



# Housing Element 2014-2019

County of San Luis Obispo General Plan

Adopted June 17, 2014



SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

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# CHAPTER 1: INTRODUCTION

## AN URGENT NEED FOR HOUSING

The chronic undersupply of housing affordable and suitable for locally employed persons has economic, social, and environmental impacts. This situation warrants coordinated public and private actions to facilitate more housing affordable to local residents.

- According to a 2012 survey of local employees and their employers, 88% of employees and 83% of employers indicated that it is difficult to find suitable and affordable housing in San Luis Obispo County.
- A 2013 count (“enumeration”) of the homeless throughout San Luis Obispo County resulted in an estimate that approximately 3,497 persons were homeless at some point during 2013.
- The county is the 8<sup>th</sup> least affordable housing market in the United States, according to the National Home Builders Association – Wells Fargo Bank Housing Opportunity Index (NAHB HOI).
- Median home prices are once again on the rise from a low of \$312,000 in 2012 to \$443,000 in early 2014 (NAHB HOI).

Providing an adequate supply and range of affordable housing choices is a high priority and a significant challenge in San Luis Obispo County. The San Luis Obispo region faces constraints such as high construction costs and high demand for developable land. The recession further constrained the feasibility of constructing affordable housing during the last Housing Element



***The County's Vision***

***A place that is safe, healthy, livable, prosperous, and well governed.***

***A Safe Community***

*The County will strive to create a community where all people -- adults and children alike -- have a sense of security and well being, crime is controlled, fire and rescue response is timely, and roads are safe.*

***A Healthy Community***

*The County will strive to ensure all people in our community enjoy healthy, successful, and productive lives, and have access to the basic necessities.*

***A Livable Community***

*The County will strive to keep our community a good place to live by carefully managing growth, protecting our natural resources, promoting life long learning, and creating an environment that encourages respect for all people.*

***A Prosperous Community***

*The County will strive to keep our economy strong and viable and assure that all share in this economic prosperity.*

***A Well Governed Community***

*The County will provide high quality "results oriented" services that are responsive to community desires.*

cycle. As the economy gradually improves, the housing market is also expected to improve. The Housing Element is a document containing the overall goal, and objectives, policies, and programs to identify the actions the County intends to implement to facilitate housing production for existing and future residents in the unincorporated county. The County's goal for the Housing Element is to achieve an adequate supply of safe and decent housing that is affordable to all residents of San Luis Obispo County. Special attention is made in this Element's policies and programs to encourage development of housing for lower and moderate income persons, including special needs populations such as farm workers and homeless.

## WHAT IS THE HOUSING ELEMENT?

The Housing Element is one of seven required elements of the San Luis Obispo County General Plan. Its primary purpose is to facilitate the provision of needed housing in the context of the Land Use Element of the County General Plan and related ordinances. The secondary purpose is to meet the requirements of State law and achieve certification by the California Department of Housing and Community Development, which in turn will help the County qualify for certain funding programs offered by the State. The State requires an update to the Housing Element generally every five years.

## WHY IS AFFORDABLE HOUSING IMPORTANT?

Affordable housing benefits the entire community in the following ways:

- It strengthens the local economy by ensuring that employers have access to high quality workers and by allowing people to spend more of their income on goods and services rather than on housing.
- It can reduce traffic congestion by enabling people to live near their workplaces, shopping, and other frequently visited locations.
- It can protect the environment by providing housing opportunities for people within urban areas as an alternative to living in sensitive habitat areas and agricultural lands.
- It facilitates diversity in the local population by allowing persons and households of all income levels to live in the county.
- Indirectly, it can improve the health of families by enabling them to spend more time and money on health care, nutrition, education, and recreation.

## WHAT EXACTLY IS "AFFORDABLE HOUSING"?

The term "affordable housing" refers to housing that households can rent or buy while keeping housing costs within certain limits. Housing is generally considered affordable if total housing costs do not exceed 30 percent of household income. The most commonly used categories of affordable housing include housing which is affordable to very low income, low income, or moderate income households. The County also adopted an extremely low income affordable housing category for households earning less than 30 percent of average median income and a workforce housing income category for workers earning up to 160 percent of median income.

The San Luis Obispo County Land Use Ordinance (LUO) and Coastal Zone Land Use Ordinance (CZLUO) establish a procedure to set affordable rent levels and sales prices, adjusted by size of the subject housing (in terms of number of bedrooms).

### **Myth: "Affordable housing will lower property values in my community."**

*Reality: A number of studies have documented that contemporary affordable housing developments have no impact on nearby property values, and in some cases contribute to increased property values. One study conducted in Minneapolis found that "proximity to nonprofit-developed subsidized housing actually enhances property values." A recent study of four very low-income family housing developments in suburban Chicago revealed that affordable housing can have a positive impact on surrounding property values. Numerous studies over time from around the country support the general notion that affordable housing has no negative impact on surrounding property values.*

~Source:  
[http://www.interfaithhousingcenter.org/Resources/Myth\\_Busting/](http://www.interfaithhousingcenter.org/Resources/Myth_Busting/)



*Very Low and Low Income  
Apartments  
Serenity Hills, Templeton*

*Completed in 2008*

The Planning and Building Department issues a monthly bulletin containing current affordable housing standards.

Table 1.1 illustrates example income limits and Table 1.2 shows affordable housing standards effective for the month of April 2014. Income limits are updated annually and affordable housing standards are updated monthly. Income definitions used in the tables are described below.

The State of California defines income groups as follows:

"Extremely Low Income" is defined by Health and Safety Code Section 50105 as 30% of county median income.

"Very Low Income" is defined by Health and Safety Code Section 50105 as 50% of county median income.

"Lower Income" is defined by Health and Safety Code Section 50079.5 as 80% of county median income.

"Moderate Income" is defined by Health and Safety Code section 50093 as 120% of county median income.

The County of San Luis Obispo defines "Workforce" as follows:

"Workforce" is defined by Title 22 of the County Code as 160% of county median income.

The income limits for San Luis Obispo County are updated yearly by the Department of Housing and Urban Development (HUD) and by the State. Effective February 28, 2014, the income limits for San Luis Obispo County are shown below.

Table 1.1: Income Definitions

Persons in Household	Extremely Low Income (30% County Median Income)	Very Low Income (50% County Median Income)	Lower Income (80% County Median Income)	<b>Median Income</b>	Moderate Income (120% County Median Income)	Workforce Income (160% County Median Income)
1	\$15,850	\$26,400	\$42,250	<b>\$53,900</b>	\$64,700	\$86,240
2	\$18,100	\$30,200	\$48,250	<b>\$61,600</b>	\$73,900	\$98,560
3	\$20,350	\$33,950	\$54,300	<b>\$69,300</b>	\$83,150	\$110,880
4	\$22,600	\$37,700	\$60,300	<b>\$77,000</b>	\$92,400	\$123,200
5	\$24,450	\$40,750	\$65,150	<b>\$83,150</b>	\$99,800	\$133,040
6	\$26,250	\$43,750	\$69,950	<b>\$89,300</b>	\$107,200	\$142,880
7	\$28,050	\$46,750	\$74,800	<b>\$95,500</b>	\$114,600	\$152,800
8	\$29,850	\$49,800	\$79,600	<b>\$101,650</b>	\$121,950	\$162,640

Source: County Planning and Building Department

Effective April 1, 2014, rents and sales prices are as shown below. The rents and sales prices are updated monthly.

**Myth: “Affordable housing residents won’t ‘fit in’ to our community; or affordable housing will lead to an increase in crime in my community.”**

*Reality: In most cases, however, people who need affordable housing are already members of the community no matter what their race. They are senior citizens living on fixed incomes and families working entry-level and low-wage jobs. They are preschool teachers, travel agents, food service workers, clergy, and medical assistants. There is no evidence that affordable housing brings crime to a neighborhood. Whether a development will be an asset or a detriment to a community more often turns on basic management practices: careful screening, prudent security measures, and regular upkeep.*

~Source:  
[http://www.interfaithhousingcenter.org/](http://www.interfaithhousingcenter.org/Resources/Myth_Busting/)  
[Resources/Myth\\_Busting/](http://www.interfaithhousingcenter.org/Resources/Myth_Busting/)

Table 1.2: Maximum Rents

Unit Size (Bedrooms)	Monthly Rents <sup>1</sup>				
	Extremely Low Income	Very Low Income	Lower Income	Moderate Income	Workforce Income
Studio	\$404	\$674	\$809	\$1,482	\$2,021
1	\$462	\$770	\$924	\$1,694	\$2,310
2	\$520	\$866	\$1,040	\$1,906	\$2,599
3	\$578	\$963	\$1,155	\$2,118	\$2,888
4	\$624	\$1,039	\$1,247	\$2,287	\$3,118

Note 1: Maximum rents shown above include costs of utilities based on utility allowances determined by the Housing Authority of the City of San Luis Obispo.

Table 1.3: Maximum Sales Prices

Unit Size (Bedrooms)	Initial Sales Prices <sup>1,2</sup>				
	Extremely Low Income	Very Low Income	Lower Income	Moderate Income	Workforce Income
Studio	\$38,000	\$78,000	\$119,000	\$236,000	\$330,000
1	\$47,000	\$93,000	\$139,000	\$273,000	\$381,000
2	\$55,000	\$107,000	\$159,000	\$310,000	\$431,000
3	\$64,000	\$122,000	\$179,000	\$347,000	\$481,000
4	\$71,000	\$133,000	\$195,000	\$377,000	\$522,000

Note 1: Homeowners association dues assumption is \$150.00 per month.

Note 2: Mortgage financing is assumed at a 4.42% fixed interest rate for 30 years (per HSH Associates). Prices shown are preliminary estimates, as actual price limits will be determined by the County on a case by case basis.

## HOW THIS HOUSING ELEMENT WAS PREPARED

In 2009 the Planning and Building Department chose to replace the 2004 Housing Element rather than doing a page by page edit. For the 2014 Housing Element the Planning and Building

Department chose to do a comprehensive update of the 2009 Element, retaining the format and relevant information from the 2009 Element. The State of California Department of Housing and Community Development (HCD) approved each updated Housing Element version previous to 2004.

This Housing Element is organized with information required by State law, and consists of the following chapters:

- Introduction (Chapter 1)
- An evaluation of the previous housing element (Chapter 2)
- An analysis of sites where housing can be built (Chapter 3)
- Descriptions of proposed programs (Chapter 4)
- Analyses of housing needs and constraints (Chapter 5)
- Appendices (Chapter 6)

## PUBLIC PARTICIPATION

Affordable and workforce housing issues (described in Chapter 5) are a major topic of public discussion. Due to the high cost of construction and housing countywide, the County and other groups initiated public discussions of the issues related to the Housing Element. Here are some examples:

- County staff participates in monthly meetings of the Housing Committee of the SLO County Homeless Services Oversight Council (HSOC) to hear about housing needs and to provide information about housing to the other participants.
- County staff meets at least once every three months with representatives of the Home Builders Association of the Central Coast to share information about housing opportunities and challenges.

**Myth: “Higher-density housing is only for lower-income households.”**

*Fact: “People of all income groups choose higher-density housing.”*

Source: “Higher-Density Development, Myth and Fact”, Urban Land Institute, 2005



*18 units per acre  
Walnut Street,  
San Luis Obispo*

- County staff regularly participates in the monthly meetings of the Building Design and Construction cluster of businesses, which is one of the groups implementing the county-wide economic strategy sponsored by the Economic Vitality Corporation of SLO County. This group often focuses on issues of workforce housing, including conducting a workforce housing survey.
- County staff attended the November 6, 2013 meeting of the Cayucos Citizens Advisory Council, provided an overview of the Housing Element update, outlined the update review process, answered questions, and requested input from the community.
- In November 2013, the County met with representatives from the Economic Vitality Corporation to discuss the Housing Element Update and development of affordable housing.
- On November 7, 2013, the County met with the Workforce Housing Coalition to discuss the Housing Element Update and development of Workforce Housing. Also, County staff participates year-round on the Workforce Housing Coalition to stay informed on housing issues.
- On December 2, 2013, County staff attended a meeting of the Agricultural Liaison Advisory Board to discuss the need for farm worker housing, and followed up with a roundtable discussion in March 2014 to further discuss farm worker housing needs.
- County staff attended the March 19, 2014 meeting of the North Coast Advisory Council in Cambria, announced that the Housing Element update was in progress, sought input, and answered questions.
- On March 21, 2014, County staff attended a presentation from the SLO Commission on Aging to discuss senior housing needs in the County.
- County staff attended the March 26, 2014 meeting of the San Miguel Advisory Council, provided an overview of the Housing Element update, answered questions about the update, and requested input from the community.
- County staff attended a meeting of the Shandon Advisory Council in May and described the Housing Element update, sought input, and answered questions.

The County reached out to lower income residents throughout the public participation process in several ways. First, presentations to the Workforce Housing Coalition reached a broad representation of lower income households through participation of the Housing Authority of the City of San Luis Obispo, the non-profit housing developer People's Self Help Housing Corporation, and other groups such as lenders. Additionally, County staff attended advisory council meetings in Shandon and San Miguel to describe the Housing Element process and encourage participation and input. Census data shows that these communities have concentrations of low income persons.

Public awareness of the issues surrounding affordable and workforce housing increased as a result of these public discussions, and the County gained useful information regarding housing needs, constraints, public sentiment, and possible public responses. County staff learned that the public generally values development incentives and preserving some multi-family land for attached housing. Additionally, some agencies want revised development standards for certain types of development such as farm support and group quarters, mobile home parks, and Residential Multi Family projects to reduce barriers to construction of these housing types.

A Public Review Draft Housing Element was issued on April 14, 2014, and a copy was transmitted to HCD for its review. HCD, local agencies, and other members of the public provided comments to the County within the 60-day public comment period. After considering all comments received on the Public Review Draft Housing Element, the County prepared a Public Hearing Draft Housing Element.

On May 29, 2014, the San Luis Obispo Planning Commission recommended adoption of the Public Hearing Draft Housing Element to the Board of Supervisors. On June 17, 2014, the Board of Supervisors took final action to adopt the Planning Commission Recommended Draft Housing Element with one minor revision by the Board of Supervisors. The adopted Housing Element will then be transmitted to HCD for its review. After

reviewing any additional comments from HCD, the Board of Supervisors may adopt a revised Housing Element at a future hearing date if needed.

**Myth: “Land in my community is too expensive for affordable housing.”**

*Reality: Expensive land doesn't automatically exclude the development of affordable housing. Sometimes it's a better bargain because the land is in better shape. Less expensive land is often in poorer shape and requires more site preparation and increases the overall development costs.*

~Source:  
[http://www.interfaithhousingcenter.org/Resources/Myth\\_Busting/](http://www.interfaithhousingcenter.org/Resources/Myth_Busting/)

## GENERAL PLAN CONSISTENCY

The Housing Element is most affected by the San Luis Obispo County Land Use Element (LUE) and Land Use Ordinance (LUO), and their Coastal Zone counterparts - the CZLUE and CZLUO. These documents guide location, type, intensity, and distribution of land uses throughout the county. The LUE places an upper limit on the number and type of housing units that can be constructed by designating the total acreage and density of residential development. Also, land set aside for commercial and industrial uses creates employment opportunities, which in turn increases demand for housing in the county.

This Housing Element is internally consistent with the other elements of the San Luis Obispo County General Plan. This is because the sites analysis and existing programs described in this Housing Element reflect provisions of the Land Use Element (LUE), other elements of the San Luis Obispo County General Plan, and ordinances in effect when this element was adopted. For example, the sites identified for housing include only those already designated for housing pursuant to the LUE, including adjustments for known constraints. However, in order to maintain internal consistency of the General Plan, the County may find it necessary or appropriate to amend one or more of those documents as it implements the proposed programs in this Housing Element.

# CHAPTER 2: EVALUATION OF THE PREVIOUS HOUSING ELEMENT

## OVERVIEW

Some effective programs in the previous Housing Element include addressing mobile home park conversions, requiring development of affordable housing, and providing direct financial assistance for affordable housing. These, as well as other programs and market forces, combined to produce 171 very low and low income units and 16 moderate income units of affordable housing during the period from 2009 to 2013 (see Table 2.1). These numbers reflect the sustained recession during the last Housing Element cycle. While important, these successes fell short of meeting the affordable housing needs for very low, low, and moderate-income households. Since most county residents earn moderate or below moderate incomes, the affordable housing constructed did not meet the demand over the last Housing Element cycle. A detailed description of housing accomplishments is included in Appendix A. *The following table describes housing units constructed in the previous Housing Element cycle, showing 33% of the goal met for very low and low income housing and 6.6% of the goal met for moderate income housing.*

**Table 2.1: New Housing Units Produced  
Unincorporated County 2009-December 31, 2013**

Income Group	Needs	Provided	% Achieved	Shortfall
Very Low & Low Income	514	171	33	343
Moderate Income	241	16	6.6	225
Above Moderate	540	1,336	247	(796)
Total	1295	1,523	117	(228)

Source: SLO County Planning and Building Department

The shortfall in construction of affordable housing was due to several factors. For example, the recession slowed the economy over the last Housing Element cycle. Loans were harder to obtain and home prices decreased dramatically. Additionally, grants and tax credits for construction of affordable housing are competitive and construction costs are high in California. These factors, as well as others listed later in this Chapter, limited the amount of affordable housing constructed.

### **AFFORDABLE HOUSING PROJECTS: EXAMPLES**

#### **OAK LEAF, NIPOMO**

The Oak Leaf project includes a total of 34 housing units for homeownership, developed by People's Self Help Housing with 10 units completed in 2012 and 24 units completed in 2013.



#### **ROOSEVELT APARTMENTS, NIPOMO**

The Roosevelt Apartments in Nipomo is a 52 unit apartment complex for very low and low income households completed in 2010.



**TEREBINTH, TEMPLETON**

The Terebinth Single Family Homes project in Templeton was completed by People's Self Help Housing Corporation and includes 33 homes for very low and low income households. The homes all have 3 or 4 bedrooms.

**COASTAL ZONE INFORMATION**

State law requires specific information about housing built in the Coastal Zone (Section 65588 of the California Government Code). The Coastal Zone boundary was established by the California Coastal Act of 1976. Additional standards and procedures for planning and development to address issues of statewide concern are included in the Coastal Act. Several communities are located in the coastal zone such as Cambria, Los Osos, Avila Beach, Cayucos, and parts of Oceano.

Between January 1, 2009 and January 1, 2013:

- Approximately 103 single family housing units were constructed and received final inspection within the coastal zone.

- Approximately 40 housing units in the coastal zone received final inspection for demolition and 34 replacement units received final inspection on these parcels (included in the total above).
- No housing units were demolished with low or moderate-income households as occupants within the previous 12 months.
- 1 secondary dwelling unit was built within the coastal zone.
- 1 farm worker support (mobile home) quarters was permitted within the coastal zone.
- 8 other mobile homes were permitted within the coastal zone.
- 19 multi-family dwellings were built within the coastal zone.
- Unfortunately, due to the slow economy and decline in the housing market, there were no new projects that would have required housing for persons of low or moderate income within the coastal zone (or within three miles of the coastal zone pursuant to Government Code Section 65590).
- A property owner converted a 40 unit motel into 14 two and three bedroom apartments and 11 studio apartments that will, by design, serve low and very low-income households in the coastal zone (in San Simeon, north of Cambria).
- A 68 unit mobile home park near the City of Morro Bay approved for a condominium conversion in 2008 was completed during the last Housing Element cycle (2009 through 2014). (Replacement units were provided by offering sales of spaces to existing homeowners and affordable rental rates for residents not purchasing their space).

## REVIEW OF HOUSING ELEMENT GOAL, OBJECTIVES, AND PROGRAMS

The County made significant progress toward implementing the goal and objectives in the 2009 Housing Element. The following is a summary of the achievements addressing the single goal to achieve an adequate supply of safe and decent housing that is affordable to all residents of San Luis Obispo County. A complete summary of progress made toward implementing Housing Element Programs is included in Appendix G. Results were based on two objectives: facilitation of development of new housing units for all income categories and maintenance and improvement of existing housing.

- The County rezoned 20 acres of land to the Residential Multi-Family land use category and 167 acres to the Residential Single Family land use category in Shandon.
- The County provided incentives for affordable housing development including expedited permit processing for affordable housing developments, density bonuses, modifications of development standards, and exemptions from the Growth Management Ordinance (GMO).
- Approximately 171 very low and low income affordable housing units were constructed in the unincorporated county with grant funding.
- 28 very low and low income households were provided grant funds to repair their homes.
- The County began implementing the inclusionary housing ordinance which was adopted in 2008, requiring development of affordable housing in conjunction with residential and non-residential development.

**Myth: “Higher-density development creates more regional traffic congestion and parking problems than low-density development.”**

*Fact: “Higher-density development generates less traffic than low-density development per unit; it makes walking and public transit more feasible and creates opportunities for shared parking.”*

Source: “Higher-Density Development, Myth and Fact”, Urban Land Institute, 2005

- Approximately 2,501 mobile homes were protected through the mobile home park closure ordinance adopted in 2008 to preserve the County's stock of mobile homes.
- Approximately 120 apartment units were retained through the condominium conversion ordinance adopted in 2008 to preserve the County's stock of rental housing.

## **WHAT LIMITED THE PROVISION OF NEEDED HOUSING?**

In addition to the economic downturn, problems in the financial markets and the substantial decline in the housing market, there are three primary reasons why affordable housing construction was limited in San Luis Obispo County over the last Housing Element cycle.

### ***1. High Cost of Constructing Attached Housing***

Builders, lenders, and insurance providers favor development of large single-family detached homes over alternatives such as apartments or condominiums. First, land costs are high in the county. Also, some developers found it very expensive or prohibitive to provide liability insurance and homeowner association insurance for attached multi-family housing projects. Builders also found that apartments and condominiums faced more difficulties due to neighborhood opposition. Responding to these influences as well as a market demand for retirement homes, builders found that building single-family detached homes, even on property zoned for more density, would sell more quickly and for prices often significantly higher than multi-family attached homes.

### ***2. Water Supply and Sewer Infrastructure Constraints***

Limited water supply and sewage disposal capacities in the unincorporated communities also limited multi-family development

and construction on small lots. Building moratoria and other less severe building limitations in urban areas also limited development of housing.

### **3. County Land Use Regulations**

County requirements also played an important role in limiting the types and amounts of housing built. For example, while the County's Land Use Ordinance allows up to 38 units per acre in many urban areas, it may not be feasible once physical site constraints, height limits, setbacks, parking, drainage, and other development standards are taken into account.

#### ***How the County Can Address Limitations***

The County can most directly influence the amount of affordable housing built by assuring that there is a sufficient amount of land designated for appropriate densities of residential development, and by assuring that adequate infrastructure is available. Over the longer term, the County can coordinate with local cities to designate additional land for housing within those cities, where centers of employment, schools, and shopping are located.

The County can also assist by finding ways to reduce the amount of time required to obtain development approvals that are consistent with land use policies and ordinances. Costs associated with holding land during the permit process and initial investments in public improvements discourage development and limit the supply of housing. The County can also provide incentives for development of affordable housing as described later in Chapter 4.

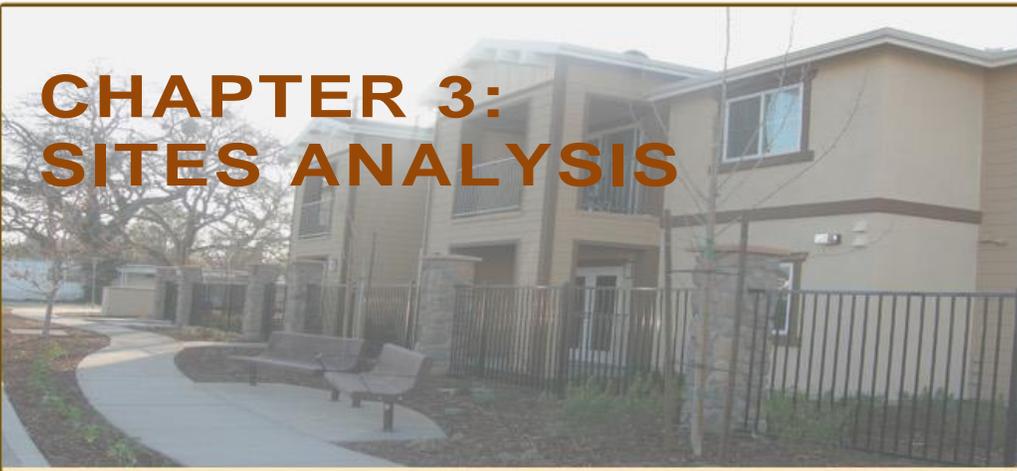
The County Planning and Building Department is continually looking for new ways to further streamline its permitting process. However, not all of the time used in processing applications can be attributed to the County. Responses to requests for more information needed to adequately review a development must be submitted in a timely manner by applicants to assure a smooth process. Reducing the time needed for processing residential permits, however, is a desirable goal that will continue to be pursued.



*Affordable apartment units integrated with market rate units, Avila Beach*

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# CHAPTER 3: SITES ANALYSIS



The purpose of the sites analysis is to show that the County is planning for future housing needs in the 2014-2019 planning period. The County analyzed vacant and underutilized land located in urban areas that are suitable for residential development to show there is enough land zoned for housing to meet housing needs over the next five years. Specific parcels identified are for informational purposes only to ensure that the County is planning for enough land to meet its needs. The County cannot require development of these parcels. This Chapter also considers zoning provisions and development standards to encourage development of housing that is affordable to all income groups. Additionally, growth patterns, environmental constraints, infrastructure, and zoning for various housing types are analyzed.

## REGIONAL HOUSING NEEDS PLAN (RHNP)

Adequate sites have been identified to accommodate the unincorporated County's share of housing need, as shown in Table 3.1. The State Department of Housing and Community Development (HCD) started the Housing Element update process by issuing its determination of each region's share of statewide housing need, broken down by income group. In our case, the region consists of unincorporated areas of San Luis Obispo County and the seven incorporated cities. The San Luis Obispo Council of Governments (SLOCOG) then prepared and adopted a plan to allocate the housing need to the cities and the unincorporated areas of the county. HCD subsequently approved the Regional Housing Needs Plan (RHNP) as adopted by

*The **Regional Housing Needs Plan** “establishes numerical targets for the development of housing units in each of its member jurisdiction’s state-mandated Housing Element update”*

~SLOCOG~

Regional Housing Needs Plan, 2012

SLOCOG that designates **4,090** units for the San Luis Obispo County region. The assigned share of the regional housing need for the unincorporated county is 1,347 new housing units for the period of January 1, 2014 to June 30, 2019. *The table below shows the breakdown of the assigned share by income group.*

**Table 3.1: Unincorporated County Share of Housing Needs, 2014-2019**

Income Category	Number of New Units	Percent
Very Low	336	25.0
Low	211	15.7
Moderate	237	17.6
Above Moderate	563	41.8
<b>Total</b>	<b>1,347</b>	<b>100</b>

Source: Regional Housing Needs Plan adopted by SLOCOG, 2013

Workforce housing needs are not addressed by HCD in the Regional Housing Needs Plan. However, the County adopted separate standards encouraging housing for workforce households.

The assigned share for the cities totals 2,743 housing units, broken down as follows:

**Table 3.2: Cities Share of Housing Needs, 2014-2019**

City	Very Low	Low	Moderate	Above Moderate	Number of New Units
Arroyo Grande	60	38	43	101	242
Atascadero	98	62	69	164	393
Grover Beach	41	26	29	69	166
Morro Bay	39	24	27	65	154
Paso Robles	123	77	87	206	492
Pismo Beach	38	24	27	64	152
San Luis Obispo	285	179	201	478	1,144
<b>Total</b>	<b>684</b>	<b>430</b>	<b>483</b>	<b>1,147</b>	<b>2,743</b>

Source: Regional Housing Needs Plan adopted by SLOCOG, 2013

**RECENTLY COMPLETED HOUSING UNITS**

The number of housing units built or approved in 2014 can be counted toward achieving the goals of the RHNP. This reduces the amount of vacant land needed to accommodate the County’s share of regional housing need under Section 65583 of the California Government Code. All units counted in this analysis (other than secondary dwellings and above moderate units) are deed restricted units (see Appendix A for a full summary of housing units completed and planned). For secondary dwellings, a rent survey of 23 studio and one bedroom apartments in 2013 and 2014 was completed. The results of the survey are discussed further in the very low and low income section below. *The following table shows the number of housing units completed and approved from January 1, 2014, and shows the remaining housing need.*



*Serenity Hills Apartments,  
Templeton  
Recently completed in 2008*

**Table 3.3: Remaining Housing Need 2014 - 2019**

	RHNP Requirement	Units Completed or Under Construction Jan. – June 2014	Units Approved or Planned*	Remaining Housing Need**
Very Low Income Units	336	3	56	277
Low Income Units	211	8	73	130
Moderate Income Units	237	3	41	193
Above Moderate Income Units	563	58	n/a	505

\*See Appendix A.

\*\*See Table 3.5, 3.6

**REALISTIC DEVELOPMENT CAPACITY**

The San Luis Obispo County Land Use Element (LUE) and Land Use Ordinance (LUO), and the Coastal Zone counterparts (CZLUE and CZLUO), permit Residential Multi-Family densities of 26 or 38 units per acre in many locations. However, such densities are rarely achieved. This is due to many variables. For

instance, site terrain, creeks, existing trees, and other features may prevent maximum densities. Development standards for parking, building heights, open area, and floor area also affect actual development capacity. Additionally, builders do not always submit projects that maximize the number of housing units they can build on a given site due to local opposition to high density development, cost of construction, liability insurance, or lack of an adequate market.

Sometimes required off-street parking can limit density. Two parking spaces are required for each new single family dwelling unit and between 1-4 spaces per unit for multi-family dwellings (depending on the size and number of units in the project, see Table 5.17 for more detailed information).

Residential building height limits, ranging from 25 to 45 feet, also affect development capacity. For example, residential developments in some areas are limited to a 2-story height limit, reducing the development potential. The County plans to address this issue with a program that would allow three or four stories in some areas.

Maximum floor area, ranging from 48 to 65 percent can also affect development capacity. Developers have typically proposed larger sized units due to market demand, thus reducing the total number of possible units in a project. The minimum open area, ranging from 40 to 45 percent for medium to high density residential developments, can also impact development capacity. Most communities favor larger open areas for high density apartment buildings. To balance the market demand for larger housing units and the community demand for maximum open area, affordable housing developments have been typically designed at densities below the maximum allowed by the Land Use Ordinance.

To determine the realistic development capacity of vacant and underutilized parcels for the 2009 Housing Element, the County analyzed residential projects built or approved in the preceding five year period on parcels with allowable residential densities greater than 20 units per acre. The average density achieved was 18 units per acres for these residential developments (see Table 3.4). The average density is based on previous residential

projects completed in San Miguel, Cambria, Templeton, and Avila Beach. As a result, the realistic development capacity assumed for vacant and underutilized parcels was 18 units per acre. This figure is considered representative of current conditions and will be used for the 2014 through 2019 time period. (So few multi-family projects were completed in the past 5 years due to the recession that the analysis from the previous Housing Element cycle is considered more reliable.) *The following table lists the multi-family housing developments examined in these communities from 2004 to 2009 to determine the average density achieved.*

**Table 3.4 – Realistic Development Capacity**

Community	Parcel Size	Units Built or Approved	Maximum Allowable Density (units/ac)	Density Achieved (# of units built/acre)
Avila Beach	0.1	2	38	20
Avila Beach	0.4	7	26	18
Avila Beach	0.4	7	26	18
Avila Beach	0.48	9	38	19
Avila Beach	0.6	17	38	28
Avila Beach	1.36	17	38	13
Avila Beach	1.5	10	38	7
Avila Beach	1.6	28	38	18
Cambria	0.9	11	26	12
San Miguel	0.17	5	26	29
San Miguel	0.21	4	26	19
San Miguel	0.55	8	26	15
San Miguel	0.8	12	26	15
Templeton	1.7	43	26	25
			Average	18

Based on the preceding factors and the actual densities of projects built over the sample five year period, the County assumes that parcels identified for very low and low income households would be developed at an average density of 18 units per acre.

**SMALL SITES (LESS THAN ONE ACRE)**

Small sites are feasible for development and do not prevent multi-family densities equivalent to 20 units per acre from occurring per Table 3.4. In some instances, smaller sites are built at higher densities than larger sites. Since the average density achieved from 2004 to 2009 (the sample period) was 18 units per acre for both small and large sites, 18 units per acre is also assumed for small lots.

