



PLANNING COMMISSION AGENDA REPORT

SUBJECT: Review of the multi-family High Density Residential (R-4) component in Phase 3 of the Avila Ranch Development Plan (ADRP), consisting of a density bonus housing development which would increase the density of the R-4 project component from 125 to 145 unit , which includes 59 affordable units, and Addendum #2 to the ARDP Final EIR, and incorporating the recommendations of the Architectural Review Commission, including a fence height exception, sign exception, and a parking exception, based on findings and subject to the Conditions of Approval

PROJECT ADDRESS: 4240 & 4280 Earthwood Lane; 165 Cessna Court

FILE NUMBER: ARCH-0197-2023

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APPLICANTS: Wathen Castanos Homes
and Avila Ranch, LP

REPRESENTATIVE: Oasis Associates

RECOMMENDATION

Adopt the Draft Resolution approving the proposed site design and layout for the R-4 component of the Avila Ranch Project to be developed within Phase 3 of the Avila Ranch Development Plan (ADRP), including a density bonus to increase the unit count of the R-4 component from 125 to 145 units, which includes 59 affordable units, and Addendum #2 to the ARDP Final EIR, and incorporating the recommendations of the Architectural Review Commission, including a fence height exception, sign exception, and a parking exception, based on findings and subject to the Conditions of Approval.

1.0 COMMISSION'S PURVIEW

The Planning Commission's role is to consider approval of the proposed design of the R-4 portion (Phase 3) of the approved Avila Ranch Development Plan, informed by the recommendations of the Architectural Review Commission on design criteria. In arriving at a decision, the Planning Commission should consider the proposal's consistency with the General Plan, Airport Area Specific Plan (AASP), Avila Ranch Development Plan (ARDP), Zoning Regulations, Community Design Guidelines, and other applicable City development standards.

2.0 PROJECT BACKGROUND

In September 2017, the City Council approved the Avila Ranch project, which envisioned phased development of up to 720 homes and 15,000 square feet of neighborhood-serving commercial uses on a 150-acre site on three parcels in the southern portion of the City of

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San Luis Obispo, generally northeast of Buckley Road and Vachell Lane (APNs 053-259-004, -005 and -006). The project as approved was determined to be consistent with the City's General Plan, Airport Area Specific Plan (as amended), and the City's Community Design Guidelines. It was also determined to be consistent with the County's Airport Land Use Plan.

The following entitlements were included as part of original project approval to facilitate development:

- **Resolution 1832 (2017 Series)** certifying the Final Environmental Impact Report for the project, amending both the Airport Area Specific Plan and General Plan, and approving Vesting Tentative Tract Map No. 3089.
- **Resolution 1638 (2017 Series)** rezoning property at 175 Venture Drive (the Project) from Business Park/Specific Plan Area (BP-SP) and Conservation /Open Space/Specific Plan Area (C/OS/SP) to be consistent with the Project's Development Plan and with the General Plan and Airport Area Specific Plan, as amended to enable development of 720 residential units and 15,000 square feet of neighborhood commercial on a 150-acre site. The Project also includes 18 acres of parks and 53 acres of designated open space.
- **Ordinance 1639 (2017 Series)** approving the Development Agreement (DA) between the City and Avila Ranch LLC. The Project was subsequently sold to Wathen Castanos Homes, and with it, the rights and obligations associated with the DA. The DA ensures phased and orderly development of the Project and includes provisions for reimbursement for public infrastructure and improvements beyond project requirements.

In addition, several other subsequent entitlements related to Avila Ranch have already been approved or are currently under City review, including both onsite and offsite improvements related to the originally approved project. These include the recordation of the Phase 1 and Phase 2/3 Final Maps, various public improvements related to Phases 1-3, approval of 297 residential units within the R-2 component of the Development Plan (Phases 1-3), approval of 101 residential units in the R-1 component of the Development Plan (Phase 5), and a variety of resource regulatory permits. A complete list is included on Page P-1.1 of the project plans (Attachment B).

The applicant now requests that the Planning Commission approve the proposed design and layout for the High Density Residential (R-4) component of the project, which is a portion of Phase 3 under the approved Avila Ranch Development Plan (ARDP).

3.0 PROJECT DESCRIPTION SUMMARY

The proposed project includes 145 multi-family residential units in two developments totaling just over 4 acres within the R-4 high-density portion of the 150-acre Avila Ranch plan area. The approved Avila Ranch Development Plan envisions up to 125 dwelling units, but the application is requesting a density bonus to allow an additional 20 dwelling units. The applicability of a density bonus and issues related to the provision of affordable housing are within the purview of the Planning Commission.

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The proposed application is for Planning Commission to consider approval of the design of the R-4 component of the Avila Ranch project in terms of its consistency with the Airport Area Specific Plan, Avila Ranch Development Plan, and Community Design Guidelines. If approved, the R-4 product as envisioned would be developed in the framework of existing project entitlements, subject to the policies of the General Plan, AASP, and requirements of the ARDP.

General Location:

Generally north of Buckley Road and east of Vachell Lane.

