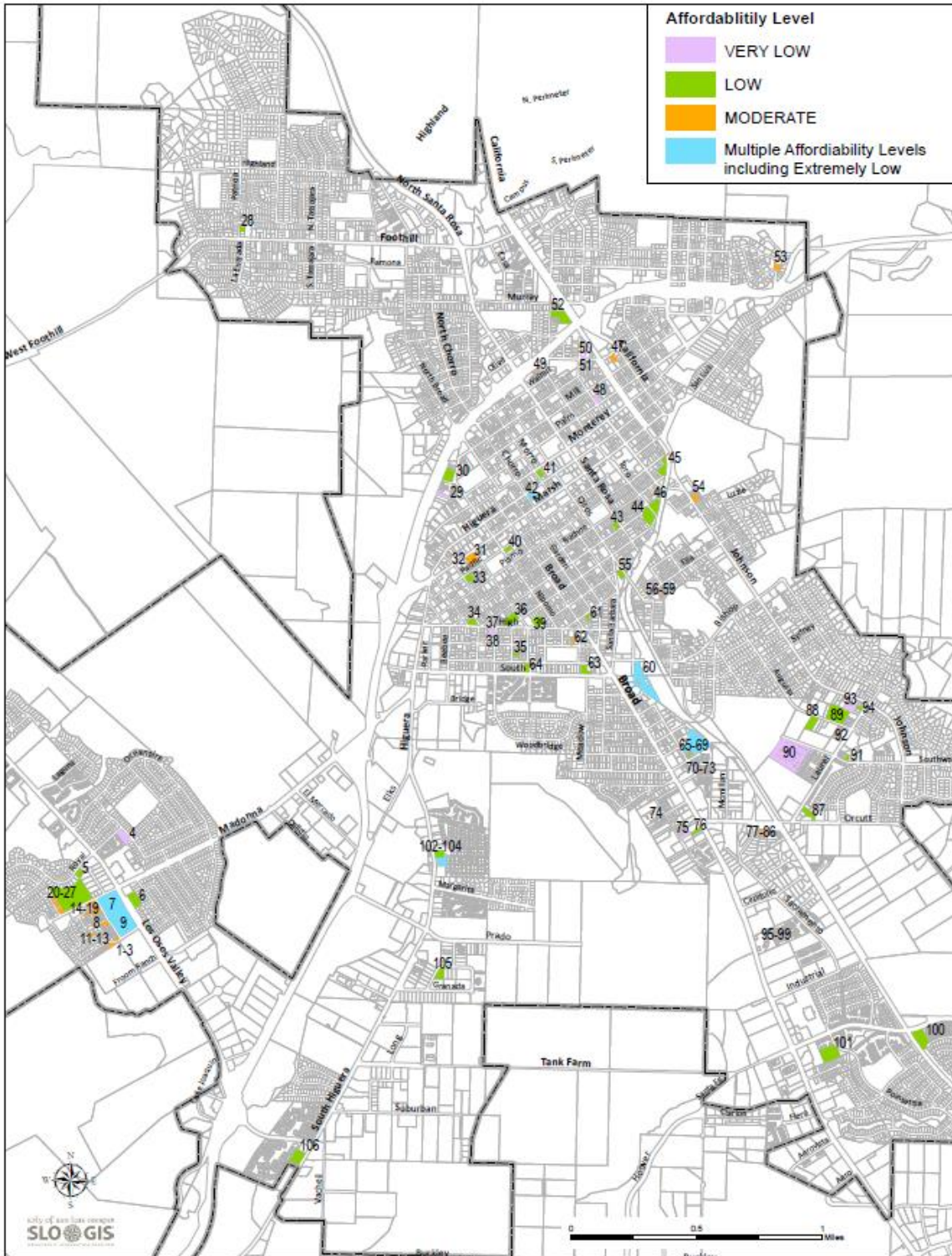
Source: City of San Luis Obispo Community Development Department Inventory 2014

Figure J-1
Map of Affordable Housing Units by Tenure



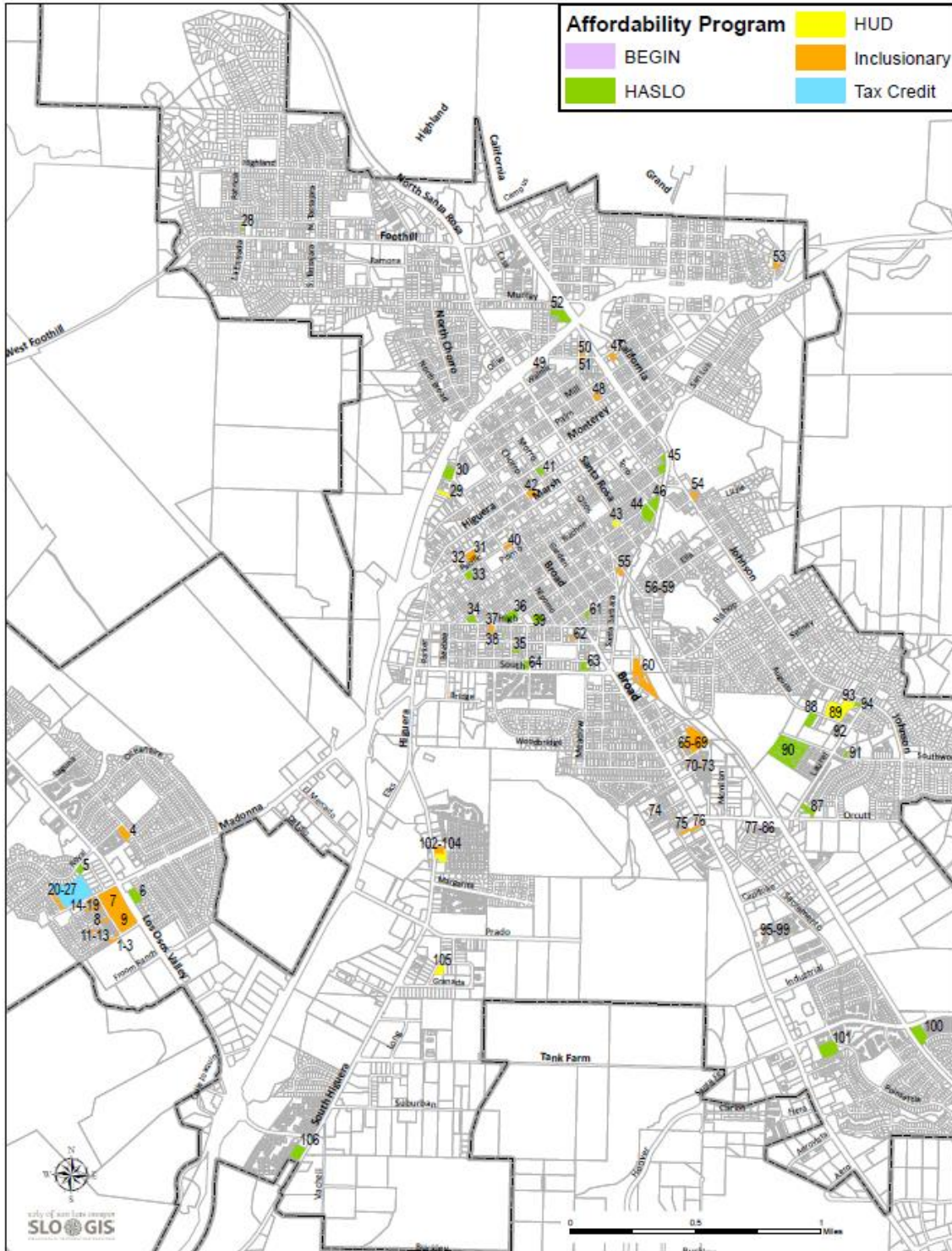
Source: Community Development Department, 2014

Figure J-2
Map of Affordable Housing Units by Income Level



Source: Community Development Department, 2014

Figure J-3
Map of Affordable Housing Units by Program



Source: Community Development Department, 2014

Appendix K

Residential Development Capacity

Inventory

Purpose

This survey lists properties within the City's Urban Reserve Line (URL) 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 regarding housing needs for the 2014 General Plan Housing Element update.

Definitions

For the purpose 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", 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 those outside of the City limits, but within the Urban Reserve Line.

Survey Methodology

As part of the data collection and analysis phase of the Housing Element update, Community Development staff worked over a period of three 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

Staff began by dividing the City into 28 survey areas (See Figure 1 below), 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 and are identical to the boundaries used in the 2010 survey, with a few minor changes to reflect recent annexations.

A “windshield survey” was then conducted, in which staff would drive each street of the selected area and take notes of each property, which met the definition of vacant, underutilized, or blighted. Notes for each property included the address (where applicable), existing use, zoning, slope, housing type and number of units, and if buildings were present, their exterior condition.

