



Department: Community Development
Cost Center: 4008
For Agenda of: 10/15/2024
Placement: Consent
Estimated Time: N/A

FROM: Timmi Tway, Community Development Director
Prepared By: Callie Taylor, Senior Planner

SUBJECT: CONSIDERATION OF A RESOLUTION OF INTENTION TO ABANDON PORTIONS OF SLACK STREET, WHICH IS PROPOSED TO ACCOMMODATE CAL POLY FACULTY AND STAFF HOUSING, AS WELL AS FUTURE CONSIDERATION OF A DETACHMENT TO ADJUST CITY LIMIT BOUNDARIES NEAR CAL POLY (STAB-0038-2024, ANNX-0219-2024)

RECOMMENDATION

Adopt a Draft Resolution of Intention entitled “A Resolution of the City Council of the City of San Luis Obispo, California to abandon portions of Slack Street, which is proposed to accommodate Cal Poly faculty and staff housing, as well as future consideration of a detachment to adjust city limit boundaries near Cal Poly (STAB-0038-2024, ANNX-0219-2024)”, and set a public hearing for November 12, 2024, to consider a Resolution of Abandonment and Detachment.

REPORT-IN-BRIEF

Applications have been submitted by Cal Poly University (Cal Poly) requesting right-of-way abandonment on Slack Street and a corresponding modification to the City limit line (i.e., detachment) in order to accommodate a faculty and staff housing project on the Cal Poly campus. Cal Poly is planning to construct a 33-unit single-family housing development, known as Vista Meadows, at the northeasterly corner of Slack Street and Grand Avenue.

The existing right-of-way on Slack Street is 70 feet in width on the east of Grand Avenue; however, street improvements are located on only the southern half of the right-of-way with approximately 22 feet of existing pavement. Cal Poly is proposing to improve the northern portion of the right-of-way and extend public improvements to a minimum of 37-feet in width. Cal Poly is requesting that the City abandon the remaining unused right-of-way to facilitate the housing project.

On the west side of Grand Avenue, a sidewalk was installed by Cal Poly in 2020 with an encroachment permit, issued by the City, that required detachment and abandonment to ensure ongoing liability and maintenance is provided by Cal Poly. The current application

for right-of-way abandonment includes both the new sidewalk on Slack Street east of Grand Avenue and the existing sidewalk on Slack Street west of Grand Avenue on Cal Poly’s frontage. With abandonment, these sidewalks would be owned and maintained by Cal Poly, thereby removing liability and ongoing maintenance responsibilities from the City.

At the October 15, 2024 meeting, Council is being asked to consider adopting a Resolution of Intention to set a hearing date to consider the proposed abandonment. Should the Council adopt the Resolution of Intention, a hearing date would be set for November 12, 2024, at which time the Council would consider and render a decision on the final Resolution of Abandonment.

City boundary limits, which define the City’s jurisdictional area, currently coincide with the existing right-of-way boundary at the northern edge of Slack Street on both east and west of Grand Avenue. A modification to the City limit boundary is proposed in conjunction with the street abandonment. A detachment application, which is the reverse of an annexation, is proposed to modify the City limit boundary to coincide with the proposed right-of-way edge on the northern side of Slack Street, both east and west of Grand Avenue. The area of detachment and abandonment includes only portions of Cal Poly’s frontage which are fully built out with frontage improvements, including curb, gutter, sidewalk, and undergrounding of utilities. Areas of frontage that remain unimproved (including the far east portion of Slack Street and the far west portion of Slack Street near Longview Lane) will remain as City right-of-way and under City jurisdiction in order to ensure future frontage improvements are built to City standards.

A second detachment area is proposed on Hathway to adjust the City limit line to correct historical boundary inconsistencies at APN 052-082-028, which is owned and previously developed by Cal Poly University. The subject areas of the street abandonment and detachment applications are shown in Figure 1 below. **A resolution to consider detachment will be considered by the City Council concurrently with the Resolution to Abandon at the November 12, 2024 public hearing.** There is no detachment action associated with this current Council meeting on October 15, 2024.