Site Area: 150 acres for the Avila Ranch project (current application includes 4.05 acres within the R-4-SP zone)

Present Use: Vacant land

Zoning: R-4-SP within the Airport Area Specific Plan

General Plan: High Density Residential

Surrounding Uses (outside the Avila Ranch Planning Area):

East: County jurisdiction; Agriculture zoning

West: M-SP (Manufacturing); C-S (Service Commercial) further west across Vachell Lane

North: M (Manufacturing); BP-SP (Business Park); warehousing & industrial uses

South: County jurisdiction; Agriculture zoning

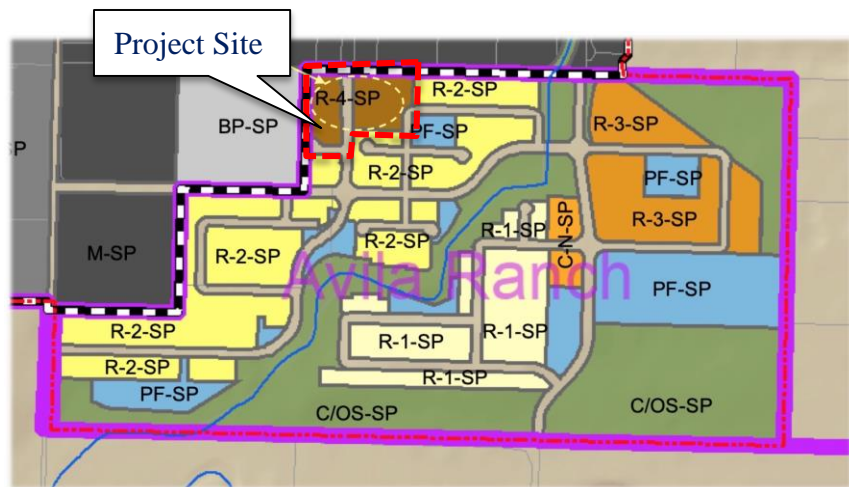


Figure 1. Avila Ranch Project Site

Zoning surrounding the R-4-SP zoned land includes R-2-SP and PF-SP within the Avila Ranch project area, and BP-SP and M-SP outside the Avila Ranch area, but still within the Airport Area Specific Plan (refer to Figure 1, Avila Ranch Project Site).

Development within the R-4 district will consist of two separate developments as described in more detail below. The proposed “Anacapa” development includes 85 market-rate units and is located on the east side of Earthwood Lane (Lots 185 and 188). The “Sendero” development would include 60 units to be constructed by an affordable housing developer on the west side of Earthwood Lane (Lot 186). Table 1 summarizes the essential characteristics of the two development sites, while Figure 1 shows their location in the context of the approved Avila Ranch Development Plan. Figure 2 shows an illustrative site plan that encompasses both parts of the development.

The R-4 district within Avila Ranch consists of three (3) parcels created as part of recorded Tract Map 3089 Phase 1. The development of these parcels (Lots 185, 186 and 188) is shown as Phase 3 within the Avila Ranch Development Plan. Development can occur non-sequentially provided that all infrastructure and mitigation requirements of earlier phases are satisfied previously or concurrently with proposed development.

Table 1. Summary of Development Sites

	SENDERO	ANACAPA
	<i>Affordable Housing Development</i>	<i>Market-Rate Development</i>
ADDRESS (assessor assigned)	165 Cessna Court	4240 Earthwood Lane 4280 Earthwood Lane
ASSESSOR'S PARCEL #	053-290-006	053-290-008 053-290-005
TENTATIVE TRACT 3089	Lot 186	Lot 185 Lot 188
PARCEL SIZE	1.81 acres	2.24 acres
ZONING	R-4-SF	R-4-SF
PROPOSED DEVELOPMENT	59 affordable apartment dwelling units, and 1 caretaker's unit, in one building	85 market-rate apartment dwelling units in two buildings.

Market-Rate Housing Development (“Anacapa”). The development on the east side of Earthwood Lane consists of eighty-five (85) market rate unit apartments and includes two separate free-standing three-story buildings. This development would be located on two existing legal lots (Lots 185 and 188), which will be consolidated into a single lot as part of the Tract 3089 Phase 2 and 3 final map.

Affordable Housing Development (“Sendero”). The proposed development on the west side of Earthwood Lane consists of a three-story building with a large central courtyard, and includes fifty-nine (59) affordable unit apartments and one (1) caretaker's unit. This includes forty (40) affordable units previously contemplated through the approved ARDP and Development Agreement, plus an additional twenty (20) units being added through a separate Density Bonus process. The Sendero portion of the project is requesting a 20% density bonus, and therefore must provide at least 10% of the base density (6 dwelling units) to be dedicated to low-income households. The applicant is proposing a 100% affordable housing project (excluding the caretakers unit) on the Sendero development site, with 32 units available to low-income households and 27 units available to moderate-income households, and is therefore providing affordable units far in excess of the minimum requirements to meet the density bonus. The project applicant is not requesting any waivers, concessions, or incentives under State Density Bonus law.

Table 2. Summary of Sendero Affordable Units

Affordable unit type - Sendero	Number of units - Sendero
Low-income units	32
Moderate-income units	27
Caretaker's unit	1
Total Units Sendero	60

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4.0 PREVIOUS REVIEW

As described in section 2.0 of this report, the Avila Ranch project was originally approved by the City Council in September 2017. This included a Development Agreement, Development Plan, VTTM 3089, and a certified Final EIR that addressed the entire development, including the R-4 portion of the project. The approved project had been previously reviewed by the Planning Commission, Architectural Review Commission, Parks and Recreation Commission, Bicycle Advisory Committee, and Airport Land Use Commission, all of which informed the City Council's decision. Subsequent specific development plans for each phase of the project were required to receive Architectural Review and Planning Commission approval.

