

# **COUNTY OF SAN LUIS OBISPO**

## **2020-2028 HOUSING ELEMENT IMPLEMENTATION FRAMEWORK**

Date: March 12, 2024 (Board of Supervisors Direction)

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### **Introduction**

The 2020-2028 Housing Element is the unincorporated county's housing plan and identifies the overarching housing goal for the unincorporated county: "Achieve an adequate supply of safe and decent housing that is affordable to all residents of the unincorporated county." Chapter 4 of the 2020-2028 Housing Element provides potential actions with general direction in the form of 30 programs that, if implemented, would move the unincorporated county closer to accomplishing this housing goal. This framework builds upon those programs with more specific actions and serves as the road map for implementation of the 2020-2028 Housing Element.

### **Guiding Principles**

The guiding principles serve to focus the 2020-2028 Housing Element Implementation effort on actions that (a) balance the input of residents, workers, and builders and (b) result in meaningful contributions to meeting the County's Quantified Objectives for January 2019 through December 2028 [Table 4.1 of the 2020-2028 Housing Element].

Guiding Principle 1: Plan with placemaking in mind to build towards our community vision while addressing the unincorporated county's housing needs and State regulations.

Guiding Principle 2: Develop more options that incentivize property owners and developers to build housing that significantly contribute to the unincorporated county's unmet RHNA objectives.

Guiding Principle 3: Increase predictability in the permitting process.

Guiding Principle 4: Support and prioritize new residential development in areas identified for strategic regional residential development and other areas that are (a) located along priority transportation corridors (i.e. highways identified by San Luis Obispo Council of Governments as priorities for regional infrastructure investments), (b) located in or between areas with higher concentration of jobs and services, and (c) located within or in close proximity to existing urbanized areas or communities. [Housing Element Policy HE 1.01]

## **Housing Element Programs to be Implemented**

The following Housing Element programs would be implemented with the near-term, long-term, and ongoing actions identified in this framework:

1. Program A – Multi-Family Dwelling Development
2. Program C – Designation of Additional Land for Residential Uses
3. Program D – Accessory Dwellings
4. Program G – Acquisition and Development of Affordable Housing
5. Program J – Inclusionary Housing
6. Program P – Density Bonus
7. Program Q – Preservation of Affordable Housing Stock
8. Program S – SB 1087 Support through Facilitation of Infrastructure Planning and Development for Water and Wastewater
9. Program T – Strategic Regional Residential Development
10. Program V – Expedited Permit Processing for Affordable Housing
11. Program Y – Residential and Commercial Mixed-Use Developments

## **Near-term Implementation**

Anticipated Start: July 2024

Anticipated Time Frame: 9-12 months

Anticipated Environmental Review: Exempt

### *Action 01 – Encourage Multi-family Dwelling Development*

#### Purpose:

The purpose of this action is to reduce permitting requirements, increase predictability in the permitting process, and increase development potential for projects that significantly contribute to the unincorporated county's unmet RHNA objectives with deed-restricted dwelling units affordable to moderate-income and below households.

#### Description:

Policies, regulations, and processes that contributed to past objectives might not be as effective in contributing to current objectives. Reevaluating and modifying policies, regulations, and processes that affect development of deed-restricted dwelling units affordable to moderate-income and below households can increase the feasibility of housing projects and accelerate housing production. The deed-restriction terms will balance maximizing affordability, helping moderate-income and below households build equity, and ensuring concurrence by the State Department of Housing and Community Development. This action includes, but is not limited to, the following for multi-family dwelling projects that significantly contribute to the unincorporated county's unmet RHNA objectives:

1. Allowing multi-family dwelling development as a principal use in the Office and Professional (OP), Commercial Retail (CR), and Commercial Service (CS) Land Use Categories
2. Reducing the permit requirements
3. Increasing the maximum number of dwelling units allowed per acre
4. Increasing the maximum floor area allowed
5. Reducing the minimum open space area required
6. Reducing the minimum landscape area required
7. Reducing the minimum parking spaces required
8. Increasing the maximum building height allowed
9. Reduce the minimum setbacks required

*Action 02 – Develop Strategic Housing Incentive Program*

**Purpose:**

The purpose of this action is to provide property owners and developers more options that incentivize them to build housing that significantly contribute to the unincorporated county's unmet RHNA objectives.

**Description:**

This action is to develop a voluntary strategic housing incentive program. It would allow applicants to accrue credits that may be used on incentives, which may include, but are not limited to, increased maximum number of dwelling units, reduced minimum parking spaces, increased maximum building height, increased maximum floor area, reduced minimum open space area, reduced minimum setbacks, and reduced minimum landscape area. Credits would be accrued by developing dwelling units that contribute to the unincorporated county's unmet RHNA objectives and/or contributing to the County's strategic housing fund (to be developed), which would fund a County down payment assistance program for moderate income and below households (to be developed) and/or non-profit affordable housing projects. Since the purpose of this program is to address the unincorporated county's unmet RHNA objectives, the viability of this program is dependent on concurrence by the State Department of Housing and Community Development on the type of dwelling units to be developed and the objective of County down payment assistance program. This program may be used in conjunction with the Density Bonus Program.

