



**Department:** Community Development  
**Cost Center:** N/A  
**For Agenda of:** 4/16/2024  
**Placement:** Public Hearing  
**Estimated Time:** 30 Minutes

**FROM:** Timmi Tway, Community Development Director  
**Prepared By:** Owen Goode, Assistant Planner

**SUBJECT:** REVIEW AND ACCEPT THE 2023 GENERAL PLAN ANNUAL REPORT

### **RECOMMENDATION**

As recommended by the Planning Commission, review and accept the 2023 General Plan Annual Report

### **POLICY CONTEXT**

According to Land Use Element Policy 11.3 the City shall prepare an annual report on the status of the General Plan, which is to include the following items:

- A. A summary of private development activity and a brief analysis of how it helped achieve General Plan goals;
- B. A summary of major public projects and a brief analysis of how they contributed to achieving General Plan goals;
- C. An overview of programs, and recommendations on any new approaches that may be necessary;
- D. A status report for each General Plan program scheduled to be worked on during that year, including discussion of whether that program's realization is progressing on schedule, and recommendations for how it could better be kept on schedule if it is lagging;
- E. A status report on how the City is progressing with implementing its open space preservation policies and programs;
- F. Updated population or other information deemed important for the Plan.

All jurisdictions are required to provide the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD), with separate General Plan Annual Reports, per Government Code Sections 65400 and 65700.

## DISCUSSION

### Background

The General Plan Annual Report is an opportunity for the City to keep the General Plan current by reflecting on how well the Plan continues to meet the City's goals and objectives. It is also an opportunity to review how well the programs identified in the Plan are being implemented and to determine if programs are still relevant or if priorities should be reassigned.

Assessment of the implementation of the General Plan informs the City Council about the availability of resources and about programs and projects that might be initiated as the City develops a new financial plan. During the budgeting process, City Council reviews the progress being made to implement the General Plan and decides whether or not to move forward with additional work programs over the next two years.

### Report Organization

The General Plan contains an array of policies and implementing programs covering most types of City actions. General Plan implementation supports the quality-of-life objectives for the community that serve as the foundation for the General Plan. Activities undertaken by the City through its Capital Improvement Program projects, project plans and studies, facility maintenance and management, and inter-agency coordination each play a part in the General Plan Implementation. The General Plan Annual Report touches on the major programs that saw activity in 2023. The report is organized around the following key implementation areas:

1. General Plan Element Updates
2. Community Development Department
3. Planning and Building Activity
4. Regional Housing Needs Allocation (RHNA) Progress
5. Housing Element Program Implementation
6. Homelessness Policies and Programs
7. Residential Growth
8. Non-Residential Growth
9. Specific Plan Area Development
10. Municipal Code Updates
11. Economic Development
12. Policy Initiatives
13. Water Supply
14. Transportation & Circulation
15. Safety Services
16. Neighborhood Wellness
17. Conservation & Open Space
18. Parks & Recreation

### Report Highlights

In 2023, the City continued to make progress implementing General Plan Programs. The City completed and approved the Climate Adaptation and Safety Element update and began implementation of the element in 2023. A specific example of this implementation is the Flood Damage Prevention program (FL-3.8) where staff designed Capital Improvement Projects to create additional channel capacity and the funding request to update the Waterway Management Plan (FL-3.7) that will allow staff to identify new opportunities to integrate updated methodologies for flood prevention.

## Item 7a

The City's Major City Goals for Fiscal Years 2023-25 were adopted through the FY 2023-25 Financial Plan which was approved in June 2023. These Major City Goals are Climate Action, Open Space & Sustainable Transportation; Diversity, Equity, and Inclusion (DEI); Economic Resiliency, Cultural Vitality and Fiscal Sustainability; and Housing and Homelessness. These Major City Goals resulted in a significant amount of activity in the General Plan program areas discussed above and will continue to be the City's top priority through the end of the FY 2023-25 Financial Plan.

Development activity in 2023 remained strong and saw an increase in building permit issuance. 600 building permits were issued in 2023, a 12 percent increase from last year's issuances. It should be noted that over half of those permits were associated with residential and commercial alterations, totaling 358 permits, and 216 permits were associated with new residential development. The remainder was associated with demolitions (20 permits), and new commercial development (6 permits).

Based on the Community Development Department's running total of "finalized" permits for non-residential construction, 41,363 square feet of floor area was added to the city in 2023, yielding a five-year net non-residential growth rate of 2.35 percent. Land Use Element Policy 1.11.4 states that the City Council shall consider establishing limits for the rate of non-residential development if the increase in non-residential floor area for any five-year period exceeds five percent. The City is significantly below the threshold to establish any non-residential growth limit at this time.

The Land Use Element policy related to residential growth (LUE 1.11.2) states that the City's housing supply shall grow no faster than one percent per year, on average, based on established thresholds in Table 3 of the Land Use Element. Based on the Community Development Department's residential building permit data, the City has maintained an average annual growth rate of 0.98 percent per year since 2015, in compliance with the one percent maximum average annual growth rate.

Housing production has been a Major City Goal for several financial plans and the City has prioritized programs that support new housing production. Lack of affordable and workforce housing continues to be an obstacle for many residents in San Luis Obispo. The good news is that the City is purposefully growing in alignment with the community's long-range plans and priorities. Current levels of residential growth are consistent with the City's Growth Management Ordinance and the City's obligations to accommodate its Regional Housing Needs Allocation (RHNA). The City has planned its resources to support a "build out" population of 57,200 residents, while the current State population estimate for the City is 47,788 residents as of January 1, 2023. To see details on this current RHNA Cycle, please see page 12 of the GPAR which shows a detailed tracking of the City's below market rate housing units permitted since 2019.

**Previous Advisory Body Action**

The Planning Commission reviewed the 2023 General Plan Annual Report on March 13, 2024. Staff responded to Planning Commission questions regarding updates on the City’s Growth Management policies, RHNA Progress, and the status on various development projects and specific plans. The report was unanimously recommended to be forwarded to the City Council.

**Public Engagement**

The General Plan Annual Report is strictly a reporting document and does not create nor modify any goals or policies found within the General Plan. Once accepted by the City Council, the Report will be available on the City’s website for public review and will be submitted to the State Department of Housing and Community Development (HCD) and the Office of Planning and Research (OPR) as required. In addition, the public will have the opportunity to provide public comment before or during the City Council meeting.

**CONCURRENCE**

The Community Development Department prepares the General Plan Annual Report with significant input from the other City departments. Administration (including Natural Resources, Economic Development, and Office of Sustainability divisions), Utilities, Public Works, Police, Fire, and Parks and Recreation Departments collaborated with the Community Development Department to complete the report.

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA) does not apply because the General Plan Annual Report does not constitute a “Project” under CEQA Guidelines Sec. 15378.

**FISCAL IMPACT**

Budgeted: Yes/No

Budget Year: N/A

Funding Identified: Yes/No

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$ N/A	\$	\$	\$
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$</b>	<b>\$0</b>

## Item 7a

The acceptance of the 2023 General Plan Annual Report does not have a direct fiscal impact. However, it should be noted that it is estimated that the City's population will grow to 56,686 at full build out of the General Plan, by 2035. This represents a 19% increase compared to the City's population as of January 1, 2023, which will trigger the need for additional staff and other resources to support a larger population and respond to an increasing diversity of needs.

### **ALTERNATIVES**

***Continue consideration of the 2023 General Plan Annual Report.*** Although no action is recommended in association with this recommendation, the City council could ask staff to return during a future meeting to present additional information.

### **ATTACHMENTS**

A - 2023 General Plan Annual Report