5.0 PROJECT ANALYSIS

The proposed development must be consistent with the requirements of the General Plan, Zoning Regulations, AASP, Development Agreement, and ARDP. Notably, upon its approval in 2017, the project (including the Development Agreement and ARDP) was found to be consistent with the General Plan and AASP, and is directly referenced in the AASP. Therefore, consistency with the Development Agreement (DA) and ARDP are the key considerations with respect to this project, as it implies consistency with the General Plan and AASP for the reason described above, and are accordingly, the focus of the analysis that follows. Therefore, consistency with the Development Agreement (DA) and ARDP are the key considerations with respect to this project, as it implies consistency with the General Plan and AASP, and are accordingly, the focus of the analysis that follows.

The DA and ARDP were intended to work together to provide direction for the project, with the City's Zoning Regulations used to determine development parameters where the ARDP is either silent or open to interpretation. The DA and ARDP were intended to work together to provide direction for the project, with the City's Zoning Regulations used to determine development parameters where the ARDP is silent. The DA in particular is the overarching guidance document, which specifies the required approach to a number of topics, including infrastructure, affordable housing, energy use and others. As such, the DA is useful for determining the intent of the ARDP when provisions of that document require interpretation, especially as the ARDP was put together without the benefit of a detailed project design and did not always anticipate situations that arise through the design review process. For this reason, the analysis that follows is often framed in terms of whether the project application meets the intent of the ARDP, rather than necessarily follows all of the specific provisions described in that document, some of which may no longer be applicable or appropriate based on updated citywide regulations (notably some of the provisions related to energy use).

5.1 Development Agreement

Flexibility

The Development Agreement includes several relevant provisions with respect to project design within the R-4 zone, the most important of which is Section 8.06, which recognizes a need for flexibility during project implementation, and the need to potentially allow for

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minor deviations from the Development Plan if the project is consistent with the intent of the Development Plan. Specifically, Section 8.06 states:

“...Implementation of the project may require minor modifications of the details of the Development Plan and affect the performance of the Parties to this Development Agreement. The anticipated refinements of the Project and the development of the Property may require that appropriate clarifications and refinements are made to this Development Agreement and Entitlements with respect to the details of the performance of the City and the Developer. The Parties desire a certain degree of flexibility with respect to those items covered in general terms under this Development Agreement.”

In short, the DA recognized that in order to make a project implementable, some flexibility in interpreting the intent of certain aspects of the Development Plan might be necessary. The following sections analyze the proposed design of the R-4 portion (Phase 3) for consistency with the Development Agreement.

5.2 Architectural Design Concept

In general, the two R-4 housing developments include many common design features, notably Contemporary/Mid-Century architecture, which is a style anticipated under the Avila Ranch Development Plan, and previously applied within a portion of the approved R-2 development. The following narrative provides an overview of the design concept for the two R-4 developments, highlighting their similarities and differences. Please refer to the [Agenda Report for the Architectural Review Commission meeting of October 2, 2023](#) for additional details.



Figure 2. Illustrative Site Plan

Market-Rate Housing Development (“Anacapa”). Market-rate units will be designed within two buildings (“Building A” and “Building B”) using a modern design theme based on the Bauhaus style of contemporary design, which features clean lines and simple functionality. The floor plans include studios/1 bath, 1-bedroom/1 bath, and 2-bedroom/2 bath units, ranging in size from 401 to 917 square feet (sf). Each unit includes a patio and storage area.

The ground floor of Building A includes 13 dwelling units (one studio; five 1-bedroom; and seven 2-bedroom). This building also includes community areas, such as a lobby, manager’s office, kitchen, lounge, bike parking room, and outdoor patio. The second and third floors of Building A each contain 15 dwelling units (one studio; six 1-bedroom; and eight 2- bedroom). Each of the three floors of Building B has 14 dwelling units (two studios, four 1-bedroom, and eight 2-bedroom). The second and third floors of both buildings also contain a large, covered terrace with views toward the Irish Hills and northwest toward Morro Bay. Table 3 summarizes the characteristics of the market-rate units in the Anacapa development.

Table 3. Summary of Market-Rate Development (Anacapa)

UNIT TYPE	SIZE (SF)	QUANTITY
Building A		
Studio	401	3
1-bedroom	572	17
2-bedrooms	917	23
3-bedrooms		-
	<i>Bldg. A Total</i>	43
Building B		
Studio	401	6
1-bedroom	572	12
2-bedrooms	917	24
3-bedrooms		-
	<i>Bldg. B Total</i>	42
	Total	85 units

Affordable Housing Development (“Sendero”). Similar to the market rate development, the design intent for the affordable housing project (“Sendero”) is to include stylistically similar modern building types. The Sendero side of the development includes a cluster of three-story buildings surrounding an interior courtyard intended to appear as a single structure. Following the Contemporary/Mid-Century architectural style that includes contemporary Bauhaus-style design elements, Sendero has a simple and functional design. The affordable housing project includes utilitarian features such as flat roofs that produce a basic, geometric appearance.

This is a stacked flat development that includes a variety of unit sizes and floor plans, with 1-, 2- and 3-bedroom units ranging in size from 748 to 935 sf. Each unit includes a patio and storage area.