SITE DATA

Applicant	Cal Poly San Luis Obispo University
Zoning	Right-of-way, Public Facility (PF), and R-1
General Plan	Right-of-way, Public (PUB), and Low Density Residential (LDR)
Site Area	Slack Street abandonment and detachment: 1.72 ± acres APN 052-082-028 (Hathway) detachment: 3.18 ± acres
Environmental Status	Project is consistent with the Final Environmental Impact Report for the Cal Poly 2035 Master Plan and the EIR Addendum for the Slack and Grand Faculty/Staff Housing Project

The Cal Poly Vista Meadows faculty and staff housing project itself is located outside of City limits on State land and is not under consideration by the City Council. Only the portions of the improvements proposed within City right-of-way and within current City limits are under the City's jurisdiction.

PREVIOUS REVIEW

[June 4, 2024](#): At an initiation meeting, the City Council authorized staff to proceed with processing the detachment application to modify the City limit boundary to accommodate a new Cal Poly faculty and staff housing development known as Vista Meadows, as well as other City limit clean-up areas as needed to correct historical jurisdictional boundary crossings around Cal Poly. Applications to modify the City limit are referred to City Council for initiation and early consideration prior to staff processing the application, similar to a request to amend the City's General Plan (Municipal Code Section 17.130.020).

On June 4, 2024, Council expressed support for the Vista Meadows project but offered the following direction and guidance to staff:

1. The Vista Meadows project should include the necessary street lighting and traffic calming on Slack Street frontage.
2. The City needs to be a good neighbor to Cal Poly and at the same time protect the City's interest. The Vista Meadows project should pay for all costs including staff time required to advance this project. The Vista Meadows project should pay the standard permit fees that fund cost of services provided to the project.
3. Bring back for Council consideration information on the valuation of the right-of-way requested to be abandoned for the Vista Meadows project.

[August 13, 2024](#): During closed session, Council provided direction to staff regarding negotiating parameters for the price and terms of payment related to the proposed real property transaction. This closed session discussion fulfilled item #3 identified at the June 4, 2024 Council meeting.

[September 25, 2024](#): The Planning Commission reviewed the request on September 25, 2024, and made a determination of General Plan conformity as well as a recommendation to the City Council to adopt a "Resolution of Intention" to consider abandonment of the public right-of-way and to initiate a detachment by directing staff to submit an application to LAFCO. [Planning Commission Agenda Correspondence](#), including an email from a neighbor on Slack Street and public comment at the hearing from a resident on Hays Street, was provided for Planning Commission consideration.

DISCUSSION

Background

Cal Poly is planning to construct a 33-unit single-family housing development, known as Vista Meadows, on the lower portion of an 8.5-acre parcel at the north easterly corner of Slack Street and Grand Avenue, as shown in Figure 2.

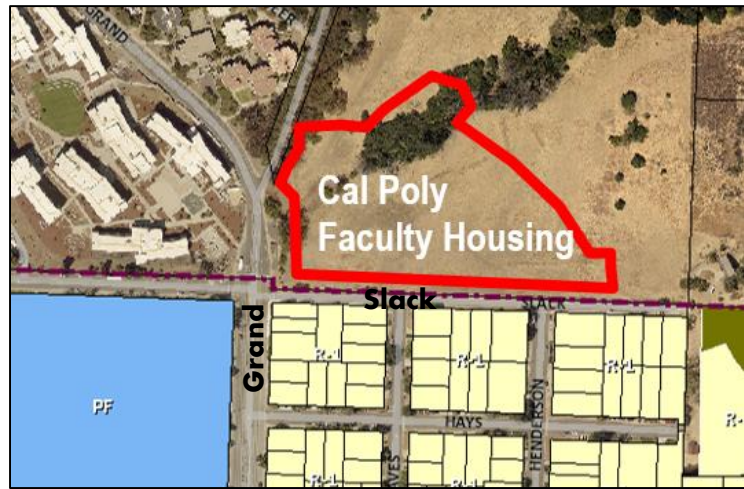


Figure 2: Location of Cal Poly's Housing Project at the northeast corner of Slack Street and Grand Avenue

