



Date: July 18, 2024  
To: City of San Luis Obispo Community Development Department  
Attn: Callie Taylor  
From: Josh Bivin  
Subject: San Luis Ranch Lot 7 GPA/SPA Authorization - Response to Info Hold

Dear Callie,

Thank you for your Initiation Review letter of May 30, 2024. We appreciate your preliminary comments and expect that our responses below will contain all information required to allow staff to schedule a City Council hearing to authorize the proposed General Plan and Specific Plan amendments.

***Planning Division - Community Development Department***

***Please update the project description and submit additional information to address the follow items which are needed for City Council review and initiation:***

1. Project Description: Sheet SP1 of the plans indicates the project would include 276 dwelling units and 7,000 SF of commercial. This is potentially inconsistent with the project description in the Kovesdi Consulting letter of 4-29-24 that indicates up to 346 dwelling units (276 apartments and 70 affordable units) proposed on Lot 7. Does the Kovesdi letter include the portion of Lot 7 that had been previously approved for up to 77 affordable units, and indicated as “NAP” on Sheet SP1? Please clarify what is actually being proposed.

Response:

276 market rate rental units are proposed to be constructed on Lot 7 of San Luis Ranch by Williams Homes (WHA). This number of market rate units is reflected in the WHA site plan, as well as the project description. Additionally, San Luis Ranch is partnering with People’s Self-Help Housing (PSHH) to bring the City deed-restricted inclusionary rental housing units. PSHH competes for a variety of grant funding sources, which have different eligibility requirements. The California State budget fluctuates each year, and the amount of funding available from nonprofit housing grant programs changes each budget cycle. PSHH has guaranteed SLR that they will construct, at a minimum, the 64 units required by prior approvals, as well as additional units required with the approval of the WHA project proposed by this application. Here are the calculations for inclusionary housing:

**Current Approvals**

	<b>Acreage</b>	<b>Multiplier</b>	<b>Required</b>
Retail	9.45	2	18.9
Hotel	3.5	2	7
Office	3.7	2	7.4
			33.3
		<b>Rounded</b>	<b>34</b>
		<b>Transferred from MFR</b>	<b>26</b>
		<b>Total Required</b>	<b>60</b>
<b>Approved with 3142 VTTM</b>			<b>64-77</b>

**Proposed WHA/PSHH Lot 7 Project Proposal**

	<b>Acreage</b>	<b>Multiplier</b>	<b>Required</b>
Retail	0.5	2	1
Hotel	3.5	2	7
Office	3.7	2	7.4
Residential	276	10%	27.6
			43
		<b>Rounded</b>	<b>43</b>
		<b>Transferred from MFR</b>	<b>26</b>
		<b>Total Required</b>	<b>69</b>
<b>Approved with 3142 VTTM</b>			<b>64-77</b>

In order to maximize PSHH funding opportunities, San Luis Ranch is proposing a total Lot 7 residential density of between 345 units: 276 WHA units + 69 inclusionary PSHH units (26 transferred from the multifamily site by VTTM 3142, and 10% of WHA units, rounded up) and 358 (276 WHA units + 82 inclusionary PSHH units, depending on funding source). The site plan will be updated to show the PSHH site as part of the Lot 7 development project. We understand that the project will be reviewed based on the maximum potential number of PSHH inclusionary units (82) in order to appropriately evaluate potential impacts.

2. Project Description, Specific Plan Amendments: Clarify all statistics and make consistent, indicating on the plans how these relate to the overall buildout of the SLRSP. The original EIR and SEIR examined a project with up to 580 dwelling units, 150,000 SF of retail, 100,000 SF of office, and 200 hotels rooms. The subsequent approved Lot 3142 application increased development potential to 654 dwelling units but a reduction in retail development in the NC zone to 114,300 SF. The current application would include up to 276 dwelling units (or is it 346 units?) and 7,000 SF of commercial (or is it 15,000 SF?). Overall, it appears the SLR Specific Plan buildout would be 930 units (Kovesdi letter indicates 941 units), but only 7,000 SF of commercial, while office and hotel buildout would remain unchanged.

