

## PLANNING COMMISSION AGENDA REPORT

**SUBJECT:** REQUEST FOR A CONDITIONAL USE PERMIT TO ESTABLISH A CITY PARKING FACILITY (I.E., SURFACE PARKING LOT) FOR PAID PUBLIC PARKING. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW.

**PROJECT ADDRESS:** 1166 Higuera Street    **BY:** Hannah Hanh, Associate Planner  
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**FILE NUMBER:** USE-0559-2023

**FROM:** Tyler Corey, Deputy Director

### RECOMMENDATION

Adopt the Draft Resolution approving the project, based on the findings and subject to the conditions of approval. The project is categorically exempt from environmental review under Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines.

### SITE DATA

<b>Applicant</b>	City of San Luis Obispo
<b>Zone</b>	Retail Commercial (C-R)
<b>General Plan Land Use</b>	General Retail (GR)
<b>Site Area</b>	0.49 acre
<b>Environmental Status</b>	Categorically exempt from environmental review under CEQA Guidelines Section 15301 (Existing Facilities)



**Figure 1 – Project Site**

### SUMMARY

The City of San Luis Obispo (City) applied for a Conditional Use Permit to establish a parking facility (i.e., surface parking lot) for paid public parking at 1166 Higuera Street. The project site is an approximate 0.49-acre parcel located at the intersection of Higuera Street and Toro Street and contains two (2) existing structures and site improvements. Minor improvements would be required to prepare the property for use as paid public parking, including parking lot improvements (e.g., installation of signage, striping, wheel stops, pay stations, etc.), landscape improvements (e.g., reconstruction of planter areas, etc.), and demolition of an existing uninhabitable structure (formerly used as a tattoo shop).

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**1.0 PLANNING COMMISSION’S PURVIEW**

The Planning Commission’s role is to review the project for consistency with the [General Plan](#), [Zoning Regulations](#), and applicable City development standards and regulations. Per [Table 2-1](#) (Uses Allowed by Zone), establishment of a parking facility (e.g., surface parking lot) requires approval of a Conditional Use Permit in the Retail Commercial (C-R) zone.

**2.0 PROJECT INFORMATION**

**2.1 Project Site Statistics**

<b>Present Development and Uses</b>	Developed property with two (2) existing structures and site improvements, including access, parking, and landscaping.
<b>Topography</b>	Located on a minor slope, but the property has been improved to be flat
<b>Access</b>	Higuera Street
<b>Surrounding Zones and Uses</b>	<b>North:</b> C-R zone / restaurant, office, and vehicle sales uses <b>South:</b> C-R and O zones / office, residential, and school uses <b>East:</b> C-R zone / restaurant and office uses <b>West:</b> C-R Zone / office and business service uses

**2.2 Previous City Council Action**

On July 18, 2023 and October 17, 2023, City staff met with the City Council in closed sessions to seek authorization to pursue property negotiations and to discuss purchase terms of the project site. There were no reportable actions taken at these meetings.

On [November 14, 2023](#), the City Council reviewed the completed negotiations between City staff and the seller, and approved the purchase and authorized execution of the Purchase and Sale Agreement for the project site ([Resolution](#)). As part of this decision, the City Council indicated that acquisition of the property is intended for an interim public parking lot and future uses of the property would be determined through outreach and engagement with property owners and businesses in the Upper Monterey Area. Future public outreach and engagement would be to confirm the scope in pursuing an area plan consistent with Land Use Element Policy 8.2.2, which is currently detailed as follows:

*In the Upper Monterey Area, the emphasis will be on revitalization and enhancement. The area above Johnson shall have an emphasis on land use compatibility and neighbor preservation. The following actions will be pursued in this area.*

- A. *The City shall investigate adding the Upper Monterey area to the Downtown Parking District, thereby allowing in-lieu payment towards common parking facilities.*