After completing each survey area, staff documented the correct address (if not visible), County Assessor’s Parcel number (APN), General Plan and zoning designation, and total square footage of each property using the City’s Land Use Program.

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 into the City since the previous survey, or were found to have changed status. Properties, which were vacant or underutilized in 2010, and have since been developed to their maximum capacity, were removed from the 2013 survey.

Development Constraints

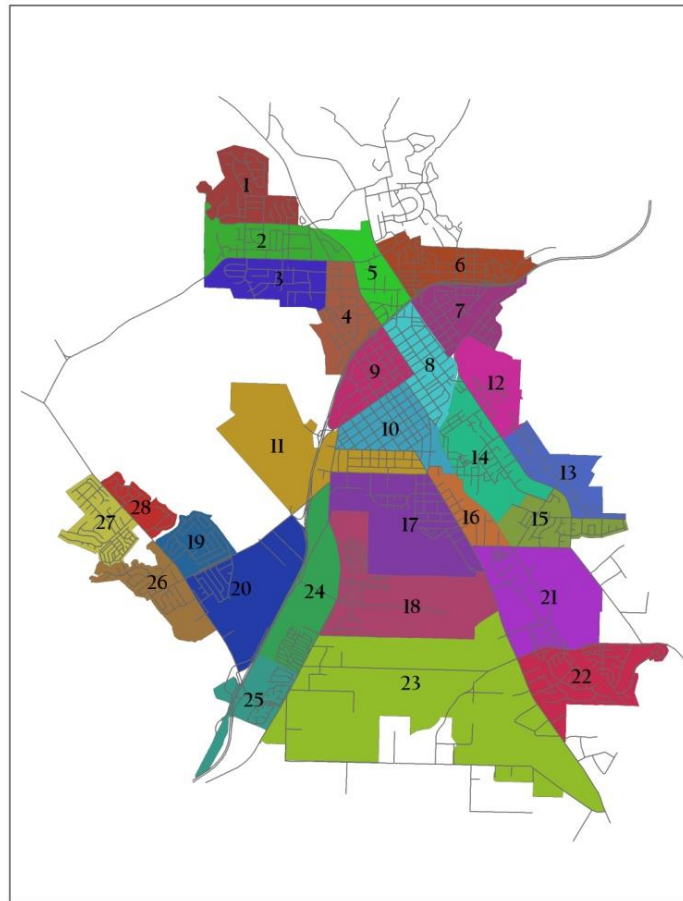
Under State law, the site inventory analysis must include an estimate of the number of housing units that can be accommodated on each site identified in the land inventory within the planning period. The element must describe the methodology used to estimate the realistic capacity. The element should 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 imposition of any development standards that impact the residential development capacity of the sites identified in the inventory. 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 action) to attract and assist developers; and
3. **Small Sites (less than one acre):** The element should include an analysis demonstrating the estimate of the number of units projected on small sites, is realistic or feasible. 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 a small lot, the nature and conditions (i.e., development standards) necessary to construct the units often render the provision of affordable housing infeasible. For example, assisted housing developments utilizing State or federal financial resources typically include 50-80 units. To utilize small sites to accommodate the jurisdiction's 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.

**Figure K-1
Residential Capacity Survey Subareas**



To verify and update the status of each property in the 2010 survey, staff compiled a list of properties that received building permits between 2009 and 2013. 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 three different ways:

1. If the property had been annexed since the previous planning period;
2. If the property had become vacant or underutilized due to the demolition of buildings;
3. If a property had become sufficiently deteriorated to meet the definition of blight.

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:

1. Determining the maximum allowed density in units per acre according to average slope and land use zone designation (See Table 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 most properties do not develop to their maximum build out potential due to parking and setback requirements, access, and landscaping requirements. 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. 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.
7. 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.
8. 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 K-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	18	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, 2014

Survey Assumptions

The following assumptions were made to determine development capacities for each property:

1. Downtown (C-D zone) properties were considered to have 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 property with an approved or proposed specific plan, utilized the numbers outlined in the Specific Plan document to calculate housing capacity. The Orcutt Area Specific Plan (OASP) and Margarita Area Specific Plan (MASP) were used for this survey.
5. The potential for adding secondary dwelling units was not included in development capacity calculations.
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 located within any of the Airport Land Use Plan’s “S-1” safety zones were determined to have no additional housing capacity.
8. Properties with restrictions that prohibit further subdivision and density were left in

the inventory, but calculated with a capacity of zero additional units to acknowledge that they were included in the survey.

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). Each organizational method provides the City's staff and decision makers with important indicators of which areas, zones, or types of properties are best suited for future residential growth.

Summary of Residential Capacity

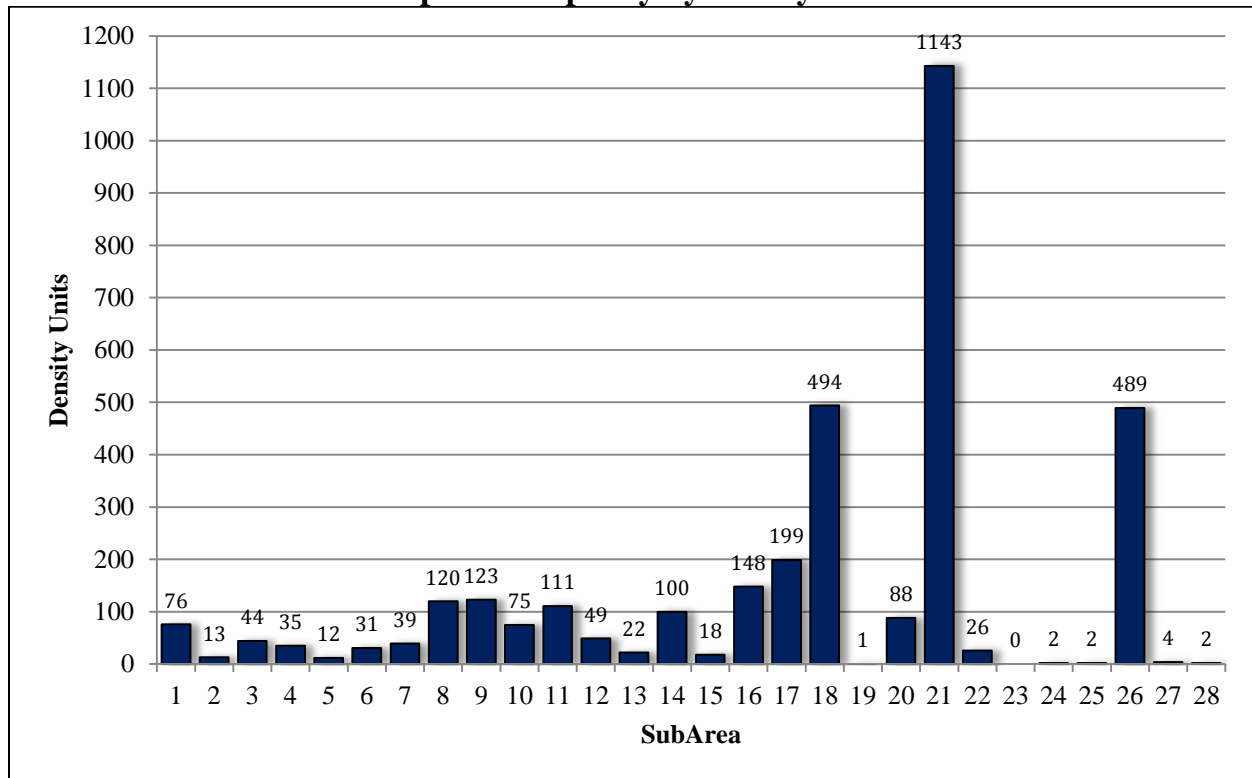
Survey results indicate the City has approximately 725 acres of vacant, underutilized or blighted property that can accommodate approximately 3,477 dwelling units. A substantial portion of this residential development capacity is located in the Margarita and Orcutt Area Specific Plans. The City's residential capacity exceeds the 1,144 unit RHNA, and therefore, a property rezoning program will not be required with the Housing Element update.

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 five years. Figure K-2 shows the number of additional dwelling units that could be developed within the planning period by survey area. Each survey area can realistically accommodate with the development of all vacant, underutilized, and blighted properties. This survey has determined that the City has the potential to accommodate 3,477 additional two-bedroom dwellings, or the equivalent in density units, within the City's Urban Reserve Line, based on existing available land and the current condition of existing housing.

Areas with little or no potential for additional housing capacity were determined to be at or near full residential build-out or affected by other restrictions like the Airport Land Use Plan. Areas 18 and 21 include the Margarita Area and Orcutt Area Specific Plans, which account for a majority of the potential for additional housing.

