



June 7, 2016

Delivered via email to [planning@co.slo.ca.us](mailto:planning@co.slo.ca.us) and [rhedges@co.slo.ca.us](mailto:rhedges@co.slo.ca.us)

Planning Commission  
San Luis Obispo County  
976 Osos Street, Room 200  
San Luis Obispo, CA 93408

Re: Workforce Housing Ordinance Package

Dear Planning Commissioners:

The San Luis Obispo County Housing Trust Fund is a nonprofit corporation that was created in 2003. Our mission is to increase the supply of affordable housing in our county, including housing for the so-called workforce income level. Our primary services are providing financing and technical assistance for housing projects.

I'm writing today to support the proposed Workforce Housing Ordinance Package. I also want to share some concerns with aspects of the package and to request that you consider making certain changes to the ordinances.

I particularly like the fact that the ordinances will allow smaller lot subdivisions without common open space and shared driveways without home owners associations. Both of these changes will reduce housing costs. I also like the fact that the ordinance provides incentives for secondary dwelling units. These and other aspects of the ordinance should apply to all developments instead of just a few.

### **Significant Concerns**

My only major concern about the proposed ordinance is that by making it easier to develop relatively high cost for-sale housing on higher density sites, the ordinance will result in less rental housing being produced. This will make it more difficult for the county to achieve the low and moderate income housing production goals of the housing element. My only hope is that this loss will be offset a little by allowing more housing to be built on commercially zoned sites. I encourage you to consider more land for higher density housing to offset this loss.

I also have a significant concern about reducing the inclusionary requirements for workforce housing subdivisions. This reduction will also make it more difficult for the county to achieve the housing element goals. The county's current inclusionary requirements are already very low and weak. I encourage you to consider adding a housing impact fee for new individual homes to supplement the current inclusionary requirements.

## **Other Concerns**

Some of my concerns are issues that I believe need to be thoroughly vetted before adopting the ordinances.

1. How will the price limits be enforced? This may be difficult if interest rates increase because higher rates will cause the price limits to drop. Will the price limits be set when the projects are approved, when the building permits are issued, or when the certificates of occupancy are issued? If the price limits drop, will developers be able opt out of the workforce housing program, pay a fee and sell the homes at market value?
2. Allowing only interim residential uses in commercial zones is particularly problematic. What will you do to homeowners when their time limits elapse? Will you force them to move out? What will you do when they want to sell their “homes” after they can no longer be used as homes? Remember, we are a SLO growth county and our population will never grow large enough to support the all available commercial zoning. I encourage you to consider rezoning commercial land for higher density housing.
3. If only the initial sales are to owner occupants, what is to prevent people from buying units under the pretext of being an owner-occupant and then renting the units or reselling them to investors? How long must they be owner-occupied and how will this be enforced? (See my requested change #5.)
4. Finally, I want to make sure that the design guidelines are in fact guidelines and do not become requirements.

## **Requested Changes**

I also request that you consider making the following specific changes to the workforce housing ordinance:

1. The first change is that instead of establishing two new unique sales price limits for Oceano and San Miguel, you use the County’s existing moderate income price limits for these communities. These existing price limits are between the proposed new limits. Reducing the number of price limits should make the ordinance easier to administer. As of 4/4/16, the proposed ordinance would have set the general 3-bedroom price limit at \$508,000, but \$381,000 for Oceano and \$360,680 for San Miguel. For comparison, the County’s moderate income price limit was \$366,000 as of 4/4/16.
2. My second request is that where the Planning Area Standards currently allow residential uses as the principal use in a non-residential zone (e.g., see §22.108.040 C. 1. D.), the workforce housing ordinance specify that the requirement for a Minor Use Permit or Conditional Use Permit will be waived as a concession or incentive for projects that qualify for a density bonus if requested by the applicant.

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3. The ordinance should allow sites for mixed use projects to be subdivided so that the residential and non-residential components are on two or more legal parcels. It should also allow the residential and non-residential components to be built separately.
4. The ordinance should also specifically allow secondary dwelling units in workforce housing subdivisions regardless of their underlying zoning. Table 2-2 precludes this.
5. The CC&Rs for all workforce housing subdivisions should always requires owner-occupancy. Where there is a secondary dwelling unit, the CC&Rs should require that one of the two units always be owner-occupied. Workforce housing subdivisions will receive special treatment in order to provide much needed housing for our workforce. They should not be allowed to be used as vacation homes or investment properties.
6. The CC&Rs for all workforce housing subdivisions should ban all short-term or vacation rentals (less than one month). This ban should specifically include any secondary dwelling units. Workforce housing subdivisions will receive special treatment in order to provide much needed housing for our workforce. They should not be allowed to be used as AirBNB or similar investment opportunities.

Thank you for considering my comments.

Sincerely,



Gerald L. Rioux  
Executive Director

Cc: Brian Pedrotti ([bpedrotti@co.slo.ca.us](mailto:bpedrotti@co.slo.ca.us))