

# CONCEPT PAPER

## Program HE 1.10: Establish Minimum Residential Multi-Family Densities

County of San Luis Obispo Planning and Building Department  
March 6, 2006

### Purpose

The supply of Residential Multi-Family (RMF) land in San Luis Obispo County is very limited, and the lack of supply is affecting the affordability of housing. The Housing Element amended July 20, 2004 states in Program 1.10 that the County will consider requiring minimum densities of between 15 and 25 units per acre for multi-family developments in some areas to encourage more affordable housing in locations near employment, shopping, schools, parks and transportation systems. Some of the land designated RMF has been developed at much less than the residential density allowable. Instead of achieving 26 or 38 units per acre, many developments reach only 10 or 15 units per acre. This density is much lower than anticipated under the General Plan and results in less housing affordable to county residents than is desired by the County. Therefore, 20 units per acre is proposed as the minimum density for the specific sites identified in the attached figures and any vacant RMF parcels in high intensity factor areas<sup>1</sup>. The County proposes to implement such a requirement in selected areas close to centers of employment, shopping, schools, parks and transportation systems by amending the County ordinances to establish a minimum density.

San Luis Obispo County is considered a "suburban" jurisdiction under AB 2348<sup>2</sup>, under which the minimum density requirement is 20 units per acre for land eligible to count toward meeting the sites requirement for housing affordable to low and very low income households. Thus, setting a minimum density at 20 units per acre will also assist the County in meeting State law when it updates its Housing Element prior to June 30, 2009.

Exceptions to any mandated minimum density requirement on a parcel will also be included. Such exceptions may include parcels that have proven physical or environmental constraints and other additional exceptions as appropriate.

Criteria used to determine parcels that may be eligible for minimum residential multi-family densities are:

- Vacant or largely underutilized RMF parcels greater than one acre, as specified in the attached figures and/or;
- All vacant RMF parcels located in high intensity factor areas, including those smaller than one acre and parcels not specified in the attached figures.
- Parcels currently zoned RMF or in the process of a General Plan Amendment (GPA) to rezone land to RMF from another land use category.
- Compatible land uses that promote affordability and Smart Growth nearby (Central Business District, public facilities, etc.).

---

<sup>1</sup> High intensity factor criteria for RMF parcels are located on page 4-30 and 4-31 of the Coastal Zone Land Use Ordinance revised June 2004.

<sup>2</sup> AB 2348 affects the following Government Code sections: amend Section 65582, add Sections 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, 65584.06, and 65584.07, repeal and add Section 65584.

## Discussion

Thirty one vacant or underutilized properties greater than one acre have been identified as potentially developable with minimum RMF densities either currently or in the future (based on water, sewer, or other constraints, see Chart 1 for summary). Several communities in San Luis Obispo County have constraints that temporarily restrict development. However, it is assumed in this study that some constraints will be mitigated, therefore allowing development of RMF with minimum densities in the foreseeable future. A complete list of vacant high intensity factor RMF parcels will be compiled following the issuance of this paper, and will be studied for the feasibility of building at a density of 20 units per acre. Therefore, only parcels greater than one acre are specifically identified in this paper. Other parcels will be subsequently identified.

The communities with too many constraints to require minimum densities are *Santa Margarita* because of the lack of sewer and small amount of vacant RMF land, *Cayucos* due to the lack of water and vacant parcels, and *Avila Beach*. Avila Beach is currently being built with high densities, parking is continuing to be an issue in the community, and there are few vacant parcels in the RMF category. Therefore, Avila Beach also is not a practical community to require minimum densities at this time.

*Cambria* currently has a water moratorium, however three vacant RMF parcels should be studied for minimum density development potential in the future (see Figure 1). These parcels range in size and are located near Santa Lucia Jr. High School and recreational sites. The approved Planning Commission draft of the Cambria and San Simeon Acres Community Plan Update prohibits Residential Single Family (RSF) dwellings on RMF lots where the parcel can meet the minimum site area. This will increase the RMF housing stock in the community if approved by the Board of Supervisors and Coastal Commission. However, removing the 15 units per acre maximum in the Cambria Community Plan Update could also help to increase densities by allowing development to reach higher densities where appropriate.

*Los Osos* currently does not have a community sewer system, which has consequently also created severe water constraints. When a sewer system is constructed in the future, the Morro Shores (see Figure 2) would be a suitable area for a minimum density standard since there is a mix of land use categories planned. The development potential on one portion of the site is 200 units (or 250 with a senior citizen housing bonus), while other portions of the site could potentially allow several more units on an 8.8-acre portion and a 2.5-acre portion. There is also the possibility to require minimum densities on other smaller parcels in Los Osos (see Figure 2), in a neighborhood adjacent to Commercial Retail (CR), Office Professional (O/P), and Commercial Service (CS) land uses. Two of these parcels are currently mini-storage, which consumes many RMF parcels in the unincorporated County. See discussion regarding mini-storage on RMF lots in the Policy Discussion section below.