**Figure K-2
Development Capacity by Survey Subarea**

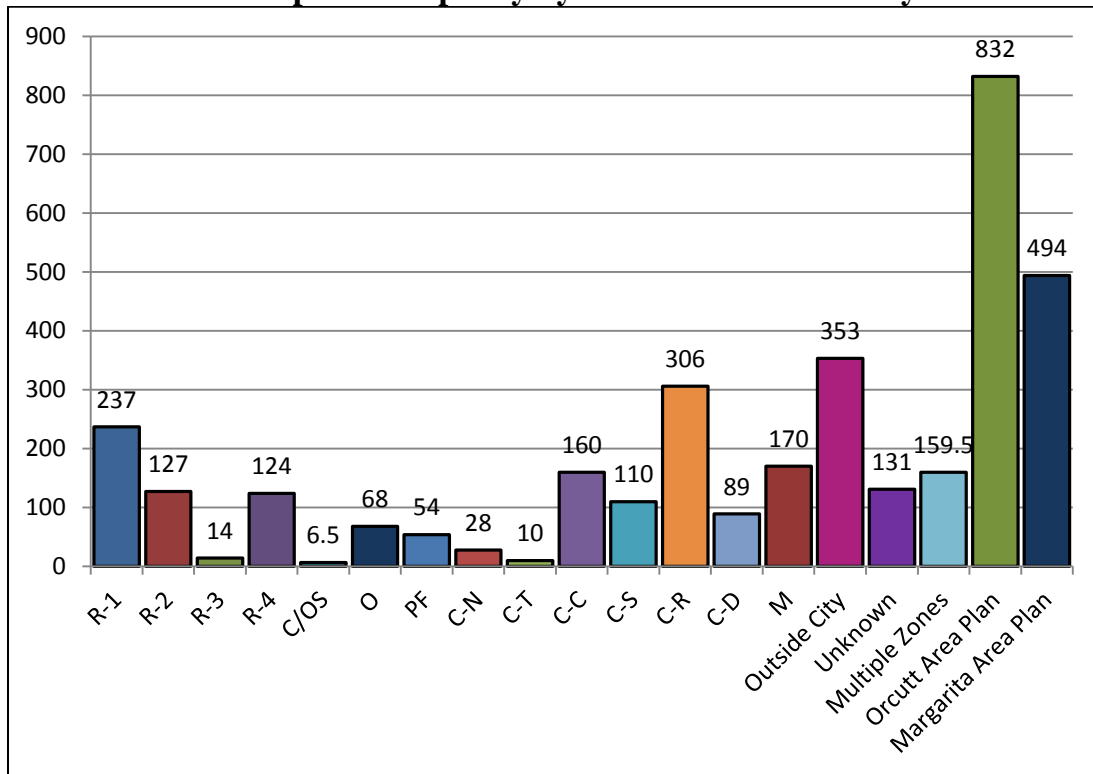


Source: City of San Luis Obispo Community Development Department 2014

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 in Figure K-3 below. Properties located outside city limits but within the Urban Reserve Line are included in the “Outside City” category, due to a lack of zoning designation. 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 dwellings as part of mixed use development or freestanding use when compatible with onsite and surrounding uses.

**Figure K-3
Development Capacity by Zone and Outside City**



Source: City of San Luis Obispo Community Development Department 2013
 *Parcels outside City are within Urban Reserve Line

The zones with the most potential for accommodating additional residential units located outside a specific plan area include Low density residential (R-1), Medium density residential (R-2), and High density residential (R-4) with potential for an additional 237 density units, 127 density units, and 124 density units respectively. Figure K-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.

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. Vacant properties account for 55 percent of the City’s total residential capacity, blighted properties accounting for about 4.5 percent, and the balance comprised of underutilized properties. All statistics about Development Status can be found in Appendix D.

Table K-2 summarizes the number of potential density units for each subarea, and the total acreage available for future development of each type of land. Additionally, the table is broken down by available land within the city and land outside of the city limits but within the URL.

Unless otherwise noted, all parcels listed in Table K-2 are available for development within this element's planning period, with access to City streets, utilities and services.

**Table K-2
Summary of Residential Capacity by Parcel and Subarea in San Luis Obispo**

Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
1	R-1	052-433-013		X		< 15%	31,210	0.716	7	5.02	Sfr covering one-half; remainder of lot is vacant and planned for additional house	1.00
1	R-1	052-496-001		X		< 15%	222,800	5.115	7	35.80	1 sfr and ranch, needs curb, gutter, sidewalk and driveway	20.14
1	R-1-PD	052-520-028	X			19.7%	17,750	0.407	4	1.63	Vacant developable lot	1.00
1	R-1-PD	052-521-013	X			26%	44,300	1.017	1	1.02	Vacant developable lot	1.00
1	R-1-PD	052-520-063	X			< 15%	30,000	0.689	7	4.82	Vacant developable flag lot with creek and driveway access	1.00
1		073-341-023		X		16-20%	1519435	34.88	2	69.76	Cal Fire property adjacent to R-1 subdivision; within URL	52.32
Subtotal							1,865,495	42.83		118.05		76.46
2	R-1	052-022-025		X	X	< 15%	16,430	0.377	7	2.64	Sfr on large lot	1.00
2	R-1	052-382-032		X		< 15%	17,070	0.392	7	2.74	Sfr on large lot	1.00
2	R-1-PD	052-312-005	X			17%	21,200	0.487	4	1.95	Vacant developable lot on sensitive site	1.00
	R-1-PD	052-311-020	X			19%	16,510	0.379	4	1.52	Vacant developable lot	1.00
2	R-1-PD	052-312-004	X			12.5%	29,690	0.682	7	4.77	Vacant developable lot	1.00
2	R-4	073-341-025	X			< 15%	19,820	0.455	24	10.92	Vacant City-owned lot, pre-zone and annex application pending	8.19
Subtotal							120,720	2.772		24.54		13.19
3	R-1	052-156-009		X	X	< 15%	34,920	0.802	7	5.61	3 units on large property showing blight conditions	1.96
3	R-1	052-061-005		X		16%	33,950	0.779	4	3.12	Sfr covering half , suitable for additional development	2.00

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
3	R-1	001-012-026		X		< 15%	47,290	1.086	7	7.60	Sfr covering half of lot, requires common d/w to serve vacant portion at rear of lot	3.04
3	R-1	052-061-034		X		19%	69,990	1.607	4	6.43	Large lot with sfr covering half	3.21
3	R-1	052-141-069		X		< 15%	32,300	0.742	7	5.19	lot with two frontages, sfr along foothill frontage	3.63
3	R-1	052-161-030		X		< 15%	42,230	0.969	7	6.79	Sfr on large lot with creek	3.39
3	R-1	001-016-002		X		17%	202,224	4.642	4	18.57	5 existing units on 7 acre property	10.45
3	R-4	052-162-007		X	X	< 15%	57,530	1.321	24	31.70	Historic structure with space for additional units	7.92
3	R-1	052-061-035	X			20%	18,010	0.413	4	1.65	Vacant developable lot	1.00
3	R-1	052-341-004	X			22%	14,000	0.321	2	0.64	5 acre vacant lot with 14,000 zoned for a single sfr	1.00
3	R-1	052-061-041	X			< 15%	15,800	0.363	7	2.54	Vacant developable flag lot	2.00
3	R-1-S	052-341-002	X			21%	114,225	2.622	2	5.24	Vacant developable lot with C/OS and R-1 designations, 114,000 for R-1	3.93
3	R-1	052-163-021	X			< 15%	9,500	0.218	7	1.53	Vacant developable flag lot	1.00
Subtotal							691,969	15.89		96.61		44.54
4	C-N	001-181-012		X		20%	12,190	0.280	6	1.68	Commercial building covers half, suitable for additional development	1.00
4	C-T	001-111-013		X		< 15%	12,050	0.277	12	3.32	Sfr on half, suitable for additional development on lot along creek with street access	1.66
4	O	052-175-008		X		< 15%	97,000	2.227	12	26.72	Vacant developable portion of lot along street frontage	6.68
4	R-1	001-091-016		X		27%	159,140	3.653	1	3.65	Sfr on large lot, driveway access for additional unit	1.37