Cal Poly is located outside City limits within the County of San Luis Obispo. The City of San Luis Obispo was a commenting agency on the Campus Master Plan and EIR, but does not have jurisdiction over the university. The State of California is a superior agency, which acts as the lead agency for CEQA and issues its own permits through the State architect for development on-site, rather than obtaining permits through the County of San Luis Obispo. While Cal Poly is located outside of City limits, the City of San Luis Obispo has jurisdiction of Slack Street, which is a City right-of-way within City limit boundaries. In order to build frontage improvements and widen Slack Street to City standard, Cal Poly must obtain an encroachment permit from the City. Cal Poly has submitted a street abandonment application to the City to request abandonment of unused right-of-way.

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Project Description

Slack Street East of Grand: Vista Meadows, Cal Poly Faculty and Staff Housing

Cal Poly's Vista Meadows housing development includes 33 single-family homes, proposed as two-story, detached 1,900 square foot residences with supporting amenities for Cal Poly faculty and staff, including open space, a community garden, trails, and other recreational features. Fourteen (14) of the residences are proposed to be constructed along the north side of Slack Street between Grand Avenue and Henderson Avenue and would be accessed by individual driveways directly from Slack Street. A 5-foot sidewalk and landscaped parkway would be constructed along the northerly development frontage on Slack Street. Access to the remainder of the residential development would be provided by two internal streets intersecting Slack Street directly in line with City streets Henderson Avenue and Graves Avenue to the south. Parking for residents would be accommodated within the project site, with parking for two cars per residence (66 in total) within the ground floor of each residence with additional visitor parking provided in two surface parking lots along the extension of Henderson Avenue. The conceptual development plan is provided in Figure 3 below.

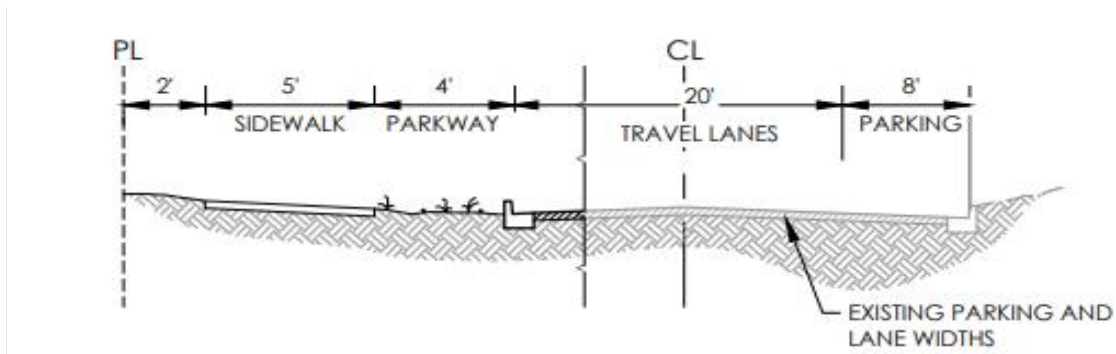


Figure 4. Proposed Frontage Improvements on Slack Street, Typical Section

Cal Poly has requested the City vacate the remaining 25-feet of right-of-way beyond the back of the northern edge of the new sidewalk to accommodate housing in this location. The full 70-foot width of existing right-of-way is not needed for public street improvements. Construction of residential units are proposed here at the lower slope of the property in order to minimize grading impacts on the sloped Cal Poly property. If right-of-way is not approved for abandonment by the City in the area beyond the back of sidewalk, Cal Poly would have to redesign the housing project, which could result in additional grading, environmental, and aesthetic impacts on the sloped lot.