**SITES FOR VERY LOW AND LOW INCOME HOUSING****VACANT RESIDENTIAL SITES**

Due to the high cost of land in the county, most new housing units affordable to very low and low income households will be built in the medium to high density Residential Multi-Family (RMF) land use category (allowing 26 units/acre or higher). Additionally, Section 65583.2 of the California Government Code provides that land designated for residential development in “suburban” jurisdictions such as San Luis Obispo County at densities of 20 units per acre or higher may be counted toward meeting the assigned share of housing need for very low and low income households. A total of 14 vacant residential sites with maximum allowable densities of 26 or 38 units per acre were identified within the RMF land use category. The total development potential on the identified sites is estimated to be 371 units. This is based on the average development density of 18 units per acre. Maps of vacant sites are included in Appendix B. *The following table lists the vacant sites that could be developed with housing for very low and low income housing.*



*Vacant Residential  
Multi-Family Parcel,  
San Miguel*

~Refer to Appendix B to view other vacant parcel maps for very low and low income housing

**Table 3.5: Vacant Parcels for Potential Very Low and Low Income Households**

Assessor Parcel Number	Community	General Plan Designation and Zoning*	Acres	Maximum Allowable Density (units/ac)	Maximum Potential Units Per General Plan	Realistic Potential Units (18 units/ac)
021-231-017,024,041	San Miguel	RMF	1.60	26	42	29
021-302-010	San Miguel	RMF	0.26	26	7	5
021-302-008	San Miguel	RMF	0.30	26	8	5
021-322-013	San Miguel	RMF	0.25	26	7	5
021-322-014	San Miguel	RMF	0.20	26	5	4
021-322-015	San Miguel	RMF	0.29	26	8	5
021-401-001	San Miguel	RMF	2.20	26	57	40
076-201-071	Avila Beach	RMF	0.41	38	15	7
074-229-024	Los Osos	RMF	10.35	26	269	186
074-293-016	Los Osos	RMF	1.20	26	32	22
074-293-010	Los Osos	RMF	1.80	26	47	33
090-081-012	Nipomo	RMF	0.33	20	7	6
090-384-015	Nipomo	RMF	0.19	20	4	3
092-142-034	Nipomo	RMF	1.16	20	23	21
					<b>Total</b>	<b>371</b>

\* The General Plan Designation and the zoning are the same for the County.  
 Note: Los Osos community sewer project was under construction in 2013.

**UNDERUTILIZED RESIDENTIAL SITES**

Parcels are not always developed with the maximum number of homes allowed by the zoning on the property. To encourage infill development, the County identified underutilized parcels within the RMF land use category that could provide greater development intensity. Maps of underutilized sites are included in Appendix B. Several landowners of underutilized parcels have been successful in developing additional housing units on such sites. For example, in Nipomo, a 1.19-acre parcel developed with a four-unit apartment having an allowed density of 20 units per acre was

approved for an additional 15 units. Another example, also in Nipomo, is an existing triplex on a 1.3-acre parcel, with an allowed density of 20 units per acre that added 22 attached units. Since the underutilized parcels shown in Table 3.6 have allowable densities comparable to Nipomo, these past development trends in Nipomo are applied to these parcels. The County also offers incentives and programs to promote affordable housing projects including density bonuses, exemptions from the Growth Management Ordinance, and expedited permit processing. There are a total of 15 underutilized parcels in the RMF land use category that could accommodate housing for very low and low income households. These parcels could accommodate 310 units.

*The following table lists underutilized parcels that could be developed for very low and low income households:*

**Table 3.6: Underutilized Parcels for Potential Very Low and Low Income Households**

Assessor Parcel Number	Community	Existing Use	General Plan Designation and Zoning*	Acres	Density (units/ac)	Maximum Potential Units Per General Plan	Realistic Potential Units (18 units/ac)
074-223-006	Los Osos	Multi-Family	RMF	1.18	26	31	17**
074-223-008	Los Osos	Single Family	RMF	1.06	26	28	6
074-223-009	Los Osos	Single Family	RMF	1.08	26	28	19
074-263-039	Los Osos	Multi-Family	RMF	1.03	26	27	15**
074-293-003	Los Osos	Single Family	RMF	1.28	26	33	23
Multiple***	San Miguel	Single Family	RMF	4.60	20	92	83
021-241-018	San Miguel	Senior Center	RMF	0.41	20	8	7
021-241-001	San Miguel	Single Family and Mobile Home Park	RMF	8.04	20	160	50
021-302-006	San Miguel	Single Family	RMF	0.33	26	9	3
021-241-028	San Miguel	Single Family	RMF	2.33	26	61	20
041-011-009	Templeton	Single Family	RMF	2.00	26	52	28
090-384-001	Nipomo	Single Family	RMF	0.50	20	10	9
092-142-014	Nipomo	Single Family	RMF	0.91	20	18	6
092-142-018	Nipomo	Multi-Family	RMF	1.25	20	25	7
092-142-033	Nipomo	Multi-Family	RMF	1.16	20	23	17****
						Total	310

\* The General Plan Designation and the zoning are the same for the County.

\*\* Due to condition of existing structures it is assumed these sites will be completely redeveloped. Only the increase in units is included this column.

\*\*\* APNs: 021-241-020, 030, 031, 032 and 021-401-004, 011,016, 017, 018

\*\*\*\* Approved tentative map for the number of units indicated. Because there are no active building permit applications, this parcel is still considered underutilized.

Full development potential is assumed for Los Osos parcels 074-223-009 and 074-293-003, all San Miguel parcels (listed as “multiple”), and Templeton parcel 021-302-006. The Los Osos sites and most of the San Miguel sites (021-401-011) have older single family residences and accessory structures built on a small portion of the site. Partial development potential is assumed for



*“The Varietal” secondary dwelling design*

Source: County Planning and Building Department

San Miguel parcels 021-302-006 and 021-241-028 and for Nipomo parcel 090-384-001 because newer single family residences were constructed on these sites. For example, parcel 021-241-028 has a single family residence that was constructed in 1999.

**Secondary dwellings:** The County anticipates that 65 new secondary dwellings will be constructed from 2014-2019. Of those, 28 (43%) will be affordable to very low and low income households and 34 (52%) will be affordable to moderate income households based on a rent survey conducted over a 5 month period in 2013/2014. These planned units are accounted for in Table 3.3 and Appendix A. Secondary dwelling units are often affordable to low or very low income households because they do not require acquisition of added vacant land and County regulations limit their size to 1,200 square feet when located on parcels of 2 acres or more. On parcels of less than one acre and in urban areas, secondary dwelling sizes are limited to 800 square feet. In the North Coast Area Plan, secondary dwelling sizes are limited to 640 square feet.

From September 1, 2009 through March 1, 2014, 59 secondary dwellings were constructed at an average of 13 units per year. None of these units were located in building moratorium areas. The County anticipates about the same number of secondary dwellings constructed from 2014-2019. Homeowners may continue to find these smaller units more desirable to build while the market continues to recover. Therefore, the County assumes that 13 secondary dwellings per year will be constructed over the next five years.

**Assisted housing units:** Because the County is an “entitlement” grantee under the U.S. Department of Housing and Urban Development’s Home Investment Partnerships (HOME) Program, we expect to allocate HOME funds to assist in the development of new housing units for very low and low income households. However, the County has not yet identified specific housing developments in unincorporated areas of the county that would be assisted beyond those already identified and counted as completed in 2014.

**Total very low and low income housing unit potential:** In sum, the County has identified sufficient sites for its assigned share of very low and low income housing need as follows:

Remaining Housing Need (from Table 3.3)	# of Units Identified on Vacant Sites	# of Units Identified on Underutilized Sites	TOTAL # of Units Identified
407	371	310	<b>681</b>

The 681 units identified are more than the 407 units of remaining need shown in Table 3.3. Maps of vacant and underutilized RMF sites can be found in Appendix B.

### SITES FOR MODERATE INCOME HOUSING UNITS

Housing units affordable to moderate income households can be built on sites in the Residential Multi-Family (RMF) land use category where 10 to 15 units per acre is allowable and achievable. The County has sufficient land in the RMF category with densities of 10 to 15 units per acre to accommodate the housing needs of moderate income households. There are 27 parcels located in Cambria, Los Osos, Nipomo, and Oceano that can potentially be developed with 708 moderate income household units. This amount is more than three times the RHNP allocation number assigned for this income level (remaining housing need of 193). *The following table lists vacant parcels that could be developed with housing for moderate income households:*

**Table 3.7: Vacant Parcels for Moderate Income Households**

Assessor Parcel Number	Community	General Plan Designation and Zoning*	Acres	Density (units/ac)	Maximum Potential Units Per General Plan	Realistic Potential Units
092-579-003	Nipomo	RMF	7.0	15	70	70
092-579-003	Nipomo	CR	1.2	10	12	12
092-577-006	Nipomo	RMF	0.9	10	9	9
092-142-034	Nipomo	RMF	1.2	15	18	18
092-578-004	Nipomo	RMF	2.0	15	30	30
092-578-005	Nipomo	RMF	2.1	10	21	21
092-578-005	Nipomo	RMF	1.7	15	15	26
092-141-035	Nipomo	RMF	1.6	10	16	16
092-141-037	Nipomo	RMF	1.7	10	17	17
092-577-002	Nipomo	RMF	1.8	10	18	18
092-577-006	Nipomo	RMF	0.9	10	9	9
092-577-003	Nipomo	OP/RMF	1.3	10	13	13
092-577-011 PTN	Nipomo	RMF	2.0	15	30	30
024-191-062	Cambria	RMF	0.7	15	11	9
024-191-063	Cambria	RMF	0.8	15	12	10
013-151-034	Cambria	RMF	6.6	15	99	33
023-441-008	Cambria	RMF	1.1	15	17	8
013-151-043	Cambria	RMF	2.3	15	35	30
013-151-021	Cambria	RMF	2.4	15	36	36
013-151-023	Cambria	RMF	1.8	15	27	27
062-085-004	Oceano	RMF	0.3	15	5	5
062-082-017	Oceano	RMF	0.2	15	3	3
074-293-010	Los Osos	RMF	1.7	10	17	17
074-293-016	Los Osos	RMF	1.2	10	12	12
074-229-004	Los Osos	RMF	8.6	10	86	86
074-229-026	Los Osos	RMF	2.5	10	25	25
074-229-024	Los Osos	RMF	11.8	10	118	118
					<b>Total</b>	<b>708</b>

\* The General Plan Designation and the zoning are the same for the County.

Note: 1. Los Osos is subject to a State imposed sewer moratorium, but a community sewer project is expected for completion in 2016.

**Total moderate income unit potential:** In sum, adequate sites have been designated to accommodate 708 new housing units for moderate-income households, which is more than the 193 units required.



*Moderate Income Condos,  
Woodlands, Nipomo  
15 units per acre  
Completed in 2007*

## **SITES FOR ABOVE MODERATE INCOME HOUSING**

The unincorporated areas of the County have enough appropriately zoned land to accommodate more housing for above moderate income households than required by the RHNP. Although the economic downturn has resulted in significantly less housing construction than the sample period for the 2009 Housing Element more above moderate income housing units are expected to be constructed from 2014 through 2019. (Typically more housing units are produced in this income bracket than the lower income brackets and substantially more than enough to meet the RHNP target.) *However, the following table lists additional vacant parcels by acreage within the Residential Single Family land use category.* These vacant parcels can potentially be subdivided and developed with 1,140 detached single family housing units for the above moderate income category.

**Table 3.8: Vacant Parcels for Above Moderate Households**

APN	Community	General Plan Designation	Acres
021-241-021	San Miguel	RSF	3.9
021-361-003	San Miguel	RSF	37
021-355-001	San Miguel	RSF	11.8
021-241-015	San Miguel	RSF	11.8
040-289-028	Templeton	RSF	7.5
041-181-017	Templeton	RSF	1.0
041-181-021	Templeton	RSF	0.5
040-289-012	Templeton	RSF	1.4
041-031-006	Templeton	RSF	1.5
041-031-013	Templeton	RSF	2.1
040-292-033	Templeton	RSF	3.0
017-311-006	Shandon	RSF	3.0
017-311-005	Shandon	RSF	2.9
017-192-053	Shandon	RSF	16.4
017-164-012	Shandon	RSF	5.0
092-570-044	Nipomo	RSF	1.3
092-572-013	Nipomo	RSF	3.4
092-572-014	Nipomo	RSF	5.0
092-572-053	Nipomo	RSF	3.0
074-431-001	Los Osos	RSF	7.8
074-431-017	Los Osos	RSF	1.8
074-026-007	Los Osos	RSF	1.7
074-026-008	Los Osos	RSF	2.3
074-026-009	Los Osos	RSF	3.0
074-026-010	Los Osos	RSF	2.7
074-052-049*	Los Osos	RSF	5.6
074-052-032*	Los Osos	RSF	0.7
074-052-033*	Los Osos	RSF	2.0
074-052-025*	Los Osos	RSF	1.3
074-052-024*	Los Osos	RSF	1.2
074-052-036*	Los Osos	RSF	4.7
062-069-009	Oceano	RSF	1.1
062-321-040	Oceano	RSF	2.7
075-032-014	Oceano	RSF	2.9
		<b>Total</b>	<b>163 acres of RSF 1,140 potential housing units</b>

\*Housing unit estimate adjusted for minimum parcel size of 10,000 square feet per planning area standard.

*San Joaquin Kit Fox*

## ENVIRONMENTAL CONSTRAINTS

A number of environmental constraints throughout the county affect the character and density of residential developments. For example, constraints include sensitive wildlife habitat, archeological sites, flood hazards, wetlands, and sensitive plant species. Specific constraints are described in more detail below. These constraints can usually be mitigated, and would likely not prevent development from occurring below the realistic development potential identified of 18 units per acre.

- ◇ Specific wildlife habitat include the San Joaquin kit fox in San Miguel and the Morro Shoulder Band Snail habitats in Los Osos. The County implements a number of mitigation measures to prevent the loss of sensitive habitat such as the kit fox habitat mitigation fee established by the State Department of Fish and Wildlife. These mitigation fees increase development costs.
- ◇ Potential flood hazards exist in many urban areas of the county. In inland areas, the communities of San Miguel and Templeton are located near the Salinas River and creeks, and portions of the coastal communities of Cambria, Los Osos, and Oceano are also in the flood zones. In most cases residences can be elevated above the flood plain although additional mitigation increases cost of development.
- ◇ Some parts of the county such as San Miguel, Cambria, and Nipomo are located in an area historically occupied by the Salinan, Chumash, and Yukat tribes. The County considers these archaeological sites as cultural resources that are preserved and protected through the County's policies and established programs. Mitigation such as Native American monitoring ensures that cultural resources are preserved.

- ◇ A Nipomo parcel (APN 092-142-034) and an Avila Beach parcel (APN 076-201-071) are exposed to noise levels greater than 60 db. Development on these parcels would require noise mitigation.
- ◇ The parcels identified within Cambria, Los Osos, Nipomo, Avila Beach, and Oceano are located in liquefaction areas and are subject to landslide risk.

## **WATER AVAILABILITY AND INFRASTRUCTURE**

Some areas of the county lack adequate infrastructure for significant residential development. For example, there is currently no community sewage system available in Los Osos (however the community sewer project has been approved and is currently under construction) and although Nipomo was experiencing interchange congestion during peak hours the recent Willow Road interchange has improved traffic circulation in Nipomo. Increasing the availability of infrastructure will continue to be a priority for the County. Some current efforts addressing infrastructure include construction of the community wastewater treatment system in Los Osos by 2016 by the County Public Works Department. Road improvement projects with funding for planning and design include operational improvements at Tefft Street and Highway 101 in Nipomo, a double roundabout at Halcyon Road and Highway 1 near Arroyo Grande Creek, improvements to the interchange for Avila Beach Drive at Highway 101 (including a park a ride lot), and improvements for Main Street at the Highway 101 interchange.

### San Miguel

The community of San Miguel has adequate sewer and water capacity to accommodate the total of 256 multi-family residential units identified in Tables 3.5 and 3.6 for very low and low income housing projects. According to the San Miguel Water Master plan, there are three primary groundwater wells that provide water

supply to the community. These existing wells are hydraulically capable of meeting the future growth demand. The existing sewage collection system in San Miguel has two drainage areas but will need to expand to accommodate future growth. Meanwhile, there are a number of ongoing capital improvement projects in San Miguel to increase water and wastewater capacity. Assessor Parcel Numbers (APN) 021-302-008, 021-322-014, and 021-322-015 will need water and wastewater service. However, APNs 021-401-011 and 021-302-006 already have existing water and sewer connections. APN 021-241-007 belongs to the San Miguel Community Services District, which holds the municipal water well.

#### Los Osos

In Los Osos, the County Public Works Department plans to complete the community wastewater treatment system under construction at this time by 2016. The community wastewater treatment system project involves the construction of a treatment plant, mains, and laterals throughout the project area. The County is also working on addressing water problems in the community through the community plan update process. While some parcels in Los Osos have main water lines adjacent to them, others need extended or upgraded water lines. Ongoing local road improvements and drainage facilities will be needed when new development occurs.

#### Cambria

Cambria has a limited water supply dependent on two groundwater basins. Although development is currently constrained by water the Cambria Community Services District is actively pursuing new water sources and evaluating seasonal water storage options. Cambria CSD also has an active water conservation program which helps reduce water consumption throughout the community. Intent-to-serve letters were issued for APNs 013-151-034 and 024-191-062 & 063. The County anticipates future changes in water meter allocation for Cambria parcels as the Community Services District continues to explore new water sources as an option for existing users and new development.

### Avila Beach

Avila Beach Community Services District's water supply includes State Water as well as groundwater. The parcel located in Avila Beach has water and sewer connections to accommodate the 7 affordable housing units noted in Table 3.5.

### Shandon

The community of Shandon currently has an allocation of State Water in addition to existing groundwater. However, a turnout pipeline is needed to deliver this water to the community. In addition to water infrastructure constraints the community will also need to construct a community sewer system. The recently approved Shandon Community Plan requires construction of a sewer in conjunction with new development if proposed at full density.

### Templeton

Templeton has two primary water sources including the Atascadero Sub-basin of the Paso Robles Formation and the Salinas River underflow. Templeton has no water system and no sewer system infrastructure limitations at this time. Affordable housing goes to the top of the wait list. Will serve relinquishments go to affordable housing projects on the wait list first.

### Oceano

Oceano has water available from three sources, including State Water and no current water system infrastructure constraints. The South San Luis Obispo County Sanitary District, which serves Oceano and other communities in the area currently has capacity to serve new projects.

### Nipomo

The community of Nipomo is located within the Nipomo Mesa Water Conservation Area which includes a much larger area than the Nipomo urban reserve. A Resource Capacity Study in 2004 (updated in 2007) determined that the Nipomo Mesa area of the groundwater basin, the sole water source for this area, was in

overdraft. The county responded with a number of measures to help address the land use implications including water neutral general plan amendments, mitigation fees for new development to help a supplemental water project, and communitywide water conservation program. A pipeline project is currently under construction to bring supplemental water from Santa Maria. The District continues to look for additional water resources.

Nipomo Community Services District provides sewer service within the urban reserve line of Nipomo. The District currently has capacity to serve additional parcels within the urban reserve line. No service constraints or infrastructure constraints have been reported.

New development will need to contribute to local road improvements and drainage improvements to address deficiencies where they occur.

### **PRIORITY WATER AND SEWER SERVICES FOR AFFORDABLE HOUSING**

Government Code Section 65589.7 requires a public agency or private entity providing water or sewer services to adopt written policies and procedures with objective standards for provision of services in compliance with the law. For example, a public agency or private entity that provides water or sewer services shall not deny or condition the approval of an application for services to, or reduce the amount of services applied for by, a proposed housing development with affordable housing units unless the agency makes specific written findings per Government Code Section 65589.7.

Some Community Services Districts (CSD) such as the Templeton CSD place affordable housing projects in first place on water will-serve lists, and provides water to these projects ahead of market rate development as water becomes available. However, they must first have sufficient supplies to provide this priority service.

Other CSDs such as the Nipomo CSD reserve a specific amount of water for lower income housing. Most, but not all water purveyors in the county are working to address water resource constraints including development of new water sources, water offset programs as well as water conservation. Sewer service is typically available for lower income housing in communities where community sewer is available.

## ZONING FOR A VARIETY OF HOUSING TYPES

A variety of housing types for lower income households are allowable in existing land use categories. Multi-family rental housing is permitted in the Residential Multi-Family land use category. Housing for agricultural employees is permitted in the Agriculture and Rural Lands land use categories as farm support and group quarters units. Additionally, lower income housing units for farm workers can be set aside in new multi-family apartment units. For example, the non-profit housing developer People's Self Help Housing Corporation recently set aside six lower income housing units for farm worker households in Oceano. Housing for single room occupancy units is permitted in the Residential Multi-Family land use category. Individual manufactured homes are allowed in all residential zones, and mobile home parks are allowed in Residential Multi-Family, Residential Single Family, Residential Rural, Residential Suburban, and Recreation land use categories (see photo of Daisy Hill Mobile Home Park as an example). The County amended its plans and Land Use Ordinances in 2010 (Inland Ordinance) and 2011 (Coastal Zone Ordinance) to allow emergency shelters in the Commercial Service, Public Facilities, and Industrial land use categories without a discretionary permit. Additionally, the County amended its ordinances to ensure that transitional and supportive housing are subject only to those restrictions that apply to residential dwellings of the same land use category (e.g. Residential Single Family and Residential Multi-Family) per Government Code Sections 65582, 65583, and 65589.5.



*Daisy Hill Mobile Home Park,  
Los Osos*

## **HOUSING FOR NEW EMPLOYEES AND RETIREES**

A variety of housing types are needed for new employees from 2015 to 2025. Looking beyond the Housing Element's five year planning horizon to 2025 helps identify longer term future housing needs and allows more time to address them. The San Luis Obispo County 2040 Population, Housing & Employment Forecast prepared for San Luis Obispo County's Council of Government's (SLOCOG) estimates that approximately 9,400 new jobs will be created countywide (including cities) for the ten year period beginning in 2015 through 2025, creating a demand for approximately 6,836 new housing units from new employees coming to the county. Additionally, the number of retirees (age 65+) countywide is estimated to increase by approximately 21,080 residents from 2015 to 2025 (Department of Finance), creating a demand of an estimated 8,432 homes. Therefore, 15,268 homes could be needed countywide (including cities) through 2025 for new workers and retirees. The County should plan for its share (5,191 units based on the RHNP percentages) of housing that will accommodate these future employees and retirees based on the types of jobs made available. Such housing should follow good planning principles and result in more affordable housing near transportation, jobs, medical services, shopping, and recreation. Further discussion about employment trends is discussed in Chapter 5.

A 2013 study of housing preferences of local employees found that most would prefer single family detached housing over attached homes or apartments.

# CHAPTER 4: GOAL, OBJECTIVES, POLICIES, AND PROGRAMS

## *The Planning and Building Department's Vision*

*We are dedicated as a Department to promoting prosperous and livable communities that flourish in a sustainable and environmentally sensitive manner, providing housing and economic opportunities for everyone.*

## OVERVIEW

This Chapter sets forth the overall Housing Element goal and objectives, policies, and programs to identify actions the County intends to take over the next five years to facilitate construction and preservation of affordable housing. Only 28.7 percent of homes are affordable to households earning the median income, with the median sales price currently \$421,000 (National Association of Homebuilders, based on 4<sup>th</sup> quarter 2013 figures). The inadequate supply of affordable housing creates difficulty for families seeking to remain in the area and for businesses seeking to retain and attract employees. As a workforce declines, the long term economic vitality of a region can suffer. Therefore, the County's overall goal for the Housing Element is as follows:

## OVERALL GOAL

***Achieve an adequate supply of safe and decent housing that is affordable to all residents of San Luis Obispo County.***

Objectives, policies, and programs support the County's goal. Housing Element objectives identify the realistic number of housing units that can be provided, given known constraints and recent market trends over a five-year time period through

construction, rehabilitation, or conservation of units. The policies and programs establish the strategies and actions to achieve the objectives.

Programs consist of actions designed to achieve specific results and a proposed schedule for implementation. The programs were designed in collaboration with community groups, builders, and housing consumers. Substantial public involvement was obtained before the programs were developed.

The County anticipates 1,092 new housing units will be constructed in the unincorporated areas of the county from 2014-2019 based on past development trends and the market. While in past years from 2004 to 2014 (covering two Housing Element cycles) over 600 units were constructed per year on average, the County anticipates fewer units will be constructed over the next Housing Element cycle as we see a gradual but slow improvement in the economy and credit markets. For several years during the low point of the recession (and the last Housing Element cycle), annual construction of new housing units dipped below 200 units per year. Although more recently approximately 300 units have been constructed per year, recovery to pre-recession levels may take some time. *The table below shows the quantified objectives for the next five years.*

**Table 4.1: Quantified Objectives for 2014-2019  
(Stated as housing units)**

	Extremely Low	Very Low	Low	Moderate	Above Moderate	TOTAL
Construction	87	186	170	192	457	1,092
Rehabilitation		14	14			28
Conservation/ Preservation	236	472	1,232	498	183	2,621

Notes:

1. The total construction and rehabilitation units in the table add up to the total units anticipated in the programs over the next five years.
2. "Workforce" housing units are a subset of "Above Moderate" units in this table.
3. Income category breakdown based on information from SU-MAP.

### ***Implementation***

*Policies* are labeled with the prefix “HE” and a number. This is in recognition that policies come from the Housing Element (“HE”). Additionally, each policy is numbered in relation to one of the objectives. For example, policy “HE 1.3” is the third Housing Element policy relating to Objective 1.0. Each *program* is labeled in relation to the objective number and in alphabetical order. For example, “HE 1.A” refers to the first program implementing Objective 1.0. Table 4.3 at the end of this chapter summarizes the programs as well as the responsible agency, priority, estimated year of program initiation, and possible funding source.

The County will take a proactive leadership role in public outreach and working with community groups, other jurisdictions, and other agencies when implementing the Housing Element programs. In recognition that there are limited resources available to the County to achieve the Housing Element goal, the County will allocate staffing resources effectively and efficiently to implement the programs of the Housing Element subject to available funding.

## **OBJECTIVES**

### **□ *Housing Element Objective 1.0:***

**Facilitate development of 1,092 new housing units during the five-year time period beginning January 1, 2014, and implement the principles and policies of the Land Use Element (Framework for Planning) when planning and reviewing new development proposals to the maximum extent practicable.**

Facilitation of development includes incentives, reducing regulatory barriers, providing financial assistance for housing, rezoning land for housing, and revising ordinances. New development should be consistent with, and encourage the principles and policies of the Land Use Element (Framework for Planning).

□ ***Housing Element Objective 2.0:***

**Facilitate the conservation, maintenance, and improvement of 2,621 existing units of affordable housing, including affordable senior housing to allow aging in place.**

Conservation, maintenance, and improvement programs include protecting existing mobile homes and apartments, and maintaining existing affordable housing.

□ ***Housing Element Objective 3.0:***

**Provide housing opportunities for 500 households over a five-year period to prevent and end homelessness for them through financial assistance and services.**

Programs addressing opportunities for development and preservation of housing for homeless and disabled persons includes reducing regulatory barriers through ordinance amendments and foreclosure and/or eviction prevention.

## **HOUSING POLICIES AND PROGRAMS**

***Objective 1.0: Facilitate development of 1,092 new housing units during the five-year time period beginning January 1, 2014, and implement Strategic Growth policies when planning and reviewing new development proposals to the maximum extent practicable.***

The County will facilitate development of new housing units broken down by income categories established in the Regional Housing Needs Plan. *The quantified objective for construction of new housing is broken down in the table below.*

**Table 4.2: Quantified Objectives for Construction of New Housing, 2014-2019**

Extremely Low Income (30% of median income)	87 units (8%)
Very Low Income (50% of median income)	186 units (17%)
Low Income (50%-80% of median income)	170 units (24.9%)
Moderate Income (80%-120% of median income)	192 units (17.6%)
Above Moderate Income (over 120% of median income)	457 units (41.8%)
<b>Total New Housing Units</b>	<b>1,092 units</b>

***Policies 1.1 to 1.3***

**HE 1.1:**

Designate a sufficient supply of land for housing that will facilitate balanced communities, including a variety of housing types, tenure, price, and neighborhood character.

**HE 1.2:**

Plan for future housing needs beyond the State-required planning period (2009-2014) for this Housing Element. This is important because the tasks necessary to identify land for housing and provide infrastructure can take several years to accomplish.

**HE 1.3:**

Designate land for housing near locations of employment, shopping, schools, parks, and transportation systems when feasible.

**Myth: “Affordable housing will bring more traffic to the community.”**

*Reality: Studies show that affordable housing residents own fewer cars and drive less often than those in the surrounding neighborhood.*

~Source:  
[http://www.interfaithhousingcenter.org/Resources/Myth\\_Busting/](http://www.interfaithhousingcenter.org/Resources/Myth_Busting/)

### Implementing Program(s)

#### ***Program HE 1.A: Designate additional land for residential uses.***

**Description:** Amend the Land Use and Circulation Elements to designate additional land to Residential Multi-Family (RMF) and Residential Single Family (RSF) land use categories to accommodate needed housing to meet population growth during the next five years and beyond to 2025. The need is primarily for Residential Multi-Family land. The County will seek opportunities (1) to designate infill sites before proposing to expand urban reserves and (2) to designate land for housing in all communities.

**Purposes:** The County can assist in reducing price escalation, reduce vehicle miles traveled, and reduced resource consumption by adding new residential land to the inventory. Additionally, larger parcels (i.e. 5 acres or larger) would provide sufficient land to plan for site amenities such as open space and parks for multi-family projects. While the County previously designated adequate land to accommodate its share of regional housing needs as described in Chapter 3, additional land will be needed after the planning period for this Housing Element.

**Desired Result:** Designate additional land for a variety of housing types to ensure that the supply of residential land is sufficient to meet projected needs through the year 2025. The County estimates that additional land in the RSF and RMF land use categories would be needed to accommodate 5,191 total housing units (11,590 housing units countywide including cities) through 2025. Additional land could be identified in the next Housing Element cycle when more resources are available (e.g. water) for constrained communities and when market demand is greater.

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Ongoing

### ***Policy 1.4***

#### **HE 1.4:**

Offer incentives to encourage development of housing affordable to extremely low income, very low income, low income, moderate income, and workforce households.

#### **Implementing Program(s)**

##### ***Program HE 1.B: Continue and track existing development incentives.***

Description: Continue to provide incentives to encourage development of affordable housing including density bonuses, exemptions from the Growth Management Ordinance, and expedited permit processing. Additionally, the Planning and Building Department will consider exempting in-fill projects located in eligible urban areas from the California Environmental Quality Act (when applicable).

Purposes: Incentives have financial values that improve the financial feasibility for the development of affordable housing. The County currently offers a density bonus of 35 percent for developments that include specified amounts of housing for extremely low, very low, low, or moderate-income senior households. The County exempts all housing units for extremely low, very low income, low income, and moderate-income households from its Growth Management

Ordinance, resulting in significant time savings during periods of high demand for building permits. Also, the Planning and Building Department provides expedited permit processing for affordable housing developments, saving weeks or months in processing times. As previously directed by the Board of Supervisors, the Planning and Building Department will monitor the impact of its permitting processes (including use permits) and look for opportunities to streamline permits for housing. Some of the strategies include, but are not limited to:

1) Reduce the permit requirement for multi-family housing projects from a Conditional Use Permit to a Minor Use Permit (currently in process - the threshold should reflect the size of typical multi-family projects);

2) Conduct CEQA analysis in advance of potential projects (i.e. in conjunction with focused specific plans/community plan updates); and

3) Promote/facilitate the affordable housing CEQA exemption (when applicable). CEQA exemptions will not be promoted in areas with a certified Level of Severity III.

**Desired Result:** Approximately 100 more housing units for extremely low, very low, low, and moderate-income households than without such incentives.

**Agency:** Planning and Building Department, Public Works Department

**Funding:** Budgets of affected departments

**Schedule:** Ongoing – Continue offering and track development incentives; 2014 - identify potential permit streamlining measures; 2016 – initiate amendments to streamline permits for housing.

***Program HE 1.C: Reduce and defer fees for affordable housing development.***

**Description:** Explore ways to reduce fees for development of affordable housing. Reduced fees could include payment of developer impact fees for affordable housing projects with inclusionary housing funds and deferral of impact fees for affordable housing developments until final inspection. It may be possible to adjust impact fees for infrastructure to be less for smaller homes than for larger homes if the need for infrastructure can be found to increase with home size.