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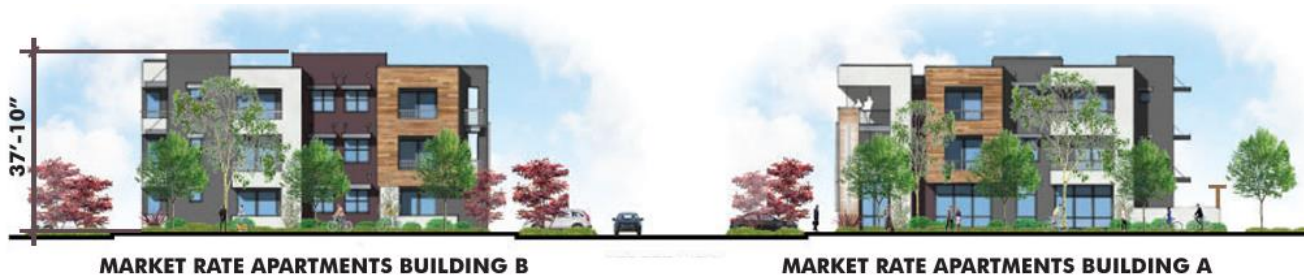
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On the ground floor, Sendero includes four 1-bedroom, seven 2-bedroom and seven 3-bedroom units. The second and third floors each contain four 1-bedroom, seven 2-bedroom and seven 3-bedroom units. A 5,200± sf interior courtyard area includes passive and active areas for both adults and children. A 1,000-sf community room also provides access to the courtyard. Table 4 summarizes the development characteristics of the affordable units in Sendero.

Table 4. Summary of Affordable Housing Development (Sendero)

UNIT TYPE	SIZE (SF)	QUANTITY
Studio		-
1-bedroom	529	18
2-bedrooms	748	21
3-bedrooms	935	21
	Total	60 units

Architectural Renderings: Anacapa and Sendero Figures 3 and 4 show architectural elevations of the market rate and affordable buildings. Additional renderings and design details are included in the project plans (Attachment B), Sheets A1.0 through A6.0. Also please refer to Sheets AX-1.0 through AX-4.1 for additional details regarding colors and materials, while Sheets L-1.3 through L-1.5 show the proposed landscape design of the project. Additional drawings are included as Attachment G, which the applicant has prepared to respond to ARC recommendations.



MARKET RATE APARTMENTS BUILDING B

MARKET RATE APARTMENTS BUILDING A

Figure 3. Earthwood Lane looking East, Market-Rate (Anacapa) Development



AFFORDABLE APARTMENTS BUILDING 1

Figure 4. Earthwood Lane looking West, Affordable (Sendero) Development

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5.3 Proposed Fence Height Exception

Municipal Code section 17.70.070 allows a maximum wall/fence height of 6 feet along rear and side setbacks or up to 9 feet when combined with a retaining wall. Exceptions to these requirements can be granted for circumstances relating to topography, and as allowed by the Zoning Regulations and the ARDP. Similar wall/fence height exceptions in Avila Ranch have been previously approved by the Community Development Director and the ARC/Planning Commission for other portions of the project.

A fence height exception is requested along the R-4 north and west tract boundaries adjacent to the Manufacturing, Service Commercial, and Business Park zoned properties to the north and west to allow for a concrete drainage channel. The requested maximum total combined wall/fence height is proposed at 9.1 feet on the north property line and 13.1 feet on the west property line, which includes the depth of drainage channel below grade. The visual part of the fence and wall, when viewed standing at grade, does not exceed 10 feet. See Attachment C (Fence and Wall Height Exception Exhibits) for proposed wall heights and locations with dimensions.

This exception is requested due to the site topography and to provide for drainage between the R-4 site and the adjacent active commercial properties to the north and west. The ARDP originally envisioned a landscaped drainage swale at this location to facilitate drainage from the adjacent property (ARDP Standard 11.2), however, due to the grade change, amount of drainage, and the need for a protective safety barrier between the multi-family property and the active commercial and industrial uses, a natural swale is not feasible.

Through the stormwater management and subdivision improvement plan process through the City's Engineering Department, a landscaped drainage swale was determined to be insufficient to convey the required 100-year storm event capacity. The alternative solution is proposed to incorporate a "catch and convey" drainage channel system. The design includes screening of the channel where possible while providing access for cleaning, repair, and maintenance. The ARC reviewed and discussed the proposed fence height exception and recommends Planning Commission approve the fence and wall combination as proposed.

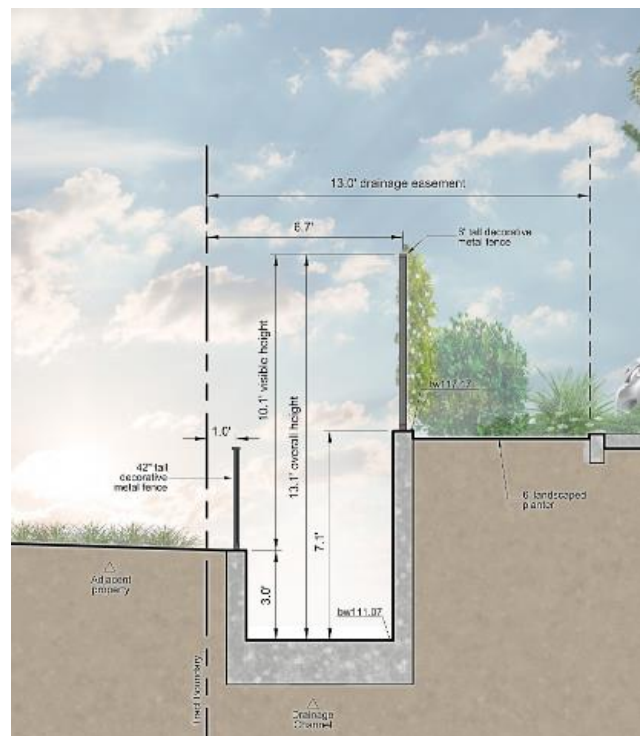


Figure 5. Proposed Wall/Fence Height Exception on North and West Boundaries

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5.4 Proposed Monument Sign Exception

