



**Kovesdi Consulting**  
Land Use & Environment  
A CALIFORNIA CORPORATION  
*"Building Legacies"*

October 24, 2024

Callie Taylor, Community Development Department  
City of San Luis Obispo County  
919 Palm Street  
San Luis Obispo, CA 93401  
Via email

**Re: SPEC-0020-2024 San Luis Ranch Lot 7 Residential Mixed-Use Project Clarifications**

Dear Callie,

I hope you're doing well.

Thank you for your October 11<sup>th</sup> email confirming the December 10, 2024 City Council hearing date for the multifamily residential mixed-use project on Lot 7 of recorded Tract 3096 (site of approved VTTM 3142).

Per your direction, the applicant team has added a request for a Zoning Amendment to the revised project description below (all additional/modified language underlined). Please note that a General Plan Amendment request was included in the original application of April 29, 2024, in order to modify total residential units and commercial square footage identified by the performance standards in General Plan Section 8.1.4.

We look forward to working with Council and staff on this component of the San Luis Ranch Specific Plan area.

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## **Background**

Since it's conception more than a decade ago, San Luis Ranch Specific Plan has had four overarching goals:

- Diverse Range of Housing Types
- Multimodal Connectivity
- Agricultural Preservation
- Outdoor Recreation Opportunities

To date, the Specific Plan has been implemented to meet its original objectives, along with the developing needs of our dynamic community.

As we've discussed, the demands of City residents and workers have changed significantly since the adoption of the Specific Plan in 2018, particularly since the Covid-19 pandemic. Prior to the pandemic, consumers were already turning to online retail vendors. The pandemic and associated lockdowns solidified and supercharged the trend toward online shopping, resulting in increasing commercial vacancy rates, even in our beloved downtown. Higher commercial vacancies in turn have led to decreases in sales tax revenue to the City, as well as direct costs, in the form of lower downtown rents, which affect everything from the City's parking fund to its tourism budget.

At the same time, housing, particularly multifamily rental product, has become increasingly difficult to come by. Much of the SLO workforce still has to commute from outside of the City, contributing to traffic congestion, noise and air pollution, and greenhouse gases.

Having monitored these developments over the past few years and experienced the undesirability of additional commercial space through the unsuccessful marketing of Lot 7 as entitled, the San Luis Ranch team has partnered with Williams Homes and People's Self-Help Housing to bring the City a project that will address the prevailing conditions in the City and help the City prosper well into the future.

## **Project Description**

In partnership with Williams Homes and People's Self-Help Housing, San Luis Ranch is proud to put forward a new concept for Lot 7 that will respond directly to current and future needs of the San Luis Obispo community. Containing 276 market rate rental apartments, at least 69, and up to 77 affordable units, and ~~7,000~~ up to 15,000 square feet of neighborhood commercial, Lot 7 will give City residents another opportunity to live where they work and love where they live. People's Self-Help Housing competes for grant funding from a number of private and public programs, all of which have different scoring

parameters The final number of inclusionary affordable units will be determined by the People's Self-Help Housing funding source. Across Froom Ranch Way from the Agricultural Heritage Center's local eateries and markets, Lot 7 will be one of the most walkable neighborhoods in San Luis Obispo. The plan also contains a community gathering center, privately maintained public park, and the multimodal connectivity envisioned in the Specific Plan.

The proposed mixed-use project on San Luis Ranch Lot 7 (SLR7) will offer a dynamic and engaging new neighborhood of 276 market rate apartment residences designed and constructed by Williams Homes, with a mix of studios, one-bedroom and two-bedroom homes on roughly 9-acres. These homes are designed in two different three-story building types, a 12-plex building and a 30-plex, with units ranging in size from 594 SF - 896 SF. This mix of home types will be attractive to a variety of interested renters including singles, couples and small families who want to live close to all of the amenities that San Luis Ranch provides. The buildings are creatively situated on the site to respect the surrounding context and maximize the livability and pedestrian connectivity of the community. Attractive, modern farmhouse elevations in great color palettes will make the neighborhood a well sought after place to live.