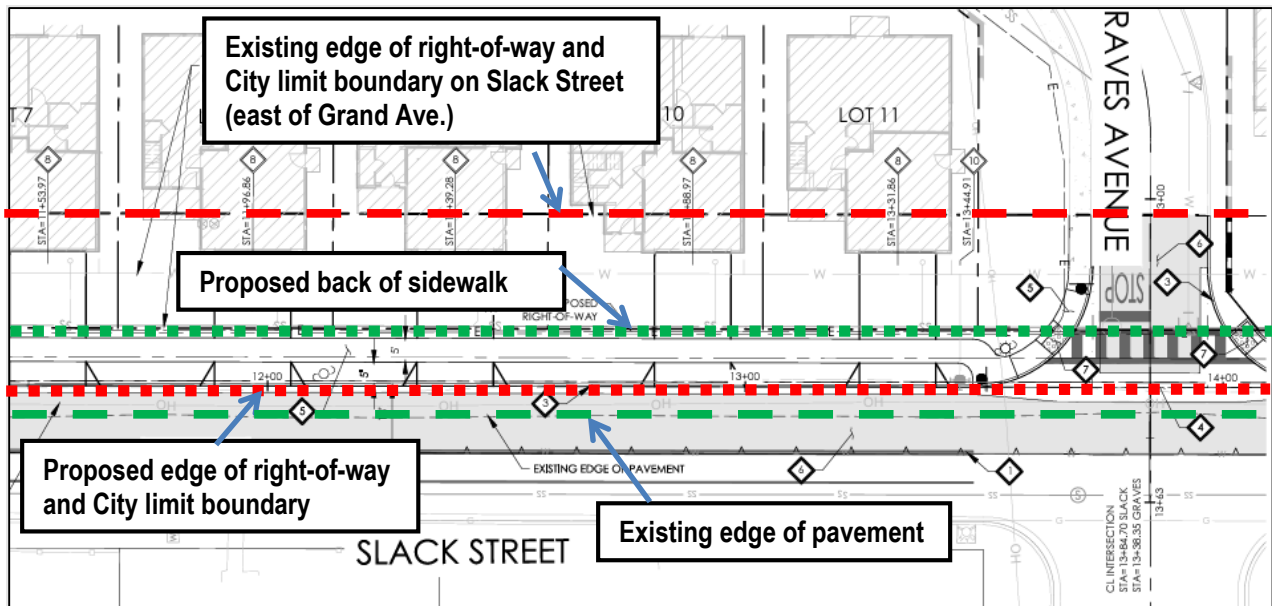


Figure 5. Existing and Proposed Right-of-way and City Limits on Slack Street

The right-of-way abandonment is proposed to extend to the front of curb where the concrete curb connects to the asphalt street. This would transfer ownership, as well as all maintenance and liability obligations, of the northern sidewalk and landscaped parkway on Cal Poly's frontage to Cal Poly, thereby removing liability and ongoing maintenance responsibilities from the City. A pedestrian access easement would be recorded to maintain public access on the new Slack Street sidewalk.

City limits, which define the City’s jurisdictional area, currently coincide with the location of the existing right-of-way boundary at the northern edge of Slack Street. A modification to the City limit boundary is proposed in conjunction with the street abandonment. The existing and proposed right-of-way and City limits on Slack Street east of Grand Avenue are shown in Figure 5 above.

Frontage improvements and undergrounding of utilities, as well as the associated street abandonment and modification to the City limit line, are proposed on Slack Street only in the area directly fronting the new faculty and staff housing development. This is proposed on Slack Street between Grand Avenue to just past Henderson Avenue. The remaining 200-feet of Slack Street past Henderson would remain as existing, with no proposed changes to existing right-of-way or City limits beyond the Cal Poly development. The new faculty housing project will be served by water and sewer provided by Cal Poly through existing agreements with the City of San Luis Obispo and will utilize pipelines and connections that will be extended through the campus.

Slack Street West of Grand

Abandonment and detachment on Slack Street west of Grand Avenue is also being proposed with this application. The adjustments in this area are proposed to correspond with previous frontage improvements that were installed by Cal Poly in this area through encroachment permits in 2020 as part of the campus housing project in this location. A condition of that previous encroachment permit was to adjust the right-of-way boundary at a future date in order to remove the City’s liability and maintenance obligations for Cal Poly’s improvements in this area.