*Nipomo* has several vacant or underutilized parcels that could be feasible locations to require minimum densities despite existing traffic and water constraints. Most of the parcels are near the Central Business District (CBD) and O/P land uses, creating opportunities for employment and shopping (see Figure 3). Additionally, three parcels near a small commercial center are vacant or underutilized. Maximum density standards of between 10-20 units per acre that currently exist could also be removed, allowing an increase in RMF densities where appropriate.

*Oceano* has one vacant parcel in the airport review area over one acre that may be feasible. This parcel is located near the airport and CS land uses (see Figure 4).

Removing the 15 units per acre maximum in the Oceano Specific Plan could also help to increase densities by allowing development to reach higher densities where appropriate.

*San Miguel* has a GPA currently in process that will add more RMF land to the community. Large Residential Single Family (RSF) and Residential Suburban (RS) areas near CS properties will be rezoned to RMF (see Figure 5). Since these parcels are large, mostly vacant, and near CS businesses, requiring minimum densities in this area could be beneficial in promoting more affordable housing in the community.

*Templeton* has a small supply of vacant RMF land that would benefit from a minimum density requirement. There is one underdeveloped parcel near a large O/P center that has the potential for infill on approximately 3.5 acres of the site (see Figure 6).

Ongoing planning efforts such as the Shandon Community Plan Update are also considering the requirement of minimum densities. Therefore, other communities within the unincorporated County may also require minimum densities of 20 units per acre in the future.

### **Policy Discussion**

The San Luis Obispo County Growth Management Ordinance (GMO) could affect the ability of developers to build the required minimum density within a feasible time period. Due to limited resources within the County, the GMO currently limits development in Cambria and the Nipomo mesa area to 1.8% and the remaining unincorporated county to a 2.3% annual increase of existing housing units. Affordable housing is exempt from the GMO, however multi-family housing units are not exempt. The Board of Supervisors conducted a study session on February 28, 2006, to discuss possible amendments to the GMO, and in May 2006 any proposed revisions will be presented to the Board for review and action.

As discussed in this paper, the County is proposing the prohibition of detached single family dwellings on vacant and some underutilized sites over one acre and all vacant RMF lots in high intensity factor locations (unless they qualify for an exemption). The County is also proposing that applicants of projects on the RMF parcels required to build at the minimum 20 units per acre density could reserve portions of the site for future multi-family development if only a portion or phase is feasible to build initially. Applicants proposing to reserve portions of the site for future development would show how the required density could be met in future phases.

Additionally, the County is proposing the prohibition of constructing a single family dwelling on all vacant RMF parcels throughout the County where the minimum site area can be met. This will allow higher density detached units to be built but will prohibit the construction of only one single family dwelling on a RMF lot.

Minimum density requirements are not currently proposed to be applied to parcels with an existing single family dwelling on a RMF site. This is primarily because applying such a requirement would not produce a significant amount of housing. Therefore, parcels that have an existing single family dwelling with an application proposing only to demolish and rebuild the single family dwelling will be permitted to do so without complying to a 20 unit per acre minimum.

The County recognizes that some parcels proposed for this minimum density requirement may be subject to specific physical constraints that make development at 20 units per acre infeasible. The County proposes to identify these parcels during preparation of an Environmental Impact Report and subsequently exclude them from the minimum density requirement.

CONCEPT PAPER: MINIMUM RESIDENTIAL MULTI-FAMILY DENSITIES

Any parcels required to have minimum RMF densities will also be prohibited from the development of mini-storage as a primary use of the site. Although a clear policy is not currently being proposed at this time to prohibit mini-storage as a primary use of RMF sites, minimum densities requirements on some parcels will indirectly enforce this policy.

As mentioned in several of the community specific discussions above, the County is proposing the removal of all maximum density caps in RMF zones. This will allow higher density construction to occur where appropriate rather than prohibiting higher densities throughout entire communities.

**CHART 1 - RMF MINIMUM DENSITY TOTALS BY COMMUNITY FOR PROPOSED PARCELS**

<b>Community</b>	<b>Assumed Development Area (acres)</b>	<b>Development Potential (units)*</b>
Cambria Total	3.39	67
Los Osos Total	44.66	891
Nipomo Total	42.33	843
Oceano Total	1.54	30
San Miguel Total	16.94	338
Templeton Total	2.35	47
<b>TOTAL</b>	<b>112</b>	<b>2216*</b>

\*Development potential was calculated and rounded down for each parcel. Therefore, community totals for Development Potential may not add up exactly to the Assumed Development Area x 20 units/acre in this chart.