Response:

Existing Uses

The current/near-term buildout of San Luis Ranch to date (approved with building permits) consists of the following components already approved with the original Specific Plan, 2020 Amended Specific Plan, and VTTM 3142:

- 577 single and multifamily residential units
- 200-room hotel
- Allowed uses of the Agricultural Heritage Center per Specific Plan Table 3-10:
  - 3,000 sf Learning Center
  - 3,000 sf Market

- 10,000 sf Agricultural Processing
- 5,000 sf Food Services,
- 15,000 sf General Retail

Proposed Project

The proposed project would construct 276 market rate rental units, 64 units of inclusionary housing required by VTTM 3142, along with additional PSHH inclusionary units (see discussion above), and up to 15,000 square feet of commercial/retail development. Williams Homes will refine their plan for the retail component of Lot 7 prior to architectural review and has requested flexibility to respond to market conditions at time of building permit submittal. As with the PSHH component of the project, we request that the maximum potential retail square footage (15,000 sf.) be included in the staff’s review. No development of the office site is proposed with this application.

General Plan Amendment Request for Modified Buildout

The City’s Land Use Element Section 8.1.4 establishes performance standards for the Specific Plan according to land use type. The General Plan Amendment request would facilitate the proposed project with the following two modifications to the performance standards table on Page 1-88:

**Project Amendments to General Plan’s San Luis Ranch Performance Standards**

Designations Allowed	% of Site	Minimum	Maximum
LDR MDR MHDR HDR <u>NC</u>		350 units	<del>654 units</del> <u>941 units</u>
NC CC <u>AG</u>		<del>50,000 SF</del> <u>38,000 SF</u>	200,000 SF
O		50,000 SF	150,000 SF 200 rooms
PARK		<del>5.8 ac</del> <u>+/- 8.8 ac TBD</u>	
OS AG	Minimum 50%		No maximum
n/a			
n/a			

Source: San Luis Obispo General Plan, Land Use Element, Section 8.1.4 (2014)

3. Project Description, Transportation Analysis: The CCTC transportation analysis examined up to 358 units and 15,000 SF of commercial, which is inconsistent with the site plan and Kovesdi letter, and appears to account for the 77 units previously approved in VTTM 3142. Again, please clarify and revise documents as needed to be consistent, and put this in context with the previously approved portions of Lot 7 that are “not a part” of the current application.

Response:

As noted above, the PSHH component is now included in the project. The CCTC transportation analysis includes evaluation of 276 WHA units and 82 PSHH maximum potential units, capturing the maximum number of residential units, depending on funding source. The CCTC analysis also evaluated 15,000 sf. of retail in order to capture potential transportation impacts under the maximum retail scenario.

4. Density: When all proposed development in Lot 7 (276 units in this proposal and up to 77 units in the approved PSHH development) is considered in the aggregate, it appears to propose up to 353 units on 11.44-acre Lot 7, or an average density of 30.85 du/ac, which exceeds that allowed in even the highest density zone (NG-30) of the SLRSP. Please revise project description, which could require a General Plan Amendment and rezoning, to ensure consistency with density requirements.

Response:

Per both the originally adopted and Amended Specific Plan, residential density throughout the project is calculated based on gross site area:

## 2.2 Land Use — Categories

Table 2-3 (page 2-7) shows the land use categories and densities consistent with the City of San Luis Obispo General Plan. The San Luis Ranch Land Use Plan is made up of the following land use categories, described in the sections below, and in detail in the chapters following:

- Neighborhood General: Residential
- Neighborhood Commercial
- Agriculture
- Open Space

In accordance with the City of San Luis Obispo General Plan Land Use Element, the maximum dwelling units provided in the aggregated San Luis Ranch Specific Plan Area shall not exceed 654 units (including affordable and density bonus units). When calculating the density to determine the number of units permitted, the total number of units is divided by the gross land area, before lot subdivision and required dedications.

San Luis Ranch is designed as a horizontal mixed use project to stay in character with surrounding neighborhoods and to distinguish it from the Downtown Core. For a more detailed discussion of zoning, see Chapter 3.

The gross site area of the WHA portion of Lot 7 is 9.59 acres. At 30 du/acre, the WHA portion of the project can accommodate 287 residential units (9.59 X 30). (All dwelling units have been rounded down to the nearest whole number.) The project proposed 276 units, well under the maximum density.

The gross site area of the PSHH lot is 1.88 acres. At 30 du/acre, the PSHH portion of the project can accommodate 56 inclusionary residential units (1.88 X 30). The PSHH portion of the project is 100% affordable to low and very-low-income households and is therefore eligible for an 80%

State Density bonus of 45 units, bringing the total allowed units on the PSHH site to 101 inclusionary units. PSHH is proposing up to 82 units, well under the maximum density.