San Luis Ranch and Williams Homes are honored to partner with People's Self-Help Housing to provide a minimum of 69 and up to 77 deed-restricted inclusionary affordable rental units. These 1, 2, and 3-bedroom units will range in size from 650 SF – 1,150 SF, and will include indoor and outdoor amenities, along with the wraparound services for which People's Self-Help Housing is so well recognized. Just like the market rate product, these units will have access to all of the park and open space resources, shopping and on-site agriculture at San Luis Ranch.

Located in the middle of the new neighborhood and over existing drainage improvements is the nearly 1-acre Central Park, envisioned as an open area for programmed activities such as sand volleyball, picnic area, outdoor gym, bocci ball courts and open areas. Adjacent to the multi-modal path, Central Park will be interconnected with extensive walking paths and will be open to the public. Given its proximity to the locally produced food at the Agricultural Heritage Center across Froom Ranch Way, this central park will offer lots of seating to enjoy offerings of the day.

The residents of the neighborhood will also enjoy a private recreation amenity (Central Amenity) which will include a pool and spa area, sunbathing areas, BBQs and gathering space and restroom buildings. Together, the Central Amenity (private) and the Central Park (public) will provide the community with active and welcoming open spaces within the higher density neighborhood. With a focus on bike trails throughout the neighborhood

and the community, 55 open bike racks for guests and 3 bike barns for residents, along with in-home bike racks will further support and encourage the use of bikes of all sizes and styles.

One exciting feature of this bicycle-centric neighborhood will be the vibrant commercial building, sensibly located at the corner of Froom Ranch Way and Dalidio Drive. Designed to reinforce the agricultural setting of the area, this space will feature an attractive habitable silo structure, recognizable as a landmark for the community. This structure ~~is envisioned to~~ may contain a bike shop for service, repair, and rentals, a deli/café, a small, locally sourced coffee/sweets shop for locals and visitors alike, and a mailroom/leasing office for the residents. A grand second floor multi-purpose space ~~will~~ could offer additional retail space, along with flexibility in programming of events, social gatherings or simply relaxing and enjoying the views and delightful weather of San Luis Ranch.

### **Entitlements to Implement the Project**

Entitlement processing is expected to include Development Plan with ARC review, General and Specific Plan Amendments with ALUC referral, ~~Zoning Amendment~~, Vesting Tentative Tract Map conformance evaluation, and environmental review. Removed per 10/24/24 email from Craig Steele.

## **General and Specific Plan Conformance and Requested Modifications**

### **General Plan:**

The San Luis Ranch Specific Plan Area is governed in the City's 2014 Land Use Element Section 8.1.4. That section identifies 14 goals, objectives, and requirements for the entire San Luis Ranch planning area. These include:

- a. Provide land and appropriate financial support for development of a Prado Road connection. Appropriate land to support road infrastructure identified in the Final Project EIR (overpass or interchange) at this location shall be dedicated as part of any proposal and any area in excess of the project's fair share of this facility shall not be included as part of the project site area used to calculate the required 50% open space.
- b. Circulation connections to integrate property with surrounding circulation network for all modes of travel.
- c. Connection to Froom Ranch and Calle Joaquin, if proposed, shall not bifurcate on-site or neighboring agricultural lands. Any connection to Calle Joaquin shall be principally a secondary / emergency access by design.

- d. Development shall include a transit hub. Developer shall work with transit officials to provide express connections to Downtown area.
- e. Maintain agricultural views along Highway 101 by maintaining active agricultural uses on the site and maintain viewshed of Bishop Peak and Cerro San Luis.
- f. Maintain significant agricultural and open space resources on site (see Policy 1.13.8.B). Land dedicated to Agriculture shall be of size, location, and configuration appropriate to maintain a viable, working agricultural operation.
- g. Where buffering or transitions to agricultural uses are needed to support viability of the agricultural use, these shall be provided on lands not counted towards the minimum size for the agriculture / open space component. Provide appropriate transition to agricultural uses on-site.
- h. Integrate agricultural open space with adjacent SLO City Farm and development on property.
- i. Site should include walkable retail and pedestrian and bicycle connections to surrounding commercial and residential areas.
- j. Commercial and office uses shall have parking placed behind and to side of buildings so as to not be a prominent feature.
- k. Neighborhood Commercial uses for proposed residential development shall be provided.
- l. Potential flooding issues along Perfumo Creek need to be studied and addressed without impacting off-site uses.
- m. All land uses proposed shall be in keeping with safety parameters described in this General Plan or other applicable regulations relative to the San Luis Obispo Regional Airport.
- n. Historic evaluation of the existing farm house and associated structures shall be included.