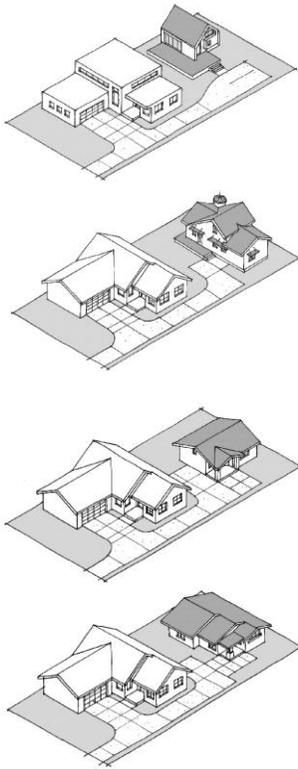
**Purposes:** Reduced and temporarily deferred fees have financial values that improve the financial feasibility for the development of affordable housing. The Inclusionary Housing Ordinance already exempts development of housing units smaller than 900 square feet, thereby encouraging development of smaller housing units that are more affordable.

**Desired Result:** Approximately 175 more housing units for extremely low, very low, low, moderate, and workforce income households than without reduced or deferred fees.

**Agency:** Planning and Building Department

**Funding:** Department Budget and Inclusionary Housing Funds

**Schedule:** Ongoing



*Example site layouts of secondary dwellings*

Source: County Planning and Building Department

***Program HE 1.D: Provide incentives for construction of secondary dwellings.***

**Description:** Revise County ordinances and fees to encourage development of secondary dwellings, and further promote secondary dwellings. For example, the County will consider revising road requirements and public facility fees for secondary dwellings or according to home size.

**Purposes:** Secondary dwellings are permitted in addition to the primary residence allowed on a property under certain circumstances. Secondary dwellings provide added housing without the added land cost, and therefore are often affordable to very low, low, and moderate income households.

**Desired Result:** Revised ordinances could facilitate development of an additional 50 secondary dwelling units for very low, low, and moderate-income households.

**Agency:** Planning and Building Department

**Funding:** Department Budget

**Schedule:** Initiate ordinance amendments in 2016 and complete the amendments in 2018.

***Program HE 1.E: Review existing ordinances for possible amendments to Farm Support Quarters, with special emphasis on Group Quarters.***

**Description:** Revise existing Farm Support and/or Group Quarters ordinances. For example, the maximum distance to site group quarters from a worksite is currently five miles. This requirement could be modified to increase this distance if growers provide transportation to employees.

**Purposes:** To encourage development of new housing for farm workers. Farm support quarters provide on-site housing for farm workers in Agriculture and Rural Lands land use categories. Group quarters can provide larger dormitory style housing for farm workers. Farm worker housing representatives met with County staff in 2008 to discuss possible amendments to the farm support and group quarters ordinances. Growers may rely more heavily on temporary farm workers through use of the federal H-2A program over the next five years. The H-2A program provides seasonal farm workers, however growers must provide these workers meals, transportation, and housing. Amendments to farm support and group quarters could provide more flexibility for the provision of farm worker housing in the County, some of which might be provided under the H-2A program. The County will also consider and evaluate potential stock plans for group quarters.

**Desired Result:** This program could enable development of 62 additional beds for farm workers in 20 farm support and/or group quarter units.

**Agency:** Planning and Building Department, in partnership with other groups

**Funding:** Department Budget

**Schedule:** Initiate ordinance amendments in 2017, and complete the ordinance amendments by 2018.



38 units per acre,  
Santa Cruz

### ***Policies 1.5-1.7***

#### **HE 1.5:**

Identify and eliminate or reduce regulatory barriers to development of housing affordable to households of all income levels.

#### **HE 1.6:**

Review proposed housing developments to provide safe and attractive neighborhoods through high quality architecture, site planning, and site amenities. The county's community plans include planning area standards to improve urban design and architecture reflecting individual communities. These standards also include specific design guidelines to implement good planning principles.

#### **HE 1.7:**

Encourage development of live/work units, where housing can be provided for the workforce while generating economic activity in the community.

### **Implementing Program(s)**

#### ***Program HE 1.F: Review and update residential development standards.***

**Description:** From time-to-time, review development standards for housing, and as needed, update those standards to encourage the development of high-quality neighborhoods. Standards to be considered may be community-based or countywide. The type standards to be considered may include:

- residential density standards based on floor area ratio or site coverage instead of housing units
- reduced minimum site area for new mobile home parks (currently five acres)

- appropriate densities based on proximity to services, schools, parks, transportation and job centers
- amenities, such as usable open areas, private outdoor areas and aesthetics
- connectivity to adjacent neighborhoods
- variety in housing types (including mobile home parks, small lot single family detached and attached developments, cohousing, rooming houses and residential hotels)
- variety in unit sizes, including small studio apartments (Single Room Occupancy - SRO)
- variety in building heights
- parking adjustments
- incentives for projects providing housing affordable to households earning between 120 and 160 percent of county median income (“workforce household”).

**Purposes:** The primary purpose for revisiting multi-family development standards is to provide opportunities to meet the Housing Element goal in an ever-changing setting, which may include the economy, resource limitations, demographic changes, or environmental impact mitigation. Some regulations may be outdated, ineffective, or result in an inefficient use of land. For example, although densities up to 26 or 38 units per acre are allowable in many locations, these densities are often not achieved due to other development standards that limit building placement or size.

**Desired Result:** Revised ordinances could facilitate development of an additional 250 housing units for all income groups in a range of communities.

**Agency:** Planning and Building Department

**Funding:** Department Budget

**Schedule:** On-going

**Single Room Occupancy**

*“(SRO) housing contains units for occupancy by one person. These units may contain food preparation or sanitary facilities, or both.”*

Source: U.S. Department of Housing and Urban Development



*Victoria Hotel, SRO Housing, Santa Barbara*

Source: People’s Self Help Housing Corporation

**Policies 1.8****HE 1.8:**

Use available federal and state financing to assist in the development and/or purchase of housing affordable to extremely low income, very low income, low income, and moderate-income households.

**Implementing Program(s)*****Program HE 1.G: Provide direct financial assistance for housing.***

**Description:** Continue to provide direct financial assistance for acquisition and development of affordable housing, most of which is rental housing. New or revised rating criteria will address whether housing projects include extremely low income units, giving extra points to these projects upon review and recommendation for grant funding each year. Additionally, rental assistance and First Time Homebuyer loans for very low income and low-income households will continue.

**Purposes:** Direct financial contributions make the provision of affordable housing feasible, and in exchange the County requires that long-term affordability be assured through special agreements. In addition, it allows the County to require priority for local residents and locally employed persons to rent or purchase the resulting housing units. The County has the ability to allocate federal grants each year for affordable housing because it is an "entitlement" grantee under the U.S. Department of Housing and Urban Development's (HUD's) Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs.



*Habitat for Humanity  
Project, Atascadero*

Funded with \$300,000 of federal HOME grant funds for acquisition of the property  
Completed 2008

Desired Result: Development of 100 extremely low, very low, and low income-housing units in the County and provision of 10 First Time Homebuyer loans.

Agency: Planning and Building Department

Funding: Annual HOME or CDBG Programs

Schedule: Ongoing

**Program HE 1.H: Provide support to the Housing Trust Fund.**

Description: Support the efforts of the Housing Trust Fund to secure funding for the San Luis Obispo County Affordable Housing Trust Fund.

Purposes: Continued support to the trust fund could stimulate development of more affordable housing than available federal and state grants can facilitate alone. The trust fund can assist housing for moderate-income households, in addition to very low and low-income households. A local trust fund may also qualify for matching federal or state funds. The County provides ongoing technical assistance and has made financial contributions totaling more than \$500,000 in the past ten years. This commitment was matched dollar for dollar from other sources.

Desired Result: If \$2 million in local, state, and federal funds are secured each year, approximately 75 new housing units could be constructed for extremely low, very low, low, and moderate-income households over a five-year period.

Agency: San Luis Obispo County Housing Trust Fund

Funding: Statewide real estate transfer taxes or recording fees, inclusionary housing fees, and

*“The **San Luis Obispo County Housing Trust Fund** (the “HTF”) is a private nonprofit corporation that was incorporated in 2003. The HTF was formed through a broad-based organizing effort by local health and social service providers, businesses and government agencies to address local housing needs in San Luis Obispo County, California.*

*The HTF’s mission is to increase the supply of affordable housing for very low, low and moderate income households in San Luis Obispo County, including those with special needs. Rather than develop or operate housing, we provide financing and technical assistance to private developers, nonprofit agencies and local governments to help create, preserve and improve housing that families, seniors and households with special needs can afford to rent or buy.”*

~Source:  
<http://www.sloctf.org/files/annual-report-2013.pdf>



*Mixed use, residential above commercial, attached residential and small detached housing*

~Courtesy: LGA Architect

#### **Strategic Growth Planning Incorporates:**

- *Building on infill sites or adjacent to existing development*
- *Choosing sites that are appropriate from an environmental standpoint*
- *Provision of schools, stores, parks, entertainment, etc. within walking distance*
- *Provision of a mix of housing types*

contributions by foundations and other sources. These sources may leverage additional state and federal funds (e.g. local HTF matching grant program from the State HCD, federal Treasury CDFI Fund Program).

Schedule: Ongoing - Identify and evaluate potential revenue sources.

#### **Policies 1.9-1.11**

##### **HE 1.9:**

Encourage the use of Strategic Growth principles in development that create a range of housing choices, mix land uses, preserve open space, and focus development in urban areas.

##### **HE 1.10:**

Protect the existing supply of multi-family land to meet the needs of lower income households and the workforce, and avoid development of multi-family land at low residential densities or with non-residential land uses. The intent of this policy is to support the affordable housing objectives of this Element, which will require the efficient and strategic use of land. This policy supports the development of ordinances which encourage increased residential densities on multi-family land, consistent with Program HE 1.F. This policy is not intended to prevent the approval of housing projects having less than allowable densities that are otherwise consistent with County ordinances and policies.

##### **HE 1.11:**

Encourage alternative housing types such as co-housing, shared homes, rooming houses, residential hotels, mixed use, and other similar collaborative housing. Providing a wide variety of alternative housing types improves the ability of residents to find the housing that best fits their needs.

**Implementing Program(s)**

***Program HE 1.I: Provide incentives for mixed use development.***

**Description:** Explore ways to provide incentives for development of mixed use projects such as reduced or deferred fees and revised ordinance standards for mixed use. The County will consider the relationship between the amount of public benefit (such as reduced traffic and enhanced business viability) and proposed incentives.

**Purposes:** Mixed use development provides opportunities to live, work, and shop in the same neighborhood. Additionally, mixed use encourages walking and cycling, can increase neighborhood safety, and decrease transportation costs for families.

**Desired Result:** Approximately 80 more housing units for extremely low, very low, low, and moderate income households within mixed use projects and enhanced financial feasibility of mixed use project development.

**Agency:** Planning and Building Department

**Funding:** Department Budget

**Schedule:** Identify mixed use development incentives in 2018 and adopt incentives in 2019.

***Program HE 1.J: Facilitate affordable housing through advocacy, education, and support.***

**Description:** Facilitate development of affordable housing by educating advisory committees on the benefits of affordable housing, making strong recommendations to approve applications for affordable housing developments that meet



*Avila Beach Mixed Use*



*Page Mill, Palo Alto  
A 100% affordable project  
at 32 units per acre*



*Villas at Higuera,  
Mixed use project with attached  
housing, San Luis Obispo*

*The **Workforce Housing Coalition** will use public education and advocacy to encourage the creation and retention of more housing units in San Luis Obispo County for households earning less than 160 percent of median income to buy or rent. We will support residential projects that build communities and use land effectively.*

Source and website:  
<http://www.facebook.com/whcslocounty/info>

*Commuting 50 miles roundtrip per day to work costs an estimated \$7,150 per year.*

Source: County Planning and Building Department (based on a cost of 55 cents/mile)

ordinance standards, and by supporting efforts of advocacy groups. Also, promote more efficient use of existing housing that is vacant or underutilitized.

**Purposes:** Educating the public and community groups about the benefits of affordable housing may reduce community opposition to affordable housing development. One advocacy group already formed is the “Workforce Housing Coalition” (WHC). The WHC supports housing for households earning less than 160 percent of the county median income.

**Desired Result:** Enhanced financial feasibility and greater number of affordable housing proposals from private builders; improved access by housing consumers to information such as available rental housing that meets their special needs; and improved access by housing owners to information regarding tenant selection and other related matters. For example, “home share” programs have been implemented in some communities to help people share housing units instead of buying or renting housing that is larger than they need. Also, homeowners might rent out rooms if they had training regarding leases, tenant screening, and other issues. Finally, a pool of funds could be created to pay for damage caused by tenants (to provide for adequate damage security).

**Agency:** Planning and Building Department and community groups

**Funding:** Department Budget

**Schedule:** Ongoing

**Policy 1.12**

**HE 1.12:**

Reduce infrastructure constraints for development of housing to the extent possible. Infrastructure such as sewage disposal systems, water systems, and roads are necessary to support new housing.

**Implementing Program(s)**

***Program HE 1.K: Construct a community sewer system in Los Osos.***

**Description:** The County Public Works Department is managing construction of a communitywide sewer system in Los Osos.

**Purposes:** To ensure safe and sanitary infrastructure for existing and future development for community residents. The community of Los Osos is home to over 14,000 residents, and no public sewer system exists. However, a communitywide sewer system has been approved and the County Public Works Department is currently overseeing the construction of the project at this time.

**Desired Result:** A community sewer system to serve existing and planned development.

**Agency:** Public Works Department

**Funding:** Los Osos Community Residents

**Schedule:** Completion of construction by 2016

**Myth: “Higher-density development is unattractive and does not fit into a low-density community.”**

*Fact: “Attractive, well-designed, and well-maintained higher-density development attracts good residents and tenants and fits into existing communities.”*

Source: “Higher-Density Development, Myth and Fact”, Urban Land Institute, 2005

***Policies 1.13-1.14*****HE 1.13:**

Continue to provide flexibility in meeting the Inclusionary Housing Ordinance requirements.

**HE 1.14:**

Work with developers to encourage development of housing for local workers to meet the needs of the workforce and their families. The term “workforce housing” is defined in County ordinances as households earning less than 160 percent of county median income. Providing housing of the appropriate type, location, and price for local workers can improve the success of local businesses through dependable employees.

**Implementing Program(s)*****Program HE 1.L: Implement the Inclusionary Housing Ordinance requiring development of affordable housing.***

**Description:** Implement the Inclusionary Housing Ordinance approved in December 2008 by the Board of Supervisors, requiring affordable housing in conjunction with new market-rate housing development and non-residential projects. Staff will prepare a report on an annual basis for the Board of Supervisors to discuss the schedule for phasing in the inclusionary requirement (currently at 4% of the ultimately 20% requirement), annual increases or decreases of fees (i.e. to reflect the cost of construction), and uses/activities undertaken with the fees collected. The report allows the Board to make annual adjustments to the inclusionary requirements based on market conditions. Developers can comply through flexible

standards including building units on-site or off-site, by paying in lieu fees, or by donating land.

Purposes: Inclusionary housing will ensure that some affordable housing will be provided in the unincorporated areas of the county to meet a portion of the identified housing need.

Desired Result: Facilitate development of an additional 200 housing units for extremely low, very low, low, moderate, workforce and above workforce-income households over the next five years. The inclusionary ordinance will be phased in over five years, and is projected to produce more housing units in subsequent Housing Element cycles.

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Ongoing

**Policy 1.15**

**HE 1.15:**

Promote housing opportunities regardless of age, race, religion, sex, marital status, ancestry, or national origin.

**Implementing Program(s)**

***Program HE 1.M: Respond to inquiries and complaints related to fair housing laws.***

Description: Provide information on the County’s website about fair housing and respond to inquiries from the public. Additionally, the County will refer discrimination complaints to appropriate agencies such as California Rural Legal Assistance.

Purposes: To ensure equal housing opportunities that prohibit discrimination in housing based on the basis of age, race, color, religion, sex, national origin, disability, and familial status.

Desired Result: Public education and timely responses to fair housing inquiries.

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Ongoing

***Program HE 1.N: Amend ordinances to facilitate development of senior-friendly communities.***

Description: Amend ordinances and the General Plan to facilitate development of senior-friendly communities and housing suitable for the County's aging population.

Purposes: To provide more housing choices that meet the needs and preferences of seniors.

Desired Result: Revised ordinances can enable provision in housing developments for pedestrian and wheelchair access, access to nearby services, and transit that are needed by seniors, and encourage or require the provision of housing that is physically accessible (e.g., one-story, no steps, roll-in showers).

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Initiate ordinance amendments in 2017.

**Objective 2.0:**

***Facilitate the conservation, maintenance, and improvement of 2,621 existing units of affordable housing, including affordable senior housing to allow aging in place.***

**Policy 2.1****HE 2.1:**

Encourage long-term maintenance and improvement of existing housing through rehabilitation assistance for lower income households.

**Implementing Program(s)*****Program HE 2.A: Rehabilitate housing units.***

**Description:** Finance the rehabilitation of 28 existing housing units occupied by very low or low-income households through its CDBG and HOME programs over the next five years.

**Purposes:** Enable existing very low and low income homeowners to retain their homes and enjoy safe and decent housing. Renters may benefit if landlords use County-provided financing to rehabilitate their housing. Improving housing in a neighborhood through these programs encourages other property owners to maintain their homes, thereby preventing the decline of the entire neighborhood. The estimate of 40 housing units is based on historical performance of the County's CDBG and HOME programs, as well as the improved conditions of housing in the updated housing conditions survey.

**Desired Result:** This program will ensure continued safe and decent affordable housing for 28 very low and low income homeowners.

**Agency:** Planning and Building Department, local non-profit groups (i.e., Economic Opportunity Commission).

**Funding:** HOME or CDBG Programs

**Schedule:** Ongoing

### ***Policies 2.2-2.3***

#### **HE 2.2:**

Strive to protect mobile homes, mobile home parks, and manufactured housing as an important source of affordable housing in San Luis Obispo County.

#### **HE 2.3:**

Strive to prevent affordable housing from converting to market rate housing.

#### **Implementing Program(s)**

##### ***Program HE 2.B: Create a new Mobile Home Park land use category.***

**Description:** Create a new land use category for mobile home parks (Note: The State describes a manufactured housing community where spaces are rented or leased as a “mobile home park”).

**Purposes:** Mobile home parks provide affordable housing options to residents, and are a vital component of the affordable housing stock in the county. A land use category specifically addressing mobile home parks would provide more certainty that



*Sunny Oaks  
Mobile Home Park,  
Los Osos*

the existing parks would not be converted to another use. Additionally, it may be possible to apply the mobile home park land use category to vacant sites to promote development of new mobile home parks.

**Desired Result:** This program will ensure continued safe and decent affordable housing for at least 2,501 extremely low, very low, low, and moderate income homeowners and renters of mobile homes and manufactured homes living in parks.

**Agency:** Planning and Building Department.

**Funding:** Department Budget

**Schedule:** Initiate amendments in 2015 and complete amendments in 2016.

***Program HE 2.C: Implement the Mobile Home Park Closure Ordinance.***

**Description:** Implement the mobile home park closure ordinance adopted in 2008 by the Board of Supervisors.

**Purposes:** Preserve the County's stock of mobile home parks. Mobile home parks provide much of the county's supply of affordable housing, consisting of approximately 2,501 mobile home spaces in 40 mobile home parks. The closure ordinance provides financial compensation to mobile home residents in the event of closure, and gives decision makers the necessary information to base approvals for closures.

**Desired Result:** Implementation of the mobile home park conversion ordinance could preserve an estimated 2,501 housing units for extremely low,

very low, low, and moderate-income households over the next five years.

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Ongoing

***Program HE 2.D: Implement the Condominium Conversion Ordinance.***

Description: Implement the condominium conversion ordinance adopted in 2008 by the Board of Supervisors. This will ensure that the rental stock does not diminish and will provide some affordable housing when apartments are converted.

Purposes: To limit the number of rental units lost to conversions annually by allowing only a portion of the total rental units constructed in the previous year to be converted in the following year. The ordinance requires an owner to set aside a portion of the converted units for affordable housing, and provides assistance to displaced residents.

Desired Result: Implementation of the condominium conversion ordinance could preserve up to 120 housing units for extremely low, very low, low, and moderate-income households over the next five years.

Agency: Planning and Building Department

Funding: Department Budget

Schedule: Ongoing

**Objective 3.0:**

***Provide housing opportunities for 500 households over a five-year period to prevent and end homelessness through financial assistance and services.***

**Policies 3.1-3.3**

**HE 3.1:**

Remove regulatory barriers for development of housing for homeless and disabled persons.

**HE 3.2:**

Work with other jurisdictions to support a countywide approach to reducing and preventing homelessness.

**HE 3.3:**

Work with community groups and developers to provide opportunities for construction and acquisition of housing for special needs groups.

**Implementing Program(s)**

***Program HE 3.A: Revise the General Plan and ordinances to address group homes (Residential Care Facilities).***

**Description:** Review the Group Home (Residential Care Facilities) standards in the General Plan and ordinances, and then make revisions if the County determines that changes are necessary. Review and amend ordinances as needed to make the definition of “family” consistent with federal and state fair housing law.

**Purposes:** Remove governmental barriers for the development of group homes. Group homes are residential facilities primarily designed to assist



*Transitional housing facility funded by the Supportive Housing Program grant*

Source: Transitions Mental Health Association



*Community Health Center clinic at the Prado Day Center, San Luis Obispo*

**Residential Care Facilities** are establishments primarily engaged in the provision of residential social and personal care for children, the aged, and special categories of persons with some limits on the ability for self-care, but where medical care is not a major element and twenty-four hour supervision is provided. Includes: children’s homes; orphanages; and halfway houses, rehabilitation centers and self help group homes with 24 hour supervision.

Source: San Luis Obispo County Code – Title 22 Land Use Ordinance

children and adults (including elderly) with chronic disabilities including persons experiencing physical disabilities, mental disorders, and addiction. Group homes can provide a sense of community and continuous supervision or care.

**Desired Result:** Removal of governmental barriers for the development of group homes.

**Agency:** Planning and Building Department

**Funding:** Department Budget

**Schedule:** Initiate ordinance amendments in 2015 and complete the ordinance amendments in 2016.

**Program HE 3.B: Provide housing opportunities and services to help reduce homelessness.**

**Description:** Continue allocating and administering the HOME and Emergency Solutions Grant (ESG) funded Tenant Based Rental Assistance (TBRA) programs and the Continuum of Care program for homeless and those at risk of becoming homeless.

**Purposes:** The TBRA programs provide deposits, rental assistance, case management, and other financial assistance services for homeless and those at risk of becoming homeless. While the funds are temporary, they house people in permanent housing situations and typically provides assistance long enough for people to obtain other income for housing (between 1 to 6 months on average). The Continuum of Care program provides financial assistance and supportive services for 32 people in permanent supportive housing and 20 people in transitional housing.

Desired Result: Reduce homelessness by providing rental and/or deposit assistance to 500 households, including both homeless households and those at risk of becoming homeless.

Agency: Planning and Building Department

Funding: Emergency Solutions Grant, HOME, and Continuum of Care Program

Schedule: On-going

**Table 4.3: Program Implementation Summary Chart**

Program	Program Type	Responsible Department or Agency	Priority*	Timeframe to Start	Possible Funding
HE 1.A	Designate more land	PB	High	Ongoing	Dept Budget
HE 1.B	Continue incentives	PB, PW	High	Ongoing /2014	Budgets of affected Depts
HE 1.C	Reduce & defer fees	PB	Med	Ongoing	Dept Budget
HE 1.D	Secondary dwellings	PB	Med	2016	Dept Budget
HE 1.E	Farm support	PB, CG	Med	2017	Dept Budget
HE 1.F	Revise development standards	PB, PW	High	2014 (& Ongoing)	Dept Budget or CDBG
HE 1.G	Direct financial assistance	PB	High	Ongoing	HOME or CDBG Grants
HE 1.H	Housing Trust Fund	HTF	Med	Ongoing	TOT, Inclusionary Fees, state/fed. funds
HE 1.I	Mixed use incentives	PB	Low	2018	Dept Budget
HE 1.J	Education	PB, CG	High	Ongoing	Dept Budget
HE 1.K	Los Osos Sewer	PW	High	Start 2012 end 2016	Los Osos Residents
HE 1.L	Inclusionary	PB	High	Ongoing	Dept Budget
HE 1.M	Fair Housing	PB	High	Ongoing	Dept Budget
HE 1.N	Senior Communities	PB	Med	2017	Dept Budget
HE 2.A	Rehabilitate units	PB, NP	Med	Ongoing	HOME and CDBG grants
HE 2.B	MH Land Use Cat.	PB	High	2015	Dept Budget
HE 2.C	MH Closure Implem	PB	High	Ongoing	Dept Budget
HE 2.D	Condo Conv Implem	PB	High	Ongoing	Dept Budget
HE 3.A	Group Homes	PB	High	2015	Dept Budget
HE 3.B	Housing & Services for Homeless	PB	High	Ongoing	Dept Budget

Note: PB = Planning and Building, PW = Public Works, NP = Non-Profits, CG = Community Groups

\* Priority: High - Start 2014-2015; Medium - Start 2016-2017; Low - Start 2018-2019



# CHAPTER 5: HOUSING NEEDS ASSESSMENT

## OVERVIEW

This comprehensive analysis of housing needs guided preparation of the objectives, policies, and program established in Chapter 4. This chapter addresses trends and interrelationships between people, economics, and the housing stock. A number of general conclusions can be drawn from this information:

- Although home prices declined significantly between 2006 and 2011 and housing in San Luis Obispo County is relatively more affordable than five years ago, home sales prices are still beyond the financial reach of most existing residents.
- Resource limitations, especially water, continue to impact housing development and where it may be located.
- The county's population is growing older. The housing supply will need to accommodate those changing needs with housing that is safe, walkable, and bikeable to transit stops, nearby medical services, and shopping.
- As the household size declines, the need for relatively smaller homes may rise.
- Attached housing is a viable option for many residents. It is generally developed at higher densities with lower land cost per housing unit. Projects should be close to services and provide useable open areas and other amenities.
- It is becoming more important to find opportunities to provide housing to locally-employed persons. When people live closer to work, school, shopping, and other destinations, they consume less energy, contribute less to

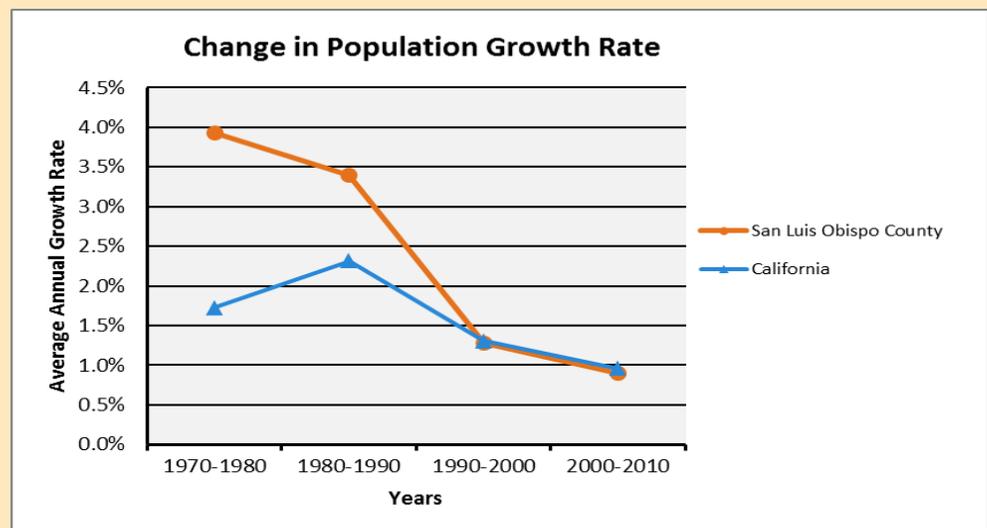
traffic congestion, reduce infrastructure costs to the County, reduce personal travel expenses, and improve overall quality of life by having more free time.

- Locally employed persons would prefer single family detached housing if they can afford it (based on the recent Workforce Housing Study by the Economic Vitality Corporation).

## POPULATION, EMPLOYMENT AND HOUSING TRENDS

### POPULATION TRENDS

The average annual growth rate for the county as a whole from 2000-2010 was just under 1%. The unincorporated county grew only one-third as fast at 0.3% per year. *The chart below shows state and countywide population growth rates since 1970.*



Source: US Census, 1970, 1980, 1990, 2000, and 2010

Between 1980 and 1990 San Luis Obispo County's population grew by 40%, from 155,435 to 217,162 residents. Between 1990

and 2000 the county's population increased by just 14%, to a total of 246,681 residents in 2000, and grew 9% between 2000 and 2010 to a total of 269,637. The county is expected to grow between 0.44-1% per year from 2013 through 2018, an increase of approximately 12,000 persons over the five year period (AECOM for San Luis Obispo Council of Governments SLOCOG, 2011).

*The following table shows population growth countywide from 1960-2015.*

**Table 5.1: U.S. Census Population Estimates 1960-2015  
San Luis Obispo County**

Community	1960	1970	1980	1990	2000	2010	2015
Arroyo Grande	3,291	7,454	11,290	14,378	15,641	17,078	17,524
Atascadero	5,983	10,290	16,232	23,138	24,945	26,986	27,366
Grover Beach	1,317	2,564	4,551	11,656	12,941	12,967	13,142
Morro Bay	3,692	7,109	9,163	9,664	10,152	10,073	10,152
Paso Robles	6,677	7,168	9,163	18,583	23,370	29,624	30,522
Pismo Beach	3,582	4,043	5,364	7,669	8,524	7,642	7,757
San Luis Obispo	20,437	28,036	34,252	41,958	42,312	43,937	44,668
<b>Total Incorporated (including group quarters)</b>	<b>44,979</b>	<b>66,664</b>	<b>90,015</b>	<b>127,046</b>	<b>137,885</b>	<b>148,307</b>	<b>151,131</b>
Avila Beach	550	400	963	873	797	1,464	1,508
Cambria	1,260	1,716	3,061	5,382	6,232	6,020	6,096
Cayucos	1,400	1,772	2,301	2,960	2,943	2,541	2,553
Baywood/Los Osos	1,480	3,487	10,933	14,377	14,351	13,908	13,988
Nipomo	5,210	5,939	5,247	7,109	12,626	15,267	15,725
Oceano	2,430	3,642	4,478	6,169	7,228	7,108	7,322
San Miguel	910	808	803	1,123	1,427	2,337	2,451
Santa Margarita	630	726	887	1,173	1,279	1,259	1,281
Shandon	*	*	*	*	979	1,295	1,347
Templeton	950	743	1,216	2,887	4,687	6,976	7,184
<b>Total Unincorporated (including group quarters)</b>	<b>36,065</b>	<b>39,026</b>	<b>65,420</b>	<b>90,117</b>	<b>103,980</b>	<b>121,330</b>	<b>124,458</b>
<b>Total County</b>	<b>81,044</b>	<b>105,690</b>	<b>155,435</b>	<b>217,162</b>	<b>246,681</b>	<b>269,637</b>	<b>275,589</b>

Sources: U.S. Census for all years except 2015. Estimate for year 2015 prepared by AECOM for the San Luis Obispo Council of Governments, July 2011.

\* Not available

The county is currently home to 273,793 residents (California Department of Finance, 2013). The county's population growth reflects a strong in-migration of affluent, retired people, a drop in the natural birth rate, and an exodus of young professionals with families. The Department of Finance projects California's population growth will be driven by approximately two-thirds

natural increase (births) and one-third net migration (people moving into the state) (AECOM report for SLOCOG, 2011). Since 1990 in San Luis Obispo County, those factors are generally reversed where, at times, up to 80% of the county's population growth was attributed to in-migration. Although births are projected by the Department of Finance to increase, net migration should continue to make up a higher percentage of the county's growth rate for years to come.