5. Zoning: The subject site at Lot 7 is currently zoned Neighborhood Commercial with a Specific Plan overlay, and has a General Plan designation of Neighborhood Commercial. The San Luis Obispo Municipal Code Section 17.26.020 allows a maximum density of 12 units per acre in the C-N zone. General Plan Land Use Element Table 1 identifies a maximum density of 12 du/ac in the NC designation. Please revise project description, which could require a General Plan Amendment and rezoning, to ensure consistency with density requirements.

Response:

Density provisions in the adopted San Luis Ranch Specific Plan and Amended Specific Plan takes precedence over the City's Zoning Regulations, as stated in Section 17.02.080 of that document:

***17.02.080 – Relationship to Specific Plans***

*Specific Plans are designed to meet the requirements of the State Government Code and the City of San Luis Obispo General Plan. All uses, buildings, or structures located within a specific plan area shall comply with the provisions of the applicable Specific Plan. If such provisions conflict with the Zoning Regulations, the requirements of the adopted Specific Plan shall take precedence over the Zoning Regulations. In instances where the Specific Plan is silent, the Zoning Regulations shall prevail.*

Residential density is capped in the Specific Plan at 30 units per acre. Please see above discussion of density under #4.

6. Inclusionary housing. Page 6 of the project description identifies inclusionary calculations.
  - Inclusionary units for the 31,000 sq. ft. of commercial at the Ag Heritage Center are not identified.
  - Provide a complete inclusionary housing plan, including proposed levels of affordability. Show compliance with the City's Inclusionary Ordinance, Municipal Code Chapter 17.138, including standards for inclusionary units (Section 17.138.050) and application requirements (Section 17.138.070).
  - One of the community benefits identified in the Development Agreement is the additional affordable housing beyond code requirements. To date, the required affordable housing has not been completed, and therefore, this community benefit and project requirement has not been fulfilled. Please provide additional information to explain this existing deficiency. Explain how additional affordable housing will be provided for consistency with DA provisions to provide the identified community benefit. How will San Luis Ranch ensure that the inclusionary housing requirements of both the existing and the proposed project are fulfilled?

Response:

- The SLR Lot 7 application is a part of the San Luis Ranch Specific Plan area. All inclusionary housing requirements for the San Luis Ranch Specific Plan area are governed by the adopted Amended Specific Plan, Development Agreement and subsequent Administrative Amendments to the Development Agreement. While all allowed uses at the Agricultural Heritage Center are included in both the original and Amended Specific Plan, the inclusionary requirements identified in the Development Agreement and Administrative Amendments to the Development Agreement do not require any inclusionary units for the Agricultural Heritage Center.
- As discussed above (response to #5), the San Luis Ranch Amended Specific Plan, Development Agreement and Administrative Amendments to the Development Agreement serve as the governing documents for all projects within the Specific Plan area. Therefore, projects proposed as part of the SLR Specific Plan are not subject to the City's Inclusionary Ordinance Municipal Code. The Lot 7 inclusionary housing plan will be consistent with the requirements of the Development Agreement and the First Administrative Amendment to the Development Agreement. Based on the recalculation of Lot 7 (see response to #1), the project will be required to deliver a total of sixty-nine (69) inclusionary units. Per the First Administrative Amendment to the Development Agreement, a minimum of twenty-six (26) of these units will be very-low-income deed restricted. The remaining units will be a combination of low and very-low-income based on the funding sources available to the inclusionary builder, People's Self-Help Housing.
- The Development Agreement identifies a community benefit of the San Luis Ranch Specific Plan area as having additional inclusionary units beyond the agreed upon minimum requirements in the Development Agreement. To fulfill this requirement, the Feasibility Memorandum Exhibit D of the recorded the Development Agreement agreed to the inclusion of fourteen (14) workforce deed restricted units. To date ten (10) workforce units have been completed. Three (3) additional workforce deed restricted units will be completed by the end of August 2024. The final workforce deed restrict unit will be completed at the completion of the buildout of the low-density product, per the terms of the San Luis Ranch Affordable Housing Agreement recorded with Tract Map 3096.

*Informational Notes:*

7. Zoning & mixed use proposal: The project appears to propose 276 units (or is it 346 units?) (185,340 sq. ft. residential), plus the 77 units previously approval, and 7,000 sq. ft. of commercial. While CN zoning allows mixed use projects, the proposal is almost entirely residential, and the commercial uses proposed are mostly residential amenities such as a rental office, mail room, and second floor gathering space. The mix of uses will be reviewed by City Council at the initiation hearing for input on the proposal and zoning/land use designation.