All of these goals, objectives, and requirements continue to be met with the proposed Lot 7 mixed-use project.

Additionally, the Land Use Element specifies the following performance standards for the San Luis Ranch Specific Plan Area:

Type	Designations Allowed	% of Site	Minimum <sup>1</sup>	Maximum
Residential	LDR MDR MHDR HDR		350 units	<del>500 units</del> <u>930 units</u>
Commercial	NC CC		<del>50,000 SF</del> <u>38,000 SF</u>	200,000 SF
Office/High tech)	O		50,000 SF	150,000 SF
Hotel/Visitor-serving				200 rooms
Parks	PARK		5.8 ac	
Open Space / Agriculture	OS AG	Minimum 50% <sup>2</sup>		No maximum
Public	n/a			
Infrastructure	n/a			

(Please note that Specific Plan Table 2-1 replicates this General Plan Table.) While the proposed Lot 7 mixed-use project meets all other Land Use Element performance standards, it will require two modifications:

**1) Increasing the maximum number of residential units from 500 to 930.**

The new maximum residential reflects:

- 577 market rate residential units, and up to 77 deed-restricted inclusionary units, for a total of 654 residential unit approved as part of a Specific Plan Amendment by City Council in November 2020. (Please note that 654 units the currently approved with the 2020 Specific Plan Amendment are not reflected in the City’s General Plan.)
- 276 Williams Homes market rate rental units, at 30 units per acre density allowed by the Specific Plan in the Neighborhood Commercial (NC) zone, and
- A minimum of 69 and up to 77 low-income affordable units to be provided by Peoples Self-Help Housing on a parcel donated by San Luis Ranch.

This residential density will generate projected traffic counts and VTM below the levels contemplated with the originally proposed retail development in the San Luis Ranch certified Final Environmental Impact Report (July 2017) and the Final Supplemental Environmental Impact Report (July 2018) as well as the Addendum to the certified Final Environmental Impact Report (August 2020).

\* Inclusionary housing - the change in use from 114,300 square feet of commercial to an additional 296 market rate multifamily residential units changes the calculation in required affordable units. The 2020 Specific Plan Amendment allowed 26-low-income affordable

units to be transferred from the existing multi-family site to the proposed Lot 7. The proposed Lot 7 mixed use development, along with the remaining affordable units to be constructed for other uses in the Specific Plan Area will result in a requirement for 69 affordable units on the Lot 7 site:

Lot 7 Retail	<u>1</u> units (2/acre)
Hotel	7 units (2/acre)
Office	7.4 units (2/acre)
Lot 7 MFR	27.6 units (10%)
Transferred	<u>26</u> units
<b>Total</b>	<b><u>69</u> units</b>

**2) Decreasing the minimum square footage of Commercial from 50,000 square feet to 38,000 square feet.**

The new minimum reflects the commercial uses available to San Luis Ranch and City residents, as well as visitors, in the Agricultural Heritage Center, as well as the neighborhood serving commercial uses proposed on Lot 7. See discussion pertaining to the challenges of retail development above, under “Background”.

Below is an approximate timeline of changes to the SLRSP’s total commercial square footage:

- The City’s 2014 General Plan Land Use Element establishes a performance standard/commercial minimum of 50,000 square feet for the SLRSP. This aligns with SLRSP Table 2-1 (General Plan San Luis Ranch Performance Standards).
- Council Resolution No. 11192 (November 2020) approved up to 114,300 square feet of commercial.
- As reported in the 2024 Annual Monitoring staff report (April 2024), the 53-acre AG-zoned portion of the Specific Plan currently includes 31,236 square feet of commercial buildings, including retail, restaurant, a market, and agricultural processing uses.

The Project proposes a ~~2-story~~ 15,000 ~~7,000~~ square foot ~~feet of~~ commercial structure ~~space~~, bringing the total commercial square footage within the SLRSP area to 46,236 ~~38,236~~ square feet, which is below the performance standard minimum of the 2014 adopted General Plan. However, the final square footage of retail will be determined at the time of building permit application. In order to allow Williams Homes flexibility in designing the commercial component, the project is proposing that the General Plan identify 38,000 square feet as the minimum retail square footage on the Specific Plan area. This would

include the existing 31,236 square feet of retail uses at the Agricultural Heritage Center, as well as a minimum 7,000 square foot, 1-story, up to 15,000, 2-story retail building on Lot 7.