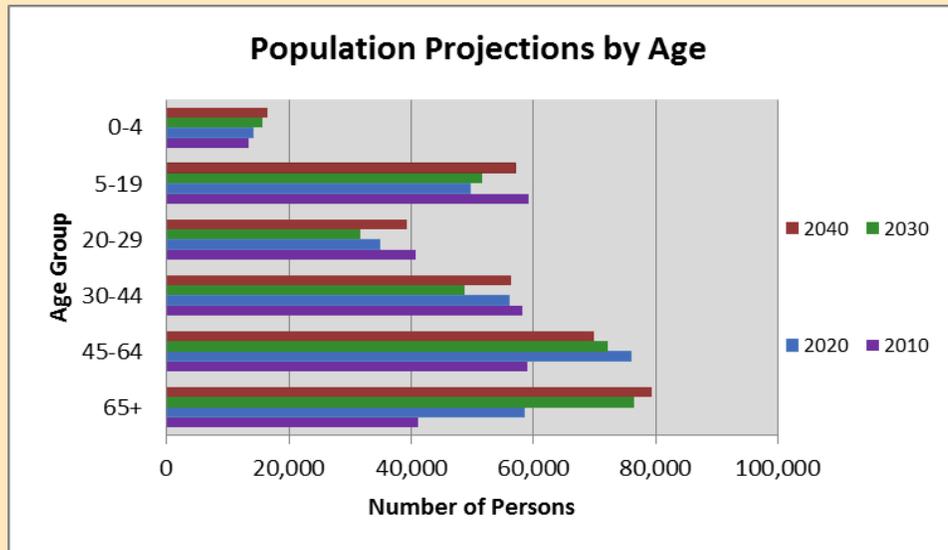
The Department of Finance projects, as the countywide population grows by over 41,000 from 2010 to 2030, that the population make-up will include the following changes:

- The young professionals age group (30 to 44 years of age) will increase from about 45,000 persons in 2010 to about 51,000 persons in 2030. This group's percent of the total population should remain stable at 16.5%.
- Older professionals (45-59 years of age) will decrease from about 61,000 persons in 2010 to about 54,000 persons in 2030. This group's share in total population should drop from 22.7% to 17.2%.
- Newly retired individuals (60-64 years of age) should remain stable at approximately 17,000 persons. This group's share in the total population should decline from 6.4% in 2010 to 5.5% in 2030.
- Retired individuals (65+ years of age) will increase significantly from about 41,000 persons in 2010 to about 76,000 persons in 2030, with this group's share in the total population rising from 15.2% to 24.5%.

*The following graph shows age population projections through the year 2040.*

In 2013, the San Luis Obispo-Paso Robles Metropolitan Area was the eighth least affordable area in the nation, with only 46.4% of homes affordable to median income households.

~Source: (National Association of Homebuilders, 4<sup>th</sup> quarter 2013)



Many people, particularly retiring, affluent “baby-boomers” from the larger metropolitan areas are attracted by the county’s natural beauty, its central location between large population centers, and the fact that housing is still more affordable here than in other coastal counties. In 2013, the San Luis Obispo-Paso Robles Metropolitan Area was the eighth least affordable area in the nation (National Association of Homebuilders, 4<sup>th</sup> quarter 2013). This often causes young workers and families to leave the county to find quality jobs and more affordable housing elsewhere.

**EMPLOYMENT TRENDS**

Based on reporting by the State Employment Development Department (EDD), the unemployment rate in San Luis Obispo County has decreased with the recovery from the recession when the unemployment rate peaked at about 10.4% in 2010. By mid-2013, the civilian unemployment rate was about 5.7%. This unemployment rate was low compared to California as a whole that had an unemployment rate of about 8.15%.

In 2010, the largest employment industry in the county was educational services, and health care and social assistance, which accounted for 22.3% of the jobs. According to the AECOM report for SLOCOG, this will continue to be a key growth sector in

employment. Other key growth sectors will be in leisure and hospitality, government, and professional and business services. Many lower-paid workers are part of the retail sector, including cashiers, retail salespersons, and waiters/waitresses. Two leading local industries are agriculture and tourism, which also do not provide many high paying jobs.

It is difficult to predict current and future employment trends countywide. Past trends may not necessarily predict future employment trends. According to the Central Coast Economic Forecast (Beacon Economics LLC, February 2013), there are reasons to be optimistic for the local labor market:

- Every major region in California saw job growth in 2012.
- California is expected to continue to outpace the nation [in job growth].
- The local labor market has seen ample gains [since 2010].
- Local spending has surged [business spending, consumer purchases, and tourist spending].

*The following table shows the industry types countywide in the year 2010.*

**Table 5.2: Employment by Industry Countywide**

Industry	Number of Employees in 2010	Percent of Total
Agriculture, forestry, fishing and hunting, and mining	4,310	3.5%
Construction	8,615	7.1%
Manufacturing	7,388	6.1%
Wholesale trade	2,685	2.2%
Retail trade	15,746	12.9%
Transportation and warehousing, and utilities	4,892	4.0%
Information	2,577	2.1%
Finance, insurance, real estate, and rental and leasing	6,588	5.4%
Professional, scientific, management, administrative, and waste management services	13,670	11.2%
Educational services, health care and social assistance	27,173	22.3%
Arts, entertainment, recreation, and accommodation and food services	13,828	11.4%
Other services (except public administration)	6,507	5.3%
Public administration	7,809	6.4%
<b>TOTAL (Civilian employed population 16 years and over)</b>	<b>121,788</b>	<b>99.9%</b>

Source: 2007-2011 American Community Survey

### HOUSING COSTS AND INCOME

As the national economy began recovering from the recession, housing costs in San Luis Obispo County did not hit a low until the third quarter of 2011. One year later, housing prices had increased by 10%. In 2013, the improving job market, historically low interest rates, and the home price-to-income ratio were great incentives to purchase a home (Central Coast Economic Forecast, Beacon Economics LLC, February 2013). The mean wage in San Luis Obispo County in the 1st quarter of 2013 was \$45,144 (EDD), which is similar to the mean in the nearby regions (Kern, Monterey, Santa Barbara, Santa Cruz and Ventura) but lower than the Southern California region (about \$52,000) and significantly

lower the Bay Area region (about \$66,000) Salaries for some industries such as food preparation and service (\$21,578), sales (\$34,513), office support (\$35,062 and farming (\$22,118) were much lower in 2013 (EDD). The EDD projects a job growth rate for San Luis Obispo County of 1.6% per year between 2010 and 2020, which is slightly higher than the projection for the State as a whole at 1.5 % per year.

Although the home price-to-income ratio has improved, it is still difficult for local employers to attract or retain new workers due, in part, to high housing costs. Two local business groups, the Economic Vitality Corporation and the San Luis Obispo Chamber of Commerce, have expressed concern over the loss of qualified workers.

*The following table shows changes in median household incomes over the last seven years.*

**Table 5.3: Median Income, San Luis Obispo County**

Year	Median Income	Change from Previous Year	% of Change from Previous Year
2014	\$77,000	\$6,100	8.6%
2013	\$70,900	-\$4,500	-6.0%
2012	\$75,400	\$1,000	1.3%
2011	\$74,400	\$1,900	2.6%
2010	\$72,500	\$1,700	2.4%
2009	\$70,800	\$3,800	5.7%
2008	\$67,000	\$2,800	4.4%
2007	\$64,200	\$400	0.6%

Source: HUD, 2013

**Table 5.4: Number of Households by Income Level, San Luis Obispo County**

Income Level	2000	Percent	2010	Percent
Extremely Low	11,574	12.5%	11,905	11.7%
Very Low	10,761	11.6%	10,033	9.8%
Low	16,014	17.3%	16,042	15.7%
Above Low	54,390	58.6%	64,036	62.8%
Total	92,739	100%	102,016	100%

Source: HUD, CHAS data (Census)

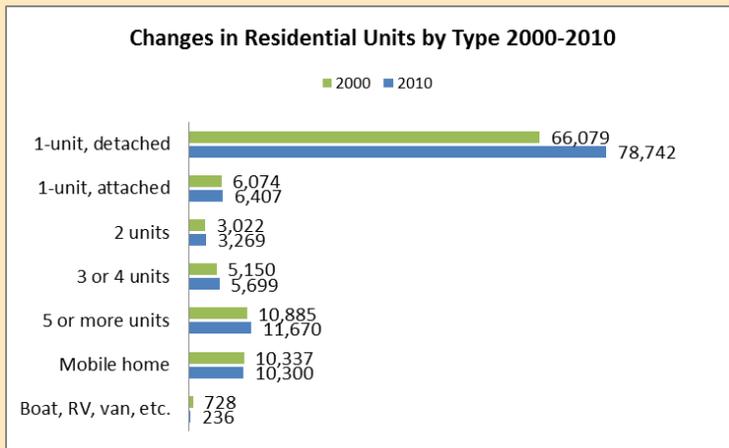
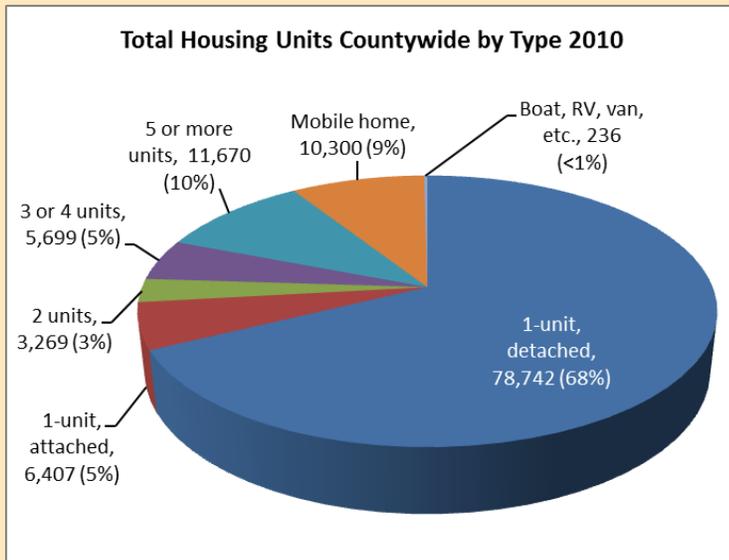
### HOUSING CONSTRUCTION TRENDS

Between 2000 and 2010 about 14,000 residential units were added to the county as a whole. Most of the growth occurred in the first seven years. This is evident in the construction permit activity in the unincorporated portion of the county. Construction of new housing units in the unincorporated county peaked in 2004, when approximately 1,200 units were constructed (Planning and Building Department). In 2008, fewer than 800 housing units were constructed, and in 2012 only 221 units were completed. This indicates a lag in new residential construction as the economy began recovering from the recession. AECOM (report for SLOCOG, 2011) projects residential development, countywide, will average 1,050 units per year for the next several years. Single family detached homes account for 68% of the housing inventory for the county as a whole (down from 84% in 2000). From 2003 through 2010, multi-family units accounted for only 3 to 6% of all units built during that period. More recently, that ratio has increased closer to pre-recession number. Here are a number of factors that impede the rate of residential construction in the county, including:

- Regional shortages of available water
- A need for key infrastructure development, such as sewers
- An abundance of natural habitats, natural resources areas, and agricultural production areas that are protected by government policies and regulations
- High land costs

- High construction costs
- New financing regulations
- Concerns about Homeowner Association rules and viability
- Concerns about growth impacts in some communities
- Impediments to development of affordable multi-family projects such as construction defect/legal liability (and the resulting lack of insurance) and community opposition to high-density housing.

The following charts show countywide housing unit types and the changes from year 2000 to 2010.



Source: 2000 and 2010 U.S. Census

## HOUSEHOLD CHARACTERISTICS

### *Household Growth*

In 2010, the unincorporated county was home to 40,377 households, consisting of 70% owner occupied units and 30% renter occupied units (Census 2010). Countywide (including cities), 60% of households were owner occupied and 40% were renter occupied. The unincorporated county is projected to have 41,600 households in 2015 (County Planning and Building). *The following table shows household growth in the unincorporated county from 2000 to 2010, and a projection from 2010 to 2015.*

**Table 5.5: Household Growth, Unincorporated County**

Year	Households	Growth Change	Annual % Change
2015 Projection	41,622	1,245	0.3%
2010	40,377	5,081	1.4%
2000	35,296	5,894	2.0%

Sources: U.S. Census 2000 and 2010, County Planning and Building, 2015 estimate

The average household size countywide in 2010 was 2.48 persons, which is essentially the same as in 2000 when there were 2.49 persons per household (U.S. Census). However, it is anticipated that in coming years the household sizes could be smaller due to the increase in the retirement age group, and thereby creating a higher demand for housing units.

### *Overcrowding*

A housing unit is considered overcrowded when there is more than one person per the number of rooms in the house. When there are more than 1.5 persons per room, the housing unit is considered to be “severely” overcrowded. Based on the 2011 American Community Survey (ACS), there were 1,497 overcrowded housing units in the unincorporated portions of the county (or 3.7% of all occupied units). Just over 1% of the occupied units in the unincorporated areas of the county were

severely overcrowded. Also, as shown in Tables 5.6 and 5.7, overcrowding is higher in rental occupancy than owner occupancy.

**Table 5.6: Overcrowded Housing Units, Unincorporated County, 2011**

Occupants per Room	Owner Occupied		Renter Occupied		Total Overcrowded	
	No. of Units	Percent	No. of Units	Percent	No. of Units	Percent
0.5 or less	21,806	75.6%	6,950	57.8%	28,756	70.4%
0.51 to 1.00	6,507	22.6%	4,105	34.2%	10,612	26.0%
1.01 to 1.50	388	1.3%	694	5.8%	1,082	2.6%
1.51 to 2.00	146	0.5%	231	1.9%	377	0.9%
2.01 or more	3	0.01%	35	0.3%	38	0.1%
<b>Total</b>	<b>28,850</b>	<b>100.0%</b>	<b>12,015</b>	<b>100.0%</b>	<b>40,865</b>	<b>100.0%</b>
Total Overcrowded 1.01 or more	537	1.9%	960	8.0%	1,497	3.7%
Total Severely Overcrowded 1.5 or more	149	0.5%	266	2.2%	415	1.0%

Source: ACS 2007-2011

**Table 5.7: Overcrowded Households Countywide (including cities), 2011**

Occupants per Room	Owner Occupied		Renter Occupied		Total Overcrowded	
	No. of Units	Percent	No. of Units	Percent	No. of Units	Percent
0.5 or less	47,441	77.0%	23,219	57.5%	70,660	69.3%
0.51 to 1.00	13,252	21.5%	14,917	37.0%	28,169	27.6%
1.01 to 1.50	702	1.1%	1,603	4.0%	2,305	2.3%
1.51 to 2.00	209	0.3%	488	1.2%	697	0.7%
2.01 or more	24	0.04%	138	0.3%	162	0.2%
<b>Total</b>	<b>61,628</b>	<b>100.0%</b>	<b>40,365</b>	<b>100.0%</b>	<b>101,993</b>	<b>100.0%</b>
Total Overcrowded 1.01 or more	935	1.5%	2,229	5.5%	3,164	3.1%
Total Severely Overcrowded 1.5 or more	233	0.4%	626	1.6%	859	0.8%

Source: ACS 2007-2011

***Overpayment***

In 2010, about 55% of renters in the unincorporated portions of the county paid more than 30% of their income on housing. Comparatively, about 43% of homeowners paid more than 30% of their income on housing. *Table 5.8 shows the percentage of households overpaying for housing for various income groups.*

The cost burden of housing for persons living in the unincorporated county varies by community. The community of San Miguel had the highest percentage of households that are overpaying for housing. Whereas, in Cambria, Los Osos, Shandon, and Templeton the percentage of households overpaying for housing is below the averages for the unincorporated county as a whole. *Table 5.9 shows the overpayment percentages for the ten unincorporated urban areas.*

**Table 5.8: Overpayment\* for Housing Unincorporated County, 2011**

Income Level	Number of Households	Overpaying Households	Percentage
Owner Households			
Extremely Low	2,889	2,156	74.6%
Very Low	3,230	1,426	44.1%
Low	4,749	1,257	26.5%
Lower Income	10,868	4,839	44.5%
Moderate	2,951	2,753	93.3%
Above Moderate	14,095	4,428	31.4%
Owner Total	27,914	12,020	43.1%
Renter Households			
Extremely Low	2,384	2,245	94.2%
Very Low	2,062	1,323	64.2%
Low	2,506	1,247	49.8%
Lower Income	6,952	4,815	69.3%
Moderate	1,064	794	74.6%
Above Moderate	2,330	87	3.7%
Renter Total	10,346	5,696	55.1%
Total	38,260	17,716	46.3%

Source: 2007-2011 American Community Survey

\* Paying in excess of 30 percent of household income on housing.

**Table 5.9: Overpayment\* for Housing, 2011**

Unincorporated Communities - Percentage of Overpayment			
Community	Number of Households	Owners	Renters
Avila Beach	623	40%	61%
Cambria	2,946	34%	51%
Cayucos	1,370	48%	55%
Los Osos	6,403	38%	52%
Nipomo	2,788	41%	60%
Oceano	5,512	49%	61%
San Miguel	815	56%	68%
Santa Margarita	472	21%	55%
Shandon	333	33%	43%
Templeton	2,848	38%	47%

Source: 2007-2011 American Community Survey

\* Paying in excess of 30 percent of household income on housing.

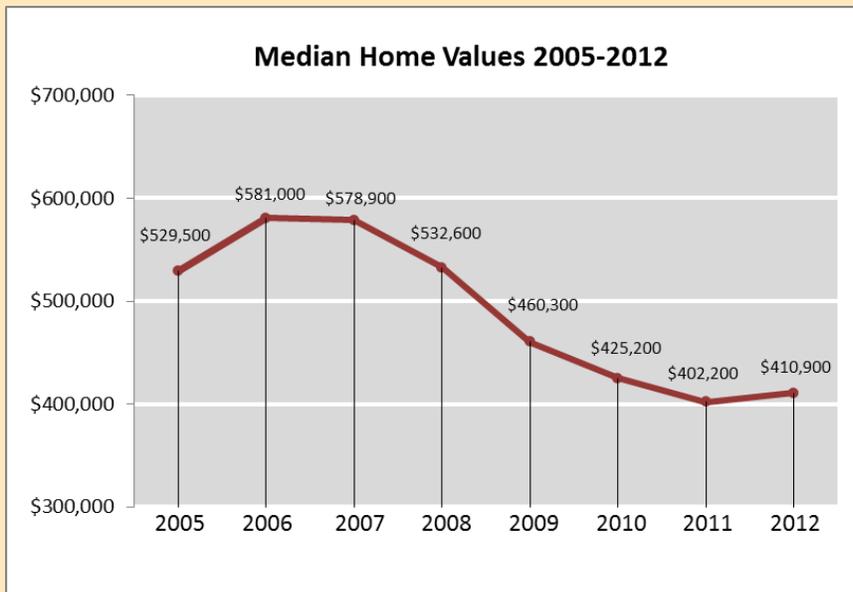
The median rent countywide increased from \$510 in 1990 to \$719 in 2000, and to \$1,118 in 2010 (American Community Survey). Between 2000 and 2010 the median rent increased about 4.5% per year while the median income increased just less than 3% per year. Another measure of rent increases is Fair Market Rents (FMR). FMRs are updated yearly by the U.S. Department of Housing and Urban Development, and are gross rents used to determine standard payment amounts for grant assisted housing units. FMRs include rent plus the cost of all tenant paid utilities (except telephone, cable, and internet). The FMR includes information from the American Community Survey as well as Consumer Price Index rent and utility inflation indexes (HUD User). The 2013 FMR for a 2-bedroom unit is \$1,136 and \$1,674 for a 3-bedroom unit. *Table 5.10 shows the Fair Market Rents in San Luis Obispo County from 2004 to 2013.*

**Table 5.10: Fair Market Rents,  
San Luis Obispo—Paso Robles MSA\***

FY Year	0-Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
2004	\$641	\$724	\$917	\$1,276	\$1,505
2005	\$620	\$733	\$893	\$1,301	\$1,339
2006	\$641	\$758	\$923	\$1,345	\$1,384
2007	\$663	\$784	\$955	\$1,391	\$1,432
2008	\$746	\$883	\$1,075	\$1,566	\$1,611
2009	\$781	\$924	\$1,125	\$1,639	\$1,686
2010	\$805	\$952	\$1,160	\$1,690	\$1,739
2011	\$826	\$977	\$1,190	\$1,734	\$1,784
2012	\$806	\$954	\$1,162	\$1,693	\$1,742
2013	\$761	\$880	\$1,136	\$1,674	\$1,796

Source: www.huduser.org  
\*Metropolitan Statistical Area

Home values increased greatly between 2000 and 2006 when the median values went from \$230,000 to \$581,000 (American Community Survey), an increase of 153%. *The following chart shows the median home values in the county between 2005 and 2012.*





*Cal Poly Housing*

### ***Extremely Low Income Housing Needs***

Extremely low income (ELI) households earn 30 percent or less of the county median income. The unincorporated county had 5,273 extremely low income households in 2011 (ACS). The projected housing need for extremely low income households over the next five years is 168 additional housing units (half of the very-low income need). ELI households may require rent subsidies such as Section 8 and small housing units such as single room occupancy units to afford living expenses. Additionally, supportive housing may be suitable housing because it provides services in addition to housing. Countywide, nearly 84% of extremely low income households have a cost burden greater than 30% of family income.

### ***Student Population***

College students make up approximately 11.5% of the county's population, and they compete with the local workforce population for housing. There are about 31,000 students that live in the county attending Cal Poly State University and Cuesta Community College. Cal Poly's student population is approximately 19,000 (CSU Statistical Report, 2012). Cal Poly had on-campus housing available for 6,900 students in 2013, or enough for approximately 36% of the Cal Poly student population. Of Cuesta College's 12,000 students, approximately 98% reside in the county. Cuesta College has no on-campus housing.

## **EXISTING HOUSING SUPPLY**

This following section presents an overview of the unincorporated county housing supply based on housing unit type, condition, vacancy rate, and housing construction activity.

### ***Housing Unit Types***

The basic measure of housing supply is the dwelling unit: single-family dwelling, multi-family unit (apartments or condominiums), or manufactured home. While single-family dwellings are the most popular type of housing, manufactured homes and multi-family homes represent a significant portion of the county's housing stock. The majority of housing units produced are detached

single-family units. Between 2000 and 2010, this type’s share of the total number of units went up from 65% to 68%. Between 2009 and 2013 there was not a significant change in the number of multi-family units, and the number of mobile homes went down due to the closure of a mobile home park in Nipomo and cases where individual mobile homes were replaced by standard-construction housing. The California Department of Finance reports about 49,000 housing units exist in the unincorporated portion of the county. *The following table shows the types of housing units in the county in 2013.*

**Table 5.11: Housing Units by Type, 2013**

Type of Unit	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
Single Family Detached	37,812	77.0%	80,322	67.8%
Single Family Attached	1,484	3.0%	6,468	5.5%
Two to Four Units	2,244	4.6%	9,072	7.7%
Five or More Units	1,248	2.5%	11,891	10.0%
Mobile Homes	6,331	12.9%	10,685	9.0%
<b>Total Units</b>	<b>49,119</b>	<b>100.0%</b>	<b>118,438</b>	<b>100.0%</b>

Source: CA Department of Finance, July 2013

***Vacancy Rates***

Most of the county's vacant housing stock is in the category of seasonal, recreational, or occasional use units. These units are not available for regular rental use and do little to solve the county's housing problems. There was an overall increase in vacancy rates between 2000 and 2010. “Seasonal” vacancy is still the largest sector, but the percentage of units for sale or rent did go up. *The tables below show the different types of vacant housing units in 2000 and 2010.*

**Table 5.12: 2000 – Vacancy Status**

Status	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
For rent	442	1.10%	1,187	1.16%
For sale only	330	0.82%	669	0.65%
Rented or sold, not occupied	310	0.77%	651	0.69%
Seasonal, recreational or occasional use	3,694	9.16%	6,512	6.37%
Other	517	1.28%	517	0.51%
Total vacant units	5,293		9,536	
Vacancy rate		13.12%		9.32%
Total all units	40,348		102,275	

Source: U.S. Census, 2000

**Table 5.13: 2010 – Vacancy Status**

Status	Unincorporated County		Countywide	
	Units	Percent	Units	Percent
For rent	753	1.55%	2,393	2.04%
For sale only	630	1.30%	1,318	1.12%
Rented or sold, not occupied	230	0.47%	475	0.40%
Seasonal, recreational or occasional use	5,559	11.45%	9,269	7.90%
Other	1,001	2.06%	1,844	1.57%
Total vacant units	8,173		15,299	
Vacancy rate		16.83%		13.04%
Total all units	48,550		117,315	

Source: U.S. Census, 2010

Vacancy rates are indicators of housing availability. When vacancy rates are high, there is an adequate supply of housing; consequently prospective owners and renters have a wider variety of choice. With fewer vacancies, the choice of housing is conversely limited; demand for housing exceeds supply and contributes to increases in cost. Extreme vacancy rates can

create problems ranging from a critical housing shortage if vacancy rates are too low, to the income loss and maintenance problems associated with high vacancy rates.

In order to assure adequate choice and availability of housing, while balancing the market for landlords and sellers, the “desirable” rates of vacancy would range between 4-6% for rental units and 1-3% for owner occupied units (according to Federal Housing Administration standards). The County’s vacancy rate for owner occupied units falls within the lower end of the desirable range, but the rate for rental units remains well below the desirable range. This has a detrimental effect on housing choice, particularly for the lower income households who must compete with higher income households for few available units.

### ***New Housing Construction***

Housing construction is influenced by the cumulative decisions of many local individuals and groups. Builders, developers, bankers, families, individuals, and government agencies make decisions affecting the type, location, supply, and cost of housing. Decisions of local individuals and groups are influenced by events occurring at the state and national levels including: the condition of the economy, new state and federal construction regulations and new government programs focusing on housing. *The following table shows growth in housing units constructed in the unincorporated county from 1990-2013.*

**Table 5.14: Change in the Number of Housing Units  
(1990 – 2013)**

Community	1990	2000	1990-2000	2010	2000-2010	2013	2010-2013
	Units	Units	Percent Increase	Units	Percent Increase	Units	Percent Increase
Avila Beach	177	265	49.7%	1,093	312.5%	1,102	0.82%
Cambria	3,081	3,752	21.8%	4,062	8.3%	4,063	0.02%
Cayucos	2,133	2,284	7.1%	2,354	3.1%	2,358	0.17%
Los Osos	6,097	6,214	1.9%	6,488	4.4%	6,489	0.02%
Nipomo	2,386	4,146	73.8%	5,759	38.9%	5,796	0.64%
Oceano	2,433	2,762	13.5%	3,117	12.9%	3,129	0.38%
San Miguel	451	503	11.5%	791	57.3%	792	0.13%
Santa Margarita	464	497	7.1%	525	5.6%	533	1.52%
Shandon	n/a	325	n/a	412	26.8%	412	0.00%
Templeton	1,100	1,588	44.4%	3,006	89.3%	3,017	0.37%
Other Unincorporated	10,488	12,245	16.8%	20,943	71.0%	21,428	2.32%
Unincorporated Total	29,232	34,581	18.3%	48,550	40.4%	49,119	1.17%
Combined Cities Total	55,603	62,392	12.2%	68,765	10.2%	69,319	0.81%
Countywide	84,413	96,973	14.9%	117,315	21.0%	118,438	0.96%

Sources: 1990 Census, 2000 Census, 2010 Census, County Dept. of Planning and Building (aerial images for 2000 Shandon estimate, Tidemark system for 2013, unincorporated areas), California Department of Finance (for 2013 Cities)

Between 1990 and 2013 the rate of increase in housing units in the unincorporated county exceeded the rate within the incorporated cities. Smaller towns such as Avila Beach, San Miguel or Shandon, can see significant growth due to one or two major projects. The “other unincorporated” areas have seen significant growth due to development in villages, such as Heritage Ranch and Woodlands.

For the county as a whole, the single family housing stock increased by an average of approximately 1.7% per year from 2000-2010, and multi-family housing increased by only 0.8% per

year during that decade. Multi-family housing currently represents 7% of the housing stock in the unincorporated county, while it represents 18% of the housing stock countywide. However, mobile homes represent 13% of the unincorporated county housing stock, and only 9% countywide.

### ***Housing Conditions***

In December 2002, the Department of Planning and Building conducted a housing condition survey of the County's ten urban communities. Approximately 98 percent of housing units in the unincorporated communities were in sound condition. Table 5.15 shows the results of the survey. The rating system used for the survey was modeled after one provided by the state Department of Housing and Community Development (HCD). The system established three levels of housing condition based upon five exterior components. Levels of condition included: sound, deteriorating and dilapidated. Components surveyed included: foundation, roofing, siding, windows, and doors. Sound units are those requiring only painting or very minor repairs such as window or door repair and roof patching. Deteriorating units are in need of several non-structural or at least one structural repair. To be classified as dilapidated, a unit would require replacement of the foundation, roof structure, siding, and windows.

In December 2008, the Department of Planning and Building completed an update to the 2002 housing conditions survey. Deteriorated and dilapidated housing units in Los Osos, Nipomo, Oceano, San Miguel, and Templeton were examined. These five communities had the largest number of deteriorated and dilapidated homes in 2002. The community of Avila Beach has been almost completely rebuilt since 2002, and the communities of Cambria and Cayucos had less than 1% of its housing stock in 2002 noted at deteriorated or dilapidated. For the communities updated in 2008, surveyors examined each of the deteriorated and dilapidated units noted in 2002 using the methodology endorsed by HCD on its website to determine housing conditions. The survey consisted of a point system encompassing conditions

of the roof, foundation, windows, exterior paint/siding, and electrical systems.

In January and February 2014, the Department of Planning and Building completed a survey of the housing units located in the five communities evaluated in the 2008 survey. As noted above these units were those previously identified as “deteriorated” or “dilapidated” in 2002. Each of the units in disrepair/deteriorated or dilapidated units noted in 2008 were included in the 2014 site survey using the methodology “Sample Housing Condition Survey” provided on the HCD website to determine housing conditions. Like the 2008 survey, the 2014 survey consisted of a point system encompassing conditions of the roof, foundation, windows, exterior paint/siding, and electrical systems. *The following table shows the results of the 2002, 2008 and 2014 housing conditions survey.*

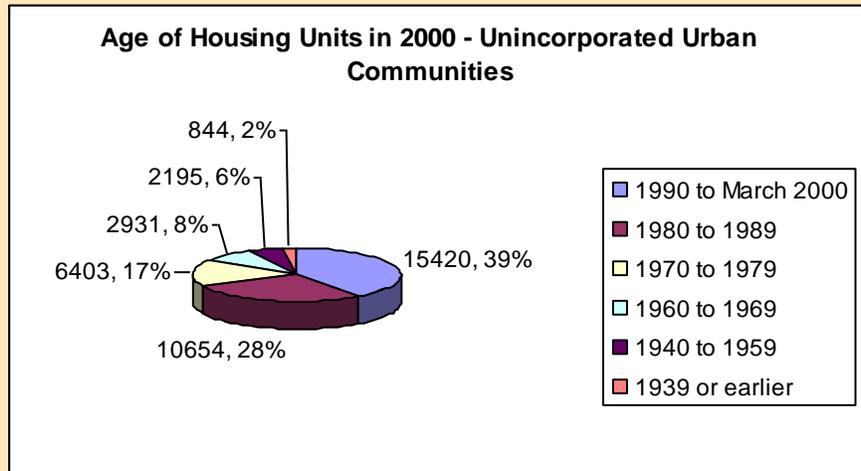
**Table 5.15: Housing Condition Survey**

	2002	2002	2002	2002	2008	2008	2014	2014
Community	Units Surveyed	Sound condition	Deteriorated	Dilapidated	Deteriorated	Dilapidated	Deteriorated	Dilapidated
Avila Beach	355	344	10	1	--	--	--	--
Cambria	3,908	3,876	30	2	--	--	--	--
Cayucos	2,368	2,350	17	1	--	--	--	--
Los Osos	6,261	6,170	88	3	35	18	31	18
Nipomo	4,485	4,400	80	5	27	7	27	1
Oceano	2,847	2,749	86	12	37	4	39	2
San Miguel	515	433	60	22	44	12	30	5
Santa	516	489	24	3	--	--	--	--
Shandon	347	330	9	8	--	--	--	--
Templeton	1,829	1,778	49	2	12	4	12	2
Totals	23,431	22,919	453	54	155	45	139	28

The purpose of evaluating housing conditions throughout these communities is to identify the neighborhoods where housing is deteriorating to the point that special efforts and funding may be needed to help improve the condition of housing and thus retain housing units. Otherwise, housing may fall into such disrepair as to be no longer habitable.