Response:

Per City of San Luis Obispo Zoning Regulations Section 17.02.080 (cited above) land use provisions in the San Luis Ranch Specific Plan and Amended Specific Plan take precedence over the City's Zoning Regulations. Therefore, the Lot 7 site is not zoned CN, but SLR NC, in which multifamily residential is allowed by right. (See Table 3-6, as well as density discussion, above.)

The proposed General and Specific Plan Amendments would revise the total number of residential units, square footage of commercial uses, and minimum acreage of parks in the San Luis Ranch Specific Plan Area. (Please note that the Specific Plan Amendment would remove the reference in Table 3-6 to Zoning Code 17.22.010(G), prohibiting vacation rentals (2012 Zoning Regs), since that language no longer exists in that section of the current City Zoning Regulations. However, a note will be added to Table 3-6 prohibiting vacation rentals, thus preserving the original intent of the Specific Plan.)

8. Parks. The GP calls for 5.8 acres of parks in SLR, but that assumed a buildout of 580 dwelling units, or 1 acre per 100 homes (which translates to about 5 acres per 1,000 population). That standard is similar to the overall Citywide standard in the GP for annexation areas, which is 5 acres per 1,000 population. (Buildout population of all of SLR with the current proposal is estimated to be about 2,000.) With the current proposal, there would be up to 930 dwelling units within SLR, which suggests the need for 9.3 acres of parkland within the Specific Plan area. With the proposed central park and central amenity (collectively about 2 acres), the total parkland within SLR would be roughly 5 acres. (Trails and drainage features do not count as parks.) This does not meet the existing SLRSP requirement, particularly if the requirement is interpreted as 1 acre per 100 units rather than 5.8 acres total, which had assumed a buildout of 580 dwelling units. It also falls short of the Citywide General Plan standard. If Council authorizes initiation of the project, the parks proposal will be considered by the Parks and Recreation Committee before being considered by the Planning Commission and ultimately City Council. Any parkland acreage shortfall, even if the proposal were to be approved by PRC, would require payment of in lieu fees to make up the acreage shortfall.

Response:

San Luis Ranch Specific Plan area Tract Maps 3096 and 3150 already provide a total of 5.8-acres of park land, based on the 2.8-acre Central Park and \$1,696,805 in-lieu fees paid in conjunction with the recordation of Tract Map 3096. In addition, per the terms of the Development Agreement, an additional Park In-Lieu fee in the amount of \$1,478,221 was paid through building permits for Tract Map 3150.

As you note, the San Luis Ranch Specific Plan area is required by both the General Plan and the Specific Plan to provide a minimum of 5.8 acres of parkland. The General Plan and Specific Plan do not require one acre of parkland for every 100 residential units. Therefore, the General Plan requirement for five acres per 1,000 residents in annexation areas governs. The parkland requirement for the proposed residential units on Lot 7 (not including the inclusionary units already

approved with VTTM 3142) are as follows (based on the maximum number of PSHH inclusionary units – 82):

<b>SLR Lot 7 Required Parkland</b>					
<b>WHA Portion*</b>			<b>PSHH Portion*</b>		
<u>Unit Type</u>	<u># of Units</u>	<u>Population</u>	<u>Unit Type</u>	<u># of Units</u>	<u>Population</u>
Studio	72	72	Studio	1	1
1BR	90	180	1BR	2	4
2BR	114	342	2BR	2	6
Total Units					
<b>Total Residents</b>		<b>594</b>			<b>11</b>
<b>Total Residents - WHA + PSHH</b>					<b>605</b>

\*1 resident per studio, 2 per 1BR unit, 3 per 2BR unit, per City of SLO 2024 Below Market Rate Housing Standards

General Plan Requirement for Annexation Areas = 5 acres per 1,000 residents  
**Based on 605 new residents, 3.025 additional acres of parkland is required.**

If PSHH receives funding for the maximum number of potential units proposed (82), an additional 3.025 acres of parkland or in-lieu equivalent will be required. The current WHA/PSHH proposal includes a central park and central amenity which collectively account for just over one acre. Coupled with the 5.8-acres already dedicated or satisfied through the payment of fees, that would leave a maximum projected shortfall of 2.025 acres ( $8.825 - 5.8 - 1 = 2.025$ ). Final park calculations will be completed as part of the authorized GPA/SPA/Development Plan application and will be subject to the approval of a final map and related entitlements.

Thanks for your time and consideration. We look forward to working with you to maximizing community benefits at San Luis Ranch.

Best regards,

*Josh Bivin*

Josh Bivin  
 MI San Luis Ranch



CC: Whitney McDonald, City of SLO City Manager  
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