Figure 6. Area of abandonment west of Grand

Abandonment and detachment are being proposed on Slack Street west of Grand Avenue to the terminus of the existing sidewalk along the Cal Poly frontage, as shown in Figure 6 and Attachments C and D of this report. This will transfer liability and ongoing maintenance of the improved frontage to Cal Poly. A pedestrian access easement will be recorded to preserve public access along the frontage. Unimproved areas of the frontage further west will remain under City jurisdiction so that the City can ensure future frontage improvements are developed to City standards.

City Limit Modification (Detachment) at Hathway

City staff and Cal Poly have identified an additional area along the edge of Cal Poly as a candidate for clean-up to correct City limit boundary crossings from past development. An area of Cal Poly off Hathway near Mott gym (APN 052-082-028) is within City limits but is owned by Cal Poly and previously developed with campus improvements. This area is being proposed for inclusion with the current detachment application to correct historical jurisdictional boundary line inconsistencies, as shown in Figure 7.

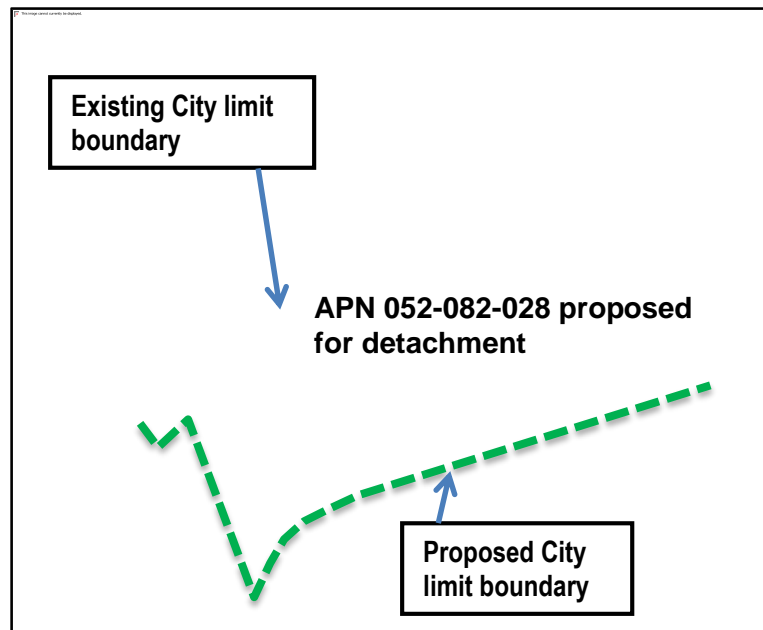


Figure 7. Additional City limit boundary modification on Hathway to correct historical inconsistency

City staff has initiated preliminary discussions with LAFCO regarding the detachment application, including potential boundary clean-up areas. LAFCO staff is supportive of the proposal to process a detachment application to create jurisdictional boundaries that coincide with Cal Poly's development limits.

PROJECT ANALYSIS

In order to abandon the right-of-way, the California Streets and Highways Code requires the abandonment to be found consistent with the City's General Plan and a finding that the right-of-way is unnecessary for present or prospective public use. In addition, continued access to any City or public utility services and improvements needs to be properly preserved. The Planning Commission considered constraints and conditions at the [September 25, 2024](#) public hearing, and made a determination of General Plan consistency. If the City Council adopts a Resolution of Intention to proceed with a public hearing to consider the street abandonment application, complete analysis will be included in the November 12, 2024 report for consideration of the Resolution to Abandon and consideration of a detachment application to LAFCO.

Future Circulation Needs

The General Plan Circulation Element designates Slack Street as a residential local street. The frontage improvements proposed on the east side of Grand for Vista Meadows and the existing frontage improvement on the west side of Grand are consistent with City standards. The abandonment of unused portions of Slack Street in these areas does not conflict with future circulation needs as frontages are or will be developed to City standard. The City has requested, and will include a condition of approval, to record a public pedestrian access easement on the sidewalk on the north side of Slack Street. The area is being abandoned

so that Cal Poly will maintain the sidewalk and landscaped parkway, however, public access shall be preserved. With buildout of Slack Street to current City standard and recordation of a pedestrian access easement, the finding can be made that the right-of-way at this location is unnecessary for present or prospective public use.