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4	R-1	001-181-030		X		24%	60,050	1.379	2	2.76	Sfr on large lot, driveway access for additional unit	1.00
4	R-1-S	001-171-010		X		25%	122,830	2.820	2	5.64	Sfr on large lot, driveway access for additional unit	1.00
4	R-1-S	002-272-010		X		19%	72,760	1.670	4	6.68	Sfr on large lot with driveway access for additional units	3.34
4	C-N	052-174-001	X			< 15%	5,640	0.129	12	1.55	Under conceptual review for new retail building	1.17
4	C-N	052-174-002	X			< 15%	6,200	0.142	12	1.71	Under conceptual review for new retail building	1.28
4	C-N	052-174-041	X			< 15%	10,910	0.250	12	3.01	Under conceptual review for new retail building	2.25
4	C-T	001-112-006	X			< 15%	22,450	0.515	12	6.18	Vacant developable lot	4.64
4	R-1	001-091-042	X			17%	20,160	0.463	4	1.85	Vacant developable lot	1.00
4	R-1	001-014-062	X			< 15%	9,430	0.216	7	1.52	Vacant developable lot	1.00
4	R-1	001-014-024	X			< 15%	8,300	0.191	7	1.33	Vacant developable lot	1.00
4	R-1	001-021-012	X			< 15%	6,340	0.146	7	1.02	Vacant developable lot	1.00
4	R-1-S	002-272-018	X			18%	34,090	0.783	4	3.13	Vacant developable lot	1.00
4	R-1-S	001-171-012	X			26%	18,820	0.432	1	0.43	Vacant developable flag lot with street access	1.00
4	R-1-S	002-272-026	X			20%	46,690	1.072	4	4.29	Vacant developable lot	4.00
Subtotal							725,050	16.64		76.47		35.39
5	C-T	001-206-014		X	X	< 15%	23,940	0.550	12	6.60	Existing triplex with deterioration, suitable for redevelopment	3.30
5	R-2	001-114-022			X	<15%	12,500	.287	12	3.44	Multiple existing sfr on property showing blight conditions	2.58
5	O	052-192-002		X		< 15%	17,240	0.396	12	4.75	Back half of lot vacant, lacks street access	2.37

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5	O	052-192-001		X		< 15%	24,890	0.571	12	6.86	Sfr on large office zoned lot, suitable for additional development	4.11
Subtotal							78,570	1.80		21. 65		12.36
6	R-1	052-031-004		X		< 15%	15,070	0.346	7	2.42	Approved subdivision creating two lots for an additional sfr	1.00
6	R-1	052-072-002		X		< 15%	17,790	0.408	7	2.86	Sfr on half, suitable for additional development	1.00
6	R-1	052-072-003		X		< 15%	17,240	0.396	7	2.77	Sfr on front of lot; deep lot development possible	1.00
6	R-1	052-072-022		X		< 15%	24,590	0.565	7	3.95	Sfr on front of lot; deep lot development possible	1.00
6	R-4	052-082-036	X			< 15%	10,700	0.246	24	5.90	Vacant developable lot adjacent to creek	1.47
6	R-4/ R-1	052-082-008		X		<15%	12,000	0.275	24	6.61	Existing sfr in fair condition, lot with multiple frontages	4.96
6	R-1	052-134-035	X			18%	9,650	0.222	4	0.89	Vacant developable lot	1.00
6	R-1	052-134-012	X			26%	5,170	0.119	1	0.12	Vacant developable lot	1.00
6	R-1	052-322-012	X			< 15%	8,910	0.205	7	1.43	Vacant developable lot	1.00
6	R-1	052-125-007	X			< 15%	7,740	0.178	7	1.24	Vacant developable lot	1.00
6	R-1-S	052-136-031	X			26%	14,440	0.331	1	0.33	Vacant developable lot	1.00
6	R-1-S	052-136-019	X			26%	26,140	0.600	1	0.60	Vacant developable lot	1.00
6	R-1-S	052-136-033	X			26%	6,430	0.148	1	0.15	Vacant developable lot	1.00
6	R-1-S	052-136-035	X			26%	14,830	0.340	1	0.34	Vacant developable lot	1.00
6	R-1-S	052-136-036	X			26%	16,310	0.374	1	0.37	Vacant developable lot	1.00
6	R-1-S	052-136-041	X			26%	5, 815	0.133	1	0.13	Vacant developable lot	1.00
6	R-1-S	052-271-010	X			26%	96,268	2.210	1	2.21	R-1 portions of lot vacant and have street access	2.00

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6	R-1-S	052-271-007	X			16-20%	100,624	2.310	4	9.24	Vacant developable lot on sensitive site; near Hwy 101 noise	6.93
6	R-2	052-212-007	X			< 15%	11,270	0.259	12	3.10	Vacant developable lot	2.33
Subtotal							415,172	9.67		44.66		30.69
7	O	001-231-023		X		< 15%	16,080	0.369	12	4.43	Existing parking lot, suitable for development	3.32
7	R-2	001-141-013		X		< 15%	7,610	0.175	12	2.10	Sfr with room for additional unit in back	0.60
7	R-2	001-141-014		X		< 15%	7,660	0.176	12	2.11	sfr with room for additional unit in back	0.61
7	R-2	001-135-012		X		< 15%	9,420	0.216	12	2.60	Sfr with room for additional unit in back	1.10
7	R-2	001-137-015		X		< 15%	14,005	0.322	12	3.86	Commercial development with parking lot and vacant portion along palm frontage	2.89
7	R-4	001-073-021		X		< 15%	6,000	0.138	24	3.31	1 unit on back half of lot, suitable for additional development	1.65
7	R-4	001-073-003		X		< 15%	8,990	0.206	24	4.95	2 unit on back half of lot, suitable for additional development	3.71
7	C-R-S	001-137-013	X			< 15%	9,300	0.213	36	7.69	Vacant developable lot	5.76
7	R-1	001-132-003	X			< 15%	8,170	0.188	7	1.31	Vacant developable lot	1.00
7	R-1-S	001-082-011	X			18%	6,465	0.148	4	0.59	Vacant developable lot	1.00
7	R-1-S	001-082-012	X			18%	6,240	0.143	4	0.57	Vacant developable lot	1.00
7	R-1-S	001-082-013	X			19%	6,500	0.149	4	0.60	Vacant developable lot	1.00
7	R-1-S	001-082-016	X			19%	11,565	0.265	4	1.06	Vacant developable lot	1.00
7	R-1-S	001-082-028	X			20%	6,675	0.153	4	0.61	Vacant developable lot	1.00
7	R-1-S	001-082-008	X			20%	6,260	0.144	4	0.57	Vacant developable lot	1.00

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7	R-1-S	001-270-002	X			22%	22,300	0.512	2	1.02	Vacant developable lot on sensitive site	1.00
7	R-1-S	001-082-026	X			22%	3,815	0.088	2	0.18	Vacant developable lot	1
7	R-1-S	001-082-027	X			22%	4,625	0.106	2	0.21	Vacant developable lot	1.00
7	R-1-S	001-270-004	X			23%	15,310	0.351	2	0.70	Vacant developable lot on sensitive site	1.00
7	R-1-S	001-082-024	X			26%	5,270	0.121	1	0.12	Vacant developable lot	1.00
7	R-1-S	001-082-025	X			26%	3,935	0.090	1	0.09	Vacant developable lot	1.00
7	R-1-S	001-082-007	X			26%	14,600	0.335	1	0.34	Vacant developable lot	1.00
7	R-1-S	001-082-015	X			27%	5,895	0.135	1	0.14	Vacant developable lot	1.00
7	R-1-S	001-082-005	X			< 15%	7,480	0.172	7	1.20	Vacant developable lot	1.00
7	R-1-S	001-082-009	X			< 15%	7,220	0.166	7	1.16	Vacant developable lot	1.00
7	R-1-S	001-082-010	X			< 15%	7,755	0.178	7	1.25	Vacant developable lot	1.00
7	R-2	001-136-001	X			< 15%	6,950	0.160	12	1.91	Corner lot with R-2 portion vacant and developable	1.44
Subtotal							236,095	5.42		44.68		39.08
8	C-R	002-437-003		X		< 15%	4,150	0.095	36	3.43	Parking lot suitable for development	2.57
8	C-R	002-436-007		X		< 15%	10,340	0.237	36	8.55	Single building with large parking lot	6.41
8	C-R	002-333-015		X		< 15%	13,350	0.306	36	11.03	Single building with large parking lot	8.27
8	C-R	002-331-012		X		< 15%	14,450	0.332	36	11.94	Existing car dealership	8.96
8	C-R	002-436-005		X		< 15%	18,590	0.427	36	15.36	Existing car dealership	11.52
8	C-R	001-224-028		X		< 15%	22,750	0.522	36	18.80	Commercial building with small parking lot	14.10