Comparing the survey results from 2002, 2008, and 2014 some patterns emerge. In general no major changes occurred in the numbers of housing units determined to be deteriorating or dilapidated. The community of San Miguel experienced a temporary reduction in housing units with the removal of 12 older mobile homes (listed as “Deteriorated” in 2008) as a mobile home park is being upgraded with newer mobile homes. The remaining units in the “Disrepair” category were upgraded and thus moved into the “Sound” category (not shown in Table 5.15). Overall the number of units listed as “Dilapidated” decreased by 17 units. Some of these were demolished due to their poor condition. Others were upgraded and repaired or replaced with new “Sound” units and in limited cases they were replaced with commercial buildings. In 2014 six fewer units were found to be in the “Deteriorated” category largely attributed to these units being repaired and upgraded and now classified as “Sound”. What we can see generally is that the condition of the housing stock was relatively stable throughout the targeted unincorporated county’s communities from 2008 to 2014.

A majority of the housing stock in the urban communities of the unincorporated county was built from 1980-2000, consisting of 67 percent of the housing units. Only 16 percent of the housing units were constructed in 1969 or earlier. This supports the finding in the housing condition survey in 2002 that 98 percent of the units in communities are in sound condition, since newer homes usually have fewer problems. *The graph below shows the age of housing units in the unincorporated county.*



**HOUSING UNITS AT RISK OF CONVERSION**

Based on a review of information from the state and federal government and consultation with local nonprofit housing providers, no multi-family rental projects financed by the government are at risk of being converted to market-rate housing in the unincorporated county within the next ten years. Rolling Hills Apartments in Templeton, located on Las Tablas Road, consists of 53 subsidized low income family units funded with the United States Department of Agriculture’s Section 515 Affordable Housing Program. After the last Housing Element was adopted in 2009, the property owners agreed to sell the project to a local nonprofit housing developer, People’s Self Help Housing Corporation (PSHHC). PSHHC has acquired the property using the following funding sources for acquisition and rehabilitation of the property: federal HOME funds from the County, USDA Rural Development funds, State Multi-Family Housing (MHP) funds, Affordable Housing Program (AHP) funds, and low income housing tax credits.



*Rolling Hills Apartments, Templeton*

Rolling Hills was in need of some rehabilitation work. Total project costs are estimated to be \$9.3 million, of which an estimated \$1.75 million was for construction, \$6.15 million for acquisition, and the remaining for other costs such as financing. Replacement costs of this project would cost \$290,000 per unit, while

preservation and rehabilitation cost approximately \$175,000 per unit including total development costs.

Within the unincorporated area of the county there are several projects that were funded under the California Tax Credit Allocation Committee (CTCAC) funding structure that are reaching their 15 term. Typically after the initial 15 year term expires, the initial private investor under the Limited Partnership will divest ownership and a nonprofit will assume principal ownership of the project. These are considered to have low risk of conversion to market rate since these projects are required to remain affordable by the State of California for 55 years.

The initial 15 year term has recently expired or will soon expire for the following projects currently in service in the county:

- The School House Lane project in Cambria with 23 low income units - the 15 year term expired in 2012
- San Luis Bay Apartments in Nipomo with 51 units - the 15 year term will expire in 2018
- Belridge Street Apartments in Oceano with 11 units - the 15 year term will expire in 2015
- Templeton Place in Templeton with 28 units for seniors - the 15 year term will expire in 2016

Ownership of all of the above projects is expected to transfer to non-profit ownership in the future, thus ensuring ongoing affordability.

## **FAIR HOUSING**

The County collaborates with the local office of the California Rural Legal Assistance (CRLA) for implementation of fair housing activities. The County assists, but does not duplicate the fair housing activities of CRLA. The local CRLA office includes an attorney and two full time community workers to manage fair housing cases through professional mediation and/or litigation, and administer a “tester” program. The HUD field office in San Francisco funds and monitors CRLA’s activities.

*The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, national origin, religion, sex, familial status, and handicap.*

~Source: [www.hud.gov](http://www.hud.gov)

CRLA holds annual workshops on fair housing law, tenant/landlord rights, and how to spot fair housing violations. The workshops are attended by local nonprofit and social service agencies. CRLA provides bilingual literature, services, and an educational outreach program to inform the public about fair housing laws. CRLA disseminates information about its services through distribution of printed flyers, a bilingual community worker, conducting extensive field investigations, and by staffing an informational table at community events such as farmers markets and school open houses. CRLA also has a website ([www.crla.org](http://www.crla.org)) that lists local offices and provides housing information. The County also provides in-kind support to fair housing activities provided by CRLA through staff time, meeting facilities, and copying written materials for events such as the annual fair housing workshops.

### OPPORTUNITIES FOR ENERGY CONSERVATION

The 2010 Conservation and Open Space Element incorporates policies and strategies to improve energy conservation and promote greater energy efficiency for housing units. Examples of policies and strategies include:

- Require the use of energy-efficient equipment in all new development, including but not limited to Energy Star appliances, high-energy efficiency equipment, heat recovery equipment, and building energy management systems. As part of a Green Building Program, develop an energy efficiency program for new development, retrofits, and renovations.
- Offer incentives to reduce energy consumption, and encourage green building practices in all development projects, including retrofits of existing buildings.
- Integrate green building practices into design, construction, management, renovation, operations, and demolition of buildings, including publicly funded affordable housing projects through the development review and building permitting process.
- Encourage new buildings to be oriented to maximize solar resources, shading, ventilation, and lighting (amend design plans and guidelines to promote maximization of solar



The “Living Green”  
secondary  
dwelling plan maximizes  
solar access and integrates  
other green building features

~Source: San Luis Obispo County  
Planning and Building Department

resources and encourage projects in urban areas to avoid heat island effect).

- Encourage healthy indoor environmental quality in new and renovated buildings, including publicly funded affordable housing projects and County Buildings, using healthy building materials, finishes, paints, and products.
- Encourage [where appropriate] biomass, green waste, and food waste composting facilities.

The COSE incorporates green building and energy saving features, potentially reducing housing costs for both homeowners and renters. Energy conservation in residential development can also be encouraged by locating residential development closer to employment.

## **CONSTRAINTS TO HOUSING**

A discussion of the constraints to providing more housing units in San Luis Obispo County is provided below. Governmental constraints may be in the form of development restrictions, excessive permit conditions and fees, or improvement requirements. Non-government constraints may involve the cost of raw land, construction, financing, neighborhood opposition, and the physical constraints of the land itself.

## **NON-GOVERNMENTAL CONSTRAINTS**

### ***The Costs of Land, Financing, and Construction***

The costs of construction, land, overhead/profit, and financing are the major components of housing production costs. Increases in production costs are often passed on to purchasers in a normal market. For-profit developers can expect profits of 10-12% in a normal market for single family housing development, however during the recession many builders and lenders were losing money on residential construction projects.

Currently land costs are lower because many projects have been purchased at below market prices while sales prices are also lower due to lingering lack of confidence in the market. Financing costs are lower (due to record low interest rates) consuming less of the developers' budgets in the current market. Profits are slightly higher due to lower land and financing costs. *The following table illustrates the changing ratio of the housing cost components for new home construction between 1977 and 2014.*

**Table 5.16: Components of Housing Costs – Selected Years**

Year	1977	1985	1993	2002	2008 (non-profit)	2008 (for profit)	2014 (for profit)
Construction	46.7%	48%	49.9%	37%	67%**	48%	59%
Land Development	25%	31%	36.9%	45%	15%	35%	24%
Overhead & Profit	17.5%	15%	6.7%*	9%	7%	5%*	9%
Financing	10.8%	6%	6.5%	9%	11%	12%	8%

NOTES:

- Construction = labor, materials, fees
- Land Development = land costs, utilities, roads, grading

\*6.7% profit shown in 1993 was for a local project targeted towards lower income households. 5% profit shown in 2008 is a result of a recession. Lenders typically require higher profit margins than 5%.

\*\*Construction costs are typically higher than market rate development due to prevailing wage.

Sources: 1977 figures from the California Housing Task Force, February 1979. 1985 figures from the California Statewide Housing Plan Update, 1990. 1993 figures from the 1993 San Luis Obispo County Housing Element. 2002 figures from The Tribune newspaper article series, "Trouble on the Home Front," printed June 16-23, 2002. 2008 figures from local non-profit and for profit developers.

### **Cost of Land**

The cost of land is a significant component of housing costs and developers assert that they cannot recoup the high land costs by simply constructing smaller housing products. The average size of new single-family homes in the unincorporated county between July 2008 and June 2013 was 2,314 square feet (County Planning and Building Department), which is essentially the same as the 2011 national average of 2,311 square feet (National Association

of Homebuilders). However, the national average lot size is significantly larger than typical lots sizes in San Luis Obispo County.

Land values and real estate prices vary throughout the county. The cost of land ranges from \$1,000,000 to \$2,000,000 per acre for land zoned to allow 20 units or more per acre, depending on location, infrastructure, and site constraints. The following is a list of median home values (2011 American Community Survey) for select communities in 2013:

- City of Atascadero – about \$428,000
- Cambria – about \$712,000
- Oceano – about \$278,000
- Nipomo – about \$415,000
- City of San Luis Obispo – about \$562,000
- Shandon – about \$233,000

### ***Availability of Financing***

The affordability of housing is closely tied to the availability of financing and the mortgage interest rates. Due to the recession, some mortgages are harder to obtain due to stricter requirements for loan qualification. However, 30-year interest rates in 2013 remained low, ranging from 3.29-4.51% (Freddie Mac). Lower interest rates and lower home prices can help create more first time homebuyer opportunities in the county. The County administers a First Time Homebuyer Program (FTHB) for very low and low income households funded through a CalHome grant from the State of California. Applicants must demonstrate financial need and pre-approval for a first mortgage; the second mortgage is financed as a deferred payment, 30-year loan. The County has provided 40 FTHB loans since the County began the program in 2007.

The private market provides financing for construction of moderate and above moderate income housing units. Private financing for market rate development can be difficult to obtain in the current market due to the tightening of the market.

*The County provided  
11 **First Time  
Homebuyer loans** in  
the 2013 calendar  
year.*

~Source: Planning and  
Building Department

Financing for housing targeting low or very-low income households is typically provided by a combination of private financing and grants or loans from federal, state, and local government programs. Examples of typical government programs include Low Income Housing Tax Credits, HOME and CDBG programs, State Multi-Family Housing Program (MHP), Affordable Housing Program (AHP) grants, and subsidized loans. Such government programs have complex requirements (i.e., Davis-Bacon prevailing wage requirements) that must be met prior to funding. Private lenders often cannot afford to keep portfolios of loans and must sell them on the secondary market. To be saleable on the secondary market, the loans must meet stringent requirements that eliminate many projects involving low-income housing. The federal Community Reinvestment Act (CRA) was established to require private sector lenders to participate in underserved markets, including affordable housing. This approach has been successful for obtaining construction financing for affordable housing projects, but long term financing remains a challenge.

### ***Cost of Construction***

Typically, construction costs are associated with constructing the unit itself, although site improvement costs can be included as part of overall construction costs. Construction costs are similar throughout the county, however, circumstances such as steep terrain, soil type, the need for large amounts of grading, and type of project can have a significant effect on cost levels. Affordable lower income multi-family projects can cost \$290,000/unit when considering total development costs, based on recent projects assisted by the County. Local development costs for non-subsidized rental projects are estimated to be about \$259/square foot in and “for sale” development costs were about \$224/square foot<sup>1</sup>. In 2011, the national average was significantly lower at \$135/square foot for market rate detached units.

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<sup>1</sup> Based on the San Luis Obispo County Inclusionary Zoning Ordinance Financial Analysis (Vernazza Wolfe, 2007) and a 1.67% increase



*Rendering for four affordable housing units in Grover Beach by Habitat for Humanity (currently under construction)*

Source: Habitat for Humanity

In urban areas, the County typically requires new developments to provide community water and sewer connection, underground utilities, curbs, gutters, sidewalks, and paved streets. Each of these adds to the cost of construction, but is necessary for higher density developments.

### ***Physical Constraints and Resource Shortages***

San Luis Obispo County has a substantial amount of rural and agricultural lands, and an abundance of natural habitat and resource areas (coastal and inland) that are either protected by federal, state and local government regulations, or are not available for urban-level residential development. Within urban areas there are many sites with constraints related to topography, geologic stability, fire hazards, or flooding that limit potential residential development.

Some communities may also have a shortage of water, schools, or other resources. The San Luis Obispo County Resource Summary Report tracks the availability of five community resources that are necessary to support development. These resources are: water, sewage, roads, schools, parks, and air quality. Three Levels of Severity are used:

- Level I No shortage of a particular resource exists in a given community
- Level II The resource's capacity may be exceeded in seven years
- Level III Existing community demands exceed the capacity of that resource

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reported in the Residential Housing Impact Fee Nexus Study (Vernazza Wolfe, 2012).

If the resource shortage is the result of insufficient delivery systems or facilities, it is usually considered "correctable". Problems that involve the limited capacity of a resource are more difficult to correct. In either case, resource deficiencies usually require substantial funding to correct, in amounts that can exceed the ability or willingness of local residents to pay. Most resources extend beyond political boundaries, so cities, special districts, and the County must work together to identify their resource capacities and how those resources relate to future growth and development.

The primary resource elements that affect a community's ability to develop housing are water supply, roads, and sewer. A description of existing resources by community is included below. Please refer to the annual Resource Summary Report for more information about resources shortages.



*Avila Beach*



*Cambria*

### **Avila Beach**

**Water:** Adequate for buildout.

**Roads:** Traffic volumes measured in May and September show that the main road, Avila Beach Drive, operates at LOS A and is in no need of widening.

**Sewer:** No operational issues and no planned increases in capacity. However, the two wastewater providers should investigate connecting existing and proposed land uses within the Urban Reserve Line to a single wastewater service provider.

### **Cambria**

**Water:** Very limited water supply, with a LOS III. The Community Services District is focusing on desalination and other sources for long-term drought protection and as a supply for new development and existing users.

**Roads:** No concerns identified.

Sewer: No concerns identified.

### Cayucos

Water: Adequate – the mutual water companies and the County CSA do not plan to add to their supply.

Roads: No concerns identified.

Sewer: Joint wastewater treatment plant with the City of Morro Bay.

### Los Osos

Water: Very limited water supply, with a LOS III for the groundwater basin. However, the County is working on improving the water supply. Water conservation ordinances have been adopted by the County for new development and upon sale of existing buildings.

Roads: A LOS III is in place for South Bay Boulevard. A portion of South Bay Boulevard may be widened when funds are available, improving operation to a LOS C or better.

Sewer: A LOS III is in place, however the communitywide wastewater project is in the construction phase. The projected completion date for construction of the sewer is 2015.

### Nipomo

Water: In a LOS III, but the Nipomo Community Services District (NCSD) has taken the lead to bring new water resources to the Nipomo Mesa Water Conservation Area to address the existing shortage.

Roads: The interchange of Tefft Street at US 101 presently operates below acceptable peak hour levels of service.



*Cayucos*



*Los Osos*



*Nipomo*

*Oceano**Santa Margarita**San Miguel*

This condition is expected to improve now that the Willow Road extension and interchange improvements have been completed.

**Sewer:** A plant upgrade Master Plan was approved in 2010 with upgrade construction expected to be completed in 2014.

### **Oceano**

**Water:** No concerns identified.

**Roads:** No concerns identified.

**Sewer:** No concerns identified.

### **Santa Margarita**

**Water:** No current concerns identified, however a second source of water is needed for future development. A Resource Capacity Study to help identify future water supply needs and water source options will be completed in 2014.

**Roads:** No local roads are part of the RMS reporting program.

**Sewer:** The community relies on septic systems. Future development may require a communitywide wastewater system.

### **San Miguel**

**Water:** The community water source is the Paso Robles Groundwater Basin that is in LOS III.

**Roads:** No local roads are part of the RMS reporting program.

**Sewer:** No concerns identified.

**Shandon**

**Water:** The community water source is the Paso Robles Groundwater Basin that is in LOS III.

**Roads:** No local roads are part of the RMS reporting program.

**Sewer:** The community relies on septic systems. The community plan as updated in 2012 requires a communitywide wastewater treatment plant.



*Shandon*

**Templeton**

**Water:** No concerns identified.

**Roads:** No concerns identified. The Vineyard Drive widened the Highway 101 interchange in 2008. The corridor will operate at or above LOS C after the project is completed.

**Sewer:** No concerns identified.



*Templeton*

***Homebuyer Trends***

Population increases, producer and consumer concepts of need, changes in household size, and housing discrimination are some of the issues that impact housing. Since 1980, a large percentage of the population growth in the county has been the result of migration. Many new residents have migrated from areas with higher housing costs and can frequently pay substantially more for housing than longtime residents. This is because many of the new residents sold homes in more expensive areas and can therefore make large down payments on homes here.

These new residents often chose to build or buy large homes. Between 1980 and 2010, the average size of new residential units in the unincorporated areas of the county increased from 1,600 square feet to about 2,300 square feet.

Household size decreased slightly since 1980. The average household size in 1992 was 2.64, and in 2010 it was 2.48 (Census). This could be the result of people delaying marriage and families, increases in divorce, greater numbers of retired people locating in the county, or people choosing to live alone. Smaller household sizes coupled with population increases create increased demand for units.

### ***Public Concerns over Growth-Related Impacts***

Members of the home construction industry have expressed concern that local citizen opposition to new construction projects often have a significant, unpredictable effect on the length of the permit process and the outcome of project designs. Community advocates defend the ability of a community to voice its opinion on the compatibility and desirability of proposed development projects, and note that planning laws require that all project impacts and community resource shortages shall be fully considered.

There have been some recent, positive trends that the public is finding common ground on how to respond to the county's housing shortage. For example, some advisory councils and other agencies such as the Area Agency on Aging and the Chamber of Commerce are publicly saying that the county needs more affordable housing. Some advisory councils and community groups such as the Workforce Housing Coalition are also voices in support of housing initiatives.

## **GOVERNMENTAL CONSTRAINTS**

### ***Uncertainty about the Permit Process and Public Opinion***

Uncertainty about whether a proposed housing project will be approved by all participating government agencies and how long the process will take can act as a deterrent to building new housing. The cost to a developer of holding property, beginning with site acquisition and ending with occupancy of dwelling units,

is an expense generally passed on to the buyers. The longer it takes to develop and sell housing, the more it costs. The “holding period” is often devoted to securing permits from various levels of government, a process that normally involves evaluation of project effects on the circulation system, public facilities and services, and the environment.

Public opinion may also bring uncertainty to housing development. The county has an abundance of natural resources, but there is also a shortage of community resources in some areas (i.e. water, roads, schools). “Slow growth” sentiments exist because a large segment of the public wishes to preserve the county’s natural beauty and its “quality of life.” Local government agencies have responded by adopting “slow growth” policies, reducing the available number of new housing units and indirectly increasing housing costs.

In response to these issues, the County has proposed programs (see Chapter 4) to facilitate appropriately-scaled infill development in communities that have adequate resources. New housing should be located in areas that have adequate water supply, roads, transit systems, a job base, infrastructure, retail stores, services, schools, and parks. In response to high land costs, more housing should incorporate attractive and functional multi-family units. Public opinion can be influenced to support attractive housing projects of 15 to 20 dwelling units/acre within the County’s communities. Once the construction industry is certain of the public support and government approval for specific types of housing development, then sufficient risk is removed and more of the desired type of housing can be produced at lower costs.

### ***Land Use Controls***

The California Legislature delegated to local government specific responsibilities and a certain amount of discretionary authority over the development and use of land. Cities and counties influence the location, density, type, number, quality, and appearance of housing units in their jurisdiction through land use controls, building codes, development review procedures, requirements, and fees. Government constraints generally may be divided into land use and development controls (such as

zoning and subdivision regulations), building codes, fees and other exactions required of developers, site improvement and infrastructure requirements, and development processing and permit approval procedures.

Land use and development controls determine the amount, type, and location of housing. The primary control is the General Plan and local ordinances. The General Plan sets an overall framework for development and resource conservation in the unincorporated areas of the county, principally through the Land Use Element and its implementing ordinances. Most of the County is rural and zoned for low residential densities primarily to protect agricultural land and natural resources.

The General Plan includes 17 unincorporated urban communities and 14 villages that allow more concentrated development of housing. Development standards are similar to those typically found in other jurisdictions and do not place an unnecessary burden on affordable housing projects. The County must also consider the need to avoid conflicts between existing airports and new residential development. Proposals to amend the County General Plan to designate land for residential development must first be reviewed for consistency with the adopted Airport Land Use Plan. *Table 5.17 shows typical development standards (including density, open space, setbacks, parking, and height) for single family and multi-family land use categories.*

Parking requirements for multi-family projects are similar to requirements for single family dwellings. For example, a subdivision of 10 single family homes would require 20 parking spaces. A 10-unit multi-family project (with two and three bedroom units) would require 18 resident parking spaces plus 4 guest parking spaces (22 total). These parking requirements do not prevent developers from constructing multi-family projects at a density of at least 20 units per acre. The County also provides incentives for affordable housing projects.

**Table 5.17: Typical Development Standards**

Land Use Category	Density	Open Space	Setbacks	Parking	Height	Minimum Site Area
Residential Single Family	Approx. 6 units per acre	No requirement	Front- 25ft Side- 5 ft Rear- 10ft Corner (street side) 10 ft if lot is more than 50 ft wide	2 spaces per dwelling	35 feet	6,000 square feet (1,750 in some areas)
Residential Multi-Family	Low- 15/ac Medium- 26/ac High- 38/ac	55% 45% 40%	Front- 25ft Side- 5 ft Rear- 10 ft Corner (street side) 10 ft if lot is more than 50 ft wide	1 per one bedroom unit, 1.5 per two bedroom unit, 2 per three or more bedrooms, plus Guest Parking (1 space (per development, not per unit), plus 1 for each 4 units or fraction thereof beyond the first four)	35 feet (45 feet if high density)	6,000 square feet for two units

Note: Landscaping is required for multi-family projects.

***Growth Management***

On October 23, 1990, the Board of Supervisors adopted the Growth Management Ordinance (GMO) for the unincorporated areas of the county in response to substantial community concern about growth and a proposed voter initiative. The GMO limits the number of new dwelling units that may be built annually, but it exempts units that are affordable to low and moderate income households, secondary dwellings, and farm support quarters. Under the ordinance, new dwelling units are limited to an amount sufficient to accommodate an annual increase of 2.3% in the number of existing dwelling units that are in the unincorporated areas of the county. However, the County adopted lower growth rates in some communities. For example, Cambria has a 0% growth rate due to limited water availability, and Nipomo has a 1.8% growth rate, also due to limited water supply. Currently the GMO limits growth to approximately 1,000 dwellings units per year. If the County continued to limit the number of non-exempt dwellings for which permits can be issued each year approximately 5,000 new above moderate units could potentially be built over the next five years. The GMO will not prevent the

County from meeting its housing needs as set forth in the adopted Regional Housing Needs Plan.

### ***Subdivision Regulations***

Regulations for the design and improvement of subdivisions are contained in the County's Real Property Division Ordinance and governed by the State Subdivision Map Act. The purposes of the regulations are to promote public health and safety and "to facilitate the ultimate development of the land in a manner that will be compatible with physical constraints and preservation of natural and scenic attributes." One of the effects of the regulations is to transfer the financial burden of subdivision development from county government to the developer and, ultimately, to future residents of the subdivision.

### ***Building Codes and Their Enforcement***

San Luis Obispo County building codes are encompassed in the locally adopted Building and Construction Ordinance (Title 19) and the 2013 California Building Code. These regulations insure that projects are constructed to minimum safety standards and that adequate water supply and sewage disposal standards are met.

Enforcement of building codes for new structures or alterations to existing structures is the responsibility of the Chief Building Official. Enforcement of codes in other situations is carried out with the immediate emphasis on any health and safety concerns by Code Enforcement staff. Voluntary compliance is sought first, with court action against a landlord or owner as a last resort. Displacement of residents is avoided if at all possible. If a code enforcement case is filed, additional fees are required at the time of permit application.

### ***Site Improvements***

Site improvements can vary from minor leveling of a building pad and installation of a well and private sewage system to major grading of the site and the installation of an extensive infrastructure system. Site improvements may include curb, gutter, and sidewalk installation, underground utility installation, public water, and sewage system connections and the paving of access roads.

County requirements are typical of those found in other jurisdictions throughout the state. Their purpose is to address health and safety issues, access issues, separation of vehicle and pedestrian traffic in higher density areas, and to promote orderly development.

Within the county regulations, there may be opportunities to modify some of the site improvement requirements and thus reduce the cost of development. This could have a beneficial impact to affordable housing projects. Some of these opportunities include re-examining the regulations on street widths to see if narrower streets would be appropriate and re-evaluating the requirements on sidewalk widths to determine if reductions could be made without jeopardizing public safety. Changes such as these could result in additional units for a project, thus reducing overall cost per unit.

### ***Fees***

New residential development frequently imposes a financial burden on government agencies because the cost of providing community services (such as police and fire protection) to them is typically higher than the tax revenues they will generate for the County. This is especially true of lower cost housing because services are the same while taxes are lower due to lower sales prices and assessed value.

Development fees in San Luis Obispo County are not excessive when compared to other neighboring counties (see Appendix D – Typical Permit Fee Chart). In addition, the County makes special provisions for projects with affordable housing (i.e. expedited permit processing). The County has a program addressing reducing and deferring fees for affordable housing.

The total fees for a building permit for a 1,500 square foot dwelling with a 450 square foot garage would be approximately \$10,600, including all inspection and plan check fees, as well as basic permit fees (i.e. addressing) and impact fees (a single family unit is exempt from inclusionary housing requirements). Approximately half of the total cost is comprised of impact fees. A permit for a typical 2,500 square foot home with a 550 square foot garage would cost \$12,200. Inclusionary in-lieu fees collected for

projects may be used to pay impact fees for affordable housing projects. Also, affordable projects are exempt from paying the inclusionary fees (since they provide affordable housing units instead). *Below are typical processing and impact fees for market rate residential development.*

**Table 5.18: Typical Impact Fees, FY 2012-2013**

	Single Family	Multi-Family
County Facility Fees		
Government	\$533	\$406
Administration	\$111	\$72
Sherriff	\$280	\$213
Park	\$2,303	\$1,753
Library	\$454	\$345
Fire	\$1,994	\$902
Road Fees*	\$6,996	\$4,251
School Fees**	\$4,800	\$3,200
Inclusionary Housing Fees	\$1,065	\$710
Water Connection***	\$16,138	\$16,138
Sewer Connection***	\$5,432	\$5,226
<b>Total Estimated Impact Fees Per Unit</b>	<b>\$40,106</b>	<b>\$33,216</b>

\* This fee is an average for the communities that have a fee.

\*\*\$3.20 is an approximate figure; each school district may have different fees.

\*\*\*These fees are an average using Nipomo CSD, Oceano CSD and Templeton CSD rates.

**Table 5.19: Common Planning Application Fees, FY 2012-2013**

Pre-Application Meeting	\$500
Site Plan Application	\$2,156
Minor Use Permit, exempt from environmental review	\$1,936 - 4,823
Minor Use Permit, with environmental review	\$3,396 - 10,773
Conditional Use Permit, exempt from environmental review	\$8,838
Conditional Use Permit, with environmental review	\$17,292
Lot Line Adjustment	\$4,122
Parcel Map	\$7,924
Tract Map	\$11,174
Coastal Zone add-on, major	\$1,037
Coastal Zone add-on, minor	\$456

For a typical 20 unit market rate multi-family rental project (exempt from inclusionary fees), the required land use permit fees include a Minor Use Permit and environmental review. Building permits include inspection fees, impact fees, and other costs associated with processing the permit. The total fees associated with the planning and building permits (FY 13/14 costs) would total an estimated \$185,000 (\$159,000 of which are impact fees), excluding school, water, and sewer fees which are paid to other agencies. Therefore, the cost per unit for permit fees is \$9,250 (excluding school, water, and sewer fees). Assuming the total development cost for multi-family housing is about \$255,000 per unit, impact fees charged by the County are 2.6 percent of the total cost in this example. School fees are 1.3 percent of the total development cost, water and sewer fees together are 8.4 percent of the total cost, and permit processing fees are 0.5 percent of the total cost. Therefore, impact and processing fees together are 13.8% of the total development costs. All building permit fees are paid at permit issuance. An initial deposit is required upon building permit application, and the balance is due upon permit issuance. However, Program HE 1.C will explore ways to reduce and defer fees for affordable housing projects.



*Ella Street,  
San Luis Obispo  
22 units per acre*

### ***Permit processing***

State planning laws require that certain steps must be included in the local permit process. Among these are:

1. Proposed developments must be found consistent with the adopted General Plan and its elements (i.e., Housing Element, Agriculture Element, Conservation and Open Space Element, and the Land Use Element).
2. Building codes must be adopted and enforced.
3. The County must assess the environmental effect of a project in compliance with the California Environmental Quality Act (CEQA), and then determine whether an environmental impact report, a negative declaration with mitigation measures, or a negative declaration is required.
4. The County must meet CEQA specified time requirements for public review and posting of environmental documentation.
5. Projects in the coastal zone must be found consistent with the local coastal plan and in some instances are reviewed by the Coastal Commission.

The Permit Streamlining Act (PSA), Government Code, sections 65920 et seq., requires that local jurisdictions reach a final decision on any discretionary permit request within 180 days from the date of certification for projects requiring a CEQA Environmental Impact Report or 60 days from the date of a negative declaration determination or adoption or for projects that are exempt from CEQA. The PSA also requires local government to meet various interim deadlines, from initial application review to approval or disapproval of a project.

State law requires that a jurisdiction's legislative body make project decisions. In San Luis Obispo County this body is the Board of Supervisors. The Board can adopt ordinances to delegate authority to other review bodies such as the Planning Commission and Subdivision Review Board. Approval of minor land use permits was delegated to the Planning Director (e.g.,

minor use permits). A public hearing for a Minor Use Permit shall only occur when a hearing is requested by the applicant or other interested persons. If no hearing is requested, the Minor Use Permit is considered for approval at the next scheduled administrative hearing meeting.

Conditional Use Permits are required for larger projects or other land uses that may have the potential to affect the neighborhood or community. They require public hearings before the Planning Commission to review project design in detail and insure the proper integration of the project into the community.

The permit requirements for residential uses depend on the type of project and the land use category. In the Multi Family land use category, projects with 15 or fewer units can be approved with only ministerial review. For projects with 16-24 units a Minor Use Permit (MUP) is required. Projects with 25 or more units require a Conditional Use Permit (CUP) and are reviewed by the Planning Commission. The purposes of discretionary review (either MUP or CUP) are the following:

- To enable design review in accordance to community design plans, guidelines, and standards,
- To allow the County to modify development standards for housing development when necessary and appropriate, and
- To mitigate potential environmental impacts of development. Unique and varied environmental conditions exist within the unincorporated communities of San Luis Obispo County, and mitigation measures can reduce or avoid potential impacts.

The Minor Use Permit process is typically a faster project review process with lower fees whereas the Conditional Use Permit has higher fees and typically takes longer to process. Since the Minor Use Permit process is less expensive and less time consuming, it can help facilitate the approval of new housing projects.

*Table 5.20 describes permit requirements for residential projects. Appendix I lists the findings from the Land Use Ordinance (Title 22) for Conditional Use Permits and Minor Use Permits.*

**Table 5.20: Housing Types Permitted by Land Use Category (non-coastal)**

Housing Type (Land Use)	Land Use Category									
	AG	RL	RR	RS	RSF	RMF	OP	CR	REC	PF
Single Family Dwelling	P	A1	A1	A1	A1	A1	A2	A2	A2	
Multi-Family Dwellings						A1	A2	A2	A2	
Residential Care - 6 or fewer	P(6)	P(6)	P(6)	P(6)	P(6)	P(6)				P(6)
Residential Care - 7 or more	CUP	CUP	CUP	CUP	CUP	CUP	CUP			A1
Mobile Homes	P	P	P	P	P	P			P	P
Mobile Home Parks			CUP(7)	CUP(7)	CUP(7)	CUP(7)			CUP(7)	
Farm Support Quarters	A2	A2								
Secondary Dwellings	*	*	P	P	P					

Land Use Categories: AG - Agriculture, RL - Rural Lands, RR - Residential Rural, RS - Residential Suburban, RSF - Residential Single Family, RMF - Residential Multi-Family, OP - Office professional, CR, Commercial Retail, REC - Recreation, PF - Public Facility

A1: Allowable use, subject to the land use permit required by 22.06.030, Table 2-3.