The applicant is proposing two (2) monument signs, one on each side of Earthwood at the entrance to each side of the development. Each sign is proposed at 5-foot 6-inches in height, and 7-foot 6-inches in width, with a sign area of 20 square feet. The monument signs are proposed to be externally illuminated.

The City's Zoning Regulations do not allow monument signs in residential zones unless an exception is approved. The applicant has proposed, and the Architectural Review Commission has recommended, the two monument signs be allowed at the multifamily site in order to help with wayfinding.

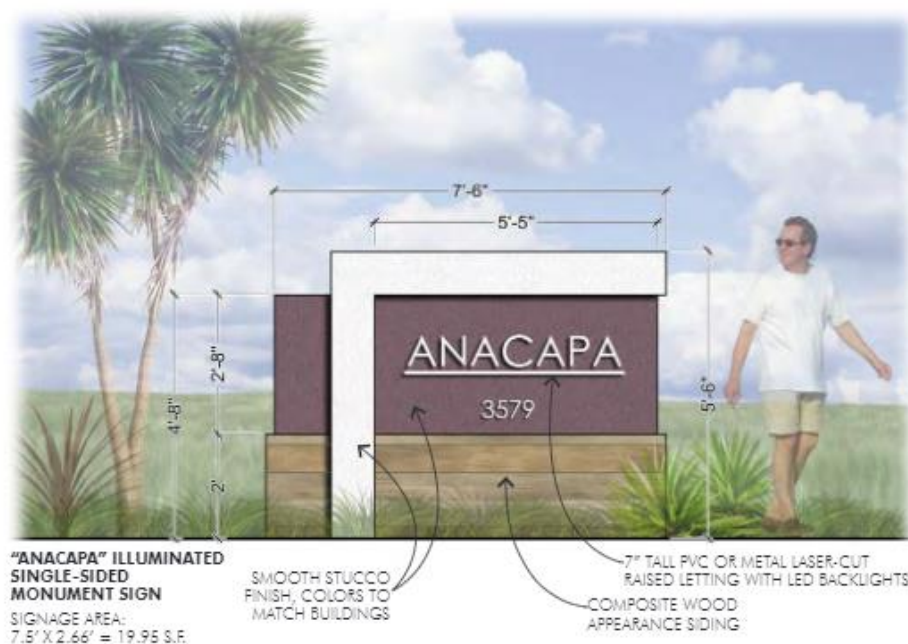


Figure 6. Proposed Wall/Fence Height Exception on North and West Boundaries

5.5 Energy Use

Section 7.07 of the Development Agreement addresses energy requirements for the project, which could potentially affect project design. Specifically, Section 7.07 requires that the project *"shall provide for accelerated compliance with the City's Energy Conservation Goals and its Climate Action Plan by implementing energy conservation measures significantly above City standards and norms."* In order to comply with Section 7.07 of the DA, and meet the intent of the Development Plan, the R-4 project must demonstrate energy conservation in excess of 10% over the 2016 building codes, and it must include sustainability features consistent with 2019 energy codes to the satisfaction of the Community Development Director.

The proposed Section 7.07 of the DA also requires that the project shall provide sustainability features including:

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Thus, in order to comply with Section 7.07 of the DA, and meet the intent of the Development Plan, the R-4 project must demonstrate energy conservation in excess of 15% over the 2016 building codes, and it must include sustainability features consistent with 2019 energy codes to the satisfaction of the Community Development Director. The Development Agreement provides the list shown above, but because the 2019 building code did not adopt net zero requirements as discussed below, it is ultimately the Community Development Director's decision to determine whether the proposed energy design is sufficient to meet requirements. (See emphasized text of Section 7.07 above).

project is committed to all-electric units. This is a key commitment that ensures that as the electricity grid continues to be rapidly decarbonized, buildings in the project will achieve operational carbon neutrality. Additionally, the project proposes rooftop solar system sizes beyond what would be minimally required by the California Energy Code. This is important because the additional solar will help offset energy costs associated with increased electricity use.

The applicant has provided a summary of Avila Ranch Energy Guidelines to show how the R-4 multifamily residential complies with the intent of the DA and ARDP (Attachment D). Solar will be provided on the roof of the three multifamily structures, rather than as shade structures in the parking lot. PV systems are designed above code minimums. The project is designed to comply with the 2022 energy code and will implement the citywide Clean Energy Choice Program. The City's Sustainability Manager has reviewed the applicant's energy features and found it to be consistent with the intent of the ARDP and the Development Agreement.

5.6 Affordable Housing Plan and Density Bonus

The City's 2023-2025 Financial Plan identifies Housing and Homelessness as a Major City Goal. The City's Housing Element includes numerous policies and programs that support incentives, such as density bonuses, to provide housing for low, very low and extremely low-income households. The Department of Housing and Urban Development's Housing Accountability Act and Density Bonus Law provide protections for housing development projects that include affordable housing and limit local agencies' ability to deny qualifying projects or condition them in a manner that render them infeasible.