**Specific Plan:**

The San Luis Ranch Specific Plan allows for a wide range of potential land uses, including multifamily residential. That document also establishes a variety of standards and requirements for development within the Neighborhood Commercial (NC) zone.

Specific Plan Table 2-3 identifies the maximum land area and number of units or square footage allowed within the Specific Plan area, and will be adjusted to comport with the General Plan table:

Type	Land Use Category	% of Site	Units/SF	Acreege	
<b>Planned Development</b>					
Low-Medium Density Residential	NG-10	12.66%	198 units	21.5 acres	
Medium Density Residential	NG-23	4.19%	83 units	7.3 acres	
High Density Residential	NG-30	8.47%	<del>299 units</del>	11.0 acres	<u>572 units</u>
Affordable Housing			<del>34 units</del>		<u>69-77 units</u>
Commercial	NC	9.34%	150,000 SF	11.9 acres	
Office	NC	3.43%	100,000 SF	4.2 acres	
Hotel and Conference Center	NC	2.88%	200 rooms	3.5 acres	
Public Parks		2.60%	<del>2.8 acres</del>		<u>3.8 acres</u>
Regional Roads		7.35%	10.8 acres		
<b>Agriculture and Open Space</b>					
Agriculture	AG	42.70%	50.0 acres		
Internal Open Space	OS	6.37%	7.8 acres		

Table 3-3 identifies multifamily dwellings as uses allowed by right, citing the City of San Luis Obispo Zoning Code Section 17.22.010, which states the goal of allowing “dense housing close to concentrations of employment and college enrollment, in the Downtown core, along transit corridors and nodes, and in areas largely committed to high-density residential development”. Table 3-7 establishes the development standards for development within the NC zone.



Section 3.7.1 (Residential Design Guidelines) apply to residential projects regardless of zone designation. Residential development standards are found in Table 3-3. Section 3.7.2 guidelines apply only to commercial development.

The proposed mixed-use Lot 7 project conforms to Specific Plan requirements and standards, including lot coverage, building height and design features, setbacks, landscaping, automobile and bicycle parking, and public improvements (Transit Center).

### **Zoning Amendment**

The application includes a request to update the Lot 7 SLR Neighborhood Commercial zoning to allow residential density of up to 30 dwelling units per acre (gross). Removed per 10/24/24 email from Craig Steele.

### **VTTM 3142 Conformance and Development Agreement Status:**

With this application, San Luis Ranch is submitting an application for review and approval of a proposed final map for Lot 7 of Tract Map 3142. As approved initially, the Lot 7 was proposed to be subdivided into 11 lots, including the affordable housing lot to be donated ~~granted~~ to People's Self-Help Housing (PSHH), which is identified as Lot 11 on the Map. Recordation of this final phase of Tract 3142 is necessary to be able to convey Lot 11 to PSHH.

We are requesting that the City find the current proposed final map to be in substantial compliance with the previous approved tentative map. Per Section 66474.1 of the Subdivision Map Act, the City shall not deny the recordation of a final map where it finds that "the final ... map is in substantial compliance with the previously approved tentative map." Here, the proposed final map is in substantial compliance with the approved tentative map. Both maps result in the same number of lots and identical locations of ingress and egress to adjacent public streets. The internal configuration of several lots has changed in order to provide more logical lot lines to run through the middle of drive aisles, as opposed to the original parcel lines that now cross yards, drainage features, and areas occupied by structures.

We also note that the City has requested confirmation as to whether San Luis Ranch is amenable to discussing changes to certain portions of the previously approved Development Agreement. San Luis Ranch is willing to discuss changes to the Development Agreement in the event that legislative amendments, such as approval of an amendment to the Specific Plan, is required in conjunction with the approved project.

Please let me know if you have any preliminary questions regarding this application package. Thanks so much for your time and consideration. We look forward to working with you on this exciting project.

Very best regards,

*Rachel Kovesdi*

Rachel Kovesdi

Cc: Timmi Tway, City of SLO Community Development Director  
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