Public Utilities

If the Council determines that the right-of-way should be abandoned, easements must be reserved for public and private utilities to the satisfaction of the City and the respective utility companies. These easements will ensure that the affected local utilities retain rights to repair and service their facilities within the area proposed for abandonment. The overhead lines are proposed to be installed underground as part of the frontage improvements in the area of the Vista Meadows development. Easements for existing utilities within the right-of-way areas will be reserved as a condition of the abandonment. The Public Works Department and Utilities Department support the proposed abandonment, subject to reservation of necessary easements.

Response to Council Items Requested:

The following discussion is provided to address Council questions and direction from the previous two meetings held in June and August 2024.

Item 1: Street Lighting and Traffic Calming

The Vista Meadows project design team and City Transportation Staff have worked together to incorporate traffic calming on Slack Street into the project. The Vista Meadows project will install City Standard Lighting requirements. The frontage improvements proposed by Vista Meadows for Slack Street, including lighting, are typical project conditions for development. Cal Poly will install two speed humps along Slack Street east of Grand as preemptive measures to avoid potential illegal speeding concerns following the widening of Slack Street by Cal Poly.

Item 2: Permit Fees and Costs Related to Staff Time

The Vista Meadows project has funded the appropriate planning fees for the detachment and street abandonment applications. These fees are identified in the Council's adopted fee schedule to cover staff time related to processing the discretionary applications, including review of proposals, public hearings at Planning Commission and City Council, and LAFCO applications and processing.

- \$17,020.30 – Street Abandonment application
- \$28,229.19 – Annexation/Detachment application

Cal Poly is a State agency of higher education and is entitled to fee exemptions that apply to the State so long as it is acting within the scope of its authority to promote educational purposes. Government Code 6103.6, prohibiting a fee or charge for “the mere issuance of a permit,” also prohibits the assessment or collection of “any fee or charge from the State” for work done “in, under, on or about any city...street.”

Item 5f

These provisions typically preclude the City from charging Cal Poly fees for issuance of an encroachment permit or for inspections. However, given that the proposed street abandonment and detachment applications are discretionary, the City Council may add conditions of approval as necessary to offset impacts of the proposed project. As discussed during the June 4, 2024 City Council meeting, Cal Poly was requested to pay the value of the encroachment permit fees to cover City staff plan check and inspection time for cost recovery associated with the project. The value of the encroachment permit issuance is \$98,533.13, which includes both plan check and construction inspection fees. The encroachment permit fee amount is a function of the value of the public improvements Vista Meadows is installing, as shown in the engineer's report submitted by Cal Poly and as identified in the 2023-24 Comprehensive User Fee schedule. Cal Poly staff has stated that they will agree to this requirement.

Item 3: Valuation of Right-of-Way to be Abandoned for the Vista Meadows Project

The northern street frontage on Slack Street that is being requested for abandonment is owned by Cal Poly in fee title. Therefore, only the public right-of-way easement is being abandoned, and the underlying land does not transfer ownership. Cal Poly and the City have negotiated parameters to fulfill the City Council's request for consideration of valuation. These parameters are consistent with the direction provided by City Council at closed session:

1. Cal Poly will own, maintain, and hold all liability obligations related to the curb, cutter, and sidewalk improvements installed within the abandonment area and has modified its abandonment and detachment applications to reflect its ongoing responsibilities for this area. Through this modification to the project, Cal Poly will not only undertake the work and costs to widen and install new sidewalk, curb, gutter, and lighting infrastructure on Slack Street east of Grand Avenue, it will also retain responsibilities for these new improvements, providing a net positive impact to the City's infrastructure.
2. Cal Poly has committed to recognizing the value of the right-of-way abandonment area when considering City acquisition of land for utilities (water reservoir) in the future at Cal Poly. Any dedication of land to the City for a water tank would require approval from the Cal Poly Board of Trustees, with consideration of a recommendation by Cal Poly staff.
3. Cal Poly will acknowledge the partnership with the City for the Vista Meadows project.
4. Cal Poly has agreed to pay the encroachment permit fees, including plan check and inspection, related to the frontage improvements on Slack Street.
5. Cal Poly will install traffic calming on Slack Street as part of the encroachment permit for frontage improvements.