Section 7.05 of the DA addresses the project's affordable and workforce housing requirements. The DA describes the intent of development within each zone, both in terms of housing size and affordability. The DA includes design and development strategies that serve to provide a range of additional affordable housing in excess of what would otherwise be required under the City's standard inclusionary ordinance. The DA includes design and development strategies that serve to provide a range of additional affordable housing in excess of what would otherwise be required under the City's standard inclusionary housing ordinance. These are contractual requirements of the Affordable and Workforce Housing Plan set forth in the DA (Exhibit G of the DA). Table 5 shows what the DA and Development Plan specify for the R-4 zone, and compares those to what is currently proposed with this project:

Table 5. Comparison of Housing Requirements in the DA and ARDP to Proposed			
	DA	ARDP	Proposed
Unit Count			
Density Units	115	-	*
Total (actual) Units	125	120-130	145
Unit Size			
Range of Size	550-1,150 SF	550-1,150 SF	401-935 SF
Average Size	850 SF	-	746 SF
Affordable Units			
Number of Units	24 lower income** 8 low income 8 moderate	-	32 low income 27 moderate 1 caretaker's unit
* See discussion of density bonus calculation for proposed project			
**Lower-income includes acutely-low, extremely-low, very-low, or low income as defined by the State Department of Housing and Community Development.			

Although there are minor differences between the minimum and average size of the housing units proposed within the project than what is described in the DA, the deviations are minor and consistent with Section 8.06 of the DA that provides for flexibility. In addition, the proposed development includes substantially more affordable housing than was anticipated in the DA, with 59 units in the Sendero development specifically targeted as affordable, as compared to a total of 40 units called for in the DA.

The Sendero portion of the project is requesting a 20% density bonus to increase the density of the property from 52 density units to 63 density units. In accordance with Density Bonus Law (Government Code Section 65915(f)(1)), to qualify for a 20% density bonus, the project must provide at least 10% of the base density (6 dwelling units) to be dedicated to low-income households. The project qualifies for a 20% density bonus because the project provides 32 units available to low-income households and 27 units available to moderate-income households, which exceeds the minimum requirements to meet State Density Bonus Law. No waivers, concession, or incentives are proposed as part of the project's density bonus request. State Density Bonus Law requires cities and counties to award a density bonus above a project's maximum allowable residential density in exchange for the applicant's agreement to dedicate the required number of dwelling units to low-income households.

The DA identified Lot 300 of the VTTM (now Lot 186 of Phase 1 Final Map) of the R-4 properties to be dedicated to an affordable housing developer to provide 24 lower-income units (Exhibit G of the DA). In addition, the DA required 8 low-income two-bedroom/one-bath units and 8 moderate income two-bedroom/one-bath units as part of the market rate development of Lot 301 of the VTTM (now Lots 185 & 188 of Phase 1 Final Map). A total of 40 deed restricted affordable rental units are required by the DA to be developed in Phase 3.

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On January 23, 2024, the City Council reviewed the [Avila Ranch Phase 2/3 Final Map](#) and approved a [Phase 3 Affordable Housing Agreement](#) which outlines the location of the affordable units and required timing for construction. This agreement is recorded in order to put notice on the property title and to identify specific requirements related to implementation of affordable housing. With the Phase 3 agreement, the City Council authorized all 40 low- and moderate-income rental units required by the DA in Phase 3 to be located on Lot 186 to be developed by the affordable housing developer. The City Council found the proposal to be in substantial conformance with the Avila Ranch Affordable Housing Plan (DA Exhibit G). In addition to the 40 units required by the DA, the applicants are proposing a density bonus to construct an additional 19 moderate income deed restricted units and one caretaker's unit on Lot 186. With the density bonus, a total of 59 units would be developed on Lot 186, and the site would be 100% affordable, excluding the caretakers unit.

In the event the affordable housing developer fails to construct the affordable units on Lot 186, the obligation to provide the affordable units remains the responsibility of Avila Ranch to complete, as required by the Avila Ranch Development Agreement. Timing requirements in both the Phase 1 and the Phase 3 Affordable Housing Agreements ensure that the for-rent affordable units will be constructed early in the project and not left to the last phase. The units on the affordable housing site fulfill a large portion of the project's inclusionary housing requirement, and therefore, completion of these units is required to fulfill Avila Ranch's affordable housing obligations. The Phase 3 Affordable Housing Agreement (Sections 5.4 and 5.5) includes a timing milestone that requires building construction to commence on the affordable site prior to issuance of a building permit for Avila Ranch's 500th unit, and construction of the affordable for-rent units to be substantially complete prior to the issuance of a building permit for Avila Ranch's 550th unit. These timing requirements were developed to give the affordable housing developer enough time to acquire financing and permits for the project and to create measurable milestones to ensure the affordable development moves forward in a timely manner.

5.7 ARDP, Zoning, and Design Guidelines

The ARDP was approved by the City Council as one of the key project entitlements in 2017. In general, it provides the blueprint for future development in the Avila Ranch planning area and provides the standards and guidelines for such development pursuant to that portion of the Airport Area Specific Plan, of which Avila Ranch is a part. The ARDP also works in conjunction with the Development Agreement, and in some cases, the City's Zoning Regulations, for project aspects that are not otherwise addressed in the ARDP. The ARDP is available at the following link from the City's website: <https://www.slocity.org/home/showpublisheddocument/15869/636323578303470000>.