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8	C-R	002-437-028		X		< 15%	42,070	0.966	36	34.77	Commercial building and parking lot	17.38
8	C-R	002-436-011		X		< 15%	31,540	0.724	36	26.07	Gas station covering half	19.55
8	C-R	002-437-032		X		< 15%	36,630	0.841	36	30.27	Small commercial building with 3/4 of property parking lot	22.70
8	O	002-331-017		X		< 15%	5,980	0.137	12	1.65	Parking lot suitable for development	1.65
8	R-2	001-214-001		X		< 15%	10,780	0.247	12	2.97	Sfr on half of corner lot	1.11
8	R-2	002-455-002		X		< 15%	10,970	0.252	12	3.02	Sfr on half of lot	1.51
8	R-2-H	002-316-016		X		< 15%	13,340	0.306	12	3.67	Contributing historic property along Mill Street, half vacant and developable	1.84
8	R-2-H	002-316-005		X		< 15%	37,310	0.857	12	10.28	5 sfr on large lot with suitable for additional development	2.57
Subtotal							272,250	6.25		181.81		120.14
9	C-C	003-511-027		X		< 15%	10,710	0.246	36	8.85	Auto repair shop with parking lot	5.31
9	C-D	002-435-023		X		< 15%	12,610	0.289	36	10.42	Proposed project with 4 residential units	4.00
9	C-D	003-511-009		X		< 15%	10,850	0.249	36	8.97	Commercial building with small parking lot	6.73
9	C-D	002-402-034		X		< 15%	17,760	0.408	36	14.68	Commercial building with two parking lots	7.34
9	C-D	002-432-006		X		< 15%	25,680	0.590	36	21.22	Bank building and parking	10.61
9	C-D	002-424-022		X		< 15%	27,700	0.636	36	22.89	City parking lot with proposed project	17.17
9	C-D-H	002-415-008		X		< 15%	10,080	0.231	36	8.33	Proposed project with 3 residential units on a historic site	3.00
9	C-D-H	002-432-012		X		< 15%	5,270	0.121	36	4.36	2 story office/retail structure	3.27

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9	C-D-H	002-432-009		X		< 15%	8,760	0.201	36	7.24	Parking lot suitable for development	5.43
9	C-D-H	002-421-018		X		< 15%	14,190	0.326	36	11.73	Parking lot suitable for development	8.80
9	C-R	003-511-005		X		< 15%	14,280	0.328	36	11.80	Sfr with duplex and parking lot	2.95
9	C-R	002-402-029		X		< 15%	23,160	0.532	36	19.14	Sfr with duplex and parking lot	14.36
9	O	002-313-025		X		< 15%	5,630	0.129	12	1.55	Small office structure covering front half of property	0.775
9	O	002-313-013		X		< 15%	7,640	0.175	12	2.10	Sfr on rear of lot	1.26
9	O-H	002-421-021		X		< 15%	12,380	0.284	12	3.41	Contributing historic structure with office uses on half of property	2.05
9	R-2-S	002-392-011		X		< 15%	31,200	0.716	12	8.60	Vacant developable lot	8.00
9	R-4	002-303-017		X		< 15%	10,410	0.239	24	5.74	Sfr along street front covering 1/2 of property	3.44
9	C-D	002-402-048	X			< 15%	22,520	0.517	36	18.61	Developable flag lot with driveway access to rear	9.31
9	C-R	002-511-022	X			< 15%	9,300	0.213	36	7.69	Vacant developable lot with creek setback	3.84
9	O	002-313-004	X			< 15%	6,720	0.154	12	1.85	Vacant developable lot	1.39
9	O	002-323-023	X			< 15%	6,930	0.159	12	1.91	Vacant developable lot	1.43
9	R-1-S	002-392-028	X			17%	9,640	0.221	4	0.89	Vacant developable lot	1.00
9	R-4	002-297-046	X			< 15%	6,020	0.138	24	3.32	Vacant developable lot	2.49
Subtotal							309,440	7.11		205.29		123.95
10	C-D	003-525-003		X		< 15%	5,280	0.121	36	4.36	Parking lot suitable for development	3.27
10	C-D	003-525-012		X		< 15%	15,790	0.362	36	13.05	Parking lot suitable for development	9.79

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10	C-S	002-505-006		X		< 15%	21,350	0.490	24	11.76	Master list historic structure with adjacent parking lot	5.88
10	C-S	002-503-008		X		< 15%	17,220	0.395	24	9.49	Three residential structures covering half of the lot	7.12
10	C-S	002-503-015		X		< 15%	19,910	0.457	36	16.45	Structure with large parking lot, suitable for development	12.34
10	C-S-MU	002-505-001		X		< 15%	16,280	0.374	24	8.97	Utility substation and parking lot	0.00
10	C-S-MU	002-502-001		X		< 15%	22,270	0.511	24	12.27	Warehouse building with truck loading docks	3.07
10	O	003-525-005		X		< 15%	3,000	0.069	12	0.83	Parking lot adjacent to bank building	0.620
10	O	003-528-022		X		< 15%	12,520	0.287	12	3.45	Historic structure on half of lot, suitable for additional development	1.72
10	R-2	003-625-015		X		< 15%	36,400	0.836	12	10.03	Truck company warehouses with outdoor storage, suitable for redevelopment	7.52
10	R-2-H	003-542-001		X		< 15%	6,140	0.141	12	1.69	Contributing historic structure with corner of lot suitable for development	0.69
10	R-2-H	003-538-014		X		< 15%	7,640	0.175	12	2.10	Contributing historic structure on rear of property	1.05
10	R-3-H	003-542-006		X		< 15%	5,400	0.124	18	2.23	Contributing historic structure on corner lot	1.12
10	R-3-H	003-551-011		X		< 15%	38,770	0.890	18	16.02	3 older houses and storage yard for non-conforming business; surrounded by multifamily zoning; suitable for redevelopment	12.02
10	C-S	003-748-016	X			< 15%	7,170	0.165	24	3.95	Three commercial structures, suitable for redevelopment	2.96

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10	R-2-H	003-534-011	X			< 15%	7,280	0.167	12	2.01	Vacant developable lot	1.50
10	C-S	002-503-014		X		<15%	7,500	0.172	24	4.128	Parking lot suitable for development	3.096
10	C-S	002-503-016		X		<15%	4,600	0.106	24	2.544	Parking lot suitable for development	1.908
Subtotal							254,520	5.84		125.33		75.67
11	C-N	003-743-001		X	X	< 15%	19,630	0.451	12	5.41	Sfr and commercial structure on property	3.79
11	C-R-MU	004-511-020		X		< 15%	36,500	0.838	24	20.11	Caltrans site suitable for mixed use development	15.08
11	C-R-MU	004-741-008		X		< 15%	17,690	0.406	36	14.62	5 units on site with creek, suitable for additional development	3.65
11	C-R-MU	004-741-001		X		< 15%	18,770	0.431	36	15.51	Residence and commercial structures adjacent to creek, suitable for additional development	11.63
11	C-T/C/OS-20	004-511-001		X		< 15%	764,120	17.542	4	70.17	Vacant/open space	52.63
11	R-2	003-735-001		X	X	< 15%	6,890	0.158	12	1.90	Sfr on corner lot, suitable for redevelopment	1.42
11	R-2	003-733-010		X		< 15%	7,250	0.166	12	2.00	Sfr at rear of lot, suitable for additional development	1.00
11	R-2	003-741-017		X		< 15%	7,520	0.173	12	2.07	Sfr at rear of lot, suitable for additional development	1.04
11	R-2	003-739-029		X		< 15%	7,880	0.181	12	2.17	Sfr on lot with two street frontages, suitable for additional development	1.09
11	R-2	003-749-032		X		< 15%	8,920	0.205	12	2.46	Sfr on lot with two street frontages, suitable for additional development	1.23

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11	R-2	003-749-033		X		< 15%	8,990	0.206	12	2.48	Sfr on lot with two street frontages, suitable for additional development	1.24
11	R-2	003-739-039		X		< 15%	9,020	0.207	12	2.48	Duplex on lot with two street frontages, suitable for additional development	1.24
11	R-2	003-739-001		X		< 15%	9,260	0.213	12	2.55	Sfr on lot with two street frontages, suitable for additional development	1.28
11	R-2	003-732-016		X		< 15%	10,300	0.236	12	2.84	Sfr on corner lot, suitable for additional development	1.42
11	R-2	003-722-011		X		< 15%	13,620	0.313	12	3.75	Sfr on property with rear lot street access	2.81
11	R-2	003-732-013		X		< 15%	22,400	0.514	12	6.17	Sfr on corner lot, suitable for additional development	3.09
11	C/OS-40	004-871-017	X			33%	3,494,790	80.229	0.025	2.01	Open space on steep slope	2.00
11	R-2	003-739-027	X			< 15%	4,590	0.105	12	1.26	Vacant developable lot	0.948
11	R-2	003-724-013	X			< 15%	4,910	0.113	12	1.35	Parking lot for adjacent property	1.01
11	R-2	003-739-003	X			< 15%	9,080	0.208	12	2.50	Vacant developable lot	1.88
11	R-2	003-741-015			X	< 15%	5,000	0.115	12	1.38	Blighted sfr, suitable for redevelopment	1.03
11	R-2	003-738-005			X	< 15%	5,010	0.115	12	1.38	Blighted sfr, suitable for redevelopment	1.04
Subtotal							4,492,140	103.1		166.57		111.54
12	PF/ R-1	003-601-006		X		< 15%	172,130	3.952	7	27.66	County owned property, suitable for development	20.75
12	R-1	002-352-014		X		< 15%	56,160	1.289	7	9.02	Sfr on large lot, suitable for additional development	2.26
12	R-1	002-352-021	X			<15%	30,990	0.711	7	4.98	Vacant developable lot	3.73