A2: Allowable use, subject to the land use permit required by the specific use standards.

P: Permitted use, Zoning Clearance required.

P(6): Permitted use, no land use permit required.

CUP: Conditional Use Permit required.

CUP(7): Conditional Use Permit required, also requires authorization by California Department of Housing and Community Development.

\* A second primary dwelling is allowed in AG and RL.

Discretionary land use permits should not be overly burdensome for housing developments that are consistent with County land use and housing policies, and are compatible with the desired form and character of the particular community in which the project is to be located. In order to provide certainty and predictability (for both the applicant and the community), the County has made certain revisions to its ordinances, plans, and processes. These revisions include:

- Priority processing for certain types of projects
- Early consultation (pre-application meetings) on community design and potential constraints
- Secondary dwelling ordinance amendment
- Adopted an inclusionary housing ordinance

- Adopted a planned development ordinance
- Infill development standards (2014)
- New community Plans (Shandon 2012, San Miguel 2014) that contain:
  - ◇ Community based performance standards and design guidelines
  - ◇ Public facility financing plans
  - ◇ Communitywide environmental mitigation measures

Permit processing times vary depending on whether the project is ministerial (staff approval without a public hearing) or discretionary (public hearing required). The typical processing time for housing development in 2013 was two to four weeks for ministerial projects and four to nine months for discretionary permits. All ministerial and discretionary residential projects are reviewed by several county departments prior to staff approval or a public hearing. The Planning Department reviews projects for compliance with the County General Plan and the State Subdivision Map Act and the California Environmental Quality Act (CEQA). The Public Works Department reviews the project for its effect on roads, drainage, and county water and sewer districts. The Environmental Health Department reviews for compliance with water supply and sewage disposal requirements and the Fire Department insures that fire safety standards are met.

Projects may also be reviewed by regional or state agencies as required (e.g., State Dept. of Fish & Game, Regional Water Quality Control Board, Coastal Commission). Projects located near an incorporated city are referred to that city for comments. County staff will hold a pre-application conference upon request by an applicant. *The following table describes typical permit processing timelines for projects.*

**Table 5.21: Timelines for Permit Procedures**

Ministerial Review	2 to 4 weeks
Minor Use Permits	4 to 6 months
Conditional Use Permits	6 to 9 months
General Plan Amendment/Zone Change	1 to 2 years
Parcel Map	4 to 6 months
Tract Map	6 to 9 months

Sources: San Luis Obispo Planning and Building, 2013

### ***Inclusionary Housing Ordinance***

The County implemented an inclusionary housing ordinance in January, 2009. This ordinance received a “Planning Achievement Award” from the California Chapter of the American Planning Association. The County was commended for its efforts to work with stakeholders and gain broad support for the ordinance. The ordinance includes incentives for developers, such as:

- The developer, rather than the County, chooses from four options for compliance with the ordinance: 1) build affordable units on-site, 2) build them off-site, 3) pay in-lieu fees, or 4) donate land. A combination of these options is allowed.
- One bonus unit is granted for each inclusionary housing unit built (in residential projects).
- The bonus units allow a residential project to exceed the density that would otherwise be allowed by the applicable zoning regulations.
- If the inclusionary housing units are built on-site, the developer can ask for at least one modification to development standards (i.e., reduced parking, building height, or yard setback).
- If inclusionary housing units are built on-site, the affordability requirement is reduced by 25%.
- Affordable units can be smaller than market rate housing.
- Affordable units can be rental or homeownership units.
- Payment of the in-lieu fees can be deferred until the occupancy or sale of residential units.

The ordinance applies to residential projects with two or more dwelling units and to commercial projects of 5,000 square feet or more. The following projects are exempt from the ordinance: units smaller than 900 square feet in size, secondary dwellings, employee housing, farm support quarters, and rental housing.

The number of inclusionary housing units that are required is subject to the five-year phase-in period. At “Year 5” when the ordinance is in full effect, 20% of a residential development shall be inclusionary housing units. At “Year 1,” only 4% of the housing units shall be inclusionary (affordable) housing units. Although the ordinance has a five year phase-in period, the County Board of Supervisors, in response to the recession, has elected to remain at “Year 1” until 2014. This may be extended each year when the Board sets the inclusionary fee schedule.

In 2012, the County updated the nexus studies that support the in-lieu and housing impact fee schedules. The studies justify the fee amounts that the County may charge on individual residential units and commercial buildings. The 2012 nexus studies (Vernazza-Wolfe Associates, Inc.) addressed recent court decisions and the requirements of the Mitigation Fee Act. The nexus studies also adjusted the fee schedules to reflect current housing market costs and affordable housing needs. The ordinance requires that new nexus studies be completed every five years to keep the fee schedules current.

Each year the County considers fee adjustments and the phasing position of the fees. So far, all fee increases have been tied to the annual increase of construction costs. The fee amounts are based on square footage. The in-lieu fee for residential development is \$3.55 per square foot (currently, at “Year 1,” the fee amount is only \$0.71 per square foot). The housing impact fee for commercial development is different for each type of commercial building. For example, for retail store space the fee is \$3.26 per square foot (currently, at “Year 1,” the fee amount is only \$0.65 per square foot). The fees are placed into the County’s Affordable Housing Fund. Most of the fees collected are spent in the following year to assist with the construction of eligible, affordable housing units. Each year the County approves an

Action Plan that identifies the specific affordable housing projects for which the fees will be spent.

### ***Housing for Persons with Disabilities***

The County has incorporated the current edition of the California Code of Regulations – California Building Standards Code Title 24. This includes the California Residential Code and other code sections that address access for persons with disabilities in new residential units. The California Code meets and exceeds the requirements of the federal American Disability Act. In addition the County prepared an Analysis of Impediments to Fair Housing as required under federal grant programs, including a review of its zoning laws, policies and practices. This analysis concluded that the County has implemented actions to remove constraints on housing for persons with disabilities. For example, the County provides tenant-based rental assistance for persons with special needs, many with disabilities. The County also provides funding for ADA retrofitting efforts. In 2014 the County prepared a procedure that applies solely to making requests for reasonable accommodation, such requests can be submitted through the normal Conditional Use Permit (CUP) or variance process, including making parking accommodations and other matters. For example, in one case the County permitted construction of a secondary dwelling larger than normally permitted because the larger size was needed to accommodate the needs of the handicapped person who would live there. The County is aware of its responsibility to remove constraints to provision of housing for persons with disabilities, partly as a result to its Analysis of Impediments and certifications regarding Fair Housing pursuant to the federal HOME and CDBG Programs. The County is committed to authorizing reasonable accommodations where appropriate.

The County does not regulate the minimum distance between group homes. The County permits group home with six or fewer persons in the Single Family land use category without a Conditional Use Permit or any special community noticing, even where some on-site services for persons with limits on their ability for self-care are provided. Larger group homes with on-site services are subject to a CUP, with minimal prescribed standards (20,000 square feet site area, safety fencing for play areas,

parking). However, Housing Element Program 3.B addresses review of existing group home ordinances to determine if revisions are necessary.

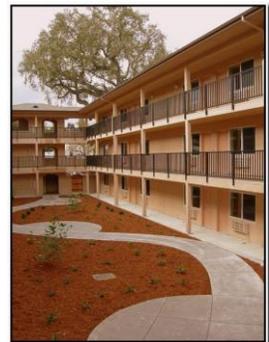
Large group homes are rarely proposed in the unincorporated areas of the county. They are usually located closer to medical or other needed services, which occur primarily within the incorporated cities, especially San Luis Obispo. The County has provided financial assistance to local nonprofit organizations acquiring residential properties for operation as group homes in San Luis Obispo, Grover Beach, and other cities. One group home (Templeton Place) was permitted by the County in the unincorporated community of Templeton, close to Twin Cities Community Hospital. This senior assisted-care facility has 29 units. This example represents a service-enriched group home, which the County defines as a “residential care facility.” This example demonstrates that the County’s CUP requirements are reasonable and do not represent a constraint preventing group homes from being established.

## SPECIAL HOUSING NEEDS

### *Persons with Disabilities*

The 2011 American Community Survey estimates there are 28,262 persons in the county (11% of the population above age 5) as having one or more disability. While this figure may appear high, it includes many types of disabilities: sensory, physical, mental, self-care and employment and developmental disabilities.

Currently there are an estimated 2,500 persons with developmental disabilities residing in San Luis Obispo County and served by local resource agencies. The housing needs of this special needs group are similar to and often overlap with the broader needs of persons with other disabilities (such as wheelchair accessibility). As with other special needs groups, lack of financial resources limits housing opportunities. Persons with developmental disabilities depend primarily on SSI income and



*Chet Dotter Senior  
Housing,  
Paso Robles*

~\$1,325,000 of HOME grant funds provided by the County for acquisition and construction

the Section 8 Housing Voucher program. Individuals with developmental disabilities may need to live in group homes or shared living situations. Thus the number and location of group homes and shared living situations are critical factors in housing availability. Currently there is significant unmet housing need for this special needs group, constraining new household formation for young adults. Regulatory issues can also create constraints since some funding programs are not geared towards shared living arrangements and may require individuals to obtain separate housing. Persons with developmental disabilities often require special supportive services to allow them to live independently. The primary resource organization serving persons with development disabilities locally is Tri-Counties Regional Center with offices in the cities of San Luis Obispo and Atascadero. The Santa Barbara office is also active in some communities in San Luis Obispo County such as Nipomo.

It is uncertain how many disabled individuals live independently. Often a property owner or landlord is willing to accommodate handicapped individuals, but the residential unit is not accessible to wheelchairs or physically impaired persons. This forces the handicapped individuals to compete for housing in a very limited sector of the county's housing market.

Locally the Housing Authority of San Luis Obispo administers the federally funded After Care Housing Program. This program provides Section 8 rental assistance to mentally and physically handicapped outpatients who are otherwise unable to afford adequate housing. Presently, the demand for program assistance exceeds its financial resources. The Housing Authority of San Luis Obispo implements the program in both the cities and unincorporated areas of the county. Residential care facilities in the county provide care for disabled persons and elderly.

Transitions Mental Health Association provides services and transitional housing for mentally ill disabled adults. They provide resources for persons with disabilities by referring those in need to adult day care, meals on wheels, respite care, home health care, transportation, and independent living services programs.

### ***The Elderly***

The unincorporated county was home to 18,451 elderly (age 65+) persons in 2010, comprising 15% of all persons in the jurisdiction (2010 Census). Approximately 82% of housing units occupied by elderly were owner occupied and 18% were renter occupied. Countywide, 99.8% of occupied elderly housing units have less than 1.01 occupants per room (Census).

Of the elderly population countywide, 5.3% are living at or below poverty level. While the majority of the elderly are financially stable, there are still many who live on low or fixed incomes. Thus, many elderly need affordable housing.

The Department of Finance predicts that the countywide senior population (age 65+) will increase by over 85% from 2010-2030. This reflects a growing number of retiring baby boomers as well as affluent, retired individuals who are attracted to the county and are moving in and paying top dollar for available housing units. This trend will adversely affect the existing elderly population who are on fixed income, especially renters.

Many elderly citizens live in mobile home parks. Mobile home parks are a significant part of the county's affordable housing stock. Park residents are protected from extreme rent increases by the County's Mobile Home Park Rent Stabilization Ordinance. The County has successfully defended its mobile home park rent control ordinance in court. The County has a mobile home park closure ordinance that will provide residents with ample payment and relocation assistance if a park is closed. The County's subdivision ordinance also requires that a very comprehensive Tenant Impact Report be submitted with any application to subdivide a rental mobile home park into a condominium park. This ordinance also allows the County to consider denial of the subdivision if a resident survey indicates that the majority of park residents do not support the conversion of their mobile home park from a rental to a condominium park. The recently passed state Senate Bill 510 strengthens the County's ability to deny such condominium conversions based where there is an unfavorable survey.

Senior apartment developments and co-housing are also desirable options for some seniors. These housing types provide a strong sense of community and support for residents.

The Area Agency on Aging provides services such as home delivered meals, senior citizen centers, senior employment services, legal assistance, transportation services, and respite for caregivers. Senior centers in urban communities provide regular gatherings and meetings for seniors. Ride On transportation provides door to door shuttle service for seniors throughout the county for a small fee.

### ***Large Households***

Large households of five or more members made up approximately 7% of unincorporated county households in 2011. Roughly, two-thirds of these larger households live in owner-occupied residences. Approximately 12% of all homes in the county contain four bedrooms or more but only 2% contain more than four bedrooms.

The County has helped to fund the development of projects with large residential units. These are units that are 4 or 5 bedrooms in size. The County provides direct financial assistance to projects for low and very-low income households with federal funds from the Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) Programs. The local non-profit Peoples' Self-Help Housing Corporation have used HOME funds and Section 502 funding from the United States Department of Agriculture to build several subdivisions that are affordable to low and very low-income households. These subdivisions use the "sweat equity" method of construction that helps qualified households to build their own units. Large families with low incomes may also be eligible for the Section 8 rental assistance program that is administered by the Housing Authority of San Luis Obispo.

### ***Households with Single Person Head of Households***

According to the 2010 (Census), there are approximately 25,000 families countywide (including cities) with children under 18 years of age. Of these, married couple families represented

approximately 72% (17,900). Families with children under 18 years headed by a single female represented 20% (4,922) of families and families headed by a single male represented 9% (2,211).

In 2010, one out of every four families with female householders countywide, were under the poverty line. Table 5.22 illustrates the ratio of families with female householders and poverty.

**Table 5.22: Families with Female Householders and Poverty (Countywide), 2010 Census**

	Number	Percent of Total Family Households	% of Total Family Households under the Poverty Line	% of Families with Female Householder
Total Family Households	63,691	100.0%		
Families with Female Householder*	4,922	7.7%		100.0%
Total Families under the Poverty Line	3,949	6.2%	100.0%	
Families with Female Householder under the Poverty Line*	1,255	2.0%	31.8%	25.5%

\*With children under 18

Married couple families have the highest incomes and families headed by single females have the lowest. In 2011, the median income for married couple families was \$85,689 (2011 Community Survey). For male headed families the median income was \$48,544, and for female headed families it was \$29,529 (2011 Community Survey).

For single parent families, lack of adequate income is one of the biggest factors in obtaining housing, especially families headed by females. Using a figure of 30 percent of gross income for housing, the median income of female headed families would allow only \$925 per month for housing. This amount is inadequate as the rental rate throughout the county for studio and one-bedroom units start around \$750 and go much higher. The median rent paid, countywide for all household types, was estimated to be \$1,165 (2011 ACS).

***Housing for Very Low Income and Homeless Families***

A minimum of 80 percent of the County's annual allocation of federal Home Investment Partnership (HOME) funds and Emergency Solutions Grant (ESG) funds are typically allocated to local non-profit groups that provide housing (including emergency shelter and transitional housing) to very low income and homeless families. The Community Action Partnership of San Luis Obispo County (CAPSLO) operates the homeless shelter and homeless day care facilities in San Luis Obispo. The Women's Shelter of San Luis Obispo and the North County Women's Shelter operate facilities in their communities. The El Camino Homeless Organization (ECHO) operates a homeless shelter in Atascadero. The Housing Authority of San Luis Obispo administers the Tenant Based Rental Assistance and Section 8 programs, and manages several affordable apartment projects. Peoples' Self-Help Housing Corporation builds affordable ownership and rental units throughout the county. All of these programs face the impacts of government budget shortfalls and the rapidly rising cost of the local housing market.

***Farm Workers***

Although agriculture is one of the county's primary industries, it is difficult to determine the exact number of farm workers that live here. Some are permanent residents and others are seasonal migratory workers. A 2002 study conducted for the California Department of Health Services reported that 87% of farm workers lived in the county year-round.<sup>2</sup> Several agencies report statistics about farm worker populations. The following list illustrates the variations in reporting:

- State Employment Development Department estimated 4,600 workers in the farm industry for January, 2013

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<sup>2</sup> Das, Vergara, and Sutton 2002 *The San Luis Obispo County Farm Worker Survey, Implementation of Worker Safety Regulations: A Survey of Farm Worker Perspectives and Health Issues*

- The 2011 ACS estimated 4,200 workers in the farm industry
- The 2010 Census identified about 4,750 workers in the farm industry
- The 2007 USDA Census of Farm Workers reports there were 9,175 farm labor workers
  - ◇ 4,370 reported to be permanent
  - ◇ 4,805 reported to be seasonal (less than 150 days)
  - ◇ In 2008 the USDA reported that “hired” farm workers made up only one-third of those employed in agriculture

The issue of undercounting farm workers is not new. A 1990 study prepared for the County asserted that the EDD undercounts the farm workers who work here. This study is entitled “Farm Labor Hiring Patterns in San Luis Obispo County” and was prepared by Peoples’ Self-Help Housing Corporation in response to concerns about the needs of local farm workers by the County and local nonprofit organizations. In 1989 the EDD estimated that 2,080 farm workers were in the county. The study provided an estimate based on the number of man hours needed to produce an acre of a given crop and determined that perhaps 5,000 farm workers were here. The study also indicated that crop care is becoming a yearlong activity (i.e., vineyards) and that the farm workers and their families are becoming permanent residents rather than migratory households. Farm worker families need housing that is near schools, shopping and community services. It is difficult to provide such housing for the families of the workers who are still seasonal migratory workers. Local farmers find that workers with families need family dwelling units, while single workers may use bunkhouses or dormitory style quarters that are located on the farms.

In recent years there appears to be a trend away from migratory farm workers. Although many of the farm worker jobs are seasonal, more farm workers are finding other sources of income during the off season and remain in the area. In general farm workers in the Guadalupe area tend to live in the community and work in the outlying farms, whereas farm workers working in the

*“The H-2A temporary agricultural program establishes a means for agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the U.S. to perform agricultural labor or services of a temporary or seasonal nature.”*

~Source: U.S. Department of Labor,  
<http://www.foreignlaborcert.doleta.gov/h-2a.cfm>

Oso Flaco Valley tend to live in Santa Maria. Similarly, farm workers working in the Huasna Valley live in neighboring communities such as Arroyo Grande or Oceano. North San Luis Obispo County farmers commonly use labor contractors from the Central Valley and the farm workers often commute from communities such as Avenal.

For many farm workers, their relatively low incomes are the biggest factor preventing them from obtaining adequate housing. The EDD, estimated that most farm laborers within the South Region of California earned less than \$13/hour in January, 2013. That would equate to about \$27,000 per year (full-time equivalency).

Housing needs may be met with farm support quarters at the site of the agricultural use. Farm support quarters may be single family dwellings (including mobile homes) or dormitory-style group quarters. The amount of allowable on-site farm worker housing is determined by the intensity of agricultural activities.

The County met with the Agricultural Liaison Advisory Board in 2013 and with a representative from a smaller roundtable group in 2014 to discuss farm worker needs over the next five years. Growers anticipate continued use of the H-2A program, which provides seasonal or guest farm workers. The H-2A program is authorized by the Immigration and Nationality Act, and is managed by the Department of Labor, U.S. Citizenship and Immigration Services, and the Department of State. H-2A requires that growers provide housing, meals, and transportation for employees. San Luis Obispo County currently has no active H-2A applications in process. However the City of Santa Maria in northern Santa Barbara County has active job orders and some of these farm workers are anticipated to be working in Nipomo. It is expected that there will be greater use of this program due to a labor shortage.

Farm worker housing proposed in the form of group quarters is currently limited to the needs of agricultural activities within five miles of a site in the Agriculture land use category. Growers now would like to expand the five mile radius to a larger area. Additionally, growers would like to see additional amendments to

County ordinances such as amending the 20 acre minimum site area.

The County's Growth Management Ordinance exempts farm support quarters from the permit allocation process, whether in the form of group quarters or single-family dwellings. Farm support quarters are permitted in Agriculture and Rural Land land use categories. Additionally, farm worker housing is sometimes provided in developments in single family and multi-family zones. The County has provided federal HOME and CDBG funds to the non-profit Peoples' Self-Help Housing Corporation (PSHHC) to build housing projects for farm worker families. PSHHC also uses federal USDA Section 502 funds and state HCD funds (Joe Serna, Jr. Farm Worker Housing Grant Program) for its projects. Additionally, 22 farm support quarter units were constructed between the years 2009-2013 in the County.

### ***Families and Persons in Need of Emergency Shelter***

Homeless persons in San Luis Obispo County include families, seniors, single men and women, and youth. In 2013, a point in time enumeration counted 2,186 homeless persons living in San Luis Obispo County. It is estimated that approximately 3,497 persons will be homeless over the course of a year. According to the 2013 point in time count and survey:

- Approximately 12% of all homeless persons counted were children under the age of 18, and 9% were Transitional Aged Youth (ages 18-24).
- 12% of homeless people were veterans.
- More than half (67%) were males, and 33% were females.
- Of the homeless persons counted, 21% were in the north county, 38% in the south county, 34% were in the Cities of San Luis Obispo and Los Osos (combined), and 6% were counted on the north coast of the county.



*Maxine Lewis  
Memorial Homeless Shelter site,  
San Luis Obispo*

- Approximately 89% were unsheltered, 3% were in transitional housing, and 8% were in shelters. Of those who were unsheltered, approximately 25% were sleeping in a vehicle, 2% were in abandoned buildings, and the remainder were living on the streets or in park areas or in encampments.
- 26% of the population were chronically homeless and 94% of those who were chronically homeless were unsheltered.
- The mean age of those surveyed was 42 years old.

The County is a major financial contributor to homeless services and shelters countywide. To ensure that the county has adequate capacity to meet the needs of homeless persons, the County assumes that the unmet need countywide (including cities) is 1,951 (with approximately 1,586 housing units needed). “

Many homeless individuals and families use shelter and services in the incorporated cities. The Community Action Partnership of San Luis Obispo County (CAPSLO) uses local and federal funds from the County and local cities to operate a homeless shelter and a homeless day center, both located in the City of San Luis Obispo. The homeless shelter provides 49 beds year-round. CAPSLO also works in partnership with the Interfaith Coalition for the Homeless to provide “overflow” sheltering during winter months. A different church hosts the “overflow” program each month, providing 25-40 beds nightly. Approximately 1,200 homeless persons receive one or more nights of emergency shelter during the year in San Luis Obispo. The homeless day center provides showers, clothing, meals, mail and phone services, counseling services, health screening, and access to transitional and permanent housing.

In the north county, the El Camino Housing Organization (ECHO) provides 31 emergency shelter beds year round and is planning on another 20 beds becoming available in 2014. Additionally, the Central Coast LINK and the Housing Authority of the City of San Luis Obispo provides deposits and short-term rental assistance to



*Prado Day Center,  
San Luis Obispo*

rapidly rehouse homeless individuals and families and those at risk of becoming homeless.

In the north county, CAPSLO and Transitions Mental Health Association operate permanent supportive housing programs for homeless persons with disabilities. These programs provide housing and case management services for 32 homeless clients. Various churches and non-profit groups in the north county area provide other services such as day meals, food, clothing, and a motel voucher program. These groups include, for example, Transitional Food and Shelter, Loaves and Fishes, the Salvation Army, Harvest Bag and the El Camino Housing Organization (ECHO). In the south county, CAPSLO operates a case management program. The 5 Cities Homeless Coalition provides assistance with security deposits to help clients of partner organizations in the south county move into housing.

Emergency shelters are currently allowable in the Commercial Service, Industrial, and Public Facilities land use categories and can accommodate up to 100 persons. They can be built with a zoning clearance in urban areas if certain conditions are met. Transitional and supportive housing can be constructed anywhere that single and multi-family homes can be built.

*Table 5.23 shows emergency shelters and transitional housing facilities countywide.*

**Table 5.23: Emergency Shelter & Transitional Housing in San Luis Obispo County, January 2013**

EMERGENCY SHELTERS			
Name	Location	Number of Beds	Population Served
Maxine Lewis Memorial Shelter - CAPSLO	San Luis Obispo	87 (49 plus overflow)	Single Homeless Adults and Families with Children
ECHO Homeless Shelter	Atascadero	31	Single Homeless Adults
Transitional Food and Shelter - TFS (medically fragile homeless)	San Miguel, Atascadero, Paso Robles, Arroyo Grande, San Luis Obispo	14	Single Medically Fragile Adults
North County RISE and San Luis Obispo Women's Shelter	Atascadero, Paso Robles, and San Luis Obispo	38	Single women and women with children
Motel Vouchers	Countywide	14	Single adults and families with children
TRANSITIONAL HOUSING			
Adult Transitional Housing -TMHA	San Luis Obispo	4	Single adults
Transitional Housing for Homeless - TMHA	San Luis Obispo	20	Single adults
TH for Homeless Women/Children in San Luis Obispo (Women's Shelter)	Grover Beach and San Luis Obispo	34	Single women & women with children
Congregate Housing - TMHA	San Luis Obispo and Atascadero	13	Single adults
PERMANENT SUPPORTIVE HOUSING			
North County Permanent Housing and Case Management – CAPSLO	Atascadero	6	Single adults
North County Permanent Housing with Supports - TMHA	Atascadero and Los Osos	10	Single adults
North County Permanent Housing (Bordeaux)- TMHA	Atascadero	11	Single adults and one family with children
South County Permanent Housing	Arroyo Grande and Pismo Beach	5	Single adults
HUD VASH vouchers (Housing Authority of the City of San Luis Obispo)	Countywide	100	Veterans (single adults, couples, and families with children)
<b>Total Beds</b>		<b>387</b>	

The County, in conjunction with the cities and a large stakeholder group, convened in 2008 to create a 10-Year Plan to End Homelessness (10-Year Plan). The 10-Year Plan provides a clear vision of steps necessary to help homeless or at-risk persons arrive to stable housing as productive members of the community. A central goal of the 10-Year Plan is to assist the county in stabilizing and sustaining critical services to people who are homeless and at-risk by enhancing interagency collaboration and increasing system-wide efficiency in provision of services and utilization of resources. Four priorities and several implementing strategies based on each priority are incorporated in the 10-Year Plan. Priorities include:

- ◇ Priority 1. Facilitating Access to Affordable Housing to Put an End to Homelessness.
- ◇ Priority 2. Stopping Homelessness Before it Starts through Prevention and Effective Intervention.
- ◇ Priority 3. Ending and Preventing Homelessness through Integrated, Comprehensive, Responsive Supportive Services.
- ◇ Priority 4. Coordinating a Solid Administrative & Financial Structure to Support Effective Plan Implementation.

All seven cities as well as the County agreed in 2009 to endorse the 10-Year Plan to End Homelessness, to use the plan as a guide for future efforts, and agreed to designate a city council or Board member to serve as a representative in ongoing collaboration to address homelessness. A Continuum of Care governing body, the Homeless Services Oversight Council (“HSOC”), was created in 2009 as a forum for the ongoing collaboration and implementation of the 10-Year Plan to End Homelessness. This body incorporates a diverse membership of stakeholders such as government representatives, educational representatives, law enforcement, mental health and social services providers, non-profit homeless providers, affordable housing developers, a formerly homeless person, a veterans’ representative, and others.

*“A central goal of the 10-Year Plan is to assist the county in stabilizing and sustaining critical services to people who are homeless and at-risk by enhancing interagency collaboration and increasing systemwide efficiency in provision of services and utilization of resources”*

~Source: Path to a Home, San Luis Obispo Countywide 10-Year Plan to End Homelessness

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# CHAPTER 6: APPENDICES

The appendices include required information per Government Code Sections 65580-65589.8 as well as information that may be useful to the public, non-profits, and developers. While some appendices are required, others are provided for the benefit of the reader.

- A. Affordable Housing Units Built 2007-2013
- B. Maps of Vacant and Underutilized High Density Sites
- C. Environmental Constraints Maps (by Community)
- D. Typical Permit Fee Chart
- E. 2010-2012 Average Community Survey Census Profile Table of San Luis Obispo County
- F. Population Projections
- G. Evaluation of the Previous Housing Element
- H. Goal, Policy, and Program Digest
- I. Required Findings for Conditional Use Permits and Minor Use Permits

## APPENDIX A: AFFORDABLE UNITS BUILT 2007-2013

### Affordable Housing Completed or In Construction During Period of January 2007 - December 2013

<b>2007</b>				
Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Oceans 17, Avila Beach			2	Deed restriction
Montecito Verde, Nipomo		8		Deed restriction
Secondary dwellings		39		Rent survey
Farm support quarters		3		Deed restriction
Mixed use		10		Rent survey
Public Facilities Fee Waivers		2		Deed restriction
<b>Total for 2007</b>		<b>62</b>	<b>2</b>	

<b>2008</b>				
Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Woodlands, Nipomo			5	Deed restriction
Cider Village, Nipomo	28	12		Deed restriction
Serenity Hills, Templeton	31	11		Deed restriction
Lachen Tara, Avila Beach	24	4		Deed restriction
Secondary dwellings		22	3	Rent survey
Farm support quarters		4		Deed restriction
Mixed use		5		Rent survey
<b>Total for 2008</b>	<b>83</b>	<b>58</b>	<b>8</b>	

<b>2009</b>				
Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Woodlands, Nipomo			5	Deed restriction
Secondary dwellings	4	5		Rent survey
Farm support quarters	4	5		Deed restriction
<b>Total for 2009</b>	<b>8</b>	<b>10</b>	<b>5</b>	

<b>2010</b>				
Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Woodlands, Nipomo			1	Deed restriction
Roosevelt Apartments, Nipomo	39	13		Deed restriction
Coastal Inclusionary homes, Cambria (Borges)		2		Deed restriction

Secondary dwellings	2	3	3	Rent survey
Farm support quarters	4	4		Deed restriction
Total for 2010	45	22	4	

**2011**

Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Secondary dwellings	1	1	2	Rent survey
Farm support quarters		1		Deed restriction
Total for 2011	1	2	2	

**2012**

Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Terebinth Homes, Templeton	2	31		Deed restriction
Secondary dwellings	1	2	2	Rent survey
Farm support quarters	2	2		Deed restriction
Total for 2012	5	35	2	

**2013**

Project Name, Location	Very Low Income	Low Income	Moderate Income	Basis of Affordability
Oak Leaf Homes, Nipomo	7	27		Deed restriction
Secondary dwellings	1	1	1	Rent survey
Farm support quarters		1		Deed restriction
Total for 2013	8	29	1	

Note: Affordability set by County Land Use Ordinance.

