

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 11/22/2016	(3) CONTACT/PHONE Brian Pedrotti, Senior Planner / (805) 788-2788	
(4) SUBJECT Hearing to consider a request by the County of San Luis Obispo to amend Title 21 and 22 of the County Code, to incorporate a Workforce Housing Ordinance Package and to create new Workforce Housing Design Guidelines. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Hold the public hearing on the amendment recommended for approval by the Planning Commission as set forth in the attached Exhibits and staff reports (LRP2014-00018). 2. Take final action by adopting and instructing the Chairperson to sign the attached ordinance.			
(6) FUNDING SOURCE(S) FC 142 – Planning and Building	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>85 minutes</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input checked="" type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>November 5, 2013</u> (Authorization) <u> </u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Brian Pedrotti, Senior Planner

VIA: Matt Janssen, Division Manager, Policy and Programs

DATE: 11/22/2016

SUBJECT: Hearing to consider a request by the County of San Luis Obispo to amend Title 21 and 22 of the County Code, to incorporate a Workforce Housing Ordinance Package and to create new Workforce Housing Design Guidelines. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Hold the public hearing on the amendment recommended for approval by the Planning Commission as set forth in the attached Exhibits and staff reports (LRP2014-00018).
2. Take final action by adopting and instructing the Chairperson to sign the attached ordinance.

DISCUSSION

Background and History

The local building industry and the Board of Supervisors have expressed a concern that existing policies tend to discourage the development of small, detached single-family residences on individual lots. This housing type is important to growing the County's economy, as it presents an opportunity to provide high-quality, desirable and needed housing for the workforce. At present, market conditions and development costs result in new residences averaging around 2,400 square feet in size. These residences tend to be unaffordable to the workforce of economic growth sectors, such as tourism, health services, energy, and specialized manufacturing. Building affordable workforce housing is essential to attracting new job-generating businesses to the County and spurring economic growth.

One potential solution towards helping to alleviate this problem is to seek to create incentives for developers that build new workforce housing subdivisions. If successful, this pilot program could be extended to the Coastal Zone or modified to fit the municipal code of incorporated cities.

The County has been collaborating extensively with the Economic Vitality Corporation (EVC) on developing and implementing an economic strategy for the County. In 2013, the EVC published a report on the results of a survey regarding workforce housing. The report (available at www.sloevc.org) presented a number of findings, including the following:

- Employees and employers both indicate that housing is difficult to find.
- Both employees and employers have a desire to reside and work in the same city, but will consider a commute of up to 30 minutes. The average employee commute time is about 15 minutes.
- The most desired housing type is a detached residence with three bedrooms, two baths, and a two-car garage.

In November 2013, while discussing the implementation of the Inclusionary Housing Ordinance, the Board of Supervisors formed an ad-hoc committee of County staff, local market-rate and affordable housing developers, and architects to consider ordinance amendments to incentivize the development of workforce housing. In July 2014, the Board authorized

County staff to process ordinance amendments to address workforce housing. The drafting of the ordinance amendments and design guidelines were coordinated with the EVC, and were heard by the Planning Commission in a series of hearings between May and October of 2016.

The benefits and obligations for these revisions are summarized in Table 1 of the May 26, 2016 Planning Commission staff report, should an applicant wish to utilize the Workforce Housing Ordinance. Additional summaries of the details of the ordinance and design guidelines are also provided in the May 26 staff report (Attachment 7).

Community Outreach and Involvement

The Workforce Housing Ordinance package has had a significant amount of community involvement and input throughout the process. The ordinance was originally requested by the development community, and was placed high on the Board of Supervisor's priority list for completion. Staff met with the development community early and often, including regular meetings with the Building, Design, and Construction cluster of the EVC. Due to the various detailed sections required for the ordinance, a separate ad-hoc committee was formed consisting of local developers and architects to work directly with staff to draft the ordinance. The ordinance has been referred to all of the necessary County departments and outside agencies, as well as the inland advisory councils.

Board Action

At today's meeting, your Board is to hold a public hearing for the following amendment and take final action.

The Planning Commission is transmitting the record of their meetings of May 26, 2016, June 9, 2016, July 14, 2016, July 28, 2016, September 8, 2016, and October 27, 2016 to your Board for the attached proposed amendment to the Land Use Ordinance as follows:

A request by the County of San Luis Obispo to amend Title 21 and 22 of the County Code, to incorporate a Workforce Housing Ordinance Package and to create new Workforce Housing Design Guidelines, which include: 1) an amendment of Title 22 to add new section 22.30.477 – Residential – Workforce Housing Subdivision, 2) an amendment of Title 22 to section 22.30.490 – Residential Uses in Office or Commercial Retail Land Use Category, 3) an amendment of Title 22 to section 22.10.130 – Residential Density, 4) an amendment of Title 22 to section 22.06.030 – Table 2-2, 5) an amendment of Title 22 to add new subsection G.7 to section 22.12.080 – Inclusionary Housing, 6) an amendment of Title 22 to subsection H of section 22.12.080 – Inclusionary Housing – Table 2-2, 7) an amendment of Title 22 to add new subsection E to section 22.12.020 – Applicability, 8) an amendment to Title 22 to Chapter 22.80 – Definitions, and 9) an amendment of Title 21 to section 21.03.020 – Adjustments.