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
12	R-1	003-591-003		X		16%	101,720	2.335	4	9.34	Proposed project to subdivide property into 8 lots	8.00
12	R-2	003-565-003		X		< 15%	10,380	0.238	12	2.86	Duplex on hillside lot	1.14
12	R-1	003-602-002	X			13%	7,280	0.167	7	1.17	Vacant lot in subdivided tract	1.00
12	R-1	003-602-001	X			13%	11,090	0.255	7	1.78	Vacant lot in subdivided tract	1.00
12	R-1	003-602-013	X			19%	6,900	0.158	4	0.63	Vacant lot in subdivided tract	1.00
12	R-1	003-602-003	X			10%	7,080	0.163	7	1.14	Vacant lot in subdivided tract	1.00
12	R-1	003-602-004	X			9%	7,550	0.173	7	1.21	Vacant lot in subdivided tract	1.00
12	R-1	003-602-012	X			15%	6,270	0.144	7	1.01	Vacant lot in subdivided tract	1.00
12	R-1	003-602-006	X			16%	6,010	0.138	4	0.55	Vacant lot in subdivided tract	1.00
12	R-1	003-602-011	X			12%	6,230	0.143	7	1.00	Vacant lot in subdivided tract	1.00
12	R-1	003-602-007	X			16%	6,000	0.138	4	0.55	Vacant lot in subdivided tract	1.00
12	R-1	003-602-008	X			20%	42,090	0.966	4	3.87	Vacant lot in subdivided tract	1.00
12	R-1	003-602-005	X			17%	60,070	1.379	4	5.52	Vacant lot in subdivided tract	1.00
12	R-1-S	002-354-016	X			25%	15,550	0.357	2	0.71	Vacant lot in subdivided tract	1.00
12	R-1-S	002-354-008	X			21%	33,030	0.758	2	1.52	Vacant lot in subdivided tract	1.00
12	R-1-S	002-354-009	X			18%	28,050	0.644	4	2.58	Vacant lot in subdivided tract	1.00
Subtotal							614,580	14.11		77.10		49.88
13	R-1	004-392-034		X		21%	56,777	1.303	2	2.61	Existing sfr on lot with creek, with room for additional development	1.00
13	R-1	004-523-016		X		< 15%	24,980	0.573	7	4.01	Sfr on lot with room for additional development	2.00
13	R-1	004-993-001		X		< 15%	29,210	0.671	7	4.69	Parking lot for church on adjacent property, suitable for future development	2.00

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
13	R-1	004-392-025	X			19%	12,430	0.285	4	1.14	Vacant developable lot	1.00
13	R-1	004-392-024	X			21%	12,210	0.280	2	0.56	Vacant developable lot	1.00
13	R-1	004-523-024	X			< 15%	7,990	0.183	7	1.28	Vacant developable lot	1.00
13	R-1	003-703-064	X			< 15%	7,920	0.182	7	1.27	Vacant developable lot	1.00
13	R-1	003-771-011	X			< 15%	35,260	0.809	7	5.67	Active application to subdivide vacant parcel into 3	3.00
13	R-1-S	004-751-010	X			18%	221,440	5.084	0.4	2.03	Vacant developable lot	2.00
13	R-1	003-703-069			X	< 15%	14,360	0.330	7	2.31	Vacant developable lot	1.00
13	R-1	003-703-068			X	< 15%	16,320	0.375	7	2.62	Vacant developable lot	1.00
13	Unknown	073-391-019		X		16-20%	69,770	1.60	1	1.60	Sfr on hillside property, suitable for development once annexed	1.00
13	Unknown	073-391-016	X			16-20%	137,780	3.16	1	3.16	Vacant hillside property suitable for development once annexed	1.00
13	Unknown	073-391-024		X		16-20%	375,250	8.61	1	8.61	Sfr on hillside property, suitable for development once annexed, outside city.	1.00
13	Unknown	073-391-023	X			16-20%	294,730	6.77	1	6.77	Vacant hillside property suitable for development once annexed, property outside city.	3.38
13	Unknown	073-391-017		X		16-20%	42,100	0.97	1	0.97	Sfr on hillside property, suitable for development once annexed. Property outside city.	0.00
Subtotal							1,247,560	31.19		49.30		22.38
14	O-S	003-568-002		X		< 15%	544,700	12.505	12	150.06	French Hospital and parking lot with large vacant area suitable for development	39.39
14	PF	003-682-042		X		< 15%	154,500	3.547	12	42.56	County health services building utilizes half of lot	21.28

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
14	R-1	004-782-007		X	X	< 15%	23,880	0.548	7	3.84	Blighted sfr on large flag lot, suitable for redevelopment	2.00
14	R-1	004-972-058		X		< 15%	52,670	1.209	7	8.46	Large lot with 2 sfr, suitable for additional development	3.17
14	R-2-S	003-656-009		X	X	< 15%	7,560	0.174	12	2.08	Blighted sfr, suitable for redevelopment	1.56
14	R-2-S	003-656-010		X	X	< 15%	8,740	0.201	12	2.41	Blighted sfr, suitable for redevelopment	1.81
14	R-2-S	003-571-014		X		< 15%	46,270	1.062	12	12.75	Sfr on lot with creek, suitable for additional development	6.37
14	R-1	004-764-020	X			18%	9,360	0.215	4	0.86	Vacant developable lot	1.00
14	R-2	003-664-023	X			23%	10,920	0.251	4	1.00	Vacant developable lot	1.00
14	R-2	003-661-021	X			< 15%	10,460	0.240	12	2.88	Vacant developable lot	2.16
14	R-2	003-756-002	X			< 15%	11,240	0.258	12	3.10	Vacant developable lot	2.32
14	R-2	003-661-024	X			20%	25,600	0.588	6	3.53	2 shed structures, suitable for development	2.64
14	R-2	003-653-018	X			< 15%	15,250	0.350	12	4.20	2 shed structures, suitable for development	3.15
14	R-2	003-682-043	X			< 15%	26,960	0.619	12	7.43	Parking lot for adjacent property, suitable for additional development	5.57
14	R-2-S	003-757-005	X			< 15%	26,800	0.615	12	7.38	Vacant developable lot	5.54
14	R-1	003-663-001			X	14%	5,300	0.122	7	0.85	Blighted sfr, suitable for redevelopment	1.00
14	R-1	003-661-025			X	20%	17,400	0.399	2	0.80	Blighted sfr, suitable for redevelopment	1.00
Subtotal							997,610	22.90		256.38		100.96
15	C-N	004-961-087		X		< 15%	17,630	0.405	12	4.86	Sfr on lot suitable for additional development	2.43

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
15	C-N	004-961-084		X		< 15%	76,520	1.757	12	21.08	2 commercial structures and parking lot	15.81
Subtotal							94,150	2.16		25.94		18.24
16	C-S	053-202-025		X		< 15%	16,600	0.381	24	9.15	1 structure used as office	4.57
16	C-S	053-195-003		X		< 15%	46,570	1.069	24	25.66	1 commercial structure with proposed cell towers	19.24
16	C-S	053-196-004		X		< 15%	54,480	1.251	24	30.02	Restaurant/bakery building on corner of lot	22.51
16	M	004-923-002		X	X	< 15%	11,230	0.258	24	6.19	Blighted sfr	4.64
16	M	004-925-012		X	X	< 15%	11,280	0.259	24	6.21	Sfr on lot with room for additional development	4.66
16	M	004-925-014		X		< 15%	6,300	0.145	24	3.47	Sfr on lot with room for additional development	2.60
16	M	004-923-015		X		< 15%	11,170	0.256	24	6.15	Warehouse on lot with room for additional development	4.62
16	M	004-924-013		X		< 15%	16,800	0.386	24	9.26	Blighted triplex, with room for additional development	4.63
16	M	004-846-025		X		< 15%	27,210	0.625	24	14.99	Storage yard suitable for redevelopment	7.50
16	M	053-202-014		X		< 15%	40,140	0.921	24	22.12	Sfr and storage shed, suitable for additional development	12.44
16	M	053-201-012		X		< 15%	40,330	0.926	24	22.22	Parking lot, suitable for redevelopment	16.67
16	M	053-203-002		X		< 15%	88,530	2.032	24	48.78	1 large and 4 small warehouse structures, suitable for redevelopment	36.58
16	M	004-921-010	X			< 15%	8,490	0.195	24	4.68	Parking lot	3.51
16	M	004-924-012	X			< 15%	16,870	0.387	24	9.29	Proposed project with 19 single resident occupancy units	4.65