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- B. The City shall integrate a new Downtown Transit Center in the Upper Monterey area and provide enhanced connectivity to the center from the Upper Monterey area.*
- C. The City will work with hotels in the Upper Monterey area to provide shuttle service to the Downtown and Downtown Transit Center.*
- D. The City will promote restaurant development in the Upper Monterey area, and include outdoor dining opportunities and other public activities oriented toward Monterey Street. North of California, these types of activities shall be prohibited on the creek side of buildings.*
- E. The City will evaluate reconfiguring Monterey Street in this area to enhance bicycle and pedestrian connectivity to Downtown and to Cal Poly.*
- F. The City will work with local hotels and Cal Poly to develop enhanced meeting rooms and conference facilities. These types of facilities would not be located on the east side of Monterey north of California Street, nor is a stand-alone conference center appropriate for this area.*
- G. The City will work with developers to assemble adjacent properties into lots of suitable size for redevelopment limited to areas southwest of California Street.*
- H. The City will develop an Upper Monterey area master plan and design guide that will provide guidance on street enhancements, façade improvement programs, and pedestrian enhancement along Monterey Street. As part of this effort, the City will investigate the ability to apply form-based codes to guide future development and will involve residents in adjoining areas as well as business and property owners along Monterey Street as part of the public review process in development of the master plan/design guide. Particular attention will be given to creek protection, noise, safety, light and glare, and privacy impacts to adjoining neighborhoods.*

Following authorization by the City Council to purchase the property, but prior to the close of escrow, the Planning Commission is to review the following two (2) requests on December 13, 2023:

1. Determination of General Plan conformance as required per California Government Code Section 65402, and
2. Conditional Use Permit to establish a City parking facility for paid public parking in the C-R zone.

Escrow is scheduled to close at the end of December 2023.

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### **2.3 Project Description**

The City is requesting a Conditional Use Permit to establish a parking facility (i.e., surface parking lot) for paid public parking at 1166 Higuera Street. The project site is an approximate 0.49-acre parcel located at the intersection of Higuera Street and Toro Street and contains two (2) existing structures and a parking lot (Attachment B – Existing Site Layout). As of recent, the existing structures have been used for private storage and the parking lot has served as private off-site parking for nearby businesses.

Minor improvements would be required to prepare the property for use as public parking, including parking lot improvements (e.g., installation of signage, striping, wheel stops, pay stations, etc.), landscape improvements (e.g., reconstruction of planter areas, etc.), and demolition of an existing unhabitable two-story structure (formerly used as a tattoo shop). The current parking lot layout consists of 44 standard and two (2) accessible spaces. However, efforts to increase the number of spaces and maximum use of the site would be made upon development of the site improvement plans. The other one-story structure to remain is anticipated for storage use.

## **3.0 PROJECT ANALYSIS**

Approval of the Conditional Use Permit to establish the parking facility is subject to requirements, outlined in [Section 17.110.060](#) (Criteria for Approval) and [Section 17.110.070](#) (Required Findings), for consistency with the General Plan and Zoning Regulations and for compatibility with existing and future land uses in the vicinity. Staff has evaluated the project against applicable policies and standards and found it to be in compliance as discussed in this analysis.

### **3.1 Consistency with the General Plan**

The project site is located in the General Retail (GR) land use designation, which the [Land Use Element](#) (LUE) describes as intended for the provision of goods and services adequate to meet most of the needs of the City and nearby County residents as well as tourists and travelers (Table 1 – General Plan Land Use Designations). Allowable land uses within this land use designation include a wide range of retail sales, restaurants, professional and personal services, and public and quasi-public uses. As proposed, the City parking facility would facilitate paid public parking to support the operation of existing and proposed uses in the vicinity.

The project site is also located in the Upper Monterey Special Focus Area, which has an emphasis on revitalization and enhancement (LUE Policy 8.2.2). Detailed actions for Policy 8.2.2 state the City would investigate opportunities to improve its connectivity and promote development, including the initiation of an Upper Monterey Area Master Plan to guide future enhancements and improvements. As indicated in the approval by the City Council to purchase the property on November 14, 2023, the project site would be utilized as an interim parking facility and advance this policy by increasing parking supply in the Upper Monterey Area to support development and economic revitalization. Future uses of the project site would be determined through outreach and engagement with property owners and businesses in the Upper Monterey Area to confirm the scope in pursuing an area plan.