The Planning Commission held a series of public hearings between May 26 and October 27, 2016 to consider proposed amendments to the County Land Use Ordinance and Real Property Division Ordinance relating to a new Workforce Housing Ordinance and Design Guidelines. After consideration of the amendment, the Commission recommended that the Board approve the amendment with revisions.

The Planning Commission considered the above referenced matter and took the following action to recommend approval of the proposed amendment:

On the motion of Commissioner Meyer, seconded by Commissioner Irving and carried unanimously, recommending to the Board of Supervisors approval of this Land Use Ordinance text amendment, Real Property Division Ordinance text amendment, and Workforce Housing Design Guidelines as shown in Exhibit LRP2014-00018:B based on Findings A through D, with expedited processing for workforce housing subdivisions.

The Planning Commission also took the following action to recommend exemption of workforce housing subdivisions from inclusionary housing requirements:

On the motion of Commissioner Irving, seconded by Commissioner Harrison and carried unanimously, recommending to the Board of Supervisors that workforce housing subdivisions be exempted from the requirements of the County's Inclusionary Housing Ordinance.

Findings

Environmental Determination

- A. This project is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed ordinance will not change the allowed residential density or development potential that can already be achieved on any given site. In addition, this ordinance would not directly result in any physical changes to the environment. Any future projects pursuant to the ordinance would be subject to subject to environmental review. In addition, this ordinance would not directly result in any physical changes to the environment. Any future projects pursuant to the ordinance would be subject to subject to environmental review. Therefore, it can be seen with certainty that there is no possibility that this project may have a significant effect on the environment; therefore, the activity is not subject to CEQA. [Reference: State CEQA Guidelines sec. 15061(b)(3), General Rule Exemption]

Amendment

- B. The proposed amendments are consistent with the Land Use Element and other adopted elements of the general plan because the changes are consistent with the general goals of the Land Use Element, the Economic Element, the Housing Element, and the Conservation and Open Space Element.
- C. The proposed amendments are consistent with the guidelines for amendments to the Land Use Ordinance because the amendments 1) provide a tool that helps ensure the neighborhood compatibility of new workforce housing subdivisions is maximized through application of flexible site planning, 2) projects should be consistent with the Workforce Housing Design Guidelines to further ensure site planning, building design, and landscape and outdoor areas are of a high quality and enhance existing neighborhoods, 3) the flexibility in site planning in a workforce housing subdivision can help achieve the use of energy efficient measures such as the use of natural light, ventilation, and shade, and 4) new workforce housing subdivisions should be consistent with the Workforce Housing Design Guidelines to
- D. The proposed amendments will protect the public health, safety and welfare of the area residents by allowing for development that is compatible with the existing development of the surrounding area because future workforce housing subdivisions are required to be designed to provide for safe circulation, waste disposal, and parking and must meet health, fire and building codes.

OTHER AGENCY INVOLVEMENT/IMPACT

The amendment was referred to all Inland Community Advisory Groups, Inland Community Services Districts, Public Works, Environmental Health, Agricultural Commissioner, County Parks, Cal Fire, Cal Trans, County Assessor's Office, Health Commission, Regional Water Quality Control Board, Air Pollution Control District, and the incorporated cities within San Luis Obispo County. The amendments were also reviewed and approved by the Planning Commission. In addition, County Counsel reviewed and approved the ordinance as to form and content.

FINANCIAL CONSIDERATIONS

County initiated amendments are processed using funds in the current Planning and Building department budget. If approved, future workforce housing subdivisions will be processed using applicant fees.

BUSINESS IMPACT STATEMENT

Approval of these ordinance amendments will provide positive effects on the business clusters identified in the San Luis Obispo County Clusters of Opportunity Economic Strategy prepared by the Economic Vitality Corporation in 2010. The overall goal of the Workforce Housing Ordinance and Design Guidelines is to create incentives for developers that build workforce housing subdivisions. The proposed ordinance provides reductions in required inclusionary housing, flexibility on secondary residences, and flexibility for subdivision design such as setbacks, lot size, and lot width. For these reasons, the Building Design and Construction cluster in particular should be positively affected by the proposed ordinance.

RESULTS

Final approval of the requests will allow the amendments to become effective 30 days after today's date (December 22, 2016). After the 30 days, applicants may submit applications for workforce housing subdivisions consistent with the approved ordinance.

ATTACHMENTS

1. Attachment 1 - Exhibit LRP2014-00018:B (Signed Ordinance Amendment)
2. Attachment 2 - Exhibit A Findings
3. Attachment 3 - Workforce Housing Design Guidelines (Clerk's File)
4. Attachment 4 - Planning Commission Letter with documents
5. Attachment 5 - Planning Commission Minutes
6. Attachment 6 - Staff Memorandums and Other Correspondence
7. Attachment 7 - Staff Report for the May 26, 2016 Planning Commission