To accommodate the proposed project as designed, the applicant has requested a change in the ARDP R-4 standard minimum front setback from 15 feet to 10 feet, which is consistent with recently updated citywide Zoning Ordinance setback standards for the Medium-High (R-3) and High (R-4) density residential zones. R-4 setback standards included in the ARDP is shown in Attachment E. Please refer to Attachment F for a discussion of the project’s consistency with City policies, including those within the ARDP.

Notably, some flexibility was built into the ARDP through the provisions of the Development Agreement, as previously discussed. This is important, because it allows for some deviation from Development Plan standards in project design, if such deviations are determined to be consistent with the intent of both the Development Agreement and ARDP as applicable.

Although the ARDP addresses a wide range of issues, the most important portion of the document that relates to housing and site design is the Design Framework section ([Avila Ranch Development Plan, page 37](#)). This section includes numerous standards and guidelines that complement the City’s R-4 Zoning requirements, and in some cases provide further direction or refinement as it relates to parameters such as building height, setbacks, and minimum lot sizes. Table 6 summarizes the key proposed project components within the R-4 zoned portion of the Avila Ranch project area, compared to the regulations as set forth in both the Avila Ranch Development Plan and the City’s Zoning regulations:

Table 6. Comparison of Proposed Development to City Regulations

Site Details	Proposed	Allowed/Required*
Setbacks Front	Variable; up to 10 feet	15 feet per ARDP, 10 feet per Municipal Code
Side	10 feet	10 feet
Rear	0 feet (at lot line)	0 feet (at lot line)
Street Corner Lot	15 feet	15 feet
Maximum Height of Structures	33-38 feet, with 38’ at architectural projections of buildings (now revised to 37’10” in response to ARC)	35 feet (in R-4 zone per SLO Municipal Code); AASP & ARDP do not establish R-4 building heights
Max Lot Coverage	Sendero: 25% Anacapa: 28%	No R-4 standard in ARDP (City standard for R-4 is 60%)
Minimum Lot Area	Sendero: 1.81 ac, 60 units Anacapa: 2.24 ac, 85 units	Lot sizes established in Tract Map and ARDP
Vehicle and Bicycle Parking		
Number of Vehicle Spaces	<u>Sendero:</u> 81 vehicle (13 accessible); 5 motorcycle	<u>Sendero:</u> 81 vehicle (13 accessible); 5 motorcycle
EV Spaces	41 EV- capable spaces <u>Anacapa:</u> 114 vehicle (10 accessible); 6 motorcycle	41 EV- capable spaces <u>Anacapa:</u> 116 vehicle (10 accessible); 6 motorcycle

Table 6. Comparison of Proposed Development to City Regulations

Site Details	Proposed	Allowed/Required*
	57 EV-capable spaces	57 EV-capable spaces
Number of Bicycle Long-Term Short-Term	<u>Sendero:</u> 84 12 + 9 e-bike spaces	<u>Sendero:</u> 105
Long-Term Short-Term	<u>Anacapa:</u> 180 20 + 9 e-bike spaces (209 total with alternative compliance for replacing 2 parking spaces with 10 bike spaces as allowed by 17.72.050(F)(2))	<u>Anacapa:</u> 180 17
Residential Density	Per ARDP; 125 units plus 20 additional density bonus	Per ARDP; 125 units
Environmental Status	Actions covered by certified 2017 Avila Ranch Final EIR	

* 2019 Zoning Regulations; Airport Area Specific Plan; Avila Ranch Development Plan

For further discussion on how the project elements shown above in Table 6 are consistent with the intent of the ARDP, Community Design Guidelines (CDG), and Zoning Regulations, see Attachment F (Development Plan and Community Design Guidelines Consistency).

5.8 Architectural Review Commission

Project architecture design was previously reviewed by the ARC on October 2, 2023, and found to be consistent with the intent of the ARDP. The ARC recommended approval to the Planning Commission, with the following direction:

1. The proposed monument signs should be externally lit.
 - *The applicant is in agreement with the ARC recommendation. Staff has included Condition of Approval #5 in the attached resolution, which requires monument signs on the R-4 site to be externally illuminated (not internally lit).*
2. Slightly reduce the height of the proposed roof projections to less than 38 feet, and to make the tallest arched roof projections more rectilinear in design.
 - *The applicant has provided revised elevations in response to ARC’s recommendations. The height has been reduced to below 38 feet (37 feet and 10 inches) and the roof projections have been redesigned with a rectilinear shape. See Attachment G for revised elevations.*
3. Include enhancements to the parking lot paving to provide visual cues for wayfinding and to provide visual interest, including additional decorative pavement between the two buildings on the Anacapa site.

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- *The applicant has provided a revised exhibit (Attachment G) to show areas of decorative stamped concrete at each of the four (4) driveway entrances, and ADA striping through the parking lots to provide pedestrian connections between the buildings and to bicycle storage areas.*

The applicant team has prepared revised exhibits to address ARC's directional items, which are included in Attachment G. The ARC's recommendations are also discussed as appropriate in the Development Plan and Community Design Guidelines Consistency table, provided as Attachment F to this report.