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Additionally, the project site is located in Block 23 of the [Downtown Concept Plan](#) (LUE Program 4.25), where parking is envisioned along Higuera Street to support development and redevelopment of structures, at least two stories in height, in the vicinity. Strategic use of the project site as parking would result in improved access and facilitate development within the Upper Monterey Area.

**3.2 Consistency with the Zoning Regulations**

The project site is located in the Commercial Retail (C-R) zone, which [Chapter 17.30](#) (C-R Zone) describes as intended to accommodate a wide range of retail sales; business, personal, and professional services; recreation; entertainment; transient lodging; and limited residential uses to meet the needs of the community, region, and traveling public. Per [Table 2-1](#) (Uses Allowed by Zone), the establishment of a parking facility requires approval of a Conditional Use Permit in the C-R zone. The City is proposing to establish a parking facility for paid public parking and facilitate improved access to existing and proposed uses within the vicinity.

To implement the project, there would be minor improvements to the existing property (e.g., installation of parking signage, striping, wheel stops, and pay stations; landscape improvements; and demolition of an uninhabitable structure). As summarized in Table 1 (Project Compliance with Zoning Regulations) below, applicable development standards of [Table 2-17](#) (C-R Zone Development Standards) and [Table 3-4](#) (Parking Requirements by Use) would remain unchanged or meet minimum or maximum requirements because the project is limited to the use of, and minor improvements to, an existing parking lot and no new construction is proposed.

<b>Table 1 – Project Compliance with Zoning Regulations</b>		
<b>Development Standard</b>	<b>Requirement</b>	<b>Existing / Proposed</b>
Maximum Residential Density	36 units per acre	N/A – no residential proposed
Minimum Front Setback	None	0 feet
Minimum Side / Rear Setbacks	None	0 feet
Minimum Streetside Setback	None	0 feet
Maximum Building Height	45 feet	Existing one-story structure to remain is less than 45 feet in height
Maximum Lot Coverage	100%	Existing structure to remain covers less than 100% of the lot
Maximum Floor Area Ratio (FAR)	3.0	Existing one-story structure to remain results in less than 3.0 FAR

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Minimum Lot Area	9,000 SF	N/A – no new lots proposed
Edge Conditions	N/A – no new construction proposed	
Minimum Number of Parking Spaces	None	46 spaces

No deviations from development standards are requested as allowed by [Section 17.86.200](#) (Parking as a Primary Use).

**4.0 ENVIRONMENTAL REVIEW**

The project is exempt under Section 15301 (Existing Facilities) of the CEQA Guidelines because it includes the operation, repair, maintenance, permitting, leasing, licensing, and minor alteration of an existing developed property. The project includes the use of an existing parking lot with minor repairs and alterations and does not include construction of additional building square footage. Minor improvements would be limited to (a) parking lot improvements (e.g., installation of parking signage, striping, wheel stops, pay stations, etc.), (b) landscape improvements (e.g., reconstruction of planter areas, etc.), and (c) demolition of an existing uninhabitable structure. Therefore, the project involves negligible expansion to the former use.

**5.0 OTHER DEPARTMENT / DIVISION REVIEW**

As part of the due diligence process for the purchase of the property, the project has been reviewed by Community Development, Mobility Services, Economic Development, Finance, and Capital Improvement Program. If the Conditional Use Permit is approved, minor site improvements to implement the project will be reviewed for compliance with relevant code requirements and engineering standards as part of the building and/or grading permit review.

**6.0 ALTERNATIVES**

1. Continue project. An action to continue the item should include a detailed list of additional information or analysis required to make a decision.
2. Deny the project. An action denying the project should include findings that cite the basis for denial and should reference inconsistency with the General Plan, Zoning Regulations, or other policy documents.

**7.0 ATTACHMENTS**

- A. Draft Resolution approving the project, based on the findings and subject to the conditions of approval
- B. Existing Site Layout