### AFFORDABLE UNITS BUILT OR UNDER CONSTRUCTION 2014

#### VERY LOW INCOME UNITS BUILT OR UNDER CONSTRUCTION

Project Name	Location	Number of Units	Status	Reason for Affordability Level
Oceano Townhomes	Oceano	1	Under Construction	Section 502 Loans
Courtesy Inn	San Simeon	2	Under Construction/Renovation	Deed Restriction
TOTAL		3		

#### LOW INCOME UNITS BUILT OR UNDER CONSTRUCTION

Project Name	Location	Number of Units	Status	Reason for Affordability Level
Oceano Townhomes	Oceano	5	Under Construction	Section 502 Loans
Courtesy Inn	San Simeon	2	Under Construction/Renovation	Deed Restriction
Farm Support Quarters	Countywide	1	Completed	Deed Restriction
TOTAL		8		

#### MODERATE INCOME UNITS BUILT OR UNDER CONSTRUCTION

Project Name	Location	Number of Units	Status	Reason for Affordability Level
Courtesy Inn	San Simeon	2	Under Construction/Renovation	Deed Restriction
Secondary Dwellings	Countywide	1	Completed	Rent Survey
TOTAL		3		

#### ABOVE MODERATE UNITS BUILT

Project Name	Location	Number of Units	Status
Various Single-Family Dwellings	Countywide	58	Completed
TOTAL		58	

**AFFORDABLE UNITS APPROVED OR PLANNED  
2014-2019 (PROJECTED)**

**VERY LOW INCOME UNITS APPROVED OR PLANNED**

Project Name	Location	Number of Units	Status	Reason for Affordability Level
Rolling Hills II	Templeton	23	Approved Use Permit	Tax Credits
Tract 2710	San Miguel	6	Pending Approval of Use Permit (May 2014)	Section 502 Loans
Woodlands	Nipomo	8	Approved Use Permit	Deed Restriction
Farm Support Quarters	Countywide	5	Estimated/Planned	Deed Restriction
Secondary Dwellings	Countywide	14	Estimated/Planned	Rent Survey
TOTAL		56		

**LOW INCOME UNITS APPROVED OR PLANNED**

Project Name	Location	Number of Units	Status	Reason for Affordability Level
Rolling Hills II	Templeton	6	Approved Use Permit	Tax Credits
Tract 2710	San Miguel	18	Pending Approval of Use Permit (May 2014)	Section 502 Loans
Woodlands	Nipomo	8	Approved Use Permit	Deed Restriction
Nipomo Center	Nipomo	21	Approved Use Permit	Deed Restriction
Farm Support Quarters	Countywide	5	Estimated/Planned	Deed Restriction
Secondary Dwellings	Countywide	1	Issued Building Permit	Rent Survey
Secondary Dwellings	Countywide	14	Estimated/Planned	Rent Survey
TOTAL		73		

**MODERATE INCOME UNITS APPROVED OR PLANNED**

Project Name	Location	Number of Units	Status	Reason for Affordability Level
Woodlands	Nipomo	5	Approved Use Permit	Deed Restriction
Secondary Dwellings	Countywide	2	Issued Building Permit	Rent Survey
Secondary Dwellings	Countywide	34	Estimated/Planned	Rent Survey
TOTAL		41		

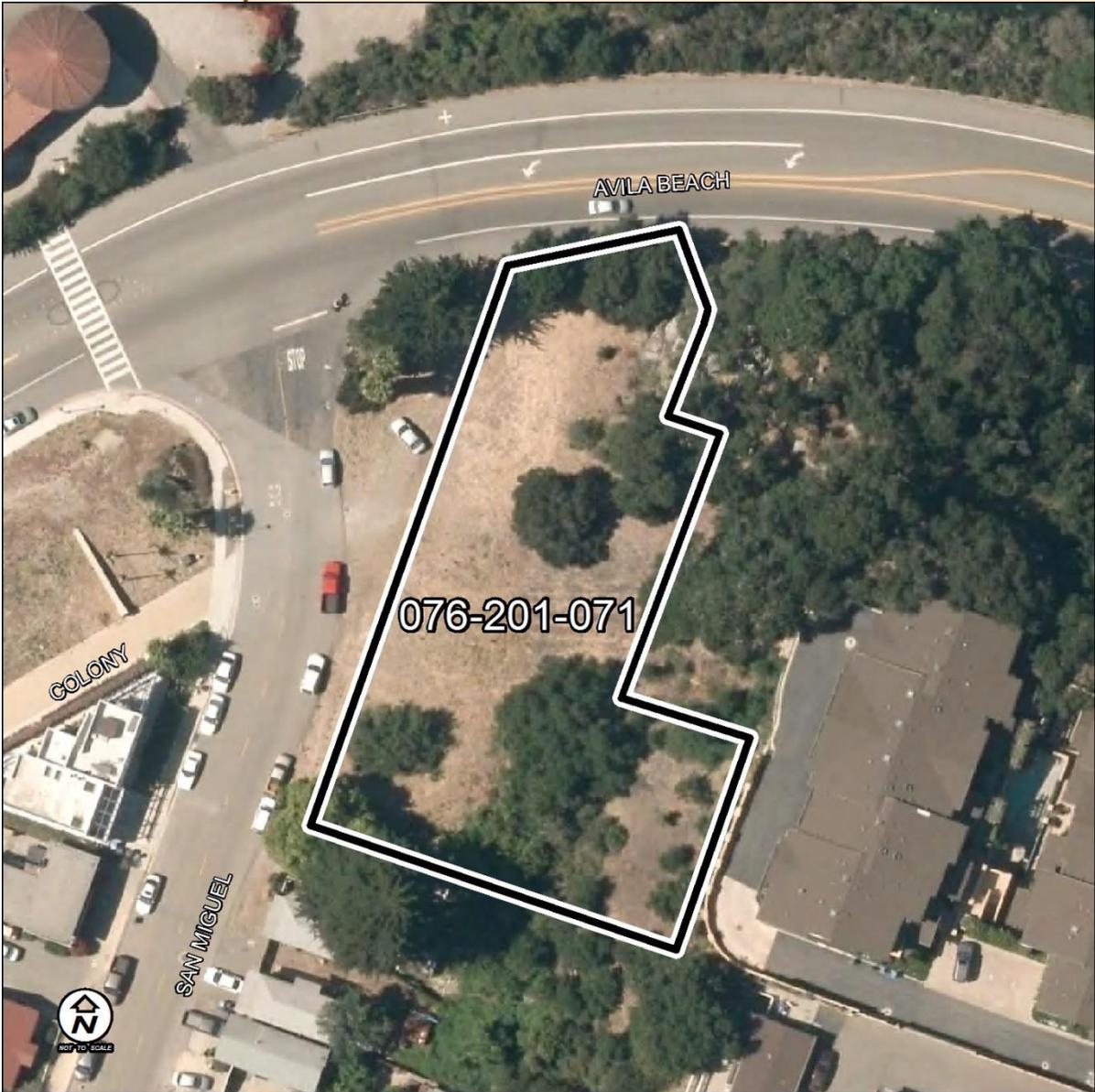
**APPENDIX B: MAPS OF VACANT AND UNDERUTILIZED HIGH DENSITY SITES FOR VERY LOW AND LOW INCOME HOUSING**

**VACANT SITES**

(Note: Assessor parcel numbers may change over time.)

These maps are for informational purposes only. The State Department of Housing and Community Development require the County to show enough capacity for future housing needs. The County cannot require development of any sites.

Avila, Residential Multi-Family



Los Osos, Residential Multi-Family



Los Osos, Residential Multi-Family



Los Osos, Residential Multi-Family



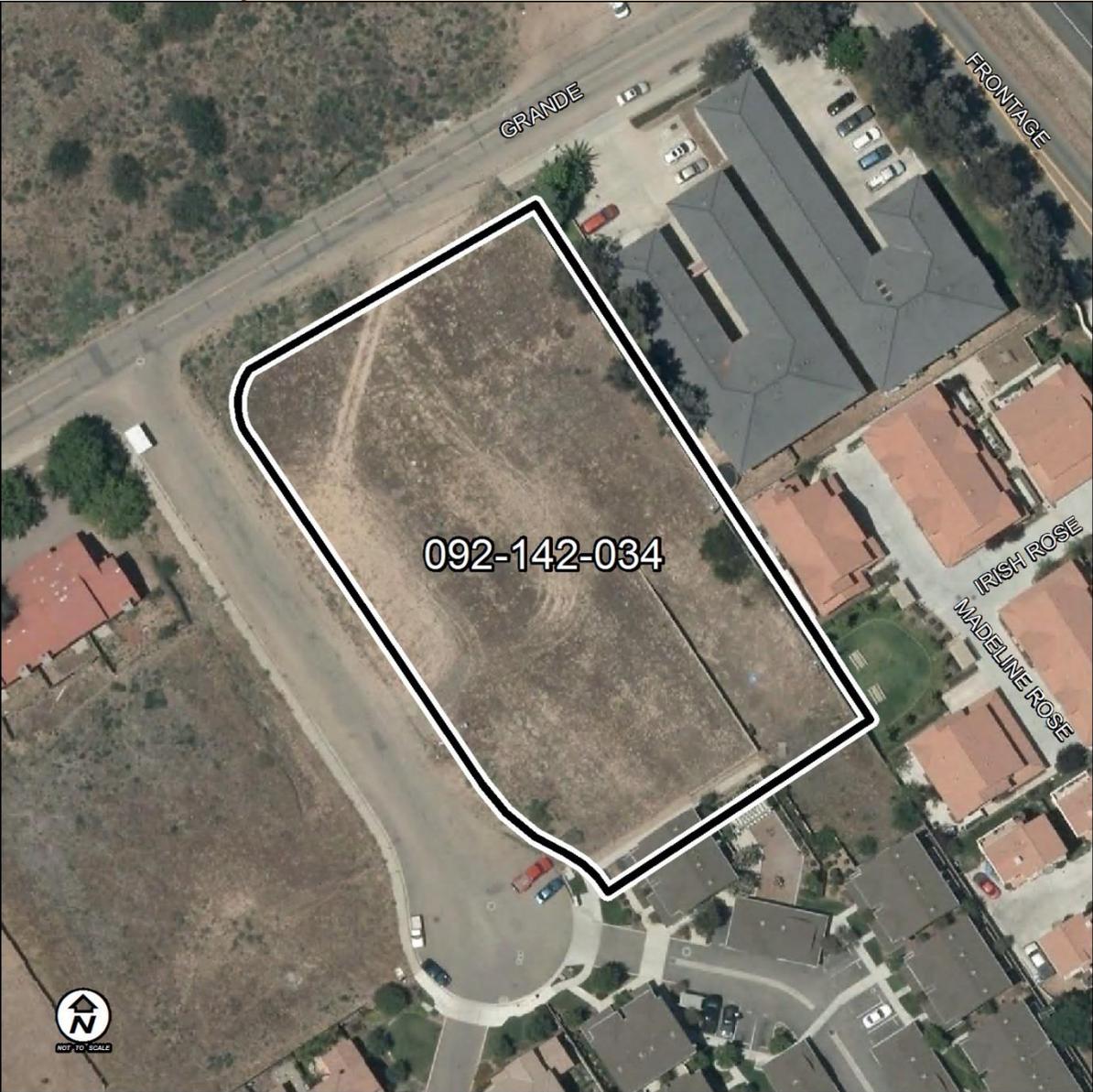
Nipomo, Residential Multi-Family



Nipomo, Residential Multi-Family



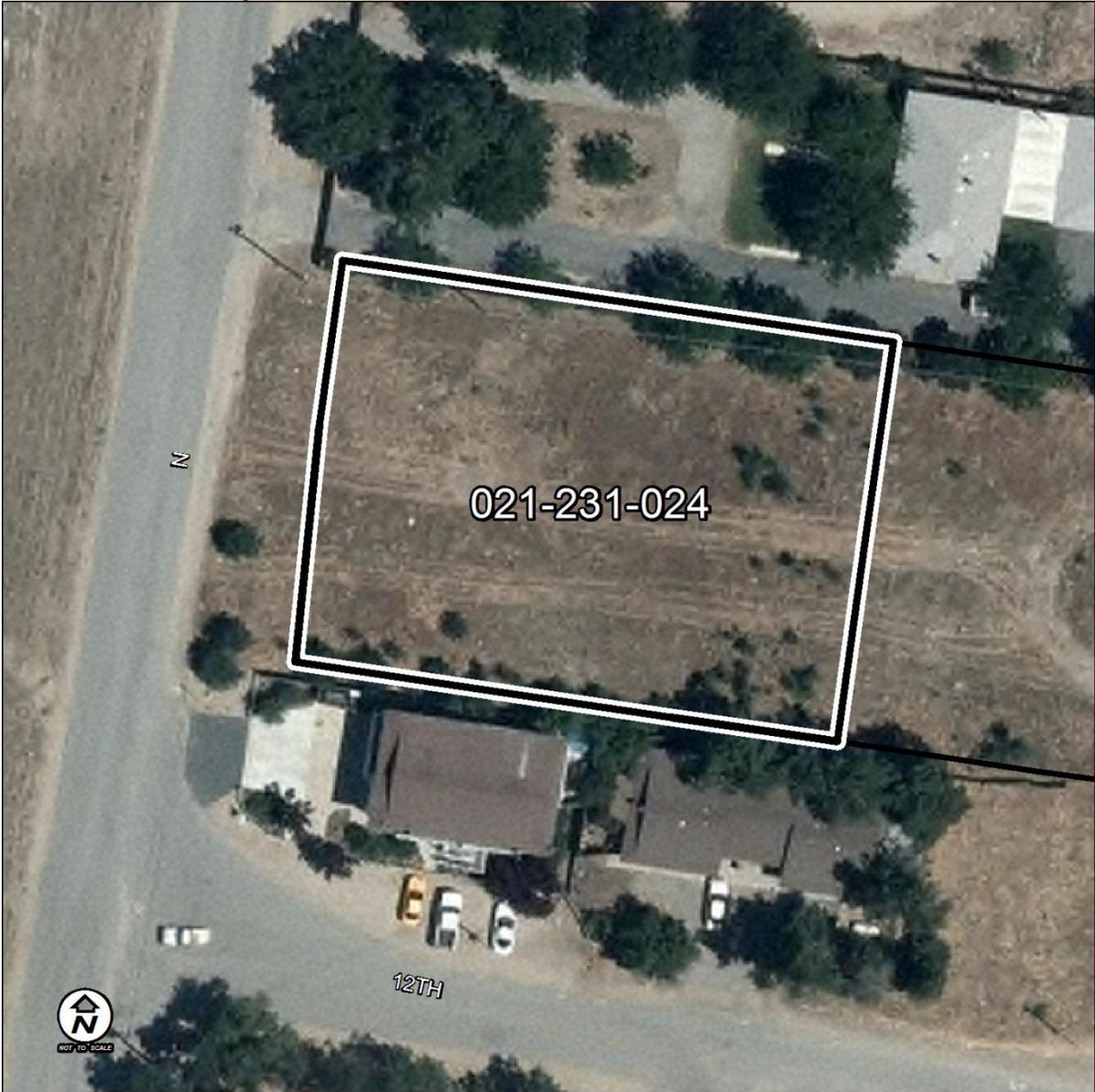
Nipomo, Residential Multi-Family



San Miguel, Residential Multi-Family



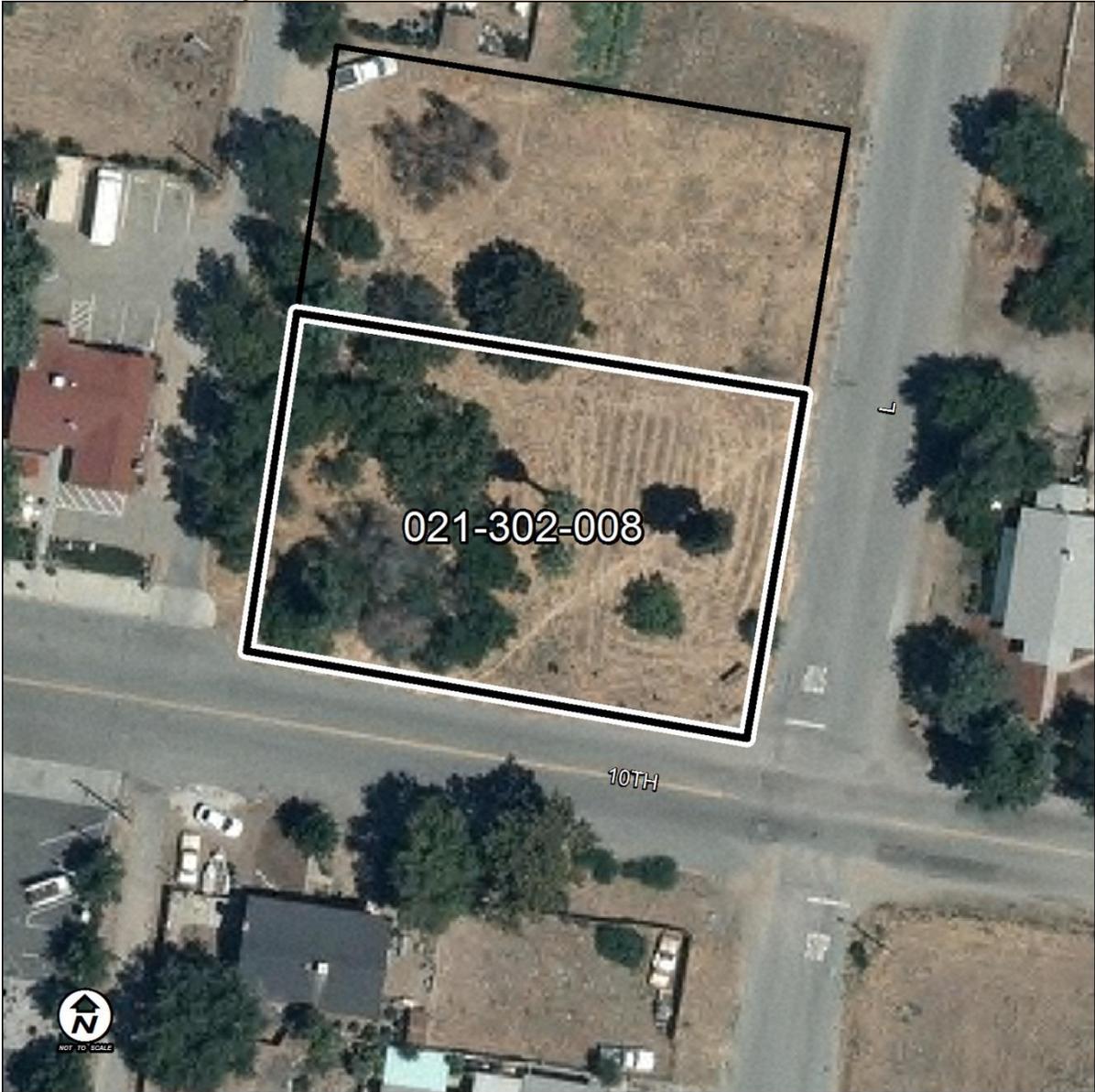
San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family

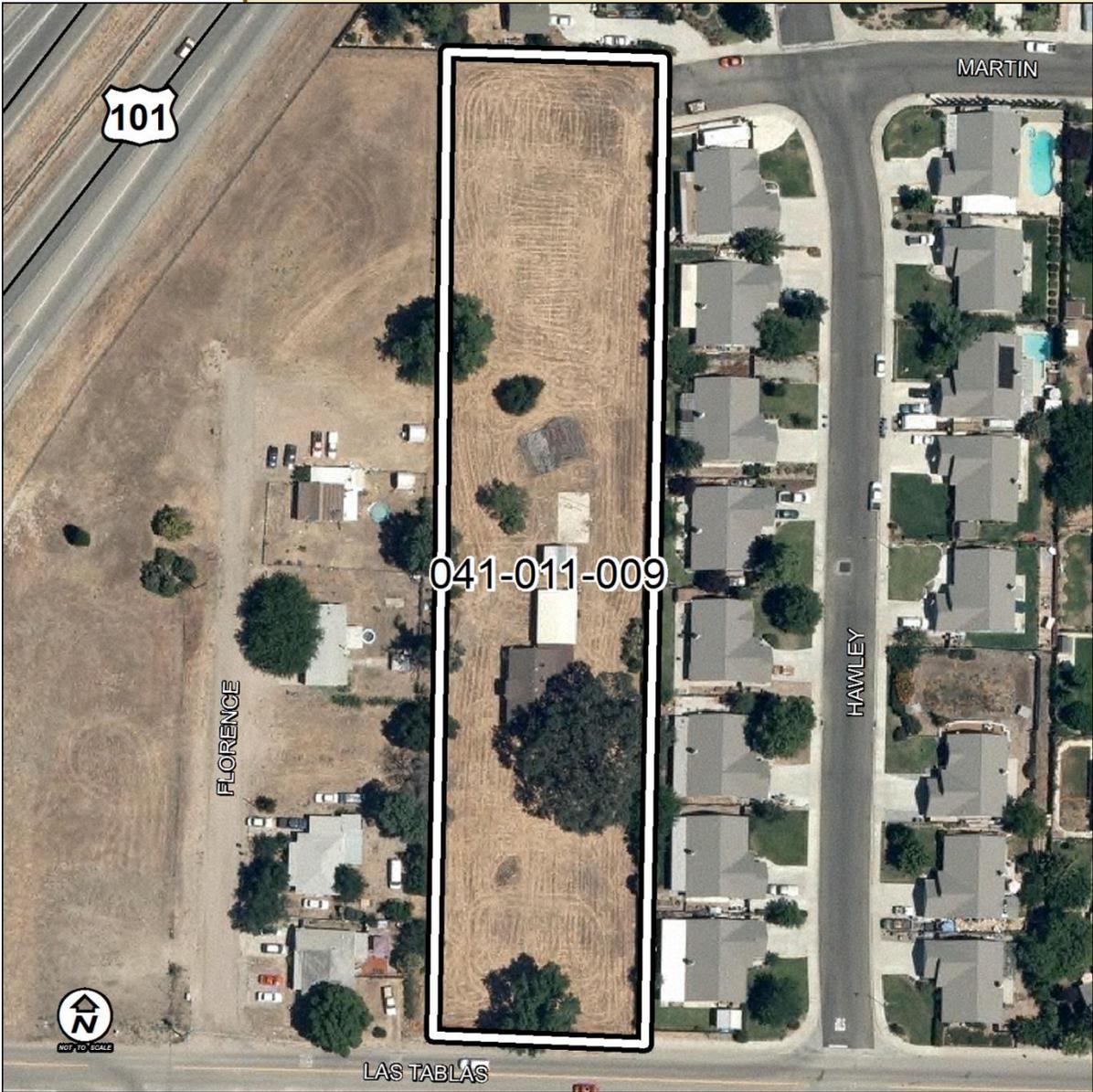


San Miguel, Residential Multi-Family



**UNDERUTILIZED SITES**

Templeton, Residential Multi-Family



Los Osos, Residential Multi-Family



Los Osos, Residential Multi-Family



Los Osos, Residential Multi-Family



Los Osos, Residential Multi-Family



Los Osos, Residential Multi-Family



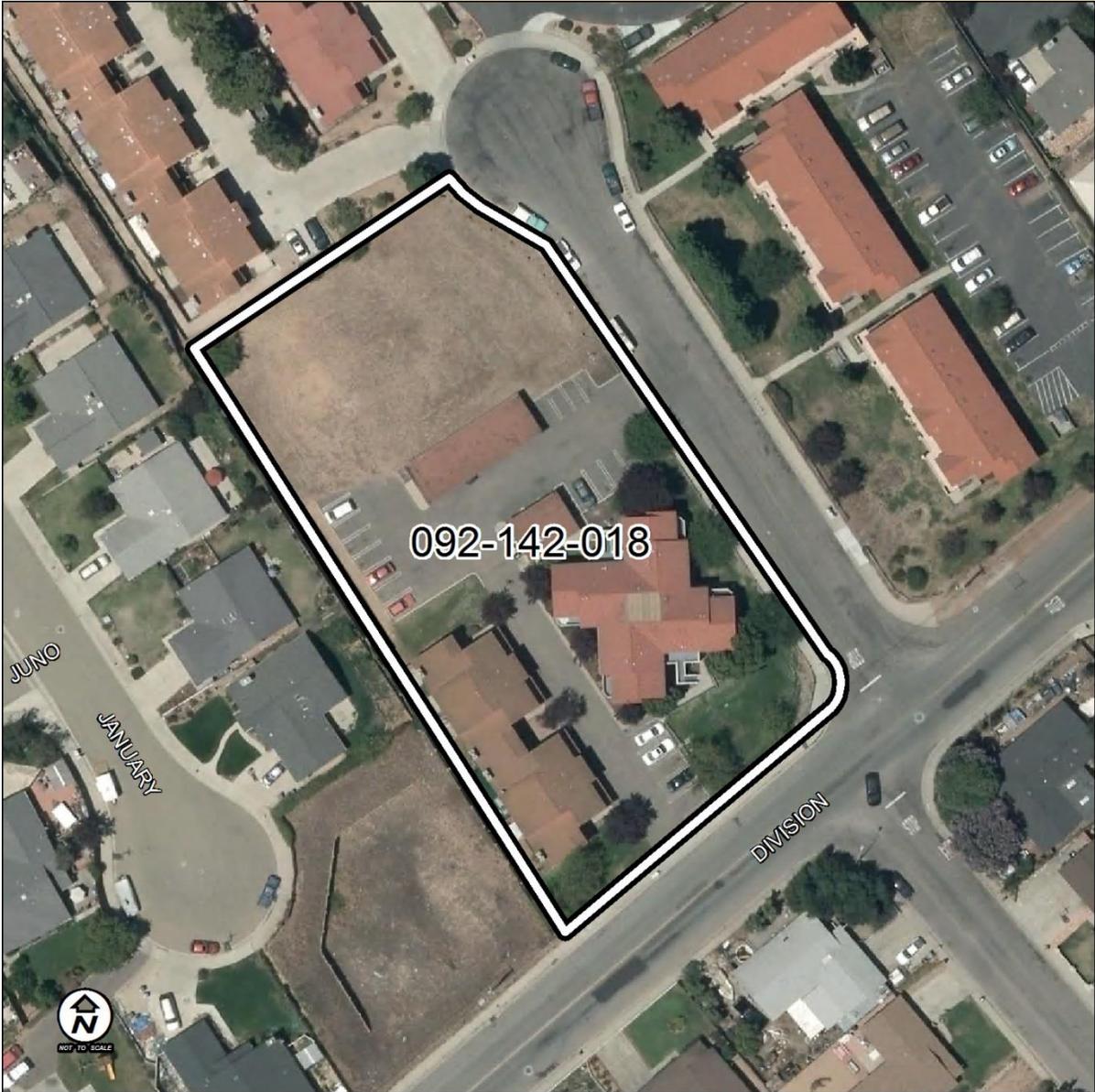
Nipomo, Residential Multi-Family



Nipomo, Residential Multi-Family



Nipomo, Residential Multi-Family



Nipomo, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family



San Miguel, Residential Multi-Family

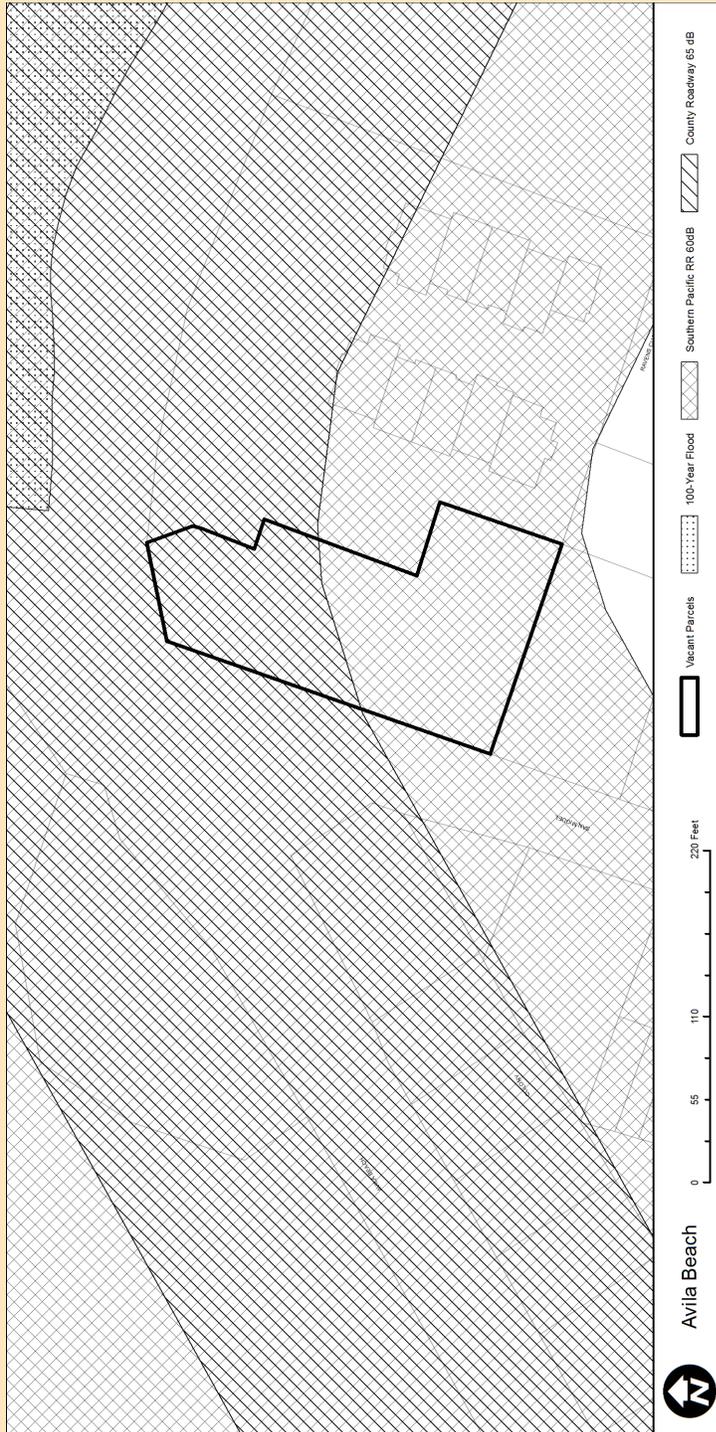


San Miguel, Residential Multi-Family

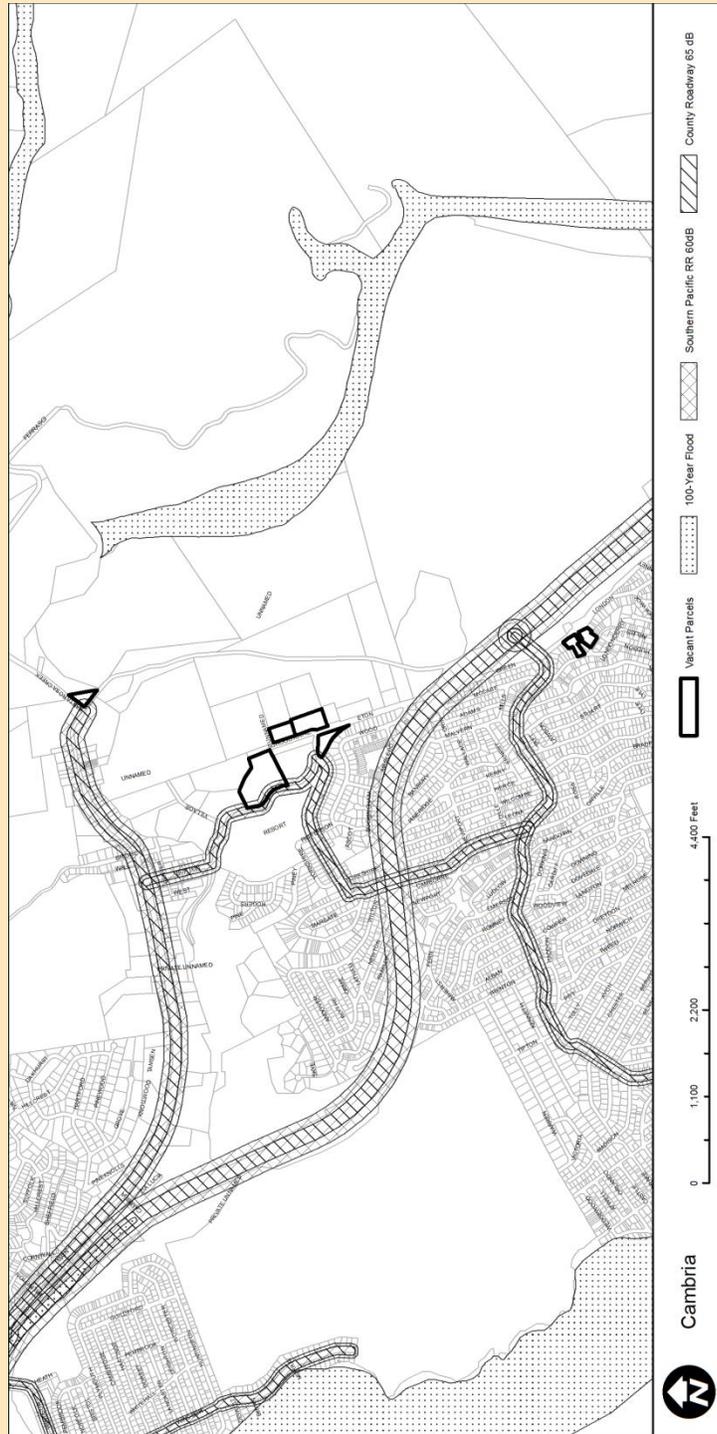


# APPENDIX C: ENVIRONMENTAL CONSTRAINTS MAPS

## Avila Beach



**Cambria**





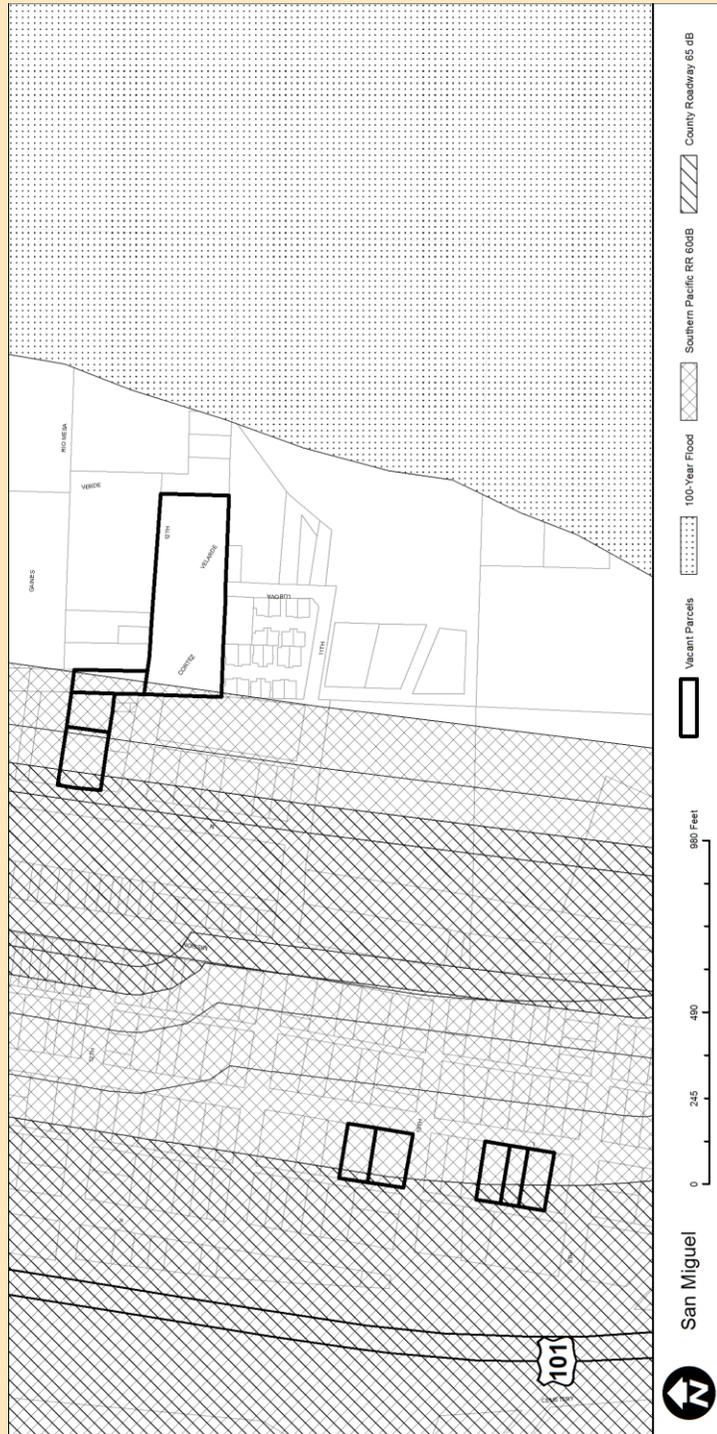
**Nipomo**



Oceano



**San Miguel**



## APPENDIX D: TYPICAL PERMIT FEE CHART

Department of Building and Planning					
Comparison of Selected Fees to Other Counties (Planning & Development Fees Only)					
County	San Luis Obispo	Kern*	Monterey	Santa Barbara	Ventura
Effective Date of Fee Schedule	7/1/2013	10/2/2012	1/5/2014	2/20/2014	7/1/2013
Type of Permit					
Agricultural Preserves	\$4,467	\$590	\$1,452	\$1,500*	\$1,000*
ALUC Review	\$1,594		\$646		
Appeals	\$850	\$420	\$2,507	\$505	\$2,000
Building Permit SFD (average)			\$806	\$734	
Business Lic w/ Plot Plan	\$73	\$85		\$355	
Cert of Compliance – uncond.	\$851	\$150	\$1,614		\$1,500*
Condition Compliance – major	\$1,419			\$1,500*	\$500*
Condition Compliance – minor	\$230	\$130		\$500*	
CUP w/ CE	\$8,838		\$4,035		
CUP w/ IS	\$17,292	\$1,400	\$10,023	\$8,000*	\$2,000*
Emergency Permit	\$869		\$2,421	\$1,960	\$1,000*
Initial Study	\$4,919-8,454	\$2,460	\$4,250-16,140		
Final Map Time Extension	\$584	\$295	\$3,873	\$356	
Tract Map	\$11,648	\$1,100	\$12,912	\$8,000*	\$2,500*
General Plan Amendment	\$7,500*	\$1,355	\$16,140	\$8,000*	\$3,000*
Grading Permits			\$968	\$1,500*	
Lot Line Adjustment w/ CE	\$4,122	\$350	\$2,905	\$3,000*	\$500*
Mitigation Monitoring – minor	\$943	\$885	\$3,228		\$500*
MUP Tier III w/ IS	\$10,733			\$5,000*	
Plot Plan/Zoning Clearance	\$279			\$1,500*	\$75-1,200*
Pre-Application Review	\$500	\$150		\$1,500*	\$400*
Road Addressing	\$811	\$50	\$50	\$1,423	\$1,000*
Surface Mining / Reclamation Plan	\$7,706	\$740	\$12,912	\$5,000*	\$4,000*
Tree Removal Permit	\$126		\$258	\$1,017	\$110
Use of Prior EIR	\$3,702	\$295	\$1,130		
Variance w/ CE	\$4,368	\$1,300	\$3,228	\$1,500*	\$2,000*