City of San Luis Obispo Housing Element, January 2015

Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
Subtotal							396,000	9.09		218.18		148.82
17	R-4	004-802-021		X	X	< 15%	46,620	1.070	24	25.69	Blighted mobile home park and abandoned motel	19.26
17	R-2-S	004-583-048	X			< 15%	25,490	.585	12	7.02	Vacant developable lot	5.27
17	R-2-S	004-583-049	X			< 15%	6,070	.139	12	1.67	Vacant developable lot	1.25
17	C-S-S	004-583-052		X		< 15%	9,091	.209	24	5.02	Small structure on the lot with room for additional development, proposed 16 units mixed use development in review	3.77
17	C-S-S	004-583-053	X			< 15%	8,959	.206	24	4.94	Vacant developable lot, proposed 16 unit mixed use development in review	3.71
17	M	004-881-002		X		< 15%	148,080	3.399	24	81.59	Manufacturing structure, suitable for additional development	40.79
17	R-2-S	004-601-014		X		<15%	25,790	0.592	12	7.10	Sfr on site with slope	3.55
17	R-2-S	004-582-006		X		< 15%	74,820	1.718	12	20.61	Sfr on lot with street access	15.46
17	R-4	004-802-020		X	X	< 15%	183,110	4.204	24	100.89	Blighted mobile home park and abandoned motel	75.67
17	M/ R-2	004-811-036	X			< 15%	95,396	2.190	12	26.28	Vacant lot with creek	19.71
17	R-1	004-903-023	X			< 15%	7,150	0.164	7	1.15	Vacant developable lot	1.00
17	R-1-PD	004-945-024	X			25%	5,020	0.115	2	0.23	Vacant developable lot	1.00
17	R-1-PD	004-945-040	X			< 15%	4,560	0.105	7	0.73	Vacant developable lot	1.00
17	R-1-PD	004-945-018	X			< 15%	3,456	0.079	7	0.56	Vacant developable lot	1.00
17	R-1-PD	004-945-019	X			< 15%	1,060	0.024	7	0.17	Vacant developable lot	1.00
17	R-1-PD	004-945-014	X			< 15%	5,940	0.136	7	0.95	Vacant developable lot	1.00
17	R-2-S	004-584-011	X			17%	40,720	0.935	6	5.61	Vacant developable lot	4.21

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
17	R-1	004-842-018			X	< 15%	5,120	0.118	7	0.82	Blighted structure suitable for redevelopment	1.00
Subtotal							696,452	15.98		291.03		199.65
18	Varies	Margarita Specific Plan	X			< 15%	1,431,908	32.87	Varies	494	Specific Plan Property under development, remaining units to be approved in future phases are included here	494
18	C-S-SP	053-252-081	X			< 15%	61,050	1.402	24	33.64	Airport Land Use Plan Jurisdiction	0.00
18	C-S-SP	053-252-034	X			< 15%	16,580	0.381	24	9.13	Airport Land Use Plan Jurisdiction	0.00
18	C-S-SP	053-252-015	X			< 15%	18,210	0.418	24	10.03	Airport Land Use Plan Jurisdiction	0.00
18	C-S-SP	053-252-052	X			< 15%	19,240	0.442	24	10.60	Airport Land Use Plan Jurisdiction	0.00
18	C-S-SP	053-252-018	X			< 15%	20,480	0.470	24	11.28	Airport Land Use Plan Jurisdiction	0.00
Subtotal							1,567,468	35.98		568.68		494.00
19	R-1	004-371-004	X			< 15%	7,630	0.175	7	1.23	Vacant developable lot	1.00
19	R-1	004-532-005			X	< 15%	6,200	0.142	7	1.00	Blighted structure	0.00
Subtotal							13,830	.32		2.22		1.00
20	PF	004-431-027		X		< 15%	236,800	5.436	7	38.05	Public school being considered for closure and redevelopment, suitable for residential development	28.54
20	Mixed Zones	067-121-022		X		< 15%	5,724,890	131.42	0	60.00	Proposed commercial development with residential component	60.00
Subtotal							5,961,690	136.86		98.05		88.54
21	C-S	053-231-034		X		< 15%	191,550	4.397	24	105.54	Telecommunications facility	0.00
21	C-S-S	053-221-018		X		< 15%	21,270	0.488	24	11.72	Sfr on recently rezoned property, suitable for additional development	2.93

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
21	M-S	053-231-015		X		< 15%	98,550	2.262	24	54.30	4 commercial structures cover half of lot, suitable for additional development or redevelopment	20.36
21	C-C-PD	053-221-033	X			< 15%	173,940	3.993	24	95.83	Vacant property rezoned for future mixed-use	82.00
21	C-S-S	053-221-016	X			< 15%	13,790	0.317	24	7.60	Rezoned for future commercial development	5.70
21	C-S-S	053-221-027	X			< 15%	14,230	0.327	24	7.84	Rezoned for future commercial development	3.92
21	C-C-PD	053-222-007	X			<15%	173,936	3.993	24	95.83	Vacant developable lot	72
21	M	053-063-016	X			< 15%	10,540	0.242	24	5.81	Vacant developable lot	2.90
21	M	053-063-014	X			< 15%	12,360	0.284	24	6.81	Vacant developable lot	3.40
21	R-4	076-481-001		X		< 15%	285,710	6.56	24	157.42	Specific plan property	118.06
21	R-2	076-481-002	X			< 15%	510,190	11.71	12	140.55	Specific plan property	105.41
21	R-2	076-481-017		X		< 15%	434,250	9.97	12	119.63	Specific plan property	89.72
21	R-1/R-2	076-481-011		X		< 15%	490,200	11.25	12	135.04	Specific plan property	50.64
21	R-1	076-491-003		X		< 15%	287,490	6.60	7	46.20	Specific plan property	34.65
21	R-1	076-491-004		X		< 15%	587,530	13.49	7	94.41	Specific plan property	70.81
21	R-2/R-1	076-491-002	X			< 15%	1,273,440	29.23	12	350.81	Specific plan property	140.32
21	R-3	076-491-001		X		< 15%	222,630	5.11	18	92.00	Specific plan property	69.00
21	R-3	076-481-008	X			< 15%	231,290	5.31	18	95.57	Specific plan property	71.68
21	R-3	076-481-007	X			< 15%	206,410	4.74	18	85.29	Specific plan property	63.97
21	R-1	044-412-002	X			< 15%	2,118,210	48.63	7	340.39	Specific plan property	136.16
Subtotal							7,357,516	168.90		2,048.58		1,143.64

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units
22	R-1 SP	053-411-018		X	X	< 15%	26,730	0.614	7	4.30	1 sfr and 2 storage structures, suitable for additional development	1.00
22	R-1-SP	053-411-014		X		< 15%	125,320	2.877	7	20.14	2 sfr and 2 storage structures, suitable for additional development	15.10
22	C-S	053-411-017	X			< 15%	6,650	0.153	24	3.66	Vacant developable lot with creek setback	2.75
22	R-1-SP	053-411-012			X	< 15%	20,930	0.480	7	3.36	Blighted sfr structure, suitable for redevelopment	2.52
22	R-1-SP	053-411-011			X	< 15%	61,910	1.421	7	9.95	10 blighted sfr on property with creek, suitable for redevelopment	4.97
Subtotal							241,540	5.54		41.41		26.35
24	C/OS-10	053-041-025		X		< 15%	1,116,420	25.629	7	2.5	Sunset drive-in, suitable for development in future	2.5
24	C-S-S	053-041-037		X		< 15%	88,760	2.038	24	48.90	Airport Land Use Plan Jurisdiction	0.00
24	O-PD	053-041-027		X		< 15%	28,970	0.665	12	7.98	Airport Land Use Plan Jurisdiction	0.00
24	C-S	053-051-037	X			< 15%	18,030	0.414	24	9.93	Airport Land Use Plan Jurisdiction	0.00
24	O-PD	053-041-034	X			< 15%	407,160	9.347	12	112.17	Airport Land Use Plan Jurisdiction	0.00
Subtotal							542,920	12.46		181.48		2.5
25	C/OS-20	053-141-013		X		< 15%	415,080	9.529	7	0.5	Agriculture use inside urban reserve, suitable for future development	1
25	C/OS-10	053-161-014	X			< 15%	592,730	13.607	7	1.3	Agriculture use inside urban reserve, suitable for future development	1
Subtotal							1,007,810	23.14		1.8		2

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Subarea	Zone	Assessor's Parcel Number	Vacant	Under-utilized	Blighted	Avg. Slope	Sq. Ft.	Acres	Density units per acre	Max. Res. Capacity, density units	Constraints to Development/Existing Conditions	Realistic # of Dwelling Units	
26	R-1-S	053-116-032	X			13%	10,260	0.236	7	1.65	Vacant developable lot	1.00	
26	R-1-S	053-116-047	X			13%	9,570	0.220	7	1.54	Vacant developable lot	1.00	
26	R-1-S	053-116-035	X			< 15%	11,290	0.259	7	1.81	Vacant developable lot	1.00	
26	R-1-S	053-116-034	X			< 15%	12,340	0.283	7	1.98	Vacant developable lot	1.00	
26	C-R	053-510-012	X			< 15%	318,710	7.317	36	263.40	Vacant developable lot	131.70	
26	--	067-241-030	X			< 15%	856,000	19.651	36	707.44	Vacant developable lot outside of city.	353.72	
Subtotal							1,218,170	27.97		977.82		489.42	
27	R-1-S	053-501-035	X			< 15%	13,570	0.312	7	2.18	Vacant developable lot	1.00	
27	R-1-S	053-501-034	X			< 15%	11,460	0.263	7	1.84	Vacant developable lot	1.00	
27	R-1-S	053-501-033	X			< 15%	11,750	0.270	7	1.89	Vacant developable lot	1.00	
27	R-1-S	053-501-032	X			< 15%	15,880	0.365	7	2.55	Vacant developable lot	1.00	
Subtotal							52,660	1.21		8.46		4.00	
28	R-1	004-272-019	X			< 15%	11,470	0.263	7	1.84	Vacant developable lot	1.00	
28	R-1	004-272-018	X			< 15%	10,640	0.244	7	1.71	Vacant developable lot	1.00	
Subtotal							22,110	0.51		3.55		2.00	
Totals							29,420,982	725.5			5,953.46		3,477.39

Source: City of San Luis Obispo Community Development Department, 2014
 *sfr= Single Family Residence

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Appendix L

Glossary

Affordable Housing. 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.