6.0 ENVIRONMENTAL REVIEW

The Avila Ranch project and associated [Final Environmental Impact Report \(FEIR\)](#) were respectively approved and certified by the City Council on September 19, 2017, pursuant to Resolution No. 10832 (2017 Series). On January 23, 2024, the Council approved a [FEIR Addendum](#) to modify the timing of Mitigation Measure TRANS-11, which requires bicycle bridges on Buckley Road. The updated mitigation requires the bicycle bridge to be installed concurrently with installation of the adjacent bicycle lanes on Buckley Road.

In order to evaluate the impacts of the proposed density bonus units, a transportation analysis has been prepared to analyze the trip generation of the additional 20 affordable units on the Sendero site. The transportation analysis (Attachment G) finds that the addition of 20 affordable housing units would not result in new impacts to Vehicle Miles Traveled (VMT) and would not result in additional transportation impacts. The mitigation measures incorporated with the original 2017 FEIR and the 2024 FEIR Addendum are sufficient to mitigate the impacts of the project as proposed. Based on this updated analysis and the project documentation described above, the project is in substantial conformance with the Final EIR, FEIR Addendum, and prior environmental determination. In accordance with Section 15164 of the State CEQA Guidelines, the City of San Luis Obispo has determined that an Addendum #2 to the certified Final EIR is necessary to document changes or additions that have occurred since the Final EIR was originally certified, including the addition of an additional 20 density bonus units on the affordable housing site (Addendum #2, Attachment H). As described in Addendum #2, the proposed increase in development potential from 720 to 740 dwelling units represents a 2.8% overall increase in the total number of residences under the Avila Ranch Development Plan and would not create any new ground disturbance in any area within the ARDP that was not already evaluated in the Final EIR. The density bonus would not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

A transportation analysis has been prepared to analyze the trip generation of the additional 20 affordable units on the Sendero site. The transportation analysis (Attachment I) finds that the addition of 20 affordable housing units would not result in new impacts to Vehicle Miles Traveled (VMT) and would not result in additional transportation impacts. The mitigation measures incorporated with the original 2017 FEIR are sufficient to mitigate the impacts of the project as proposed. Based on this updated analysis and the project documentation described above, the project is in substantial

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conformance with prior environmental determination. The FEIR and the two (2) FEIR Addendums constitute the complete environmental determination for the project, which included the Development Agreement, Development Plan, and approved VTTM 3089. The proposed R-4 design complies with previously approved project documentation as described above.

The City received agenda correspondence on January 22, 2024, from Mitchell M. Tsai Law Firm, specifically Stephanie Papayanis, which included comments on the FEIR Addendum, Final Map acceptance by City Council, and the current application ARCH-0197-2023 related to the density bonus request. Section IV of the letter suggests that the density bonus request must be denied because it will have specific adverse environmental impacts. However, the local agency does not have discretion to deny a request for a density bonus if the project satisfies the requirements set forth in Government Code Section 65915, as this project does. By contrast, the local agency may deny a requested incentive, concession, or waiver of development standards (different than a request for a density bonus itself) if the agency finds the request would result in a specific adverse impact as defined by the Density Bonus Law. Here, the applicant is *not* requesting an incentive, concession, or waiver of development standards to accommodate development at the increased density afforded by the bonus, and therefore, Ms. Papayanis' argument is misplaced.

Ms. Papayanis further commented that additional environmental review is required for this project. A Statement of Overriding Considerations has been adopted by the City Council with the Final EIR in 2017. A second Addendum to the Final EIR (Addendum #2) has been prepared to address updated information related to the proposed density bonus for an additional 20 units on the R-4 zoned affordable housing parcel. No Supplemental Environmental Impact Report is required pursuant to Public Resources Code §21166 and State CEQA Guidelines Section 15162 because: 1) the project does not include or require any revisions to the certified FEIR; 2) no substantial changes would occur with respect to the circumstances under which the project is being undertaken, and no revisions to the FEIR are required; and 3) no new information of substantial importance is available that was not already known at the time the FEIR was certified.

7.0 OTHER DEPARTMENT COMMENTS

The project has been reviewed by various City departments and divisions including Planning, Housing, Engineering, Transportation, Building, Utilities, Sustainability Division, and Fire. While a number of code requirements will apply to the project review at the building permit stage, minimal comments were provided for project-specific conditions of approval since the project is consistent with the previously approved ARDP and tract map which has included prior review for tract conditions and public improvements which are not in the scope of this project review. Conditions of approval are included in the resolution (Attachment A).

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8.0 ALTERNATIVES

1. Continue the project. An action continuing the application should include direction to the applicant and staff on pertinent issues.
2. Deny the project. Deny the proposed R-4 design by finding the project inconsistent with the General Plan, AASP, previously approved Avila Ranch Development Agreement, and/or the intent of the Development Plan when considered in the context of the Development Agreement and City Zoning regulations.

9.0 ATTACHMENTS

- A - Draft PC Resolution approving the project
- B - Avila Ranch Phase 3 R-4 Project Plans
- C - Avila Ranch Fence and Wall Height Exception Exhibits
- D - Avila Ranch Energy Guidelines for Phase 3 R-4 Multifamily Residential
- E - ADRP R-4 Development Standards
- F - Development Plan and Community Design Guidelines Consistency
- G - Project Design Revisions to Address ARC Comments
- H - Avila Ranch Final EIR Addendum #2
- I - Transportation Analysis for proposed Density Bonus Units
- J - [Public Comment Letter – 1/22/2024, Mitchell M. Tsai Law Firm](#)