\* Listed fees represent a deposit

## APPENDIX E: 2010-2012 AMERICAN COMMUNITY SURVEY

### SAN LUIS OBISPO COUNTY (U.S. CENSUS BUREAU)

SUBJECT	NUMBER	%	SUBJECT	NUMBER	%
Population			Two or more races	8,781	3.2%
Total population	272,034	100%	White & Black or African American	1,004	0.4%
Male	139,157	51.2%	White & American Indian & Alaska Native	2,351	0.9%
Female	132,877	48.8%	White and Asian	2,720	1.0%
			Black or African American and American Indian & Alaska Native	75	0.0%
Age			Hispanic or Latino		
Under 5 years	13,269	4.9%	Hispanic or Latino (of any race)	57,504	21.1%
5 to 9 years	13,139	4.8%	Not Hispanic or Latino	214,530	78.9%
10 to 14 years	14,866	5.5%			
15 to 19 years	21,393	7.9%	Households		
20 to 24 years	28,635	10.5%	Total households	100,767	
25 to 34 years	32,373	11.9%	Population in households	256,180	
35 to 44 years	29,532	10.9%	Average household size (persons)	2.54	
45 to 54 years	37,776	13.9%	Family households	64,425	
55 to 59 years	20,364	7.5%	With own children under 18 years	25,152	
60 to 64 years	17,960	6.6%	Average family size (persons)	3.01	
65 to 74 years	22,511	8.3%	Household relationship		
75 to 84 years	13,504	5.0%	Householder		39.3%
85 years and over	6,712	2.5%	Spouse		19.8%
Median age (years)	39.8		Child		25.5%
18 years and over	221,633	81.5%	Other relatives		5.3%
21 years and over	203,484	74.8%	Nonrelatives		10.1%
62 years and over	53,397	19.6%	Unmarried partner		2.5%
65 years and over	42,727	15.7%			
Race			Housing Occupancy		
One race	263,253	96.8%	Total housing units	117,476	100 %
White	225,971	83.1%	Occupied housing units	100,767	85.8%
Black or African American	5,954	2.2%	Owner-occupied housing units	57,639	57.2%
American Indian and Alaska Native	2,500	0.9%	Average household size of owner occupied units	2.51	
Asian	9,895	3.6%	Renter-occupied housing units	43,128	42.8%
Native Hawaiian and Other Pacific Islander	81	0.0%	Average household size of renter occupied units	2.58	
Some other race	18,852	6.9%	Vacant housing units	16,709	14.2%
			Homeowner vacancy rate		2.4%
			Rental vacancy rate		4.0%

**APPENDIX F: POPULATION PROJECTIONS**

San Luis Obispo County Population								
Population in Households by Planning Area and Community	Census 2010	2015	2020	Projections			2040	General Plan Buildout
				2025	2030	2035		
<b>North County</b>								
Creston Village	94	96	101	108	117	130	141	336
Garden Farms Village	296	292	310	328	353	382	392	432
Heritage Ranch Village	2,386	2,482	2,634	2,723	2,863	2,995	3,180	4,274
Oak Shores Village	337	352	381	394	432	453	466	1,049
Pozo Village	21	22	23	25	30	39	47	157
San Miguel	2,337	2,451	2,640	2,792	3,045	3,338	3,680	6,829
Santa Margarita	1,259	1,281	1,325	1,395	1,410	1,451	1,475	1,466
Shandon	1,295	1,347	1,562	2,002	2,630	3,306	4,500	5,259
Templeton	6,976	7,184	7,739	8,094	8,720	9,128	9,174	9,172
Whitley Gardens Village	274	283	301	320	337	342	345	392
Urban Atas. (unincorp.)	160	165	175	207	231	267	287	609
Urban PR (unincorp.)	2,054	2,137	2,250	2,322	2,404	2,448	2,663	3,904
Rural	18,094	19,038	20,646	21,540	22,653	23,930	25,245	38,679
<b>Carrizo</b>								
California Valley Village	356	367	394	459	508	586	636	15,899
Rural	202	208	222	233	247	267	277	2,668
<b>San Luis Obispo</b>								
Edna Village	1,563	1,610	1,705	1,712	1,715	1,723	1,744	1,783
Urban SLO (unincorp.)	216	218	223	240	247	288	300	2,749
Rural	1,386	1,425	1,517	1,580	1,671	1,750	1,846	2,404
<b>South County</b>								
Urban AG (unincorp.)	339	334	334	336	341	342	347	462
Oceano <sup>1</sup>	7,108	7,322	7,799	8,153	8,670	9,001	9,239	9,228
Black Lake Village	867	868	870	869	870	873	872	Built-out
Calender Garrett Village <sup>1</sup>	1,192	1,228	1,341	1,480	1,518	1,601	1,703	2,440
Los Berros Village	213	212	211	210	214	218	221	Built-out
Nipomo	15,267	15,725	16,752	17,852	18,875	19,926	20,991	23,462
Palo Mesa Village	2,341	2,410	2,507	2,516	2,528	2,537	2,540	2,908
Woodlands Village	576	700	934	1,165	1,451	1,806	2,089	2,812
Rural	11,192	11,514	12,281	12,891	13,680	14,437	15,257	20,291
<b>Coastal Zone</b>								
Cayucos	2,541	2,553	2,597	2,680	2,946	3,222	3,358	3,096
Los Osos	13,908	13,988	14,071	14,157	14,240	14,325	14,409	21,304
Cambria	6,020	6,096	6,175	6,251	6,328	6,408	6,490	12,658
San Simeon Village	450	452	458	461	466	468	492	1,183
Avila Beach <sup>2</sup>	1,464	1,508	1,624	1,699	1,830	2,020	2,121	2,204
Rural	1,540	1,584	1,688	1,788	1,897	2,016	2,117	—
<b>Unincorporated Total</b>	<b>104,324</b>	<b>107,452</b>	<b>113,789</b>	<b>118,982</b>	<b>125,467</b>	<b>132,023</b>	<b>138,644</b>	<b>—</b>
<b>Cities</b>								
Arroyo Grande	17,078	17,524	18,407	18,933	19,591	20,256	20,928	20,000
Atascadero	26,986	27,366	28,003	28,940	30,109	31,292	32,486	36,000
El Paso de Robles	29,624	30,522	32,137	33,905	36,112	38,343	40,596	44,000
Grover Beach	12,967	13,142	13,432	13,684	13,999	14,317	14,638	16,000
Morro Bay	10,073	10,152	10,244	10,482	10,778	11,078	11,381	12,200
Pismo Beach	7,642	7,757	7,954	8,216	8,545	8,876	9,211	13,000
San Luis Obispo	43,937	44,668	45,969	46,704	47,622	48,550	49,487	57,200
<b>Incorporated Total</b>	<b>148,307</b>	<b>151,131</b>	<b>156,146</b>	<b>160,864</b>	<b>166,756</b>	<b>172,712</b>	<b>178,727</b>	<b>—</b>
Population in Group Quarters	17,006	17,006	17,006	17,006	17,006	17,006	17,006	—
<b>COUNTY TOTAL</b>	<b>269,637</b>	<b>275,589</b>	<b>286,941</b>	<b>296,852</b>	<b>309,229</b>	<b>321,741</b>	<b>334,377</b>	<b>—</b>

1) A portion of this community is within the Coastal Zone Planning Area.

2) A portion of this community is within the San Luis Obispo Planning Area.

### APPENDIX G: EVALUATION OF PREVIOUS (2009) HOUSING ELEMENT PROGRAMS

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.A:</u> Designate more land for residential uses.  <u>Desired Result:</u> Designate additional land to meet project needs through 2020, including additional land in the RSF and RMF land use categories to accommodate 3,072 total housing units.  <u>Timing:</u> 2012  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> The County rezoned land in Shandon, which included rezoning 20 acres of lower-density land to Residential Multi-Family land in 2012. The 20 acres of land could accommodate up to 276 housing units.  <b>Effectiveness:</b> Minor success. Due to a variety of constraints such as water and infrastructure, only 20 acres of land for up to 276 units was rezoned to a higher residential density.  <b>Appropriateness:</b> Appropriate for an ongoing program to continue seeking ways to find more land for housing.</p>
<p><u>Program HE 1.B:</u> Continue and track existing development incentives.  <u>Desired Result:</u> 100 more housing units for extremely low, very low, low, and moderate-income households.  <u>Timing:</u> Ongoing; 2011  <u>Responsibility:</u> Planning and Building, Public Works</p>	<p><b>Progress:</b> The processing of the land use permit for Rolling Hills II, a 30-unit affordable rental project in Templeton, was expedited to the degree possible.  <b>Effectiveness:</b> Moderate success. There were few affordable housing developments to fast track for permitting. All secondary dwellings and farm support quarter units received Growth Management Ordinance exemptions. The County helped with reducing fees for 156 units using housing impact/in-lieu fees.  <b>Appropriateness:</b> Appropriate for an ongoing program.</p>

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.C:</u> Reduce and defer fees for affordable housing development.  <u>Desired Result:</u> 125 more housing units for extremely low, very low, low, moderate, and workforce-income households.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> In 2013, a total of \$71,912.97 of in-lieu/housing impact fees was drawn down to assist 89 units in three different projects. In 2012, \$34,261.46 of in-lieu/housing impact fees was drawn down to assist 56 units. In 2011, \$4,512.97 of in-lieu fees/housing impact fees was drawn spent to help pay permit fees for 11 affordable housing units in Nipomo. In total, 156 units were assisted with housing impact/in-lieu fees.  <b>Effectiveness:</b> Very successful. The County reduced fees for 156 units.  <b>Appropriateness:</b> Appropriate for an ongoing program, as it reduces fees for development of affordable housing units.</p>
<p><u>Program HE 1.D:</u> Provide incentives for construction of secondary dwellings.  <u>Desired Result:</u> 75 secondary dwelling units for very low, low, and moderate-income households.  <u>Timing:</u> 2012  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Not completed.  <b>Effectiveness:</b> Minor success due to workload constraints.  <b>Appropriateness:</b> Appropriate for an ongoing program to encourage the development of secondary dwellings.</p>
<p><u>Program HE 1.E:</u> Review existing ordinances for possible amendments to Farm Support Quarters, with special emphasis on Group Quarters  <u>Desired Result:</u> 93 additional beds for farmworkers in 31 farm support and/or group quarter units.  <u>Timing:</u> 2013  <u>Responsibility:</u> Planning and Building, in partnership</p>	<p><b>Progress:</b> Not completed.  <b>Effectiveness:</b> Minor success due to workload constraints.  <b>Appropriateness:</b> Appropriate for an on-going program to encourage development of Farm Support Quarters.</p>

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.F:</u> Revise the General Plan and ordinances to amend the density bonus program  <u>Desired Result:</u> Provide user-friendly standards consistent with State provisions.  <u>Timing:</u> 2011  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Started in 2013. The ordinance amendments are planned for completion in 2014.  <b>Effectiveness:</b> Moderate success. The revisions to the density bonus program were drafted and will go to hearing(s) in 2014.  <b>Appropriateness:</b> This program will be removed, as it will be completed in early 2014.</p>
<p><u>Program HE 1.G:</u> Revise residential development standards  <u>Desired Result:</u> 200 housing units for extremely low, very low, low, and moderate-income households.  <u>Timing:</u> 2012  <u>Responsibility:</u> Planning and Building, Public Works</p>	<p><b>Progress:</b> The County Board of Supervisors approved a Planned Development (PD) ordinance in 2013 to provide more certainty and flexibility for small lot development.  <b>Effectiveness:</b> Moderate success.  <b>Appropriateness:</b> This program, with some amendments, is appropriate to continue into the next Housing Element cycle.</p>
<p><u>Program HE 1.H:</u> Provide direct financial assistance for housing.  <u>Desired Result:</u> 70 extremely low, very low, and low income-housing units in the county and provision of 15 First Time Homebuyer loans.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> The County allocated over \$5 million of HOME grant funds for affordable housing projects and \$1.6 million of State CalHome funds for first time home buyer loans. The HOME allocations provided assistance for an 80 unit project in Paso Robles, a 3 unit project in San Luis Obispo, a 36 unit project in Arroyo Grande, a 21 unit project in Morro Bay, property acquisition for a 43-unit affordable housing project in San Luis Obispo, tenant based rental assistance, and assistance for first-time home buyers. The CalHome program provided assistance to first time homebuyers as well. A total of 35 first time homebuyers were assisted with HOME and CalHome funds over a five-year period.  <b>Effectiveness:</b> Very successful.  <b>Appropriateness:</b> Appropriate for an on-going program.</p>

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.I:</u> Provide support to the Housing Trust Fund.  <u>Desired Result:</u> 100 housing units for extremely low, very low, low, and moderate-income households  <u>Timing:</u> Ongoing  <u>Responsibility:</u> San Luis Obispo County Housing Trust Fund</p>	<p><b>Progress:</b> The Planning and Building Department continues to participate in monthly Housing Trust Fund (HTF) Commission meetings and provides on-going financial support to the HTF annually for operations. The County provided an average of \$42,000 per year over the last five years.  <b>Effectiveness:</b> Very successful, as the County provided approximately \$200,000 in support to the Housing Trust Fund over give years. In 2013 alone, the HTF assisted 103 units.  <b>Appropriateness:</b> Appropriate for an on-going program.</p>
<p><u>Program HE 1.J:</u> Provide incentives for mixed use development.  <u>Desired Result:</u> 100 more housing units for extremely low, very low, low, and moderate income households.  <u>Timing:</u> 2014  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Not completed.  <b>Effectiveness:</b> Minor success.  <b>Appropriateness:</b> This program is appropriate to continue into in the next Housing Element cycle.</p>
<p><u>Program HE 1.K:</u> Require attached or zero lot line housing in selected areas designated as Residential Multi-Family.  <u>Desired Result:</u> 100 housing units for extremely low, very low, low, and moderate income households.  <u>Timing:</u> 2014  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Not completed. The County received a grant from the Strategic Growth Council to create development standards that will streamline the process for development of high quality infill development.  <b>Effectiveness:</b> Minor success.  <b>Appropriateness:</b> This program will be removed. However, a program related to reviewing and updating residential development standards will remain in the next Housing Element cycle.</p>
<p><u>Program HE 1.L:</u> Establish minimum Residential Multi-Family densities.  <u>Desired Result:</u> 150 housing units for extremely low, very low, low, and moderate-income households.  <u>Timing:</u> 2012  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Not completed.  <b>Effectiveness:</b> Minor success.  <b>Appropriateness:</b> Due to resource and infrastructure constraints, this program will be removed.</p>

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.M:</u> Facilitate affordable housing through advocacy, education, and support  <u>Desired Result:</u> Financial feasibility and greater number of affordable housing proposals from private builders.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building, community groups</p>	<p><b>Progress:</b> The Planning and Building Department continued to be involved in several groups such as the Workforce Housing Coalition, Housing Trust Fund Commission, and the Homeless Services Oversight Council. Additionally, staff continued to make strong recommendations to approve applications for affordable housing developments through its yearly grant cycle.  <b>Effectiveness:</b> Very successful.  <b>Appropriateness:</b> Appropriate for an on-going program.</p>
<p><u>Program HE 1.N:</u> Revise the Land Use Ordinance and Coastal Zone Land Use Ordinance to promote efficient use of residentially zoned land.  <u>Desired Result:</u> Ordinance amendments to the Land Use Ordinance and Coastal Zone Land Use Ordinance to contain specific standards stated in the Housing Element.  <u>Timing:</u> 2012  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> The County received a grant from the Strategic Growth Council to create development standards that will facilitate infill development.  <b>Effectiveness:</b> Minor success.  <b>Appropriateness:</b> This program will be removed. However, a program related to reviewing and updating residential development standards will remain.</p>
<p><u>Program HE 1.O:</u> Construct a community sewer system in Los Osos.  <u>Desired Result:</u> Community sewer system to serve existing and planned development.  <u>Timing:</u> 2012  <u>Responsibility:</u> Public Works</p>	<p><b>Progress:</b> Construction started in June 2012 and will be completed in March 2016.  <b>Effectiveness:</b> Moderate success.  <b>Appropriateness:</b> Appropriate to continue this program until the sewer is completed.</p>

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.P:</u> Implement the Inclusionary Housing Ordinance requiring development of affordable housing.  <u>Desired Result:</u> 225 housing units for extremely low, very low, low, and moderate-income households.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> The County collected over \$100,000 of in-lieu/housing impact fees and assisted a total of 156 units with the collected fees.  <b>Effectiveness:</b> Very successful.  <b>Appropriateness:</b> Appropriate for an on-going program.</p>
<p><u>Program HE 1.Q:</u> Respond to inquiries and complaints related to fair housing laws.  <u>Desired Result:</u> Public education and timely responses to fair housing inquiries.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> An Analysis of Impediments for 2010-2015 was completed. California Rural Legal Assistance (CLRA) surveyed homes for racial discrimination, closed and opened several fair housing cases (closing 12 cases and opening 9 cases in 2012 alone), and continued to collaborate its services with other nonprofit housing providers, such as People’s Self-Help Housing Corporation. CRLA also distributed 375 flyers in 2012 and 450 flyers in 2013 alone related to housing information throughout San Luis Obispo County, and acts as an on-going source of fair housing information and counseling for the local non-profit agencies.  <b>Effectiveness:</b> Very successful.  <b>Appropriateness:</b> Appropriate for an on-going program.</p>
<p><u>Program HE 1.R:</u> Remove constraints and/or provide reasonable accommodations for housing designed for persons with disabilities.  <u>Desired Result:</u> Reduce processing time for reasonable accommodation requests by 50 percent.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> A reasonable accommodation ordinance was drafted in 2013, and will go to hearings for approval in 2014.  <b>Effectiveness:</b> Moderate success.  <b>Appropriateness:</b> This program will be removed because it will be completed in 2014.</p>

Program	Result and Evaluation
<p>OBJECTIVE 1.0: Facilitate the development of 2,200 new housing units during the five-year time period beginning August 31, 2009, and implement Strategic (smart) Growth policies when planning and reviewing new development proposals to the maximum extent practicable.</p>	
<p><u>Program HE 1.S</u>: Amend ordinances to facilitate development of senior-friendly communities.  <u>Desired Result</u>: Pedestrian access, access to nearby services, and transit.  <u>Timing</u>: 2012  <u>Responsibility</u>: Planning and Building</p>	<p><b>Progress</b>: Not completed.  <b>Effectiveness</b>: Minor success.  <b>Appropriateness</b>: Appropriate to continue as a program in the next Housing Element cycle, as it was not completed in the 2009-2014 cycle due to budgeting and staffing constraints.</p>

Program	Result and Evaluation
<p>OBJECTIVE 2.0: Facilitate the conservation, maintenance, and improvement of 2,420 existing units of affordable housing.</p>	
<p><u>Program HE 2.A</u>: Rehabilitate housing units  <u>Desired Result</u>: Assist 40 very low and low income homeowners  <u>Timing</u>: Ongoing  <u>Responsibility</u>: Planning and Building Department, local nonprofit groups</p>	<p><b>Progress</b>: The County provided funds to rehabilitate 27 housing units from 2009-2013.  <b>Effectiveness</b>: Moderate success.  <b>Appropriateness</b>: Appropriate for an on-going program.</p>
<p><u>Program HE 2.B</u>: Create a new Mobilehome Park land use category.  <u>Desired Result</u>: Continued safe and decent affordable housing for 2,000 extremely low, very low, low, and moderate income homeowners and renters of mobile homes and manufactured homes living in parks.  <u>Timing</u>: 2010  <u>Responsibility</u>: Planning and Building</p>	<p><b>Progress</b>: Phase I (of two phases) is underway but not yet completed.  <b>Effectiveness</b>: Minor success.  <b>Appropriateness</b>: Appropriate to continue as a program, as it was not completed in the 2009-2014 cycle due to budgeting and staffing constraints.</p>
<p><u>Program HE 2.C</u>: Implement the Mobilehome Park Closure Ordinance.  <u>Desired Result</u>: Preserve 2,200 housing units for extremely low, very low, low, and moderate-income households.  <u>Timing</u>: Ongoing  <u>Responsibility</u>: Planning and Building</p>	<p><b>Progress</b>: There was one mobile home park closure during the Housing Element cycle, including a 14-unit park in Nipomo.  <b>Effectiveness</b>: Very successful.  <b>Appropriateness</b>: Appropriate for an on-going program.</p>

Program	Result and Evaluation
<p>OBJECTIVE 2.0: Facilitate the conservation, maintenance, and improvement of 2,420 existing units of affordable housing.</p>	
<p><u>Program HE 2.D:</u> Implement the Condominium Conversion Ordinance  <u>Desired Result:</u> Preserve up to 180 housing units for extremely low, very low, low, and moderate-income households.  <u>Timing:</u> Ongoing  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> There was one condo conversion in San Miguel consisting of 20 units and one mobile home park condominium conversion outside of Morro Bay consisting of 68 spaces. Staff continues to implement the conversion ordinance.  <b>Effectiveness:</b> Very successful.  <b>Appropriateness:</b> Appropriate for an on-going program.</p>

Program	Result and Evaluation
<p>OBJECTIVE 3.0: Reduce the number of homeless persons by 300 by providing opportunities for development preservation of housing and shelter for homeless and disabled persons, or those at risk of becoming homeless.</p>	
<p><u>Program HE 3.A:</u> Revise the General Plan and ordinances to address emergency shelters, transitional housing, and supportive housing.  <u>Desired Result:</u> Removal of governmental barriers for the development and preservation of housing for homeless or those at risk of becoming homeless by completing ordinance amendments in compliance with Government Code Sections 65582, 65583, and 65589.5 (SB 2).  <u>Timing:</u> 2010  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Completed the required amendments.  <b>Effectiveness:</b> Very successful.  <b>Appropriateness:</b> The County will remove this program because it was completed.</p>
<p><u>Program HE 3.B:</u> Revise the General Plan and ordinances to address group homes (Residential Care Facilities).  <u>Desired Result:</u> Removal of governmental barriers for the development of group homes.  <u>Timing:</u> 2010  <u>Responsibility:</u> Planning and Building</p>	<p><b>Progress:</b> Not completed.  <b>Effectiveness:</b> Minor success.  <b>Appropriateness:</b> Appropriate to continue as a program, as it was not completed in the 2009-2014 cycle due to budgeting and staffing constraints.</p>

## APPENDIX H: GOAL, OBJECTIVE, AND POLICY DIGEST

### GOAL:

**ACHIEVE AN ADEQUATE SUPPLY OF SAFE AND DECENT HOUSING THAT IS AFFORDABLE TO ALL RESIDENTS OF SAN LUIS OBISPO COUNTY.**

**OBJECTIVE 1.0: FACILITATE DEVELOPMENT OF 1,092 NEW HOUSING UNITS DURING THE FIVE-YEAR TIME PERIOD BEGINNING JANUARY 1, 2014, AND IMPLEMENT STRATEGIC GROWTH POLICIES WHEN PLANNING AND REVIEWING NEW DEVELOPMENT PROPOSALS TO THE MAXIMUM EXTENT PRACTICABLE.**

**Policy HE 1.1:** Designate a sufficient supply of land for housing that will facilitate balanced communities, including a variety of housing types, tenure, price, and neighborhood character.

**Policy HE 1.2:** Plan for future housing needs beyond the State-required planning period (2009-2014) for this Housing Element. This is important because the tasks necessary to identify land for housing and provide infrastructure can take several years to accomplish.

**Policy HE 1.3:** Designate land for housing near locations of employment, shopping, schools, parks, and transportation systems when feasible.

**Policy HE 1.4:** Offer incentives to encourage development of housing affordable to extremely low income, very low income, low income, moderate income, and workforce households.

**Policy HE 1.5:** Identify and eliminate or reduce regulatory barriers to development of housing affordable to households of all income levels.

**Policy HE 1.6:** Review proposed housing developments to provide safe and attractive neighborhoods through high quality architecture, site planning, and site amenities. The county's community plans include planning area standards to improve urban design and architecture reflecting individual communities. These standards also include specific design guidelines to implement good planning principles.

**Policy HE 1.7:** Encourage development of live/work units, where housing can be provided for the workforce while generating economic activity in the community.

**Policy HE 1.8:** Use available federal and state financing to assist in the development and/or purchase of housing affordable to very low income, low income, and moderate-income households.

**Policy HE 1.9:** Encourage the use of Strategic Growth principles in development that create a range of housing choices, mix land uses, preserve open space, and focus development in urban areas.

**Policy HE 1.10:** Protect the existing supply of multi-family land to meet the needs of lower income households and the workforce, and avoid development of multi-family land at low residential densities or with non-residential land uses. The intent of this policy is to support ordinances which encourage increased residential densities on multi-family land, not to prevent approval of housing projects which include less than allowable densities but are otherwise consistent with County ordinances.

**Policy HE 1.11:** Encourage alternative housing types such as co-housing, shared homes, rooming houses, residential hotels, mixed use, and other similar collaborative housing. Providing a wide variety of alternative housing types improves the ability of residents of alternative housing types improves the ability to find the housing that best fits their needs.

**Policy HE 1.12:** Reduce infrastructure constraints for development of housing to the extent possible. Infrastructure such as sewage disposal systems, water systems, and roads are necessary to support new housing.

**Policy HE 1.13:** Continue to provide flexibility in meeting the Inclusionary Housing Ordinance requirements.

**Policy HE 1.14:** Work with developers to encourage housing for local workers to meet the needs of the workforce and their families. The term “workforce housing” is defined in County ordinances as households earning less than 160 percent of county median income. Providing housing of the appropriate type, location and price for local workers can improve the success of local businesses through dependable employees.

**Policy HE 1.15:** Promote housing opportunities regardless of age, race, religion, sex, marital status, ancestry, or national origin.

**OBJECTIVE 2.0: FACILITATE THE CONSERVATION, MAINTENANCE, AND IMPROVEMENT OF 2,621 EXISTING UNITS OF AFFORDABLE HOUSING, INCLUDING AFFORDABLE SENIOR HOUSING TO ALLOW AGING IN PLACE.**

**Policy HE 2.1:** Encourage long-term maintenance and improvement of existing housing through rehabilitation assistance for lower income households.

**Policy HE 2.2:** Strive to protect mobile homes, mobile home parks, and manufactured housing as an important source of affordable housing in San Luis Obispo County.

**Policy HE 2.3:** Strive to prevent affordable housing from converting to market rate housing.

**OBJECTIVE 3.0: PROVIDE HOUSING OPPORTUNITIES FOR 500 HOUSEHOLDS OVER A FIVE-YEAR PERIOD TO PREVENT AND END HOMELESSNESS THROUGH FINANCIAL ASSISTANCE AND SERVICES.**

**Policy HE 3.1:** Remove regulatory barriers for development of housing for homeless and disabled persons.

**Policy HE 3.2:** Work with other jurisdictions to support a countywide approach to reducing and preventing homelessness.

**Policy HE 3.3:** Work with community groups and developers to provide opportunities for construction and acquisition of housing for special needs groups.

## APPENDIX I: REQUIRED FINDINGS FOR CONDITIONAL USE PERMITS AND MINOR USE PERMITS

(From Title 22 Section 22.62.060.C.4.)

**Required findings.** The Review Authority shall not approve or conditionally approve a Conditional (or Minor) Use Permit unless it first finds that:

- a. The proposed project or use is consistent with the Land Use Element of the General Plan; and
- b. The proposed project or use satisfies all applicable provisions of this Title; and
- c. The establishment and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use; and
- d. That the proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development; and
- e. That the proposed use or project will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project, either existing or to be improved with the project.
- f. Any additional findings required by planning area standards in Article 9 (Community Planning Standards), combining designation (Chapter 22.14), or special use (Article 4).