Public Engagement

This item is on the October 15, 2024 Council agenda for consideration of a Resolution of Intention to abandon right-of-way, and staff has provided all required notifications in conformance with the Streets and Highways Code and Council noticing policy. The public has an opportunity to comment on this item at or before the meeting. Additional notices will be completed by staff, including lot postings, legal ads in the newspaper, and neighborhood mailings, in preparation of the November 12, 2024 hearing where Council will consider the Resolution to Abandon and consider if the detachment application should be submitted to LAFCO.

CONCURRENCE

This staff report was reviewed and approved by the Community Development Department, Finance Department, City Attorney, and City Administration.

The project has been reviewed by various City departments including Community Development, Public Works, Utilities, and Fire. Comments have been communicated to the Cal Poly project team for incorporation into project design where appropriate. Reservation of easements and infrastructure maintenance responsibilities have been addressed. These departments' comments will be included as conditions of approval.

ENVIRONMENTAL REVIEW

California State University is the lead agency for the environmental review of the faculty/staff housing project. In May 2020, the California State University (CSU) Board of Trustees San Luis Obispo certified an EIR for the 2035 Campus Master Plan (State Clearinghouse No. 2016101003). Addendum #1 to the Final Environmental Impact Report was prepared and approved by the California State University on February 14, 2024, for the Slack and Grand faculty/staff housing project, and a Notice of Determination was filed. The project plans, including proposed right-of-way improvements, were analyzed under the EIR Addendum, which demonstrated in the substantive analysis that the proposed revised project would not result in new significant impacts or a substantial increase in the severity of significant impacts identified in the Campus Master Plan EIR. All applicable mitigation measures identified in the Campus Master Plan EIR and included in the adopted Mitigation Monitoring and Reporting Program are part of the project and are listed in the EIR Addendum. The complete environmental analysis, including project plans and project description, and the complete 2035 Cal Poly Campus Master Plan can be viewed on the [Cal Poly website](#).

If the November 12, 2024 public hearing is authorized to proceed, the Resolution of Abandonment to be considered by Council will include CEQA findings. The proposed street right-of-way abandonment and detachment applications are consistent with the Final Environmental Impact Report for the Cal Poly 2035 Master Plan (State Clearinghouse No. 2016101003) certified in May 2020 by the California State University (CSU) Board of Trustees San Luis Obispo, and the EIR Addendum #1 approved by the California State University on February 14, 2024, for the Slack and Grand faculty/staff housing project.

FISCAL IMPACT

Budgeted: N/A
 Funding Identified: N/A

Budget Year: 2023-25

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$0	\$0	\$0	\$0
State				
Federal				
Fees				
Other:				
Total	\$0	\$0	\$0	\$0

There will be no net fiscal impact related to the proposed project. As noted in the discussion above, the applicant is required to fund the review and processing of the proposed applications, including the encroachment permit, street abandonment, detachment, and any associated analysis.

ALTERNATIVES

- The Council may choose to not adopt the Resolution of Intention and deny the abandonment, based on findings that the abandonment is inconsistent with the General Plan, or other policies, or that the street is needed for present or prospective public use.***
- The Council may continue the request.*** If the Council continues action, then specific direction should be given to staff and the applicant regarding further information needed.

ATTACHMENTS

- A - Draft Council Resolution of Intention to Abandon Portions of Slack Street
- B - 9/25/2024 PC Resolution recommending City Council approve street abandonment and detachment
- C - Legal Description of Slack Street Vacation (Right-of-way Abandonment)
- D - Legal Description of Slack Street and Hathway Detachments (City Limit Adjustment)
- E - Map of Slack Street and Hathway Detachments (City Limit Adjustment)
- F - Conceptual Site Plan, Cal Poly Vista Meadows Faculty and Staff Housing