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/Rooming House. A dwelling or part of a dwelling where lodging is furnished for compensation to more than three persons living independently from each other. Meals may also be included. Does not include fraternities, sororities, convents, or monasteries.

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 2022. 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 17.16 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 Apartment (450 sq. ft. or less) | 0.50 Density Unit |
| b. One-bedroom Dwelling | 0.66 Density Unit |
| c. Two-bedroom Dwelling | 1.00 Density Unit |
| d. Three-bedroom Dwelling | 1.50 Density Units |
| e. Dwelling with four or more bedrooms | 2.00 Density 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 “Second Residential 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.

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 work space, occupied and utilized by a single household in a structure, either single-family or multi-family, that has been designed or structurally modified to accommodate joint residential occupancy and work activities, and which includes:

- 1) Complete kitchen and sanitary facilities in compliance with City building code, and
- 2) Working space reserved for and regularly used by one or more occupants of the unit.

The difference between “live-work” and “work-live” units is that the work component of a live-work unit is secondary to its residential use, and may include only commercial activities and pursuits compatible with the character of a quiet residential environment, while the work component of a work-live unit is the primary use, to which the residential component is secondary.

Mixed-Use Development. Development in which various uses, such as office, commercial, manufacturing, institutional, and residential are combined in single building or in multiple buildings on a single parcel or on multiple, contiguous parcels, developed as integral unit with significant functional interrelationships and a coherent physical design; property designated “MU” on the City’s Zoning Map.

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 Granny Flats or Secondary 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.

Second Residential Unit. An attached or detached studio, or one-room dwelling, with not more than 450 square feet of gross floor area and that includes permanent provisions for cooking, sleeping and sanitation, and is located on the same parcel on which the primary dwelling unit is located, pursuant to requirements in Ch. 17.21 of the Zoning Regulations.

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. Housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

Tenure. The mode or status of residency, whether by renting or owning real property.

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 the assistance.

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.

Appendix M

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Appendix N

Inclusionary Housing Requirement

Tables 2 and 2A

Table 2
Inclusionary Housing Requirement

		Type of Development Project ¹	
		Residential - Adjust base requirement per Table 2A	Commercial
Location	In City limits	Build 3% low ⁵ or 5% moderate income Affordable Dwelling Units (ADUs ²), but not less than 1 ADU per project; or ³ pay in-lieu fee equal to 5% of building valuation. ⁴	Build 2 ADUs per acre, but not less than 1 ADU per project; or ³ pay in-lieu fee equal to 5% of building valuation.
	In Expansion Area	Build 5% low ⁵ - and 10% moderate income ADUs, but not less than 1 ADU per project; or pay in-lieu fee equal to 15% of building valuation.	Build 2 ADUs per acre, but not less than 1 ADU per project; or pay in-lieu fee equal to 5% of building valuation.

¹Residential developments of four or less dwellings, and commercial developments of 2,500 gross square feet of floor area or less are exempt from these requirements.

²Affordable Dwelling Units must meet City affordability criteria listed in Goal 2.1.

³Developer may build affordable housing in the required amounts, pay in-lieu fee based on the above formula, or dedicate real property, or a combination of these, to City approval.

⁴"Building valuation" shall mean the total value of all construction work for which a permit would be issued, as determined by the Chief Building Official.

⁵Low income includes the subsets of extremely low and very low income categories.

**Table 2A
Inclusionary Housing Adjustment Factors**

Project Density (Density Units/Net Acre) ¹	Inclusionary Housing Requirement Adjustment Factor ²					
	Average Unit Size (sq. ft.)					
	Up to 1,100	1,101-1,500	1,501-2000	2,001-2,500	2,501-3,000	>3,000
36 or more	0	0	.75	1	1.25	1.5
24-35.99	0	0	.75	1	1.25	1.5
12-23.99	0	.25	1	1.25	1.5	1.75
7-11.99	0	.5	1	1.25	1.5	1.75
<7	0	.5	1.25	1.5	1.75	2

¹Including allowed density bonus, where applicable.

²Multiply the total base Inclusionary Housing Requirement (either housing or in-lieu percentage) by the adjustment factor to determine requirement. At least one enforceably-restricted affordable unit is required per development of five or more units.

Appendix O

Council Resolution

RESOLUTION NO. 10594 (2015 Series)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING A NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT AND AMENDMENTS TO THE HOUSING ELEMENT OF THE GENERAL PLAN (GPI/ER 15-14)

WHEREAS, State law requires cities and counties to adopt a general plan. The general plan includes seven required elements, one of which is the housing element. The housing element must be updated every five (5) years or as otherwise provided by State law; and

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on November 12, 2014, and recommended approval of a Negative Declaration of Environmental Impact and amendments to the Housing Element to address the changing needs, resources and conditions in the Community, as required by State law; and

WHEREAS, the City Council of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on January 20, 2015, for the purpose of considering amendments to the Housing Element (GPI/ER 15-14); and

WHEREAS, the City facilitated 12 workshops and meetings with the general public, Workforce Housing Coalition, Association of Realtors, Economic Vitality Corporation, Chamber of Commerce, Home Builders Association, Residents for Quality Neighborhoods and Planning Commission to identify housing needs, issues and opportunities in the community and inform policy and program changes; and

WHEREAS, on November 12, 2014, the City received a formal letter from HCD stating that our revised Housing Element meets State and Federal housing law and will be certified upon adoption by the City Council; and

WHEREAS, notices of said public hearings were made at the time and in the manner required by law; and

WHEREAS, the City Council has considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all the evidence, the City Council makes the following findings:

- a) The City facilitated 12 workshops and meetings with the general public,

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Page 2

Workforce Housing Coalition, Association of Realtors, Economic Vitality Corporation, Chamber of Commerce, Home Builders Association, Residents for Quality Neighborhoods and Planning Commission to identify housing needs, issues and opportunities in the community and inform policy and program changes.

- b) The proposed Housing Element amendments are consistent with other land use goals and policies of the General Plan.
- c) The proposed amendments are appropriate and necessary to ensure that the City's Housing Element meets State law and the changing needs, resources and conditions in the community.
- d) Achieving Housing Element State certification will promote affordable housing opportunities and help achieve adopted housing goals by making the City eligible for various housing grants and financial incentives, and will foster cooperation among local and state agencies in addressing an urgent need for affordable housing in the City.

SECTION 2. Environmental Determination. The City Council does hereby adopt a Negative Declaration of Environmental Impact (ER 15-14).

SECTION 3. Action. The City Council does hereby adopt the proposed amendments to the Housing Element (GPI 15-14), which is incorporated herein by reference.

SECTION 4. Effective Date. The updated Housing Element shall become effective immediately upon adoption of this resolution.

SECTION 5. Repeal of Previous Element. The Housing Element adopted June 1, 2010, is repealed upon the effective date of the updated Housing Element.

Upon motion of Vice Mayor Ashbaugh, seconded by Council Member Christianson, and on the following roll call vote:

AYES:	Council Members Christianson and Rivoire, Vice Mayor Ashbaugh and Mayor Marx
NOES:	Council Member Carpenter
ABSENT:	None

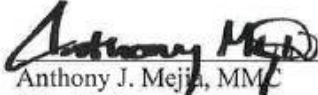
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The foregoing resolution was adopted this 20th day of January, 2015.




Mayor Jan Marx

ATTEST:



Anthony J. Mejia, MMC
City Clerk

APPROVED AS TO FORM:



Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City
of San Luis Obispo, California, this 28th day of January, 2015.



Anthony J. Mejia, MMC
City Clerk

Appendix P
State Certification