*Action 03 – Preserve Housing Stock*

*(On hold until further Board of Supervisors direction)*

**Purpose:**

The purpose of this action is to reduce the loss of housing stock to nonresidential uses.

Description:

One of the primary approaches to address rising housing demand is to increase housing supply. However, the positive impacts of increasing housing supply are nullified if dwelling units are not used for residential purposes. Short-term rental uses, such as vacation rentals, are nonresidential uses that effectively reduce the unincorporated county's housing stock. This action is to establish a limit on short-term rental uses in areas within Urban Reserve Lines and Village Reserve lines.

*Action 04 – Encourage Accessory Dwelling Unit (ADU) Development*

Purpose:

The purpose of this action is to update ADU regulations in accordance with State law and reduce ineffective regulations relating to ADUs.

Description:

During the 2020-2028 Housing Element certification process, the State Department of Housing and Community Development concurred that ADUs in the unincorporated county are, on average, affordable to moderate-income and low-income households. As such, encouraging ADU development is a key part of the County's strategy to address housing needs. In addition, new State bills relating to ADUs have been signed into law since the County's ADU Ordinance was last amended. This action is to amend the County's ADU Ordinance to better align with State ADU Law and encourage ADU development, which may include, but is not limited to:

1. Removing owner-occupancy requirements for junior ADUs
2. Allowing for ADU condominiums
3. Simplifying ADU regulations
4. Developing regulations to address Senate Bill No. 9 (2021)

*Action 05 – Expand Density Bonus Program*

Purpose:

The purpose of this action is to further provide property owners and developers options that incentivize them to build housing that significantly contribute to the unincorporated county's unmet RHNA objectives.

Description:

The Density Bonus Program allows property owners and developers to build more dwelling units than allowed under the land use category and planning area standards applicable to their site by meeting certain criteria, such as building housing that is affordable to very low-income households. Currently, the Density Bonus program implements the standard regulations provided under State Density Bonus Law. According to State Density Bonus Law, local jurisdictions, such as the County, may provide density bonuses above the standard regulations under State Density Bonus

Law. Doing so would further incentivize property owners and developers to build housing that significantly contribute to the unincorporated county's unmet RHNA objectives. This action is to expand the Density Bonus Program, which may include, but is not limited to, increasing density bonus percentages, and allowing for more incentives.

### **Long-term Implementation**

Anticipated Start: July 2025

Anticipated Time Frame: 24-36 months

Anticipated Environmental Review: Required

#### *Action 06 – Update Nipomo Community Plan*

##### **Purpose:**

The purpose of this action is to update the vision for the community of Nipomo to better reflect the community's and County's goals and develop policies and regulations that move the community closer to achieving that vision.

##### **Description:**

Updates to the Nipomo Community Plan are necessary to address current and future community needs, housing needs, and development interests. A comprehensive update to the Nipomo Community Plan allows for a holistic approach that accounts for housing demand, infrastructure capacity, resource constraints, placemaking, access to services, etc. This action includes, but is not limited to, the following:

1. Conduct public outreach (public workshops, stakeholder discussions, community advisory council meetings, etc.)
2. Develop community plan framework
3. Update community vision
4. Develop policies and regulations
5. Develop community plan
6. Conduct environmental review

#### *Action 07 – Streamline Permitting Process*

##### **Purpose:**

The purpose of this action is to increase predictability in the permitting process and reduce permitting time.

##### **Description:**

Clear and purposeful development standards can allow for property owners and developers to design housing projects that are consistent with General Plan and community plan policies, while significantly contributing to the unincorporated

county's unmet RHNA objectives. Projects that do so are typically approved, and as such, it may be appropriate to streamline the permitting process for such projects. This action is to develop clear and purposeful development standards for housing that significantly contribute to the unincorporated county's unmet RHNA objectives and explore allowing for projects that satisfy such standards to be reviewed under a ministerial permitting process.

#### *Action 08 – Amend Land Use Categories*

**Purpose:**

The purpose of this action is to accommodate population growth through 2028 and beyond by designating additional land for residential uses.

**Description:**

This action is to amend the Land Use and Circulation Elements to designate additional land for residential uses in areas described under Policy HE 1.01. Although all residential land use categories would be considered, designation of additional land to the Residential Multi-Family Land Use Category would be prioritized in areas in close proximity to jobs, services, schools, parks, and transportation systems. Furthermore, designation of additional land for residential use would be prioritized within Urban Reserve Lines and Village Reserve Lines before areas outside of such boundaries. Newly designated additional land for residential uses may contribute to the inventory of sites in future Housing Element cycles.

#### **Ongoing Implementation**

Anticipated Start: July 2025

Anticipated Time Frame: 36+ months

Anticipated Environmental Review: Not applicable

#### *Action 09 – Align Infrastructure, Funding, and Resource Goals with Housing Goals*

**Purpose:**

The purpose of this action is to assist agencies, departments, and service providers with their planning efforts to ensure that infrastructure, funding, and resource goals take into consideration the unincorporated county's housing plan.

**Description:**

This action is to provide a liaison to agencies, departments, and service providers so that they may appropriately plan for current and future housing needs. These efforts would further progress the regional housing and infrastructure framework.